



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2019-03-08

MAYORAL COMMITTEE MEETING
WEDNESDAY, 2019-03-13 AT 10:00

TO The Executive Mayor, Ald G Van Deventer (Ms)
The Deputy Executive Mayor, Cllr N Jindela

COUNCILLORS P Crawley (Ms)
J De Villiers
AR Frazenburg
E Groenewald (Ms)
XL Mdemka (Ms)
S Peters
M Pietersen
Q Smit

Notice is hereby given that a Mayoral Committee Meeting will be held in the Council Chamber, Town House, Plein Street, Stellenbosch on **Wednesday, 2019-03-13 at 10:00** to consider the attached agenda.

EXECUTIVE MAYOR, ALD GM VAN DEVENTER (MS)

CHAIRPERSON

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2019-03-13
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APPENDIX 1

**Confirmation of
Minutes: Mayoral
Committee:
2019-02-13**



STELLENBOSCH
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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2019-02-13

MINUTES

MAYORAL COMMITTEE MEETING:

2019-02-13 AT 10:00

MINUTES
MAYORAL COMMITTEE MEETING
2019-02-13
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PRESENT: Executive Mayor, Ald GM Van Deventer (Ms) (**Chairperson**)
Deputy Executive Mayor, Cllr N Jindela

Councillors: PR Crawley (Ms)
JN De Villiers
A Frazenburg
XL Mdemka (Ms)
S Peters
Q Smit

Also Present: Alderman PW Biscombe
Councillor FJ Badenhorst
Councillor WC Petersen (Ms)
Councillor WF Pietersen
Alderwoman J Serdyn (Ms)

Officials: Municipal Manager (G Mettler (Ms))
Acting Chief Financial Officer (K Carolus)
Acting Director: Community and Protection Services (A van de Merwe)
Director: Planning and Economic Development (T Mfeya)
Director: Corporate Services (A de Beer (Ms))
Director: Infrastructure Services (D Louw)
Chief Audit Executive (F Hoosain)
Manager: Secretariat (EJ Potts)
Senior Administration Officer (B Mgcushe (Ms))
Committee Clerk (N Mbali (Ms))
Interpreter (J Tyatyeka)

1.	OPENING AND WELCOME
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The Executive Mayor welcomed everyone present.

2.	COMMUNICATION BY THE CHAIRPERSON
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“Goeiedag, Good Morning, Molweni, As-salaam Alaikum

- Begin somer met „n hoogtepunt
- Eerskomende Vrydag, die 15de Februarie word Pniël se elektrisiteitnetwerk amptelik oorgedra aan Stellenbosch Munisipaliteit
 - Die eerste gesprekke rondom die oornome het reeds in 2008 begin
 - Mnr Deon Louw is reeds van die begin af, in verskillende posisies hierby betrokke
 - Na baie vergaderings en struikelblokke het die groot dag uiteindelik aangebreek

- Dit is „n baie belangrike dag vir inwoners van Pniël
 - Dit beteken dat al hul dienste nou deur ons verskaf gaan word, en dat die inwoners nie meer twee rekeninge van twee munisipaliteite gaan kry nie
 - Gaan ook bietjie finansiële voordele vir hul inhou vir die inwoners en gaan dienslewering vergemaklik
 - Aan die begin van my termyn het ek onderneem dat ons die oornam suksesvol sal afhandel, en nou het die dag aangebreek!
 - Vrydagaand vier ons die geleentheid saam met die inwoners van Pniël met „n aanskakeling van die ligte!
- With the start of the new year I have also resumed my regular site visits to all the wards within our municipality
 - Our residents will continue to see me walking in all our communities throughout the year, handing out information about how to properly contact the Municipality and report a service delivery issue.
 - I am also gathering feedback from the community on issues and challenges they face, and incorporating it into our future plans to improve our services
 - I started the year in Franschhoek where I went door to door and met several small business owners and store managers.
 - Franschhoek also faces major parking problems, along with the greater Stellenbosch, and we will continue to work towards a solution that will address the problem as a whole.
- Gedurende die Staatsrede het president Ramaphosa die verkiesingsdatum vir die Nasionale en Provinsiale verkiesings aangekondig.
 - Die verkiesing sal plaasvind op Woensdag, 8 Mei 2019.
 - Inwoners wat kwalifiseer om te stem, kan nog registreer totdat die verkiesingsdatum geproklameer word in die Staatskoerant.
 - Sodra die datum geproklameer is sal die OVK die kiesersrol sluit en sal die amptelike verkiesingsproses inskop soos dit deur die grondwet bepaal word
 - Na verwagting sal die proklamasie aan die einde van die Maand plaas vind of selfs voor dit.
 - Inwoners wat dus nog nie geregistreer is nie, moet dit onmiddellik gaan doen.
- Verlede week het ek die groot voorreg gehad om die Prim-komitee van die Universiteit te ontmoet
 - Die Primariusse en Primarias van die onderskeie koshuise en privaat wyke op kampus vergader op „n gereelde basis om studente sake te bespreek
 - In die belang van nouer samewerking met die studente, het ek hulle hier ontvang in die raadsaal vir hul eerste vergadering
 - Die studente is ook inwoners van ons dorpe en in die belang van beter samewerking is dit nodig dat ons groter interaksie direk met die studente bewerkstellig om seker te maak ons betrek hulle as volwaardige en verantwoordelike inwoners.
 - Dit is lekker om so „n dinamiese en uiteenlopende groep studente-leiers te sien en dit is vir my „n positiewe teken vir ons toekoms.
- As our residents are all aware, we are again faced with load shedding.
 - This round of load shedding has been rather unexpected and more severe

than in the past

- I want to assure residents that we understand and share their frustrations.
 - The load shedding, the schedule and the frequency thereof has nothing to do with the Municipality and our service delivery, it is all determined by Eskom.
 - We do however work hard to ensure that it does not affect our other services.
 - As and when Eskom informs us of load shedding, we make the information available to our residents.
 - Please join our social media platforms for quick and easy updates.
- I am ending on a romantic note
 - A reminder to all that tomorrow, Thursday, is Valentine's Day!
 - Generally considered the day on which we celebrate love, I want to encourage everyone to enjoy and celebrate – It does not have to be romantic love
 - Celebrate family, friends or even colleagues!
 - I hope you all have a pleasant and wonderful day!"

3.1	DISCLOSURE OF INTERESTS
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NONE

3.2	APPLICATIONS FOR LEAVE OF ABSENCE
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The following applications for leave were approved in terms of the Rules of Order of Council:-

Councillor E Groenewald (Ms) - 13 February 2019

Councillor M Pietersen - 13 February 2019

4.	CONFIRMATION OF PREVIOUS MINUTES
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The minutes of the Mayoral Committee Meeting held on 2019-01-23 were **confirmed as correct.**

5.	STATUTORY MATTERS
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NONE

6.	REPORT/S BY THE MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS TAKEN AT PREVIOUS MAYORAL COMMITTEE MEETINGS
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NONE

7.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]
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7.1	COMMUNITY AND PROTECTION SERVICES: (PC : CLLR J DE VILLIERS)
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NONE

7.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
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7.2.1	PROPOSED EXCHANGE OF LAND: DISPOSAL OF ERF 1523 TO THE SEVENTH DAY ADVENTIST CHURCH IN EXCHANGE FOR ERF 718, KAYAMANDI
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

13 February 2019

1. SUBJECT: PROPOSED EXCHANGE OF LAND: DISPOSAL OF ERF 1523 TO THE SEVENTH DAY ADVENTIST CHURCH IN EXCHANGE FOR ERF 718, KAYAMANDI

2. PURPOSE

To authorise the exchange of erf 1523 for erf 718, Kayamandi to the Seventh Day Adventist Church.

3. DELEGATED AUTHORITY

The Municipal Council must consider the matter.

4. EXECUTIVE SUMMARY

Following the allocation of erf 718 to the Seventh Day Adventist Church in 1997, they paid the sales price of R11 286.00 in full during 2002.

Before the property could be transferred to them, it became evident that the Municipal Clinic Building (now a Provincial clinic) was encroaching onto erf 718.

Following a request by the Provincial Government of the Western Cape to acquire erf 718, in order for them to enlarge the current building, the Seventh Day Adventist Church was approach to accept an alternative site (erf 1523, Kayamandi).

They have now confirmed in writing that they will accept the exchange of land, subject to certain conditions. Council must now decide on the matter.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-02-13: ITEM 7.2.1

- (a) that erf 1523 be identified as land not needed to provide the minimum level of Municipal Services;
- (b) that Council in principle approves the exchange of erf 718 for erf 1523 at equal value;

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- (a) that Council's intention to do the exchange of land be advertised for public inputs/objections/alternative proposals;
- (d) that the item be brought back to Council following the public notice period, to make a final decision in this regard; and
- (e) that Council notes the concerns indicated in the letter of the Seventh Day Adventist Church, and that Council commits to fencing the substation and attempt to find alternative land for the play park.

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@stellenbosch.gov.za
REPORT DATE	2018-03-23

7.2.2	POSSIBLE DISPOSAL OF ERF 111, KAYAMANDI, TO THE UNITED REFORMED CHURCH IN SOUTHERN AFRICA (URCSA): CONSIDERATION OF PUBLIC INPUTS AND DETERMINATION OF MARKET VALUE
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Organisational Transformation

13 February 2019

1. SUBJECT: POSSIBLE DISPOSAL OF ERF 111, KAYAMANDI, TO THE UNITED REFORMED CHURCH IN SOUTHERN AFRICA (URCSA): CONSIDERATION OF PUBLIC INPUTS AND DETERMINATION OF MARKET VALUE

2. PURPOSE

To make a final determination on the disposal of erf 111, Kayamandi to URCSA.

3. DELEGATED AUTHORITY

Council must therefore consider the matter.

4. EXECUTIVE SUMMARY

Following an in principle decision by Council to dispose of erf 111, Kayamandi to URCSA on a private treaty basis, Council's intention so to act was published for public inputs. No such inputs and or objections were received.

A valuation report has also been received subsequent to the Council resolution to donate the property to URCSA valuating the property at R133 250.00 Council make take a decision to dispose of land for an amount less than fair market value for the reasons contained in regulation 13(2) of the Asset Transfer Regulations. If Council would have disposed of the land for a church organisation in terms of policy it will have considered a value of as low as 10 % of the market value. In this instance, Council resolved that due to the long history of use by the church and the fact that it is used for, inter alia, social care purposes for the broader community in Kayamandi will benefit and that it can be donated.

Council must now make a final determination with regards to the disposal of erf 111, Kayamandi.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-02-13: ITEM 7.2.2

- (a) that it be noted that no public inputs/objections have been received following the public notice period;
- (b) that it be noted that the property's fair market value has been valued at R133 250.00;
- (c) that Council approves of the disposal of erf 111, Kayamandi, to The United Reformed Church in Southern Africa (URCSA) at no cost, subject to the following conditions:
 - (i) that a reversionary clause be inserted in the title deed of the property, indicating that the property may only be used for religious/social care purposes, and that it cannot be sold without the prior written approval of Stellenbosch Municipality;

- (ii) that The United Reformed Church in Southern Africa (URCSA) be responsible for all costs related to the transfer of the property to their name;
- (d) that the Municipal Manager be authorised to sign all documents necessary to effect the transfer of the property to The United Reformed Church in Southern Africa (URCSA); and
- (e) that Council considered the market value of the property and the property is donated due to the long history of use by the church and the fact that it is used for, inter alia, social care purposes for the broader community in Kayamandi. The local community would therefore be better served if the erf is transferred at less than its fair market value, as opposed to a transfer of the asset at fair market value.

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	<i>Manager: Property Management</i>
DIRECTORATE	<i>Corporate Services</i>
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@stellenbosch.gov.za
REPORT DATE	2019-01-30

7.2.3	IDENTIFICATION OF POSSIBLE TRUST LAND IN PNIEL: WAY FORWARD
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Organisational Transformation

13 February 2019

1. SUBJECT: IDENTIFICATION OF POSSIBLE TRUST LAND IN PNIEL: WAY FORWARD

2. PURPOSE

To report on the public participation process followed and to consider any further input to the minister, if any.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Following a Notice by the Minister for Rural Development and Land Reform in terms of Section 9 (1) (a) of the Transformation of Certain Rural Areas Act, No 94 of 1998 (TCRA), a copy of which is attached as **APPENDIX 1**, a letter was addressed to the Minister, setting out a Process Plan and some background information on the identified portions of land, a copy of which is attached as **APPENDIX 2**.

This was followed by a report to Council on 2017-01-25, recommending a way forward. Having considered the report, Council resolved as follows:

RESOLVED (nem con)

- (a) *that the content of the notice of the Minister, be noted;*
- (b) *that the process plan as set out in par. 3.1.5, submitted to the Minister, be endorsed;*
- (c) *that the Municipal Manager be authorised to attend to the public participation process as set out in paragraph 3.1.5;*
- (d) *that the proposed allocations, as set out in paragraph 3.1.4, be supported in principle; and*
- (e) *that, following the public participation process, a progress report be submitted to Council to deal with the submissions received as a consequence of the public participation process, whereupon final recommendations will be made to the Minister regarding the allocation/transfer of so-called Section 3 Trust land”.*

A copy of the agenda item that served before Council is attached as **APPENDIX 3**.

Following the above resolution, the public participation process approved by Council was implemented. The inputs received from the public were sent to the Minister. A consultant contacted Mr Smit at the end of 2018 to indicate that they have been appointed by the Minister and the inputs received in the public participation process were given to the consultant again. We had no further feedback from the Minister’s Office since.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-02-13: ITEM 7.2.3

that Council takes note of the progress to date and considers further recommendations/comments, if any, to the Minister.

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	<i>Manager: Property Management</i>
DIRECTORATE	<i>Corporate Services</i>
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@stellenbosch.gov.za
REPORT DATE	2018-03-12

7.2.4	AMENDMENTS TO 2017 ORGANISATIONAL STRUCTURE
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Collaborator No:

IDP SFA Ref No: 5 – Good Governance and Compliance

Meeting Date: 13 and 27 February 2019

1. SUBJECT: AMENDMENTS TO 2017 ORGANISATIONAL STRUCTURE

2. PURPOSE

To obtain Council's approval for amendments to the 2017 organisational structure.

3. DELEGATED AUTHORITY

For decision by municipal council.

4. EXECUTIVE SUMMARY

Section 66 of the Local Government Systems Act, 32 of 2000 as amended, requires the Municipal Manager to develop a staff establishment and submit it for Council approval. The Local Government Regulations on the Appointment and Conditions of Service of Senior Managers, GN 21 published on 17 January 2014) requires a Municipal Manager to within 12 months after the election of a new Council review the staff structure. Council approved a new staff structure on 25 October 2017. A structure is a living document and must on a regular basis be reviewed to ensure it stays relevant. No amendments to the Macro structure are proposed. The changes proposed to the micro structure are indicated on the pages of the approved structure for easy reference.

The principles used to make amendments were as follows:

- We did not deal with name changes of posts as a rule. The names of posts will be determined through the evaluation process;
- Posts were not put on the structure to accommodate employees in the pool, but to accommodate functions that were not addressed in the structure approved in 2017 and are necessary for service delivery;
- If there are vacant posts on the structure, additional posts should not be added before vacancies are filled;
- One-on-one reporting lines are not a good practice and were discouraged. A span of 4 – 7 is not regarded as too broad;
- Productivity of employees should be monitored to ensure that 8 hours are worked on a daily basis;
- Interchangeable posts are promoted to ensure that duplications are eliminated.

A consultation process with SAMWU and IMATU took place within the Restructuring Sub-committee where every change was discussed. A special meeting of the Local Labour Forum in February will discuss the feedback from the Restructuring Sub-committee.

Placements that will take place will use the same principles that are contained in the existing Placement Policy approved on 25 October 2017.

5. RECOMMENDATIONS

That it be recommended to Council:

- (a) that the proposed micro structures changes (as depicted in **ANNEXURES A1 and A2**) be adopted for implementation;
- (b) that the filling of the new and vacant positions on the proposed amended organisational structure be phased in. For this purpose, top management has identified critical posts for filling whilst other vacancies will be budgeted for yearly;
- (c) that the post names be used as temporary names until the evaluation process determines final post designations;
- (d) that affected employees will continue with current functions until assigned to a post on the amended structure; and
- (e) that the financial implications for the amendments be determined before the Council meeting.

6. DISCUSSION / CONTENTS

6.1 Background

Section 66 of the Local Government Systems Act, 32 of 2000 as amended, requires the Municipal Manager to develop a staff establishment and submit it for Council approval. The Local Government Regulations on the Appointment and Conditions of Service of Senior Managers, GN 21 published on 17 January 2014) requires a Municipal Manager to within 12 months after the election of a new Council review the staff structure. Council approved a new staff structure on 25 October 2017.

6.2 Discussion

A structure is a living document and must on a regular basis be reviewed to ensure it stays relevant. No amendments to the Macro structure are proposed. The changes proposed to the Micro structure are indicated on the pages of the approved structure for easy reference.

The principles used to make amendments were as follows:

- We did not deal with name changes of posts as a rule. The names of posts will be determined through the evaluation process;
- Posts were not put on the structure to accommodate employees in the pool, but to accommodate functions that were not addressed in the structure approved in 2017, and are necessary for service delivery;
- If there are vacant posts on the structure, additional posts should not be added before vacancies are filled;
- One-on-one reporting lines are not a good practice and were discouraged. A span of 4 – 7 is not regarded as too broad;
- Productivity of employees should be monitored to ensure that 8 hours are worked on a daily basis;
- Interchangeable posts are promoted to ensure that duplications are eliminated.

A consultation process with SAMWU and IMATU took place within the Restructuring Sub-committee where every change was discussed. A special meeting of the Local Labour Forum in February will discuss the feedback from the Restructuring Sub-committee.

Placements that will take place will use the same principles that are contained in the existing Placement Policy approved on 25 October 2017.

6.3 Financial Implications

The amendments will be implemented with effect from 1 March 2019.

The financial implications for the new posts on the structure will be assessed after the Local Labour Forum meeting and will be included in the item for Council.

Irrespective of the additional costs of the amendments, posts will only be filled within the approved budget.

6.4 Legal Implications

Section 66 of the Local Government Systems Act, 32 of 2000 as amended, requires the Municipal Manager to develop a staff establishment and submit it for Council approval. The Local Government Regulations on the Appointment and Conditions of Service of Senior Managers, GN 21 published on 17 January 2014) requires a Municipal Manager to within 12 months after the election of a new Council review the staff structure. A structure should also be reviewed on a regular basis to ensure it is relevant and keep track with changes in the IDP.

The Labour Relations Act, 66 of 1995 deals with the rights of employees where the post of the employee is abolished and provides for a consultation process and alternatives to be considered before retrenchment may take place. The SALGBC has an existing collective agreement that provides for the consultation process and retrenchment packages for affected employees.

The recommendations comply with the legislation as indicated.

6.5 Staff Implications

Some staff members that are currently in the pool may be accommodated in some of the amended posts. Staff will continue with their current functions if their post is affected until they are assigned a new post in line with the principles contained in the Placement Policy.

Employees who are in major change posts or whose positions have been abolished will be placed in the "pool" and reasonable alternatives will be offered to them where such positions exist. Where no reasonable alternative can be found the collective agreement of the SALGBC in regard to retrenchments will come into operation. The agreement provides for a retrenchment package of 3 weeks" pay for every full year worked.

Whilst in the pool, employees will continue to operate within current positions until a suitable alternative has been offered or finalisation on the future of the employee has been concluded.

6.6 Previous / Relevant Council Resolutions:

25 October 2017 – item 7.2.3

6.7 Risk Implications

Risks are minimized with the process followed and recommendations in the item.

6.8 Comments from Senior Management

The Directors were part of the review and amendment process, and they support the amendments.

6.8.1 Chief Financial Officer

Vacancies will only be filled as per the approved annual budget. An estimated cost implication for the amendments will be indicated in the item submitted to Council.

6.8.2 Municipal Manager

Agrees with the recommendations.

ANNEXURES**Annexure A1 and A2: Proposed amendments to the 2017 Organisational Structure****RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2019-02-13: ITEM 7.2.4**

- (a) that the proposed micro structures changes (as depicted in **ANNEXURES A1 and A2**) be adopted for implementation;
- (b) that the filling of the new and vacant positions on the proposed amended organisational structure be phased in. For this purpose, top management has identified critical posts for filling whilst other vacancies will be budgeted for yearly;
- (c) that the post names be used as temporary names until the evaluation process determines final post designations;
- (d) that affected employees will continue with current functions until assigned to a post on the amended structure; and
- (e) that the financial implications for the amendments be determined before the Council meeting.

FOR FURTHER DETAILS CONTACT:

NAME	Annalene de Beer
POSITION	Director: Corporate Services
DIRECTORATE	Corporate Services
CONTACT NUMBERS	021 – 808 8018
E-MAIL ADDRESS	Annalene.deBeer@stellenbosch.org.za
REPORT DATE	12 February 2019

DIRECTOR: CORPORATE SERVICES

The contents of this report have been discussed with the Executive Mayor and the Mayoral Committee.

7.3	FINANCIAL SERVICES: (PC: CLLR P CRAWLEY (MS))
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NONE

7.4	HUMAN SETTLEMENTS: (PC: CLLR N JINDELA)
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NONE

7.5	INFRASTRUCTURE SERVICES: (PC: CLLR Q SMIT)
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NONE

7.6	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: XL MDEMKA (MS))
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NONE

7.7	PLANNING AND ECONOMIC DEVELOPMENT: (PC: CLLR E GROENEWALD (MS))
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NONE

7.8	RURAL MANAGEMENT AND TOURISM: (PC: CLLR S PETERS)
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NONE

7.9	YOUTH, SPORTS AND CULTURE: (PC: M PIETERSEN)
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NONE

7.10	REPORTS SUBMITTED BY THE MUNICIPAL MANAGER
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NONE

8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

9.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
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NONE

10.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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NONE

The meeting adjourned at 10:37.

CHAIRPERSON:

DATE:

Confirmed on **with/without amendments.**

5.	STATUTORY MATTERS
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NONE

6.	REPORT/S BY THE MUNICIPAL MANAGER RE OUTSTANDING RESOLUTIONS TAKEN AT PREVIOUS MAYORAL COMMITTEE MEETINGS
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NONE

7.	CONSIDERATION OF ITEMS BY THE EXECUTIVE MAYOR: [ALD G VAN DEVENTER (MS)]
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7.1	COMMUNITY AND PROTECTION SERVICES: (PC : CLLR J DE VILLIERS)
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NONE

7.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
7.2.1	APPLICATION TO LEASE UNIT 1 OF BOSMANSHUIS (PART OF THE DORP STREET FLATS UNITS) TO THE INDEPENDENT ELECTORAL COMMISSION (IEC)

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance

13 March and 27 Match 2019

1. SUBJECT: APPLICATION TO LEASE UNIT 1 OF BOSMANSHUIS (PART OF THE DORP STREET FLATS UNITS) TO THE IEC

2. PURPOSE

To obtain approval from Council to conclude a lease agreement with the Independent Electoral Commission (IEC) in relation to unit 1 of Bosmanshuis situated on a portion of erf 1134, Stellenbosch.

3. DELEGATED AUTHORITY

Council must consider the item.

4. EXECUTIVE SUMMARY

An application to lease the premises from Stellenbosch Municipality was received from the IEC. They originally indicated their interest in an office in the Town Hall, but that office is needed for the Municipality's own operations. One of the Dorp Street flats was identified as a possible option. The premises that were identified for possible leasing by the IEC are Unit 1 in Bosmanshuis. The IEC inspected the premises and is happy that it will fulfil their needs. The IEC is a chapter 9 institution. Given that the National and Provincial election takes place in May 2019, the date of occupation is proposed as 1 June 2019.

Council must consider the application, taking into account the prescripts of the Asset Transfer Regulations, read with the provisions of the Property Management Policy.

5. RECOMMENDATIONS

- (a) that Unit 1 Bosmanshuis, situated on a portion of erf 1134, as shown on Fig.2, be identified as property not required for the municipality's own use during the period for which the right is to be granted;
- (b) that approval be granted, in principle, to enter into a 3 year lease agreement with the IEC at a monthly rental of R 5940, being 30% of fair market rental given that the IEC is a Chapter 9 (of the Constitution) institution;
- (c) that Council's intention to enter into an agreement with the IEC be advertised for public comments/inputs;
- (d) that following the public notice period, an item be submitted to Council to make a final determination; and
- (e) that the normal rules in terms of maintenance of the inside of the building will be included in the rental agreement to be concluded.

6. DISCUSSION / CONTENTS

6.1. Background

An application was received from the IEC to conclude a lease agreement with Stellenbosch Municipality for rental of office space. They are currently in Worcester, but is looking for new office space at a more affordable rate.

The initial request was in relation to an office and some storage space at the Town Hall. That office space is however needed for our own staff and the storage space is used by people who rent the Town Hall from time to time especially when there are exhibitions. One (1) of the Dorp Street flats, situated on a portion of erf 1134, Stellenbosch, was identified as a possible alternative. The request is further to rent the space at a discounted rate. Copy of the application is attached as **APPENDIX 1**.

6.2 Discussion

6.2.1 Location and context

Unit no 1 Bosmanshuis is situated on a portion of erf 1134, as shown on Fig.1 and 2, below.

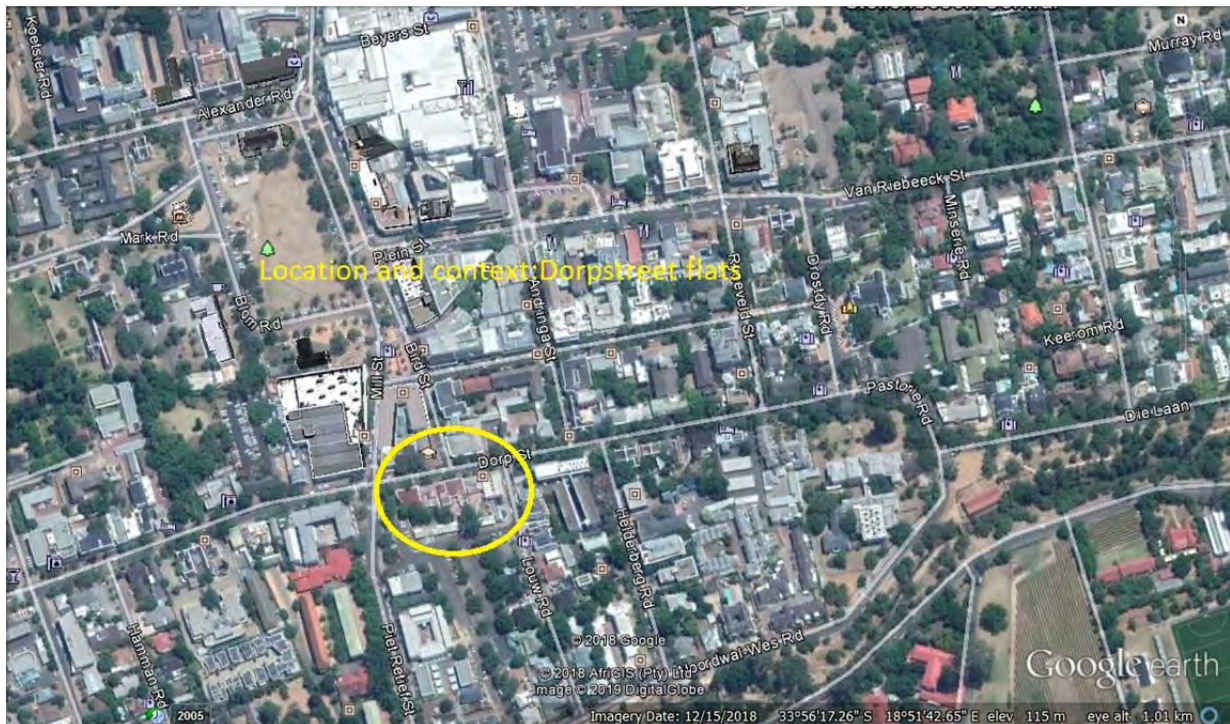


Fig.1: Location and context

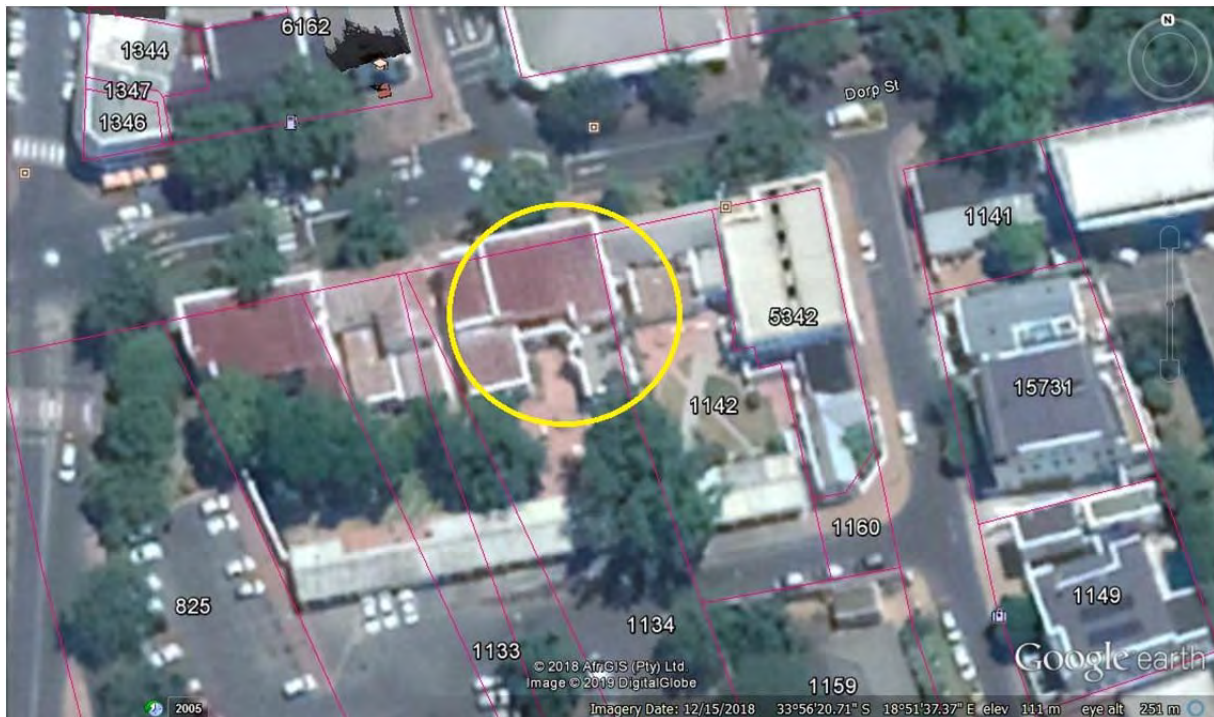


Fig. 2: Position of the flat

The unit is $\pm 110\text{m}^2$ in extent.

6.2.2 Ownership

The ownership of erf 1134 vests with Stellenbosch Municipality by virtue of Title Deed G19/1971. See Windeed record hereto attached as **APPENDIX 2**.

6.3 Financial Implications

Fair Market rental

Based on recent valuations being obtained for erven 2498 and 2499 (Animal Hospital) the fair market rental is $\pm \text{R}180/\text{m}^2$. The unit is $\pm 110\text{m}^2$ in size, which would equate to a monthly rental of $\text{R}19\,800.00$.

The IEC specifically requested that the property be made available at a discounted rate. Taking into account that the IEC is a chapter 9 (of the Constitution) institution, it is recommended that the rental be determined at 30% of fair market rental, i.e. $\text{R}5\,940$ per month.

6.4 Legal Implications

6.4.1 Chapter 4 of the Asset Transfer Regulations

In terms of Regulation 34(2) a municipality may grant a right to use, control or manage a capital asset, but only after:

- a) The accounting offices has in terms of regulation 35 conducted a public participation process* regarding the proposed granting of the right; and
- b) The municipal council has approved in principle that the right may be granted.

*However, sub regulation (1)(a) (public participation process) must be complied with only if-

- a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10 million; and
- b) a long term right is proposed to be granted in respect of the capital asset.

This property's value is not in excess of R10million, and therefore the public participation process may be disposed of. Given that the IEC has indicated telephonically that they have to give notice at the current offices and the elections are in May 2019, the proposed occupation date is 1 July 2019. It is therefore recommended that the intention to lease be advertised for comments or inputs. The municipal council must, when considering the **in principle approval** take into account—

- (a) whether the capital asset may be required for the municipality's own use during the period for which the right is to be granted;
- (b) the extent to which any compensation to be received for the right together with the estimated value of any improvements or enhancements to the capital asset that the private sector party or organ of state to whom the right is granted will be required to make, will result in a significant economic or financial benefit to the municipality;
- (c) the risks and rewards associated with the use, control or management of the capital asset in relation to the municipality's interests;
- (d) any comments or representations on the proposed granting of the right received from the local community and other interested persons (not applicable);
- (e) any written views and recommendations on the proposed granting of the right by the National Treasury and the relevant provincial treasury (not applicable);
- (f) the interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community; and
- (g) compliance with the legislative regime applicable to the proposed granting of the right.

In terms of Regulation 40 an approval **in principle** in terms of regulation 34(1)(b) or 37(1)(b) that a right to use, control or manage a capital asset may be granted, may be given subject to any conditions, including conditions specifying—

- (a) the type of right that may be granted, the period for which it is to be granted and the way in which it is to be granted;
- (b) the minimum compensation to be paid for the right; and
- (c) a framework within which direct negotiations for the granting of the right must be conducted, if granting of the right is subject to direct negotiations.

Further, in terms of Regulation 41, if approval in principle has been given in terms of Regulation 34(1)(b) that a right to use, control or manage a capital asset may be granted, the relevant municipality may grant the right only in accordance with the disposal management system of the municipality, irrespective of —

- (a) the value of the asset;
- (b) the period for which the right is to be granted; or
- (c) whether the right is to be granted to a private sector party or organ of state.

The disposal management system of a municipality, however, does not apply to the granting of a right to use, control or manage a capital asset if the right to use, control or manage that capital asset is granted to another organ of state*, provided that the capital asset is determined by resolution of the council of the municipality not needed for the requirements of the municipality.

Before granting the right to use control or manage a capital asset, the municipality must be satisfied that organ of state to whom the right is to be granted can demonstrate the ability to adequately maintain and safeguard the asset.

Lastly, in terms of Regulation 45, a municipality may grant a right to use, control or manage a capital asset to an organ of state only by way of a written agreement concluded between the municipality and the organ of state to whom the right is granted.

Such an agreement must-

- (a) set out the terms and conditions on which the right is granted and;
- (b) be signed on behalf of the municipality and the organ of state to whom the right is granted.

* The IEC is a Chapter 9 Institution (of the Constitution).

6.4.2 Property Management Policy

In terms of par.221 of the Property Management Policy, immovable property may only be let at market-related rates unless the plight of the poor or the public interest demand otherwise.

In terms of par 9.2.2.1 the Municipal Council may dispense with a competitive process and may enter into a Private Treaty Agreement through direct negotiations, but only in specific circumstances, and only after having advertised Council's intention so to act.

One of the circumstances mentioned in sub-par. (e) of the policy is *"in exceptional cases where the Municipal Council is of the opinion that a public compensation would not serve a useful purpose"*.

6.5 Staff Implications

This report has no staff implications for the Municipality.

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

The risks are addressed through the recommendations in the report.

6.8 Comments from Senior Management:

The Acting Director: Community and Protection Services supports the recommendations and confirms that the Town Hall is not a viable option as it is needed for municipal use.

The Municipal Manager supports the recommendations.

ANNEXURES

APPENDIX 1: Copy of the application

APPENDIX 2: Windeed record

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	PIET SMIT
<i>POSITION</i>	<i>MANAGER: PROPERTY MANAGEMENT</i>
<i>DIRECTORATE</i>	<i>CORPORATE SERVICES</i>
<i>CONTACT NUMBERS</i>	<i>021-8088189</i>
<i>E-MAIL ADDRESS</i>	<i>Piet.smit@stellenbosch.gov.za</i>
<i>REPORT DATE</i>	<i>2019-03-07</i>

APPENDIX 1



SOUTH AFRICA

23 January 2019

The Facilities Manager
Stellenbosch Municipality
Stellenbosch

To Whom It May Concern

I am writing on behalf of the Electoral Commission to inform you that we are interested in renting the office space at Dorp Street (Flats). This is a formal application to accommodate the Electoral Commission's local WC024 local office.

We are currently in search of office space in the Stellenbosch Municipal central CBD, but cannot afford the high commercial rented space. The Electoral Commission's intention is to lease the space for a longer term period, preferably a 3-5 years.

The space as mentioned above in consultation with Mr Piet Smit was inspected in 2018; however, we could not enter into any agreement due to the monthly rental cost of R16, 800.00 which is too high.

The proposal is to rent the space at a much discounted rate, with the intention of renewal.

Thank you for your consideration. I look forward to hearing from you.

Yours in service of Democracy

Liezi Louw

Regional Supervisor

Cape Wfnelands

Tel: 023 342 8208

Email: louwi@elections.org.za

Electoral Commission

Ensuring Free and Fair Elections

Commissioners: Mr V.G. Mashinini (Chairperson) | Ms J.Y. Lova (Vice-Chairperson) | Dr N.P. Masuku | Mr M. Moepeya | Judge D. Pillay
National Office: Election House, Riverside Office Park, 1303 Houtesi Avenue, Centurion, 0157 | P/Bag X112, Centurion, 0048
info@elections.org.za | www.elections.org.za
Tel (+27) 12 522 5700 | Fax (+27) 922 5794

APPENDIX 2

WinDeed Database Deeds Office Property

windeed

A LexisNexis® Product

STELLENBOSCH, 1134, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION

Date Requested 2019/03/07 08:16
 Deeds Office CAPE TOWN
 Information Source WINDEED DATABASE
 Reference -

**PROPERTY INFORMATION**

Property Type ERF
 Erf Number 1134
 Portion Number 0 (REMAINING EXTENT)
 Township STELLENBOSCH
 Local Authority STELLENBOSCH MUN
 Registration Division STELLENBOSCH RD
 Province WESTERN CAPE
 Diagram Deed T404/8/810
 Extent 2.0000SQM
 Previous Description -
 LPI Code C06700220000113400000

OWNER INFORMATION**Owner 1 of 1**

Type LOCAL AUTHORITY
 Name MUN STELLENBOSCH
 ID / Reg. Number -
 Title Deed G19/1971
 Registration Date 1971/01/28
 Purchase Price (R) -
 Purchase Date -
 Share 0.00
 Microfilm 0000000000
 Multiple Properties NO
 Multiple Owners NO

ENDORSEMENTS (2)

#	Document	Institution	Amount (R)	Microfilm
1	PROCD-NAT-MONUMENT-2	4/3/975	UNKNOWN	-
2	R/E'S-1139,1145	-	UNKNOWN	-

HISTORIC DOCUMENTS

No documents to display

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7.3	FINANCIAL SERVICES: (PC: CLLR P CRAWLEY (MS))
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7.3.1	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR FEBRUARY 2019
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Collaborator No: 633633
 IDP KPA Ref No: *Good Governance and Compliance*
 Meeting Date: 13 March 2019

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR FEBRUARY 2019

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2018/2019 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 (2018/2019) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during February 2019.

5. RECOMMENDATION

that Council notes the deviations as listed for the month of February 2019.

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 February 2019:

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 36/19	18/02/2019	Gateway Metal Works (Pty) Ltd	The supply, delivery and installation of fencing at reservoirs in Stellenbosch WC024 area	Emergency	The contract (BSM 57/18) with the current service provider was terminated due to non-performance. The reservoirs are vandalized on a weekly basis and the sub-standard fencing as well as the recyclable metal are being stolen. To ensure a fair process the municipality sourced quotations from all bidders who initially tendered for BSM 57/18. From the 10 service providers who were approached, nine submitted quotations.	R2 068 395,18 (including VAT and 10% contingency)
D/SM 38/19	28/02/2019	Waste Mart (Pty) Ltd	Hiring of refuse compactors, as and when required.	Exceptional case and it is impractical or impossible to follow the official procurement processes.	The current service provider was terminated due to non-performance. The municipality needed to appoint a services provider to ensure continuous service delivery to the community. Subsequent to the termination of the contract, quotations were obtained from 3 reputable service providers.	R2 463 300.00 (including VAT)

6.3 Financial Implications

As per the table above.

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 audits the deviations during the yearly audit.

6.8 Comments from Senior Management:

The item was not circulated for comment except to the Municipal Manager.

6.8.1 Municipal Manager

Supports the recommendations.

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Kevin Carolus
<i>POSITION</i>	<i>ACTING CFO</i>
<i>DIRECTORATE</i>	<i>Finance</i>
<i>CONTACT NUMBERS</i>	<i>021 808 8528</i>
<i>E-MAIL ADDRESS</i>	<i>Kevin.Carolus@stellenbosch.gov.za</i>
<i>REPORT DATE</i>	<i>05 MARCH 2019</i>

7.4	HUMAN SETTLEMENTS: (PC: CLLR N JINDELA)
7.4.1	STELLENBOSCH MUNICIPALITY: HOUSING PIPELINE (ANNUAL REVIEW 2019-2022)

Collaborator No:
IDP KPA Ref No:
Meeting Date:

Good Governance and Compliance
13 March 2019

1. SUBJECT: STELLENBOSCH MUNICIPALITY: HOUSING PIPELINE (ANNUAL REVIEW 2019-2022)

2. PURPOSE

To request Council to approve the Stellenbosch Municipality's Housing Pipeline (projects) for the next 3 financial years, for submission to the Provincial Department of Human Settlements (PDoHS).

3. DELEGATED AUTHORITY

FOR DECISION BY MUNICIPAL COUNCIL

In terms of System of Delegations, which reads as follows:

- Item 515 (Section 2 of the Housing Act) (Page 115) – Apply the general principles as set out in Section 2, when deciding on housing projects.

4. EXECUTIVE SUMMARY

The report relates to the annual review of the Stellenbosch Municipality Housing Pipeline. This particular review relates to the period 2019 to 2022.

The report requests the support of Council for the following housing project and initiatives:

- To require Council's support in principle in order to allow the new project to be submitted to the Provincial Department of Human Settlements for approval on the Housing pipeline; and
- To report on the process on existing housing projects on the current approved housing pipeline.

5. RECOMMENDATIONS

- (a) that the project in the table below be supported, in principle, and be submitted to Provincial Department of Human Settlements for approval on the Housing Pipeline:

	PROJECT NAME	HOUSING PROGRAM	PROJECT PHASE	NO. OF SITES	NO. OF UNITS
1.	Faure Agri-Village	IRDP/FLISP	Planning phase	480	480

- (b) that, given the location of the project, the land owner of Faure Agri-Village provide confirmation from the City of Cape Town regarding the provision of the bulk infrastructure;
- (c) that Council takes note of the progress or lack thereof on current housing projects; and
- (d) that the housing pipeline be reviewed on an annual basis to align the project readiness with the DORA allocation.

6. DISCUSSION / CONTENTS

6.1 Background

Faure Agri-Village

This is an Agri-Village Development on land owned by Faure Agri-Village (Pty) Ltd. next to Croydon. The land size is approximately 26 Hectares and at an estimated yield of 30 units/hectare, approximately 480 opportunities will be realised. This project is specifically earmarked for farmworkers in the area.

The land is suitable for residential development and the following desk-top studies have been concluded:

- Cadastral plan;
- Geotechnical investigation;
- Notice of intent to develop have been submitted to the Department of Environmental Affairs and Development Planning as well as Heritage application (NID);
- A draft town layout has been done for discussion purposes; and
- The appointed civil engineer has prepared an Engineering Services Report and are busy with the Bulk Services availability.

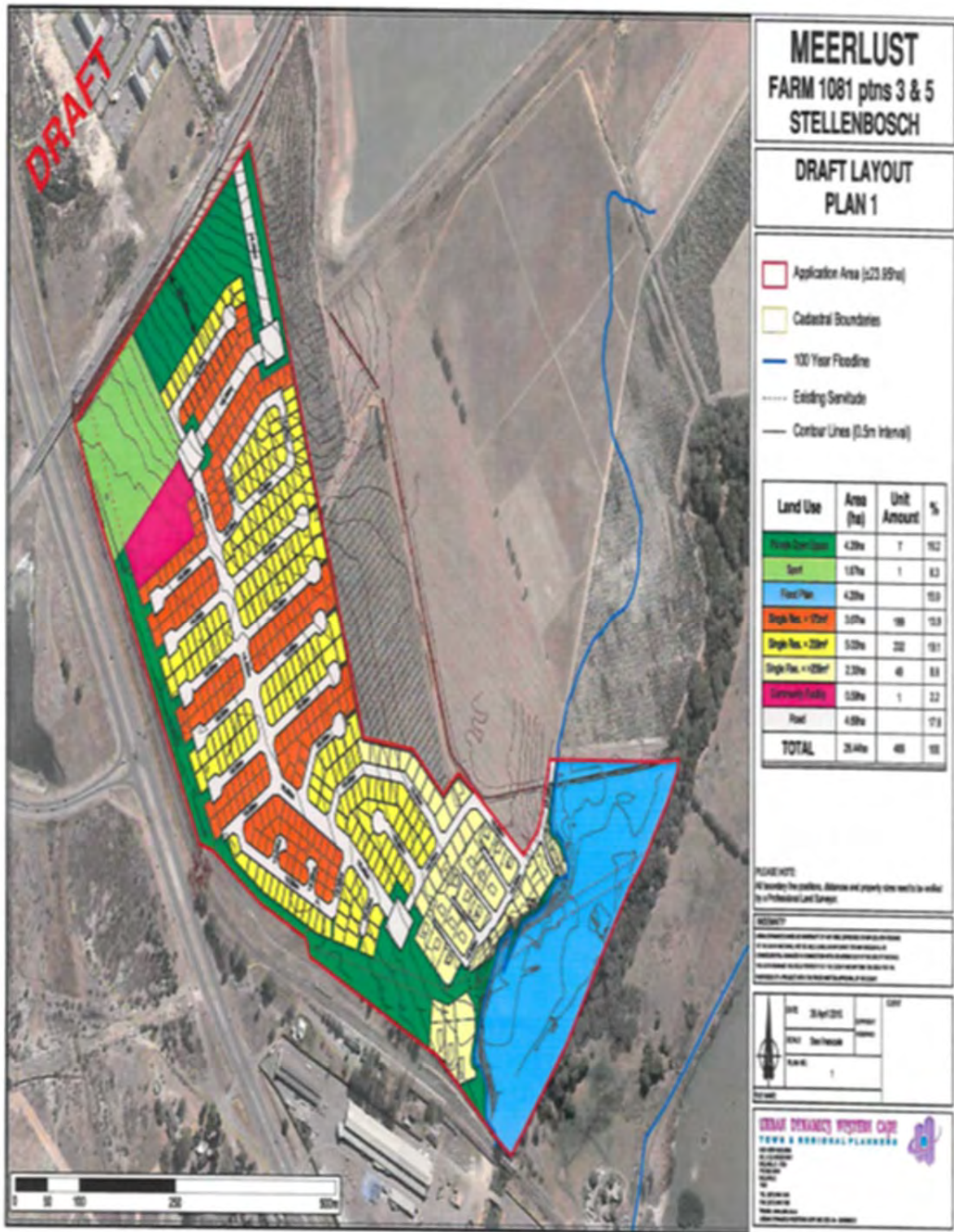


Fig. 1 possible site plan (partitioning plan)

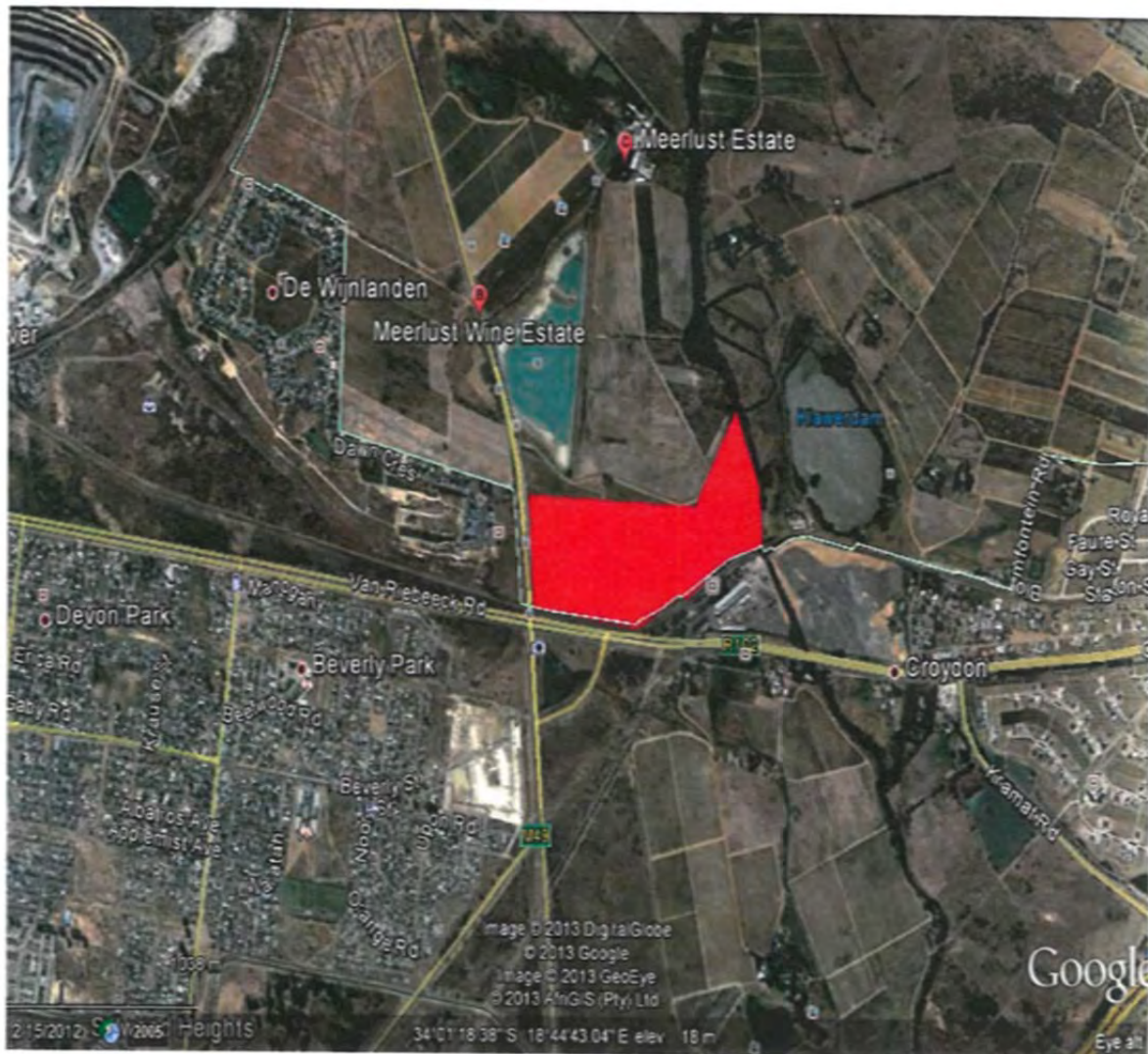


Fig. 2 Location plan

6.2 Discussion

6.2.1 Progress on current housing projects

6.2.1.1 Kayamandi Housing

6.2.1.1.1 Watergang Housing

Contractor to build the remaining 20 units has been appointed in accordance with Supply Chain Policy, Section 32. The contractor commenced with the work in December 2017. On 22 May 2018 all 20 houses were built and they were in various stages i.e. 6 houses were already occupied and 14 houses were at roof height. Due to community unrest that took place on 22 May 2018, 14 houses were vandalized. The Municipality instructed the contractor to move off site for safety reasons. The vandalism of the units didn't stop; instead there were more damages to the units. The contractor returned to site in August 2018 to fix the houses. To date 14 houses have been completed and 6 houses are under construction, and all 6 are at roof height. The project is estimated to be complete by end of March 2019.

6.2.1.1.2 Zone O

The consultants completed the layout plan. LUPA application has been submitted for approval and the layout has been advertised for public comments.

Consultant has been appointed (Jubelie Projects) to do the engineering designs and tendering process. Tender for services will be advertised by end of April 2019.

6.2.1.1.3 332 TRA

The contractor to build the 332 temporary housing units has been appointed. Site handover was on 5 December 2017. Contractor commenced with the work on 8 January 2018, and on 22 May 90 houses were built. Due to community unrest all the houses were demolished by some of the community members.

Section 116(3) was approved for the change of scope. The contractor recommenced with the new scope in November 2018. To date 206 units have been built and 161 handed over to beneficiaries.

The project will be complete by end of this financial year.

6.2.1.1.4 Erf 2181, Mandela City, Klapmuts

The project was initially to develop the remainder of the 219 sites that were approved by the Provincial Department of Human Settlements (PDoHS) during 2012. The Department: Informal Settlements appointed consultants for the densification of the existing sites to ±295 sites. The application for the subdivision was submitted to the Directorate: Planning and Economic Development.

The rephrasing of the project and the required funding was approved by PDoHS. The installation of services for phase 1 is at 100% completion.

During the implementation of the project, community members were dissatisfied with a number of issues and particularly the size of the temporary housing units and serviced sites. After extensive consultation and negotiation processes, many community issues were addressed; however, the Site Development Plan (SDP) had to be altered to accommodate community needs. The impact to revise phase 1 of the Site Development Plan caused a delay of about six months on site.

One of the challenges is the re-location of the families to electrified structures. Klapmuts area is supplied by Eskom and the installation of services is in process. The construction of the Alternative Building Units is at an advanced stage and Phase 1 will be completed in the current financial year.

A Section 116 (3) process was followed and the project will be implemented as per the revised SDP.

6.2.1.2 Ida's Valley Housing**6.2.1.2.1 Erf 9445**

Township establishment was obtained on erf 9445 on 26 April 2018 after dealing with two appeals that were lodged against the MPT approval. The Department of Water Affairs requested a Water Use License application due to proximity of works to a degraded wetland. The final application on the basis of an acceptable off-set area as well as a sustainable rehabilitation plan has been made to Department of Water Affairs. Work commenced on the construction of gabion structures to protect the integrity of the site and prevent flooding on the site. This work was halted due to an interpretation on the delineation of the river's edge.

An application for a S24G is in process but it will not have an impact on the decision by the Department of Environmental Affairs and Development Planning. This application will not have a negative impact on the planned program from the contractor to commence with the installation of civil services. Construction started during June 2017 in order to rehabilitate the river adjacent to the development on Erf 9445.

The Department of Water Affairs recommended the water license during December 2018 to National Department of Water Affairs. Construction will commence as soon as the Water Use License has been obtained.

6.2.1.2.2 Erf 11330

The contractor did site establishment during January 2018 and the Consulting engineers finalised the drawings with the Engineering Department in order to re-route the main waterlines on the site. The Environmental Authorization was issued for Erf 11330 during December 2018 for the upgrading of Old Helshoogte Road.

The developer is currently executing bulk work and installing internal services on Erf 11330, marketed as Hillside Village.

The installations of services are at 50% completion and the construction of houses will commence during May 2019.

6.2.1.3 Jamestown Housing

An agenda item served during a Council meeting held in September 2017 for the disposal of municipal land, being a portion of Portion 4 of Farm No 527 and a portion of the Remainder of Farm No 527, located at Jamestown. The Department commenced with a procurement process to appoint a Turnkey Developer through a Call for Proposals.

The tender was compiled and advertised. Stage 1 of the evaluation process has been finalised and served at the Bid Evaluation Committee. Stage 2 of the tender process is currently being finalised.

6.2.1.4 Erf 7001 and other possible sites for mix-used development in Cloetesville

The Directorate: Planning and Economic Development identified a number of vacant and under-utilized properties within Cloetesville and a service provider was appointed to prepare a strategy to identify the best use for each of these properties.

After the completion of the feasibility report, two properties were identified for development purposes. A tender was advertised for the development of Erf 7001 and Erf 8915, Cloetesville. The tender closed on 25 February 2019 and the evaluation of the tenders are in process.

6.2.1.5 Upgrading of Informal Settlements Strategic (UISS)

The Informal Settlements department developed an Informal Settlements Upgrading Strategy (ISUS). The purpose of this strategy is to identify all the informal settlements within the Stellenbosch Municipal area and to identify possible upgrading projects within these settlements. The identified projects were then prioritised in accordance with the level of basic services that are available to the settlement.

Applications for funding for these prioritised projects were submitted to the budget office at Stellenbosch Municipality, as well as the PDoHS. The Department: Informal Settlements is currently implementing the following projects:

- (a) Enkanini pilot project;
- (b) Enkanini rezoning, consolidation and subdivision;
- (c) Langrug road project.

The Department: Informal Settlements has also submitted additional funding application (planning applications) to PDoHS for:

- (a) Enkanini interim services;
- (b) Langrug completion of the road project; and
- (c) Langrug dam rehabilitation project.

6.2.2 Review and update of projects for the MTREF 2019-2022

(i) 2019/20 Financial Year

	PROJECT NAME	HOUSING PROGRAM	PROJECT PHASE	NO OF SITES	NO OF UNITS
1.	Stellenbosch Ida's Valley (±265 services) (Erf 13300)	IRDP/BNG	Construction		89
2.	Stellenbosch Ida's Valley (±166 services) (Lindida)	FLISP	Construction	166	100
3.	Longlands, Vlotenburg (±144 Services and units)	IRDP	Construction		144
4.	Stellenbosch Jamestown (Phases 2) (±133 sites)	IRDP/FLISP	Construction	133	
5.	Erf 7001 and other possible sites for mix-used development in Cloetesville	IRDP/FLISP	Planning		
6.	Kayamandi Zone O (±711 services)	UISP	Construction	100	
7.	Kayamandi Enkanini Enhanced Services (±1 300 sites)	UISP	Planning		
8.	Kayamandi Town Centre Regeneration (±700 units)	UISP/ Institutional	Planning		
9.	Northern Extension (Phase 1), Stellenbosch	IRDP/FLISP	Planning		
10.	Kylemore (±171 services & ±171 units)	IRDP	Land transfer DoPW		
11.	Franschhoek Langrug Enhanced services (±1 200 services)	UISP	Planning and feasibility study for decanting sites		
12.	Stellenbosch LaMotte Old Forest Station (±430 services & ±430 units)	IRDP/FLISP	Planning : Land transfer DoPW		
13.	Meerlust, Franschhoek (±200 services & ±200 units)	IRDP	Planning		
14.	Rectification of existing units in Smartie Town (106 units)	CRR	Rectification		106
15.	Rectification of existing units in The Steps/Orlean lounge (161 units)	CRR	Rectification		161
16.	Social Housing: Restructuring Zones, CBD Stellenbosch		Planning-Feasibility studies		
18.	Botmaskop (±1 500 opportunities)	Social Housing / IRDP	Pre-planning		
19.	Stellenbosch Transit Orientated Development complex precinct (±3500 opportunities)	IRDP	Pre-planning		
TOTAL				399	440

* Current Provincial costing for service sites are R46 000 per erf and R120 000 per top structure.

(ii) 2020/21 Financial Year

	PROJECT NAME	HOUSING PROGRAM	PROJECT PHASE	NO OF SITES	NO OF UNITS
1.	Stellenbosch Ida's Valley (±265 services) (Erf 13300)	IRDP/FLISP	Construction		175
3.	Stellenbosch Jamestown (Phases 3) (±165 opportunities)	IRDP/FLISP	Planning		
4.	Erf 7001 and other possible sites for mix-used development in Cloetesville	IRDP/FLISP	Construction	*	
5.	Kayamandi Zone O (±711 services)	UISP	Construction	100	
6.	Kayamandi Enkanini Enhanced Services (±1 300 sites)	UISP	Construction	*	
7.	Kayamandi Town Centre Regeneration (±700 units)	UISP/ Institutional	Construction	*	
8.	Northern Extension (Phase 1), Stellenbosch	IRDP/FLISP	Planning		
9.	Kylemore (±171 services & ±171 units)	IRDP	Construction	100	
10.	Franschhoek Langrug Enhanced Services (±1 200 services)	UISP	Construction	*	
11.	Stellenbosch LaMotte Old Forest Station (±430 services & ±430 units)	IRDP/FLISP	Construction	50	
12.	Meerlust, Franschhoek (±200 services & ±200 units)	IRDP	Construction		
13.	Social Housing: Restructuring Zones, CBD Stellenbosch		Planning		
14.	Botmaskop (±1 500 opportunities)	Social Housing / IRDP	Planning		
15.	Stellenbosch Transit Orientated Development complex precinct (±3 500 opportunities)	IRDP	Planning		
TOTAL				250	175

* Current Provincial costing for service sites are R46 000 per erf and R120 000 per top structure.

(iii) 2021/22 Financial Year

	PROJECT NAME	HOUSING PROGRAM	PROJECT PHASE	NO OF SITES	NO OF UNITS
1.	Stellenbosch Ida's Valley (±265 services) (Erf 13300)	IRDP/FLISP	Construction		175
3.	Stellenbosch Jamestown (Phases 3) (±165 opportunities)	IRDP/FLISP	Planning		
4.	Erf 7001 and other possible sites for mix-used development in Cloetesville	IRDP/FLISP	Construction	*	
5.	Kayamandi Zone O (±711 services)	UISP	Construction	100	
6.	Kayamandi Enkanini Enhanced Services (±1 300 sites)	UISP	Construction	*	
7.	Kayamandi Town Centre Regeneration (±700 units)	UISP/ Institutional	Construction	*	
8.	Northern Extension (Phase 1), Stellenbosch	IRDP/FLISP	Planning		
9.	Kylemore (±171 services & ±171 units)	IRDP	Construction	100	

10.	Franschhoek Langrug Enhanced Services ($\pm 1\ 200$ services)	UISP	Construction	*	
11.	Stellenbosch LaMotte Old Forest Station (± 430 services & ± 430 units)	IRDP/FLISP	Construction	50	
12.	Meerlust, Franschhoek (± 200 services & ± 200 units)	IRDP	Construction		
13.	Social Housing: Restructuring Zones, CBD Stellenbosch		Planning		
14.	Botmaskop ($\pm 1\ 500$ opportunities)	Social Housing / IRDP	Planning		
15.	Stellenbosch Transit Orientated Development complex precinct ($\pm 3\ 500$ opportunities)	IRDP	Planning		
TOTAL				250	175

6.3 Financial Implications

This report has the following financial implications: The Housing Pipeline must reconcile with budgets and provincial approvals as well as bulk infrastructure capacity or budget.

6.4 Legal Implications

The draft item provided deals with the approved housing pipeline for Stellenbosch Municipality by the Provincial Department of Human Settlements (PDoHS).

The approval for the human settlement pipeline was already granted by the Provincial Department of Human Settlements and no legal input is required in this regard. The Municipality however, has to comply with the conditions of approval. The item is thus supported.

6.5 Staff Implications

This report has staff implications in accordance with the newly approved organogram. Project Managers will be appointed on an ad-hoc basis.

6.6 Previous / Relevant Council Resolutions:

The said Council decision below is also attached as **ANNEXURE 2**.

16TH COUNCIL MEETING: 2018-03-28: ITEM 7.5.2

RESOLVED (nem con)

- (a) that the projects as reflected in the table below be supported in accordance with the appropriate funding and relevant provincial approvals (see attached **ANNEXURE 1**) as well as available bulk infrastructure capacity:

	PROJECT NAME	HOUSING PROGRAM	PROJECT PHASE	NO OF SITES	NO OF UNITS
1.	Stellenbosch Ida's Valley ($\pm 166/\pm 265$ services)	IRDP/FLISP	Await planning approval (LUPA)	265	
2.	Klapmuts (Phase 4 Of 2053:15) ± 298 services & TRA	IRDP	Construction	298	
3.	La Rochelle, Klapmuts (± 80 sites)	IRDP/FLISP	Planning		
4.	Longlands, Vlothenburg (± 144 Services and units)	IRDP	Contractual matters to be finalised	144	

5.	Stellenbosch Jamestown (Phases 2) (±133 sites)	IRDP	Planning Phase 2		
6.	Erf 7001 and other possible sites for mixed development in Cloetesville	IRDP/FLISP	Proposal Call		
7.	Kayamandi: Zone O (±711 services) & Watergang (±277 services)	UISP / ISSP	Planning		
8.	Kayamandi Enkanini Enhanced Services (±1 300 sites)	UISP / ISSP	Planning (LUPA & EIA)		
9.	Kayamandi Enkanini (Pilot project)	UISP / ISSP	Construction (Electricity and upgrading of toilets) 300 electricity connections and 20 additional communal toilets		
10.	Kayamandi Town Centre Regeneration (±700 units)	UISP/ Institutional	Planning		
11.	Northern Extension (Phase 1), Stellenbosch	IRDP/FLISP	Land acquisition and planning		
12.	Kylemore (±171 services & ±171 units)	IRDP	Await transfer of land		
13.	Franschhoek Langrug Enhanced Services (±1 200 services)	UISP	Planning and feasibility study for decanting site		
14.	Stellenbosch La Motte Old Forest Station (±430 services & ±430 units)	IRDP/FLISP	Await planning approval		
15.	Meerlust, Franschhoek (±200 services & ±200 units)	IRDP	Planning		
16.	De Novo (±374 sites) Project managed by PDoHS	IRDP / Institutional	Planning		
TOTAL				707	

Note: IRDP – Integrated Residential Development Programme
 FLISP – Finance Linked Individual Subsidy Programme
 UISP – Upgrading of Informal Settlement Programme
 ISSP – Informal Settlements Support Programme
 LUPA – Land Use Planning Act
 EIA – Environmental Impact Assessment

- (b) that the projects in the table below, be supported in principle and submitted to Provincial Department of Human Settlements for funding to commence with pre-feasibility studies:

	PROJECT NAME	HOUSING PROGRAM	PROJECT PHASE	NO OF SITES	NO OF UNITS
1.	La Motte, Franschhoek	IRDP/FLISP	Pre-planning phase		
2.	Erf 2, La Motte (±70 services)	IRDP	Pre-planning phase		
3.	Drodyke	IRDP	Pre-planning phase		
4.	Botmaskop (±1 500 opportunities)	Social Housing / IRDP	Pre-planning phase		
5.	Stellenbosch Transit Orientated Development complex precinct (±3 500 opportunities)	IRDP	Pre-planning phase		

- (c) that after the completion of the pre-feasibility studies of these projects as listed in (b) above, a report be submitted to Council for consideration; and
- (d) that the housing pipeline be reviewed on an annual basis to align the project readiness with the DORA allocation.

6.7 Risk Implications

This report has no risk implications for the Municipality.

6.8 Comments from Senior Management:

Senior Management supports the recommendations.

ANNEXURES

Annexure 1: Provincial Department of Human Settlements' approval

Annexure 2: Previous Council decision

FOR FURTHER DETAILS CONTACT:

NAME	Tabiso Mfeya
POSITION	<i>Director</i>
DIRECTORATE	<i>Director: Planning & Economic Development</i>
CONTACT NUMBERS	<i>021 808 8491</i>
E-MAIL ADDRESS	<i>tabiso.mfeya@ Stellenbosch.gov.za</i>
REPORT DATE	<i>6 March 2019</i>

ANNEXURE 1

3 YEAR DELIVERY PLAN Post-GAAC 1 February 2019 2019/20 - 2021/22 HSDG		PROGRAMME	Baseline March 2018		2018/2019			2019/2020			2020/2021			2021/2022		
Average Site Cost (R'000)	60	SITES	HOUSES	SITES	HOUSES	FUNDING	SITES	HOUSES	FUNDING	SITES	HOUSES	FUNDING	SITES	HOUSES	FUNDING	
Average Unit cost (R'000)	130	SERVICED	BUILT	SERVICED	BUILT	R '000	SERVICED	BUILT	R '000	SERVICED	BUILT	R '000	SERVICED	BUILT	R '000	
Stellenbosch		955	760	853	20	56 994	410	0	37 900	283	144	36 920	200	133	29 290	
Kayamandi Watergang UISP (332 TRA)	UISP				20	860										
ISSP Stellenbosch Kayamandi Town Centre (1000) UISP	UISP								1 800	50		3 000	50		3 000	
ISSP Kayamandi Zone 0 (711) UISP	UISP					2 000	100		4 000	100		6 000	100		6 000	
ISSP Kayamandi Enkanini (1300 sites) UISP	UISP					3 400										
Stellenbosch De Novo (374) IRDP	IRDP					3 400			3 000							
Stellenbosch De Novo Upgrades (74)	EEDBS					4 600			6 500							
Stellenbosch Northern Extension/ Watergang (2000) IRDP	IRDP/UISP					2 000			2 000							
Stellenbosch Idas Valley (265) IRDP	IRDP			265		8 900				100		13 000				
Stellenbosch Idas Valley (166) FLISP	FLISP			265		8 900	166		9 960							
Klapmuts (balance 298 of 1036)	IRDP	955	760	179		9 144										
Klapmuts TRA (on 298 sites Nutec structures)	IRDP					4 300										
Stellenbosch Jamestown Phase 2 (133) IRDP	IRDP					600				133	0	7 980		133	17 290	
Stellenbosch Erf 7001 Cloeteville (380) IRDP	IRDP					250						650	50		3 000	
Vlottenburg Longlands (106 incr to 144) IRDP	IRDP			144		8 640	144	0	8 640		44	4 000				
LAND PURCHASE Klapmuts Ptn 2 Farm Weltevreden 744	Land/IRDP								2 000							
Klapmuts Ptn 2 Farm Weltevreden (350) IRDP	IRDP											350				
ISSP Klapmuts La Rochelle (80 sites) UISP	UISP											140				
Stellenbosch Lamotte Old Forest Station (1000 services - 1000 units) IRDP	IRDP											1 200				
Franschoek Langrug (1900) UISP	UISP															
Franschoek Langrug (Interim services)	UISP															
Meerlust (200)	IRDP											600				

ANNEXURE 2

7.5.2	STELLENBOSCH MUNICIPALITY: HOUSING PIPELINE (ANNUAL REVIEW 2018-2021)
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

28 March 2018

1. SUBJECT: STELLENBOSCH MUNICIPALITY: HOUSING PIPELINE (ANNUAL REVIEW 2018-2021)

2. PURPOSE

To request Council to approve the Stellenbosch Municipality's Housing Pipeline (projects) for the next 3 financial years, for submission to the Provincial Department of Human Settlements (PDoHS).

3. DELEGATED AUTHORITY

FOR DECISION BY MUNICIPAL COUNCIL

In terms of system of delegations which reads as follows:

- Item 515 (Section 2 of the Housing Act) (Page 115) – Apply the general principals set out in Section 2, when deciding on housing projects.

4. EXECUTIVE SUMMARY

The report relates to the annual review of the Stellenbosch Municipality Housing Pipeline. This particular review relates to the period 2018 to 2021.

The report requests the support of Council for the following housing projects and initiatives:

- (a) Those projects with appropriate funding and relevant provincial approvals as well as available bulk infrastructure capacity;
- (b) Those projects that require Council's support in principle in order to allow these to be submitted to the Provincial Department of Human Settlements for funding to initiate pre-feasibility studies; and
- (c) A report to be compiled and submitted to Council for consideration following the completion of pre-feasibility studies as envisaged in b) above.

16TH COUNCIL MEETING: 2018-03-28: ITEM 7.5.2

RESOLVED (nem con)

- (a) that the projects as reflected in the table below be supported in accordance with the appropriate funding and relevant provincial approvals (see attached **ANNEXURE 1**) as well as available bulk infrastructure capacity:

	PROJECT NAME	HOUSING PROGRAM	PROJECT PHASE	NO OF SITES	NO OF UNITS
1.	Stellenbosch Ida's Valley (±166/±265 services)	IRDP/FLISP	Await planning approval (LUPA)	265	
2.	Klapmuts (Phase 4 Of 2053:15) ±298 services & TRA	IRDP	Construction	298	
3.	La Rochelle, Klapmuts (±80 sites)	IRDP/FLISP	Planning		
4.	Longlands, Vlotenburg (±144 Services and units)	IRDP	Contractual matters to be finalised	144	
5.	Stellenbosch Jamestown (Phases 2) (±133 sites)	IRDP	Planning Phase 2		
6.	Erf 7001 and other possible sites for mix-used development in Cloetesville	IRDP/FLISP	Proposal Call		
7.	Kayamandi: Zone O (±711 services) & Watergang (±277 services)	UISP / ISSP	Planning		
8.	Kayamandi Enkanini Enhanced Services (±1 300 sites)	UISP / ISSP	Planning (LUPA & EIA)		
9.	Kayamandi Enkanini (Pilot project)	UISP / ISSP	Construction (Electricity and upgrading of toilets) 300 electricity connections and 20 additional communal toilets		
10.	Kayamandi Town Centre Regeneration (±700 units)	UISP/ Institutional	Planning		
11.	Northern Extension (Phase 1), Stellenbosch	IRDP/FLISP	Land acquisition and planning		
12.	Kylemore (±171 services & ±171 units)	IRDP	Await transfer of land		
13.	Franschoek Langrug Enhanced Services (±1 200 services)	UISP	Planning and feasibility study for decanting site		
14.	Stellenbosch La Motte Old Forest Station (±430 services & ±430 units)	IRDP/FLISP	Await planning approval		
15.	Meerlust, Franschoek (±200 services & ±200 units)	IRDP	Planning		
16.	De Novo (±374 sites) Project managed by PDoHS	IRDP / Institutional	Planning		
TOTAL				707	

Note: IRDP – Integrated Residential Development Programme
FLISP – Finance Linked Individual Subsidy Programme
UISP – Upgrading of Informal Settlement Programme
ISSP – Informal Settlements Support Programme
LUPA – Land Use Planning Act
EIA – Environmental Impact Assessment

- (b) that the projects in the table below, be supported in principle and submitted to Provincial Department of Human Settlements for funding to commence with pre-feasibility studies;

	PROJECT NAME	HOUSING PROGRAM	PROJECT PHASE	NO OF SITES	NO OF UNITS
1.	La Motte, Franschoek	IRDP/FLISP	Pre-planning phase		
2.	Erf 2, La Motte (±70 services)	IRDP	Pre-planning phase		
3.	Drodyke	IRDP	Pre-planning phase		
4.	Botmaskop (±1 500 opportunities)	Social Housing / IRDP	Pre-planning phase		
5.	Stellenbosch Transit Orientated Development complex precinct (±3 500 opportunities)	IRDP	Pre-planning phase		

-
- (c) that after the completion of the pre-feasibility studies of these projects as listed in (b) above, a report be submitted to Council for consideration; and
- (d) that the housing pipeline be reviewed on an annual basis to align the project readiness with the DORA allocation.

FOR FURTHER DETAILS CONTACT:

NAME	Lester van Stavel
POSITION	<i>Manager: New Housing</i>
DIRECTORATE	<i>Human Settlements & Property Management</i>
CONTACT NUMBERS	021 808 8462
E-MAIL ADDRESS	<i>Lester.vanstavel@stellenbosch.gov.za</i>
REPORT DATE	

7.5	INFRASTRUCTURE SERVICES: (PC: CLLR Q SMIT)
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NONE

7.6	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: XL MDEMKA (MS))
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NONE

7.7	PLANNING AND ECONOMIC DEVELOPMENT: (PC:CLLR E GROENEWALD (MS))
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7.7.1	KAYAMANDI / GEORGE BLAKE INFORMAL TRADING SITE: INCREASE OF PROJECT COST
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Collaborator No: 630214
 IDP KPA Ref No: 17/7/1/3
 Meeting Date: 13 March 2019

1. SUBJECT: KAYAMANDI / GEORGE BLAKE INFORMAL TRADING SITE: INCREASE OF PROJECT COST

2. PURPOSE

To obtain Council's approval to obtain the necessary authorization for the intended amendment of a contract concluded with Rekha Construction. Increase the initial order (350951) Formal Tender B/SM 42/18 from R 922 779.33 to R 1 427 340 and to extend the duration of the contract. (**ANNEXURE 1**)

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Rekha Construction was awarded the tender for the construction of the George Blake Kayamandi Informal Trading site. After the contractors went on site and started excavating the area, they found services that were not identified on the municipal IMQS system.

This resulted in changes in specifications and additional costs to the entire project, i.e. materials, supervision, security, etc. These costs will exceed the allowed 20% in terms of Circular number 62/2012 (National Treasury) as mentioned in paragraph 6.4.3.

5. RECOMMENDATIONS

- (a) that Council notes in terms of MFMA Section 116(3) the reasons for the change of scope/specification of the Kayamandi/George Blake Informal Trading site project;
- (b) that the tender amount (B/SM 43/18) for the provision of Professional Services be increased from R 922 779.33 to R 1 427 340;
- (c) that Council gives reasonable notice of intention to amend the contract or agreement in terms of Section 116(3)(b)(i);
- (d) that the local community be invited to submit representations to the Municipality in terms of Section 116 (3)(b)(ii); and
- (e) that the Municipal Manager be authorized to conclude the contract or agreement after (d) above is finalized in terms of the applicable Act/Regulation.

6. DISCUSSION / CONTENT**6.1 Background**

The project under discussion relates to the improvement of an area where informal trading is currently taking place along George Blake Street, situated near the Kayamandi Economic Corridor. The objective of the project is to replace existing temporary trading structures with a dedicated/formalised area. The Municipality envisages the unlocking of profitable trading possibilities for informal traders.

A budget of R 900 000 was allocated in the 2017/2018 financial year for the aforementioned project, of which 50% of the funding was sourced from the National Department of Small Business Development.

6.2 Discussion

The bid was advertised on the 17 November 2017 in "Die Burger", the Cape Argus, E-portal of the CIDB website with a 3 GB designation grading or higher and Stellenbosch Municipal website.

A compulsory site meeting was held on the 23 November 2017 at 10:00 am in the Plein Street Library Hall to give potential bidders the opportunity to acquaint themselves with the particulars of the bid.

The closing date was the 18 December 2017. The technical evaluation report was submitted to Supply Chain Management of the 7 February 2018.

The building plan was circulated to the directorates and approved by the Manager: Building Development on the 7 November 2017 (**ANNEXURE 2**).

The bid was awarded to Rekha Construction on the 2 March 2018. The appeal period ended on the 30 March 2018 and the site handover meeting took place on the 4 April 2018. Estimated project completion date was 8 July 2018.

When the contractor went on site and started excavation of the area, services were found that were not indicated on the IMQS system (**ANNEXURE 3**). The contractors contacted the user department and instruction was immediately given to stop all work on site until the issue has been resolved.

A way leave application was submitted on the 7 May 2018, whereafter it was resolved a few months later that the site should move 6 meters back. The site was surveyed once again on 1st November 2018, and the amended cost estimate/quotation was received on 7th of November 2018 for approval by Council.

The contractor has appointed security on site and the standing cost is running. It is therefore important that a decision is made to complete the project as the contractor is not at fault in this instance.

6.3 **Financial Implications**

R 504 560.67 (43%) increase in the initial project cost, which will be viremented from savings from other LED trading site capital projects.

6.4 **Legal Implications**

6.4.1 **SCM Guide for Accounting Officer**

In terms of paragraph 5.9.5.2, of the SCM Guide for Accounting Officers a **single source selection** may be appropriate, but only if it presents a clear advantage over competition; e.g. for tasks that represent a **natural continuation** of previous work carried out by the Service Provider.

Further, in terms of paragraph 5.9.5.3 the reason for a single source selection should be recorded and approved by the Accounting Officer or his/her delegate prior to the conclusion of a contract.

6.4.2 **Municipal Finance Management Act (MFMA)**

In terms of Section 116(3) of the MFMA a contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, but only after:

- a) The reasons for the proposed amendment have been tabled in the council of the municipality; and
- b) The local community-
 - i) has been given reasonable notice of the intention to amend the contract or agreement; and
 - ii) has been invited to submit representations to the municipality or municipal entity.

6.4.3 **Comments from Legal Services**

In order to ensure uniformity in application of the MFMA Section 116(3), the National Treasury issued MFMA Circular number 62/2012 where it is stated that contracts for construction-related goods or services may be expanded or varied by 20% of the original contract value, and service providers for general goods or services may be expanded or varied by 15% of the original contract value, through internal process. Any expansion or variation in excess of the aforementioned thresholds must be reported to Council and dealt with in terms of the provision of Section 116(3) of the MFMA.

The item and recommendations are supported.

6.5 Staff Implications

None

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:

Senior Management supports the recommendations.

ANNEXURES**Annexure 1: Professional fees quotation****Annexure 2: Approved building plans****Annexure 3: IMQS map VS current****FOR FURTHER DETAILS CONTACT:**

NAME	Tabiso Mfeya
POSITION	<i>Director</i>
DIRECTORATE	<i>Planning & Economic Development</i>
CONTACT NUMBERS	<i>021 808 8491</i>
E-MAIL ADDRESS	<i>tabiso.mfeya@stellenbosch.gov.za</i>
REPORT DATE	<i>4 December 2018</i>

ANNEXURE 1



Registration Number: 2015/160697/07

Vat number: 4290270810

5B Eiland street

Paarl

7646

Tel 021 8711950

05.12.2018

Quotation Kayamandi George Blake trading site

1	3 brick channel	0.00	62	m	R 265,00	R 16 430,00
2	Install 160 mm dia. uPVC clas 12 pipe (incl. excavation, bedding, backfill, bends, and connection to existing network with relevant couplings)	0.00	40	m	R 272,94	R 10 917,60
3	Install 160 mm dia. Gate Valve (complete with chamber)	0.00	1	No	R 7 891,82	R 7 891,82
4	Take out existing 160 mm dia. uPVC pipe (incl. valve) made provision for for exceeding meters	0.00	1	Sum	R 2 480,00	R 2 480,00
5	Take out old 110 mm sewer pipe	0.00	20	m	R 260,81	R 5 216,20
6	Install Stormwater catchpit (incl. excavation, brickwork, concrete works, grid, etc)	0.00	1	No	R 3 681,75	R 3 681,75
7	Remove watermeter chamber and precast rocla rings	0.00	3	No	R 928,70	R 2 786,10
8	Install 160mm dia. uPVC class 51 Storm water drainage pipe (incl. excavation, bedding, backfill, bends, and connection to existing network with relevant couplings)	0.00	8	m	R 189,40	R 1 515,20
9	Take down vibacrete fence	0.00	30	m	R 105,90	R 3 177,00
10	Demolish and dispose of existing standpipes (rocla rings with concrete)	0.00	3	No	R 498,73	R 1 496,19
11	Demolish and dispose of existing uPVC downpipes	0.00	3	No	R 156,40	R 469,20
12	Demolish and dispose of existing sewer manhole	0.00	1	No	R 1 380,00	R 1 380,00
13	80 mm thick Paving on external prepared soil (Paving in double zig zag interlocking precast concrete paving blocks complying with SANS 1058, with butt joints on 25mm thick river sand bed with sand swept into joints)	0.00	210	m ²	R 296,50	R 62 265,00
14	Complete installation of Type E1 concrete edging (complete with 15 MPa haunching)	0.00	30	m	R 83,90	R 2 517,00
15	Re-measurable items in bill of quantities (incl. Preliminary & General and Contingencies to be utilised only on approval by client)			Sum		R 382 337,67

R 504 560,73

Regards

Seraaj Khan

Rekha construction Pty ltd



**AMPTELIKE BESTELLING
OFFICIAL ORDER**

17, STELLENBOSCH 7599
 ☎ 021 808-8520
 ☎ 021 808-8688

Stellenbosch
 MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

BESTEL NR. / ORDER NO.
 347250
 Duplicate

DATUM / DATE
 06/04/2018

REKHA CONSTRUCTION (PTY) LTD t
 3 TAMBOTIE AVENUE
 PAARL
 WESTERN CAPE
 7646

KREDITEUR NR.
 CREDITORS NO. 012813

KONTAK PERSOON / CONTACT PERSON
 MELISSA NEL
 Requisition No. 1050129

REKWISIË REQUISITION LINE	LYN LINE	VOORRAAD NR. STOCK NO.	BESKRYWING / DESCRIPTION	POS NR. / VOTE NO.	HOEVEELHEID QUANTITY	PRYS SONDER BTW PRICES WITHOUT VAT	BTW/VAT	TOTAAL PRYS TOTAL PRICE
			B/SN 42/18 CONSTRUCTION OF GEORGE BLAKE/KAYAMANDI		1	802416.81	120362.52	922779.33

NAMENS / FOR:
 STADSRAAD / TOWN COUNCIL **STELLENBOSCH**
 11.04.2018
 HANDTEKENING / SIGNATURE
 DEPARTEMENT / DEPARTMENT

TOTAAL
 TOTAL **922779.33**



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

SUPPLY CHAIN MANAGEMENT UNIT

Enquiries: Ms G Mettler E-mail scm.appeals@stellenbosch.gov.za Ref: 6/1/1 Tel: (021) 808 8025 Fax: (021) 886 6749

As per fax: 086 551 3999

As per email: riedwaan@rekha.co.za

Attention: Redoewaan Khan

Rekha Construction (PTY) LTD

Crn Eiland & Voight Street

Paarl

7646

Dear Sir/Madam

BID: B/SM 42/18: THE CONSTRUCTION OF KAYAMANDI GEORGE BLAKE INFORMAL TRADING SITE, STELLENBOSCH.


Stellenbosch Municipality has accepted your offer dated 18 December 2017, for the rendering of the above services, subjected only to the terms and conditions embodied in the Tender specifications and the general conditions of contract.

Please note this award is subject to a 14 day objection period as per SCM regulation 49 as well as to a 21 day for appeals as per Section 62 of the Municipal Structures Act against the decision made.

Please note the above provisions will run concurrently from the date of notification of the decision.

If there is any uncertainty regarding the scope of work, it should be addressed as soon as possible. Please liaise with Melissa Nel at the following number 021 808 8173.

Yours faithfully


 pp Financial Services
 Municipal Manager

02/03/2018
 Date

ANNEXURE 2

**STELLENBOSCH MUNISIPALITEIT
STELLENBOSCH MUNICIPALITY**

**KENNISGEWING VIR GOEDKEURING VAN BOUPLAN
NOTICE OF APPROVAL OF BUILDING PLAN**

Stellenbosch Municipality
C/o Piet Smit
P.O.Box 17
STELLENBOSCH
7599

07-11-2017

Bouplan nommer : BP/17/4022
Building Plan number

Vir Erfnommer : SB2174
For Erf Number

Geleê te: : Kayamandi
Situated at:

Ten opsigte van ('n) : Steel canopy and paving
In respect of (a)

IS GOEDGEKEUR OP : 07-11-2017
WAS APPROVED ON

Conditions:

BUILDING CONTROL OFFICER – RODNEY ADAMS

Certificate from the Land surveyor to be submitted for any structure built on the boundary.

ENGINEERS SERVICES – HAROLD DAVIDS

Submit way leave application. Submit service drawings for water and sewer connections.

Kommentaar:
Comments:

BUILDING CONTROL OFFICER – RODNEY ADAMS (021-8088686)

Recommended for approval subject to the following conditions:-

1. All work to be done in accordance with the National Building Regulations and standards Act 103 of 1977.
2. This approval does not exempt the owner from complying with any relevant legislation.
3. Any approval granted by this local authority in accordance with subsection (1) (a) in respect of any application shall lapse after the expiry of a period of 12 months as from the date on which it was granted unless the erection of the building in question is commenced or proceeded with within the said period or unless such local authority extended the said period at the request in writing of the applicant concerned.

MANAGER: BUILDING DEVELOPMENT

ANNEXURE 3



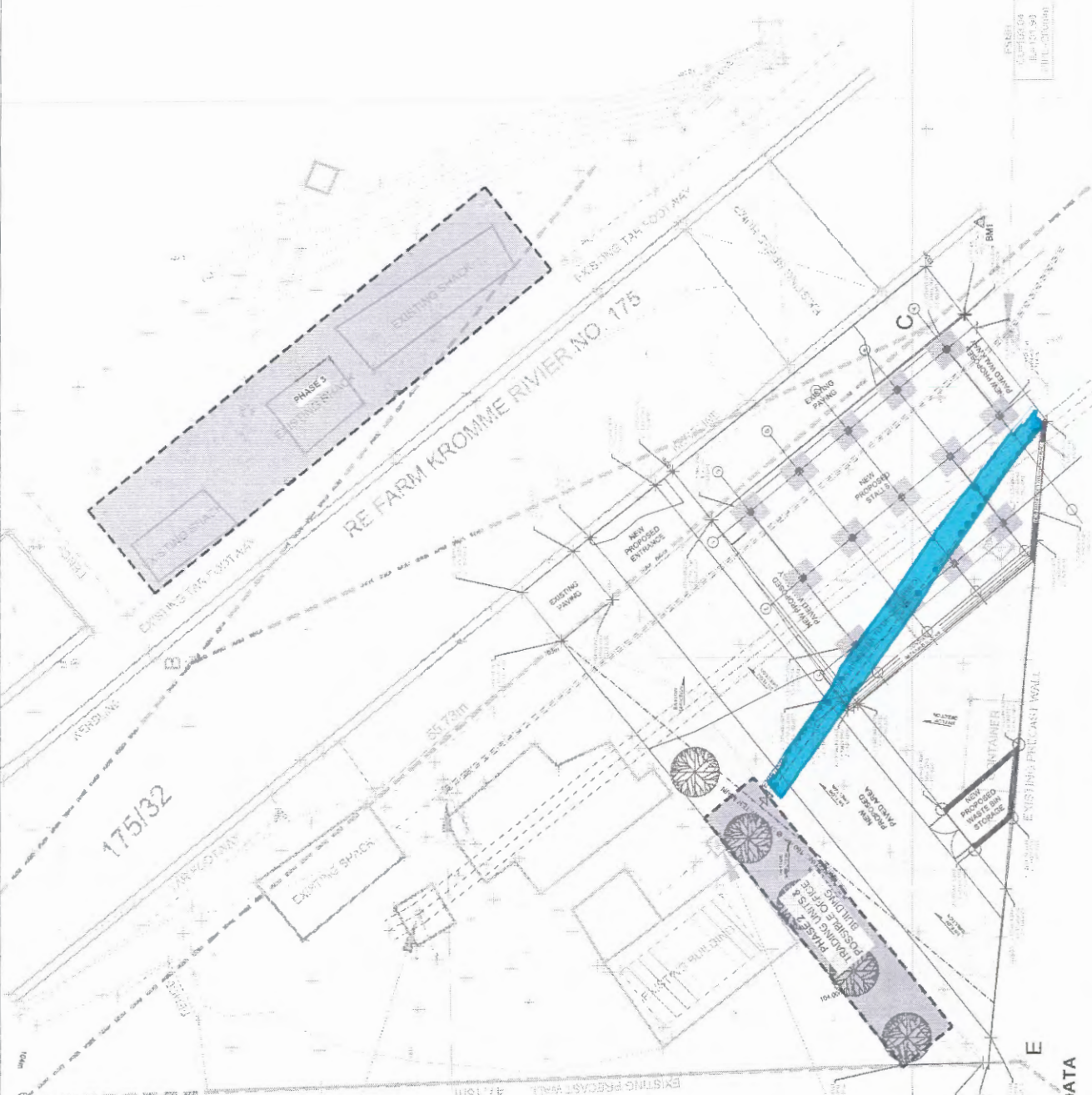
CADASTRAL INFORMATION

POINT	Y	X
A	13672.82	3754776.70
B	13626.22	3754815.92
C	13610.73	3754850.69
D	13646.55	3754808.00
E	13645.02	3754855.16

CONTROL POINTS: WGS84 L=19

POINT	Y	X	Z
BM1	13605.804	3754853.233	102.745
BM2	13631.383	3754806.052	103.376

CODE LIST	
CB	- corner building
B	- building
EIT	- entrance
PAY	- paving
TEP	- steps
SRB	- kerb line road/roll
ET	- edge of tar
SP	- spot shot
GP	- gate post
FEP	- fence
CMP	- corner fence post
CD	- concrete foundation
GI	- grid inlet
MH	- manhole
CW	- corner wall
W	- wall straight
CPI	- sign post
TB	- top bank
BB	- bottom bank
TL	- top level
IL	- inlet level
EP	- electrical pole
CH	- channel
EPB	- electric pylon box
LTR	- large tree
LP	- catchpit/kerb inlet
FP	- fire post
FH	- fire hydrant
GPU	- general post office
SV	- stop valve
PS	- power pole
PL	- plant
RWH	- roof eavehang
WW	- water meter
CV	- corr aluminium wall



FOR INFORMATION				
DATE	BY	DESCRIPTION	REV.	DATE
18/11/25	J	18/11/25		

MUNICIPALITY		ENGINEERS	
DATE	BY	DATE	BY

STELLENBOSCH MUNICIPALITY
 STB MUN BUSINESS HUBS - KAYAMANDI
 SITE PLAN & SETOUT DATA

CONSULTING ENGINEERS (SOUTH) (PTY) LTD
 BY DESIGN
 STRUCTURAL ENGINEERS

SITE PLAN & SETOUT DATA
 SCALE 1:100



7.7.2	INVITATION AND CALL FOR NOMINEES FOR THE MUNICIPAL PLANNING TRIBUNAL IN TERMS OF THE PROVISIONS OF THE STELLENBOSCH MUNICIPAL LAND USE PLANNING BY-LAW (2015) AND THE AMENDMENT OF THE HOURLY RATE PAYABLE TO THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL
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Collaborator No:

File No:

1/1/1/40

IDP KPA Ref No:

D535

Meeting Date:

13 March 2019

1. SUBJECT: INVITATION AND CALL FOR NOMINEES FOR THE MUNICIPAL PLANNING TRIBUNAL IN TERMS OF THE PROVISIONS OF THE STELLENBOSCH MUNICIPAL LAND USE PLANNING BY-LAW (2015) AND THE AMENDMENT OF THE HOURLY RATE PAYABLE TO THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL

2. PURPOSE

To obtain Council's approval to invite and call for nominees suitably experienced and qualified external professionals to serve as members of the Municipal Planning Tribunal in terms of the provisions of the Stellenbosch Municipal Land Use Planning By-law (2015) (hereinafter referred to as "the By-law") and to facilitate the increase in the hourly remuneration of these members.

3. DELEGATED AUTHORITY

For decision by Council.

In terms of the Stellenbosch Municipality Land Use Planning By-law 2015; the Spatial Planning Land Use Management Act No 16 of 2013 [SPLUMA] and the Western Cape Land Use Planning Act No 3 of 2014 [LUPA], as well as regulations governing these pieces of legislation (SPLUMA/LUPA).

4. EXECUTIVE SUMMARY

In terms of Section 70(1) of Stellenbosch Municipality Land Use Planning By-law (2015), read with Section 35 (1) of SPLUMA, the Municipality must establish a Municipal Planning Tribunal to consider and decide on land use applications made in terms of the By-law.

Council resolved, as per item 8.6 on 27 May 2015, that the term of office for the current Stellenbosch MPT shall be a period of three years which period would come to an end on 1 March 2019. The aforesaid resolution also contained details in respect of the remuneration and travel expenses of the MPT members. Subsequently, Council resolved, as per item 8.6 on 25 November 2015, to appoint external Municipal Planning Tribunal members as recommended by the evaluation panel for the three year period referred to above. For the last three years since June 2015, the Municipal Planning Tribunal has been constituted and operated professionally. Council recently resolved, as per item 8.2.2 on 27 February 2019, to extend the term of office of the current Municipal Planning Tribunal for a further period of four months, until 1 July 2019.

Permission is now sought from Council to proceed with the invitation and call for nominations in terms of Section 72 (1)(b) of the By-law for suitably experienced and

qualified external professionals to serve as members of the Municipal Planning Tribunal in terms of the provisions of the Stellenbosch Municipal Land Use Planning By-law (2015). This process will include, but not be limited to:

- (i) the publication of a notice in the various local and regional newspapers and on the Municipal website calling on nominations to serve on the Municipal Planning Tribunal;
- (ii) the Administration assisting the Mayco to determine the terms of reference to be used as criteria for the evaluation of the nominated MPT members;
- (iii) the Administration assisting in the establishment of an evaluation panel to evaluate the nominations for MPT members received by the Municipality, which panel will consist of all the members of the Planning Portfolio Committee and all the Directors, or their delegated officials.

In respect of the remuneration of the external MPT members, Council subsequently resolved in (b) of Item 7.3.3 of the 10th Council meeting dated 26 July 2017 to amend resolution (e)(i) of Council Item 8.6 dated 27 May 2015, to remunerate the members in line with SACPLAN professional fees (Category B) from R 300,00 to R 1000,00 per hour to a maximum remuneration equal to five hours per meeting.

In light of inflation and increases consequential thereto, it is necessary to adjust the rate at which members are paid to ensure that suitably qualified professional members are attracted or avail themselves to be nominated to serve on the MPT. It will be recommended that the hourly rate be amended according to the latest publication of the South African Council of Professional Planners (SACPLAN) increased professional fees rate. This will be to allow for the increase in the hourly remuneration rate of MPT members from R 1000,00 to a capped rate of R 1500,00 per hour to a maximum remuneration equal to five hours per meeting.

5. RECOMMENDATIONS

- (a) that Council approves the invitation and call for nominees for suitably experienced and qualified external professionals to serve as members of the Municipal Planning Tribunal in terms of the provisions of the Stellenbosch Municipal Land Use Planning By-law (2015);
- (b) that the Administration assist the Mayco to determine the terms of reference to be used as criteria for the evaluation of the nominated MPT members;
- (c) that the Administration assist in the establishment of an evaluation panel to evaluate the nominations for MPT members received by the Municipality, which panel will consist of the Chairperson of the Planning Portfolio Committee and all the Directors; and
- (d) that Council amend resolution (b) of Council Item 7.3.3 dated 26 July 2017 (10th Council meeting) in line with latest publication of the South African Council of Professional Planners (SACPLAN) increased professional fees rate (Category B) to allow for the increase in the hourly remuneration rate of MPT members from R 1000,00 to a capped rate of R 1500,00 per hour to a maximum remuneration equal to five hours per meeting.

6. DISCUSSION

6.1 Background

6.1.1 *Invitation and call for Nominees*

In terms of Section 70(1) of Stellenbosch Municipality Land Use Planning By-law (2015), read with Section 35 (1) of SPLUMA, the Municipality must establish a Municipal Planning Tribunal to consider and decide on land use applications made in terms of the By-law. In some instances Council may adopt categories of applications and appoint an official in the municipality to consider and decide on certain land use applications in line with categories approved by Council.

In terms of Section 71(1)(a)&(b) of the Stellenbosch Municipality Land Use Planning By-law (2015) the Tribunal established in terms of Section 70(1)(a) must consist of at least three employees in full-time service of the Municipality and two persons who are not employees of the Municipality or councilors. The latter may in terms of Section 71(3)(b) of the By-law be an individual in his or her own capacity, who in terms of Section 71(2) of the By-law must have knowledge and experience of land use planning or the law related thereto and be representative of a broad range of appropriate experience and expertise.

In terms of Section 72(1)(b) members of the Tribunal referred to in Section 71(1)(b) of the By-law may be appointed by Council only after the Municipality has in the case of members contemplated in 71(3)(b) by notice in a newspaper in circulation in the municipal area invited interested parties who meet the criteria to be nominated to be so appointed.

In terms of Section 73(1)(a) of the By-Law, the term of office for members of a Municipal Planning Tribunal (MPT) is five years or such shorter period as the Municipal Council may determine. Council resolved, as per item 8.6 on 27 May 2015 that the term of office for the current Stellenbosch MPT shall be a period of three years, which period would come to an end on 1 March 2019. (See minutes attached as **ANNEXURE A**). Subsequently, Council resolved, as per item 8.6 on 25 November 2015 to appoint external Municipal Planning Tribunal members as recommended by the evaluation panel for the three year period referred to above. (See minutes attached as **ANNEXURE B**).

For the last three years since June 2015, the Municipal Planning Tribunal has been constituted and operated professionally. Subsequently, Council resolved, as per item 8.2.2 on 27 February 2019 to extend the term of office of the current Municipal Planning Tribunal for a further period of four months, until 1 July 2019. (See minutes attached as **ANNEXURE C**).

Given the above, the appointment of the members of the Stellenbosch Municipal Planning Tribunal will lapse on 1 July 2019, and consideration must therefore now be given as to the way forward.

6.1.2 *Remuneration of members*

Resolution (b) of Item 7.3.3 of the 10th Council meeting dated 26 July 2017 (attached as **Annexure D**) reads:

- (b) *that Council amend resolution (e)(i) of Council Item 8.6 dated 27 May 2015 in line with SACPLAN professional fees (Category B) from R300. 00 per hour to R 1 000, 00 per hour to a maximum remuneration equal to five hours per meeting. The appointed External Municipal Planning Tribunal Members meets*

the criteria of SACPLAN Categories B as their expertise are of private consulting firm in practice standard whom have adequate expertise and relevant experience to perform the work of a planning nature and whom can carry the direct technical responsibility for one or more specific activities;

Furthermore, Resolution (e)(ii) of the 30th Council meeting dated 27 May 2015 reads :

(e)(ii) that the sitting members be reimbursed for travelling expenses, inclusive of travel from and back home to the sittings, at the rates approved from time to time for Councillors in the Mayoral Committee, in keeping with the relevant policy of the Municipality.

6.2 Discussion

6.2.1 *Invitation and call for Nominees*

Permission is now sought from Council to proceed with the invitation and call for nominations in terms of Section 72 (1)(b) of the By-law for suitably experienced and qualified external professionals to serve as members of the Municipal Planning Tribunal in terms of the provisions of the Stellenbosch Municipal Land Use Planning By-law (2015). This process will include, but not be limited to:

- (i) the publication of a notice (typical example of notice attached as **ANNEXURE E**) in the various local and regional newspapers and on the Municipal website calling on nominations (typical example of nomination form attached as **ANNEXURE F**) to serve on the Municipal Planning Tribunal;
- (ii) the Administration assisting the Mayco to determine the terms of reference to be used as criteria for the evaluation of the nominated MPT members;
- (iii) the Administration assisting in the establishment of an evaluation panel to evaluate the nominations for MPT members received by the Municipality, which panel will consist of all the members of the Planning Portfolio Committee and all the Directors, or their delegated officials;
- (iv) formulation of a Report for submission to Mayco and then to Council to recommend the acceptance of the nominations made by the evaluation panel for the commencement of the appointment of the Municipal Tribunal Members and the approval of the Chairperson and Deputy Chairperson;
- (v) the appointment of the successful nominees and the notification of the unsuccessful candidates;
- (vi) the acceptance of appointment by the successful nominees;
- (vii) a publication of a notice in the Provincial Gazette in terms of Section 72(11)(c).

The procedures involved in the constituting of the MPT through the invitation and call for nominations as mentioned above is a complex and extensive process prescribed in both SPLUMA and the By-law. For this purpose a schedule of procedures with a timeline has been formulated and is attached as **ANNEXURE G** to indicate the tight timeframes within which these procedures need to be executed.

It is proposed that the Mayco, assisted by the Administration, determine the terms of reference to be used as criteria for the evaluation of the nominated MPT members. Furthermore, it is proposed that the evaluation panel consist of all the members of the Planning Portfolio together with all the Directors or their delegated officials. The Administration would assist in the establishment of this panel and the arrangement required for the evaluation to occur.

6.2.2 Remuneration of members

It will be recommended that the hourly rate be amended according to the latest publication of the South African Council of Professional Planners (SACPLAN) increased professional fees rate (**ANNEXURE H** – Notice no. 1080 in Government Gazette No 41959 dated 5 October 2019). In terms of the previous decision of Council it was agreed that the external members of the municipal planning tribunal meet the criteria of SACPLAN Category B, although the hourly rate approved was capped at R 1000,00, whilst the published indicative hourly rate was R 1542,00.

In light of inflation and increases consequential thereto, it is necessary to adjust the rate at which members are paid to ensure that suitably qualified professional members are attracted or avail themselves to be nominated to serve on the MPT. The latest indicative hourly rate for Category B is that of R 1992,00. It is however recommended to amend the existing capped hourly rate of R 1000,00 to R 1500,00 to a maximum remuneration equal to five hours per meeting.

The travelling expenses incurred by the members of the MPT will still be dealt with in terms of the previous resolution of Council, i.e. resolution (e)(ii) of the 30th Council meeting dated 27 May 2015; which reads as follows:

(e)(ii) that the sitting members be reimbursed for travelling expenses, inclusive of travel from and back home to the sittings, at the rates approved from time to time for Councillors in the Mayoral Committee, in keeping with the relevant policy of the Municipality.

6.3 Financial Implications

The advertising costs required for the publication of the notices in the press have been budgeted for in the operational budget of 2018/2019, and sufficient funds are available. The additional operational budget required for the professional fees for external MPT members to be amended in line with SACPLAN professional fees for external consultants have been provided for in the operational budget of the 2019/2020 financial year.

6.4 Legal Implications

The recommendations as set out above are in terms of the Stellenbosch Land Use Planning By-Law, October 2015 read with SPLUMA, LUPA and subsequent previous Council resolutions.

6.5 Staff Implications

There are no staff implications should the recommendations as set out above be accepted.

6.6 Previous / Relevant Council Resolutions:

The following previous Council approvals are applicable:

- ✓ Item 8.6 of Council meeting dated 27 May 2015
- ✓ Item 7.4 of Council meeting dated 25 of November 2015
- ✓ Items 7.3.3 of Council meeting dated 26 July 2017
- ✓ Item 7.3.3 of Council meeting 27 February 2019
- ✓ It should furthermore be noted that other Council resolutions were also made, however these relate to changes in the internal Tribunal members.

6.7 Risk Implications

The recommendation will reduce the risk implications with regard to the consistency of Land Use Development decisions for the Municipality. Should there be a failure to execute the procedure within the timelines stipulated, it could result in an appeal submission to the Executive Mayor in terms of Section 79(3), which reads:

- (3) *An applicant may appeal in writing to the Appeal Authority in respect of the failure of the Tribunal or an authorised employee to make a decision within the period contemplated in section 57(1) and (2), any time after the expiry of the period contemplated in that section.*

6.8 Comments from Senior Management:

Senior Management supports the recommendations.

ANNEXURES

- Annexure A:** Item 8.6 of Council meeting dated 27 May 2015
- Annexure B:** Item 7.4 of Council meeting dated 25 November 2015
- Annexure C:** Item 8.2.2 of Council meeting dated 27 February 2019
- Annexure D:** Item 7.3.3 of Council meeting dated 26 July 2017
- Annexure E:** Typical example of advert to be published
- Annexure F:** Typical example of nomination form
- Annexure G:** Schedule of procedures and Timelines for appointment of MPT members
- Annexure H:** Notice no. 1080 in Government Gazette No 41959 dated 5 October 2019

NAME	Tabiso Mfeya
POSITION	<i>Director</i>
DIRECTORATE	<i>Planning & Economic Development</i>
CONTACT NUMBERS	<i>021 808 8491</i>
E-MAIL ADDRESS	<i>tabiso.mfeya@ Stellenbosch.gov.za</i>
REPORT DATE	<i>1 March 2019</i>

Annexure A

Item 8.6 of Council meeting 27 May 2015

30TH COUNCIL MEETING: 2015-05-27: ITEM 8.6**RESOLVED** (majority vote with 10 abstentions)

- (a) that the draft Council approve the establishment of a WC024 Municipal Planning Tribunal in terms of Section 35 of the Spatial Planning and Land Use Management Act, 16 of 2013;
- (b) that the term of office for the Municipal Planning Tribunal (MPT) be three years;
- (c) that the Municipal Manager be authorised to proceed with the processes in accordance with Section 36(1) of the SPLUMA to comply with the institutional requirements for the establishment of a WC024 Municipal Planning Tribunal (MPT);
- (d) that the MPT consists of a panel of 10 people available to sit on the MPT, seven of which are members of the public and three officials:
 - (i) that four members of the public sit at every meeting; and
 - (ii) three additional members be appointed to stand in for unavailable tribunal members.
- (e) that the MPT public members be remunerated at the following rates:
 - (i) that the four members of the public that sit at every meeting be remunerated at R300,00 per hour, with no more than 10 hours being set aside per meeting and that the rate be reconsidered annually in the budget; and
 - (ii) that the sitting members be reimbursed for travelling expenses, inclusive of travel from and back home to the sittings, at the rates approved from time to time for Councillors in the Mayoral Committee, in keeping with the relevant policy of the Municipality.
- (f) that Council approve of the municipal employees for the Tribunal, namely:
 - (i) Manager: Development Services;
 - (ii) Manager: Spatial Planning, Heritage and Environment, Directorate: Planning and Economic Development; and
 - (iii) Senior Legal Advisor
- (g) that the following categories of applications be approved:

Category 1 Applications (complex) are:

 - (i) the establishment of an integrated (mixed use) township or the extension of the boundaries of a township (urban edge);
 - (ii) the amendment of an existing scheme or land use scheme by the rezoning of land to which substantive objections were submitted;
 - (iii) the removal, amendment or suspension of a restrictive or obsolete condition, servitude or reservation registered against the title of the land to which substantive objections were submitted;

- (iv) the subdivision of any land outside the urban edge for purposes other than the provision of any service;
- (v) permanent closure of any public place;
- (vi) any consent or approval required in terms of a condition of title, a condition of establishment of a township or condition of an existing scheme or land use scheme to which substantive objections were submitted;
- (vii) any departure or use not provided for in the relevant zoning scheme;
- (viii) any application on municipal or other public land where the Municipality is the applicant; and
- (ix) Amendment of a condition of approval where the decision was taken by the Tribunal or the appeal authority.

Category 2 applications are:

- (i) the subdivision of any land inside the urban edge to which substantive objections were not submitted; *m By-law section 15. (d)*
 - (ii) the consolidation of any land; *(e)*
 - (iii) the consent of the municipality for any land use purpose or departure or deviation in terms of a land use scheme or existing scheme which does not constitute a land development application; *(a)*
 - (iv) the removal, amendment or suspension of a restrictive title condition relating to the density of residential development on a specific erf where the residential density is regulated by a land use scheme in operation; *(f)*
 - (v) the amendment of an existing scheme or land use scheme by the rezoning of land to which substantive objections were not submitted; *(a)*
 - (vi) the removal, amendment or suspension of a restrictive or obsolete condition, servitude or reservation registered against the title of the land to which substantive objections were not submitted; (g) any consent or approval required in terms of a condition of title, a condition of establishment of a township or condition of an existing scheme or land use scheme to which substantive objections were not submitted; *(f)*
 - (vii) extension of the validity period of an approval; *(i)*
 - (viii) phasing, amendment or cancellation of a plan of subdivision or a part thereof;
 - (ix) permission required in terms of a condition of approval; and
 - (x) special consent for the temporary use (maximum 21 days) of land not provided for in the zoning scheme.
- (h) that the following definition be used for "substantive objection":
Substantive objections are defined by one or more of the following:
- (i) likelihood of direct loss of property, land use rights or significant property value of the objector(s) directly affected by the application in question;
 - (ii) evidence that the proposed land development activity is in conflict with all or most of the guidelines, principles, prerequisites, and standards contained in the IDP, applicable SDF, relevant by-laws and related approved policies;
 - (iii) evidence is presented which demonstrates that the proposed land development activity or alteration has a potential for

significant adverse impacts on one or more of the following descriptors of the environment:

- ecological functioning;
- permanent nuisance and/or disturbance with effects on health and well-being of surrounding residents, occupants or property owners;
- post construction traffic patterns;
- areas of historic and/or archaeological significance;
- scenic and/or recreation values; (6) post construction infrastructure services provision.

- (i) that the Director: Planning and Economic Development be the delegated official for decision-making in Category 2 cases until the amended System of Delegations has been approved by Council;
- (j) that an elected Appeal Committee consisting of Councillors of the WC024 be designated as the Appeal Authority;
- (k) ✓ that the evaluation panel to evaluate the nominations for MPT members received by the Municipality be the Planning and Economic Development Portfolio Committee; and
- (l) ✓ that the terms of reference for the evaluation panel be determined by the Executive Mayor in consultation with the Mayoral Committee members.

Councillor F Adams requested that his vote of dissent be minuted.

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

*. mm must publish a notice in the
Proo Gazette of the nominated members.

Section 37 (4) Act.

Annexure B

Item 7.4 of Council meeting 25 November 2015

7.4 RECOMMENDATIONS AND FINDING REGARDING THE APPOINTMENT OF EXTERNAL MUNICIPAL PLANNING TRIBUNAL MEMBERS AS DETERMINED BY THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (ACT 16 OF 2013) AND ITS REGULATIONS

File number : 1/1/1/40

Compiled by : SPLUMA Compliance Officer

Report by : Director: Planning and Economic Development

Delegated Authority : Council

Strategic intent of item

Preferred investment destination	<input checked="" type="checkbox"/>
Greenest municipality	<input checked="" type="checkbox"/>
Safest valley	<input type="checkbox"/>
Dignified Living	<input checked="" type="checkbox"/>
Good Governance	<input checked="" type="checkbox"/>

1. PURPOSE OF REPORT

To obtain approval from Council by accepting the appointment of external Municipal Planning Tribunal members for a maximum period of three years.

2. BACKGROUND

On the 1st of July 2015 the President enacted the Spatial Planning and Land Use Management Act, 16 of 2013 (SPLUMA).

On a Provincial level the Western Cape Government adopted the Land Use Planning Act, 3 of 2014 (LUPA) which will replace the Land Use Planning Ordinance No 15 of 1985 (LUPO).

Both SPLUMA and LUPA came about after recent court judgements indicated that old order legislation (LUPO etc.) was not in line with the Constitution and that National and Provincial Spheres of Government had only limited powers and functions which they could not impose on Municipalities.

In line with the new planning legislation Stellenbosch Municipality need to establish a Municipal Planning Tribunal; appoint an authorised official; adopt a municipal planning bylaw and have tariffs in place to accept and process land use applications.

As per Section 36 in SPLUMA each municipality need to appoint a Municipal Planning Tribunal consisting out of internal and external members.

In line with the above requirement, adverts were placed in various local and regional newspapers during July 2015 calling on nominations to serve on the Municipal Planning Tribunal. These adverts were placed in the following newspapers:

- Riviernuus
- Umlambo News
- Eikestad Nuus
- Paarl Post
- Cape Times
- Die Burger

In total 18 nominations were received which are attached as **APPENDIX 1**. The purpose of this report is to make recommendations to the Portfolio Planning and Economic Development Committee.

3. DISCUSSION

As seen in **APPENDIX 2** Council resolved on the 30th Council Meeting dated 27 May 2015 (Item 8.6) amongst others that:

- (a) *the draft Council approve the establishment of a WC024 Municipal Planning Tribunal in terms of Section 35 of the Spatial Planning and Land Use Management Act, 16 of 2013;*
- (b) *that the evaluation panel to evaluate the nominations for Municipal Planning Tribunal members received by the Municipality be Planning and Economic Development Portfolio Committee; and*
- (c) *that the terms of reference for the evaluation panel be determined by the Executive mayor in consultation with the Mayoral committee members.*

Both SPLUMA and LUPA are being implemented on a staggered approach once municipalities have met the minimum criteria. LUPO will be repealed at the municipality once these minimum requirements are met:

- An approved and gazetted Municipal Planning Bylaw - (adopted in August 2015) and in process of Gazetting
- Advanced in the establishment of a Municipal Planning Tribunal - (Call for nominations was advertised and nomination were received, and recommendations has taken place);
- Advanced in the establishment of delegations which includes the categorisation of applications and the appointment of an authorised official (was achieved through Council Resolution 27 May 2015);
- Have tariffs in place to receive land use applications (was completed in the approved 2015/2016 Municipal budget).

3.1 Terms of Reference for the Municipal Planning Tribunal

The Municipal Planning Tribunal will consist out of ten (10) members of which seven (7) will sit at every Municipal Planning Tribunal meeting.

The Municipal Planning Tribunal must have at least three internal official municipal members and four (4) external Municipal Planning Tribunal members with an extra three (3) members to stand in for an unavailable member.

SPLUMA Section 36(1)(b) stipulates that the external seven (7) Municipal Planning Tribunal members must have *“knowledge and experience of spatial planning, land use management and land development or law related thereto”*.

The following criteria was presented to the informal MAYCO which formed part of the Terms of Reference for the external Municipal Planning Tribunal members:

- People with knowledge of planning and related law;
- Can be a resident outside of WC024;
- Should represent the different broader geographic areas (Klapmuts/Franchhoek, Raitby/Stellenbosch Urban Areas and the agricultural areas);
- Should represent the demographic composition of residents of WC024.

3.2 Applications received

In total eighteen (18) applications were received as seen in Table 1 below (CV's of each candidate herewith attached as **APPENDIX 3**). The applicants submitted their applications in line with SPLUMA and its regulations which included the following minimum criteria:

- Application form;
- Written motivation;
- Indicate any Conflict of interest;
- Declaration;
- Comprehensive CV and
- Certified copies of qualifications and registration bodies

Table 1: Applications received to serve as External Municipal Planning Tribunal members

No	Name(s) and Surname	Highest Qualifications	Field of Expertise	Age	Gender	Race	Years of Experience
1	Michael Fraser	National Technical Certificate	Civil/Construction Engineering Drawings	60	M	C	35
2	Thumakele Gosa	MPhil: Development Planning	Development Planner	45	M	B	5
3	Adv Mandla Mdludlu	LLB	Housing & Law	61	M	B	38

4	Basil Davidson	Masters: Town & Regional Planning	Town Planner	66	M	W	30
5	Cornelia Hendrika Smart	Masters: LLM (Law)	Heritage and Law	47	F	W	20
6	Jeffrey Phil de Wet	BSc: Engineering	Civil Engineering	63	M	C	37
7	Simon Nicks	Masters: Town & Regional Planning	Town Planner Environmental Urban Design Architecture	56	M	W	30
8	Pierre Arnoldus Jurgens Smit	Masters: Town & Regional Planning	Town Planner	58	M	W	30
9	Christiaan Klopper Rabie	Masters: Town & Regional Planning	Town Planner Environmental SPLUMA / LUPA ROR & 24 G	64	M	W	38
10	Willem Morkel de Kock	Masters: Town & Regional Planning	Town Planner Professional Property Valuation	68	M	W	40
11	Dr Pieter Eduard Claasen	Doctorate, Masters TRP and Engineering	Town Planner Engineer Heritage ROR	78	M	W	40
12	Christophe Seroot	Matric	Building Inspector	45	M	C	20
13	Owen Pieters	B.Hons: Spatial Planning B-Tech Town Planning	Town Planner	36	M	C	15
14	Johannes Diederik van der Merwe	LLM and LLB	Administrative Law; land Reform; and Environmental Law	55	M	W	30
15	John Frederick David Muller	Masters: Engineering (Transport)	Engineering (Transport and Civil) Tribunal Experience	49	M	C	21
16	Dr Ruida Pool-Stanvliet	Ph.D & Masters MSc	Environment (Cape Nature / Land Use & Spatial Planning)	56	F	W	30
17	Eric Peter McDonald	BSc: Electric Engineering	Engineering (Electrical) and Project Management	61	M	W	40
18	Adv Alan David Maher	Masters:LLB	Property Law; servitudes; municipal valuations; LUMS	50	M	W	22

3.3 Recommendations of the Nominations Panel for members of the public to serve as External Members on the Municipal Planning Tribunal

The evaluation panel had its evaluation meeting on 17 September 2015 (Minutes of meeting attached as APPENDIX 4).

The evaluation committee consisted out of the following municipal representatives:

- Dupré Lombaard - Director Planning and Economic Development
- Willem Pretorius - Acting Director Engineering
- Robert Fooy - Acting Manager Land Use Management

- Mervin Williams - Senior Legal Advisor
- Bernabe De La Bat - Manager Spatial Planning, Heritage and Environment
- Jacques Jansen van Rensburg – SPLUMA Compliance Officer

3.3.1 Out of the above assessment the following External Municipal Planning Tribunal members are recommended by the panel linked to skill and years' experience as seen in table 2 below.

Table 2: Recommended External Municipal Planning Tribunal Members

Member Number	Name and Surname	Field Expertise	RACE & GENDER	YEARS EXPERIENCE
1.	Adv. Mandla Mdludu (Chair)	Advocate: Housing & Law	B / M	38
2.	Cornelia Smart (Deputy Chair)	Heritage and Law	W / F	20
3.	Thumakele Gosa	Development Planner	B / M	5
4.	JFD Muller	Engineering: Transport and Civil	C / M	21
5.	Dr Ruida Pool-Stanvliet	Environment (Cape Nature / Land Use & Spatial Planning)	W / F	30
6.	Jeffrey Phil de Wet	Civil Engineering	C / M	37
7.	Christiaan Rabie	Town Planner Environmental SPLUMA / LUPA / ROR	W / M	38

3.3.2 The following internal members on the Municipal Planning Tribunal were approved at the Council Meeting dated 27 May 2015 Item 8.6):

- Manager: Development Services, Directorate Engineering Services
- Manager: Spatial Planning, Heritage and Environment, Directorate Planning and economic development
- Senior Legal Advisor: Directorate: Strategic and Corporate Services

3.3.3 Chair and deputy Chair of the Municipal Planning Tribunal

SPLUMA Section 36 (4 a & b) reads that the Municipal Council must designate a chair and deputy chair for the Municipal Planning Tribunal.

The evaluation panel recommended that the following members be appointed as the chair and deputy chair:

- Adv. Mandla Mdludu as the Chair and
- Cornelia Smart as the Deputy Chair

The above chair and deputy chair will also need to be approved in terms of Section 36 (4a & b) of SPLUMA.

4. DETERMINATION OF THE APPEALS AUTHORITY IN TERMS OF SECTION 51 OF SPLUMA

Council must make a decision on the type of the Appeal Authority, which can be the Executive Committee or Executive Mayor of the municipality. If the municipality does not have an Executive Committee or Executive Mayor, this function may be delegated to an official or an outside body or institution authorized by Council to assume the functions of an Appeal Authority.

The 30th Council Meeting dated 27 May 2015 (Item 8.6) resolved:

(j) that an elected Appeal Committee consisting of Councillors of the WC024 be designated as the Appeal Authority.

After seeking consultation from the Western Cape Government Department of Environmental Affairs and Development Planning (DEADP) it was advised to amend resolution j from item 8.6 as it is not aligned with SPLUMA Section 52(2) (see **APPENDIX 5**).

Section 51(2) of SPLUMA reads: "The municipal manager must within a prescribed period submit the appeal to the executive authority of the municipality as the appeal authority) which makes the "executive authority" of the municipality the appeal authority.

Internal Legal Advice obtained herewith attached as **APPENDIX 6** it is recommended that, the Executive Mayor is authorised as Appeal Authority ex lege/in terms of legislation and not in terms of a delegation. (The Executive Mayor will have the right to take expert technical or legal advice when necessary). The appeal will be on procedural matters only and not on merit.

5. LEGAL IMPLICATIONS

The Legal Department supports the Item and recommendations.

6. FINANCIAL IMPLICATIONS

The Chief Financial Officer is in support of this item.

RECOMMENDED

- (a) that the nominations made by the evaluation panel for the commencement of appointment for the following external Municipal Planning Tribunal Members be accepted as:
- Adv. Mandla Mdludu
 - Ms Cornelia Smart
 - Mr Thumakele Gosa
 - Mr JFD Muller
 - Dr Ruida Pool-Stanvliet
 - Mr Jeffrey Phil de Wet
 - Mr Christiaan Rabie
- (b) that Council take cognisance that the following Internal Municipal Planning Tribunal Members will be appointed as per Council resolution (Item 8.6), dated 2015-05-27:
- Manager: Development Services, Directorate Engineering Services
 - Manager: Spatial Planning, Heritage and Environment, Directorate Planning and Economic Development
 - Senior Legal Advisor, Directorate: Strategic and Corporate Services
- (c) that Item 8.6 (j) be replaced with the Appeal Authority be the Executive Mayor. The Executive Mayor is authorised as appeal authority ex lege/in terms of legislation and not in terms of a delegation; and

- (d) that in terms of SPLUMA Section 36(4a & b), Council support and approve the recommendation for the appointment of the Chairperson, (Advocate Mandla Mdlulu) and Deputy Chairperson, (Ms Cornelia Smart).

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

APPENDICES DISTRIBUTED UNDER SEPARATE COVER

- Appendix 1 - List of Nominations and Applications Received
- Appendix 2 - Copy of Item 8.6 (30th Council Meeting dated 27 May 2015)
- Appendix 3 - Copies of CV's of applications received to serve as External Municipal Planning Tribunal Members
- Appendix 4 - Action Minutes of Nominations Panel recommendations and vote
- Appendix 5 - Western Cape Government (DEADP) comment on the amendment of Item 8.6 (j) regarding the embellishment of the Appeal Authority.
- Appendix 6 - Comments received from Senior Legal Advisor

**PLANNING AND ECONOMIC DEVELOPMENT COMMITTEE: 2015-11-03:
ITEM 5.1.1**

During deliberations on the matter, the ANC requested a caucus, which the Chairperson allowed.

After the meeting resumed, it was

RESOLVED (nem con)

that this matter be deferred to a Reconvened Planning and Economic Development Committee meeting to be held on Friday, 2015-11-06 at 09:00.

Note! See page 82 of the minutes of this Committee for detail of the reconvened meeting.

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

**RECONVENED MEETING OF THE PLANNING AND ECONOMIC
DEVELOPMENT COMMITTEE: 2015-11-05: ITEM 5.1.1**

During deliberations on this matter, the Committee noted the input by the Administration that the purpose of this report be changed as indicated below.

During further debate the DA Councillors requested a caucus which was allowed.

After the meeting resumed, it was

RESOLVED (nem con)

that the purpose of the report be changed to read as follows:

1. PURPOSE OF REPORT

To obtain approval from Council by accepting the appointment of external Municipal Planning Tribunal members for a maximum period of three years.

RECOMMENDED

- (a) that the nominations made by the evaluation panel for the commencement of appointment for the following external Municipal Planning Tribunal Members be accepted by Council as:
- Adv. Mandla Mdludu
 - Ms Cornelia Smart
 - Mr Thumakele Gosa
 - Mr JFD Muller
 - Dr Ruida Pool-Stanvliet
 - Mr Jeffrey Phil de Wet
 - Mr Christiaan Rabie
- (b) that Council take cognisance that the following Internal Municipal Planning Tribunal Members will be appointed as per Council resolution (Item 8.6), dated 2015-05-27:
- Manager: Development Services, Directorate Engineering Services
 - Manager: Spatial Planning, Heritage and Environment, Directorate Planning and Economic Development
 - Senior Legal Advisor, Directorate: Strategic and Corporate Services
- (c) that Item 8.6 (j) be replaced with the Appeal Authority be the Executive Mayor. The Executive Mayor is authorised as appeal authority ex lege/in terms of legislation and not in terms of a delegation; and
- (d) that in terms of SPLUMA Section 36(4a & b), Council support and approve the recommendation for the appointment of the Chairperson, (Advocate Mandla Mdlulu) and Deputy Chairperson, (Ms Cornelia Smart).

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

MAYORAL COMMITTEE MEETING: 2015-11-18: ITEM 5.1.5**RECOMMENDED BY THE EXECUTIVE MAYOR**

- (a) that the nominations made by the evaluation panel for the commencement of appointment for the following external Municipal Planning Tribunal Members be accepted by Council as:
- Adv. Mandla Mdludu
 - Ms Cornelia Smart
 - Mr Thumakele Gosa
 - Mr JFD Muller
 - Dr Ruida Pool-Stanvliet
 - Mr Jeffrey Phil de Wet
 - Mr Christiaan Rabie
- (b) that Council take cognisance that the following Internal Municipal Planning Tribunal Members will be appointed as per Council resolution (Item 8.6), dated 2015-05-27:
- Manager: Development Services, Directorate Engineering Services
 - Manager: Spatial Planning, Heritage and Environment, Directorate Planning and Economic Development
 - Senior Legal Advisor, Directorate: Strategic and Corporate Services
- (c) that Item 8.6 (j) be replaced with the Appeal Authority be the Executive Mayor. The Executive Mayor is authorised as appeal authority ex lege/in terms of legislation and not in terms of a delegation; and
- (d) that in terms of SPLUMA Section 36(4a & b), Council support and approve the recommendation for the appointment of the Chairperson, (Advocate Mandla Mdlulu) and Deputy Chairperson, (Ms Cornelia Smart).

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

36TH COUNCIL MEETING: 2015-11-25: ITEM 7.4**RESOLVED (nem con)**

- (a) that the nominations made by the evaluation panel for the commencement of appointment for the following external Municipal Planning Tribunal Members be accepted by Council as:
- Adv. Mandla Mdludu

- Ms Cornelia Smart
 - Mr Thumakele Gosa
 - Mr JFD Muller
 - Dr Ruida Pool-Stanvliet
 - Mr Jeffrey Phil de Wet
 - Mr Christiaan Rabie
- (b) that Council take cognisance that the following Internal Municipal Planning Tribunal Members will be appointed as per Council resolution (Item 8.6), dated 2015-05-27:
- Manager: Development Services, Directorate Engineering Services
 - Manager: Spatial Planning, Heritage and Environment, Directorate Planning and Economic Development
 - Senior Legal Advisor, Directorate: Strategic and Corporate Services
- (c) that Item 8.6 (j) be replaced with the Appeal Authority be the Executive Mayor. The Executive Mayor is authorised as appeal authority ex lege/in terms of legislation and not in terms of a delegation; and
- (d) that in terms of SPLUMA Section 36(4a & b), Council support and approve the recommendation for the appointment of the Chairperson, (Advocate Mandla Mdlulu) and Deputy Chairperson, (Ms Cornelia Smart).

**(DIRECTOR: PLANNING AND ECONOMIC
DEVELOPMENT TO ACTION)**

Annexure C

Item 8.2.2 of Council meeting dated 27 February 2019

8.2.2	EXTENSION OF TERM OF OFFICE FOR STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL (MPT) MEMBERS APPOINTED IN TERMS OF SECTION 37 THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (SPLUMA) (ACT NO. 16 OF 2013) (HEREIN REFERRED TO AS THE "ACT")
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Collaborator No: 631102
File nr: (1/1/1/40)
IDP KPA Ref No: D535
Meeting Date: 27 February 2019

1. SUBJECT: EXTENSION OF TERM OF OFFICE FOR STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL (MPT) MEMBERS APPOINTED IN TERMS OF SECTION 37 THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 (SPLUMA) (ACT NO. 16 OF 2013) (HEREIN REFERRED TO AS THE "ACT")

2. PURPOSE

To obtain Council's approval to extend the period for the members to serve on the MPT for another four months to 1 July 2019.

3. DELEGATED AUTHORITY

COUNCIL

In terms of the Stellenbosch Municipality Land Use Planning By-law 2015; the Spatial Planning Land Use Management Act No 16 of 2013 [SPLUMA] and the Western Cape Land Use Planning Act No 3 of 2014 [LUPA] as well as regulations governing these pieces of legislation (SPLUMA/LUPA).

4. EXECUTIVE SUMMARY

In terms of Section 35 of SPLUMA (2013) all municipalities are required to establish a Municipal Planning Tribunal to consider and decide on land use applications made in terms of the Stellenbosch Municipality Land Use Planning By-law (2015).

In terms of Section 37(1) of the Act, the term of office for members of a Municipal Planning Tribunal (MPT) is five years or such shorter period as the Municipal Council may determine. Council resolved, per item 8.6 on 27 June 2015, that the term of office for the current Stellenbosch MPT shall be a period of three years which period comes to an end on 1 March 2019. See minutes attached as **ANNEXURE A**.

Seeing that the MPT's term will be expiring on the 1st of March 2019, permission is sought to extend the period to 30 June 2019. This will assist in the effective functioning of the existing MPT up to the end of the existing financial year. It will give the administration enough time to undertake the process to establish a new MPT for Stellenbosch Municipality with effect from 1 July 2019, for the new financial year 2019/20.

24TH COUNCIL MEETING: 2019-02-27: ITEM 8.2.2

Councillor F Adams requested that it be minuted that DNCA rejects the request to extend the Term of Office of the current Municipal Planning Tribunal, because there is no justification for bad planning.

RESOLVED (majority vote with 1 abstention)

that Council extends the Term of Office of the current Municipal Planning Tribunal for a further period of four months commencing on the 1st of March 2019. Accordingly, the term of office for the following MPT members expires on 1 July 2019.

External members:

1. Adv M Mdludlu -Chairperson
2. Ms C Smart – Deputy Chairperson
3. Mr JP de Wet- External member
4. Dr R Pool-Stanvliet - External member
5. Mr C Rabie – External member

Internal members:

1. Mr B de la Bat - Manager: Spatial Planning, Heritage and Environment
2. Mr M Williams - Senior Legal Advisor
3. Mr S van der Merwe – Environmental Planner
4. Mr D Louw – Director: Infrastructure Services

Technical Advisor:

1. Mr K Munro – Department of Environmental Affairs and Development Facilitation

Cllr F Adams requested that his vote of dissent be minuted.

FOR FURTHER DETAILS CONTACT:

NAME	Hedre Dednam
POSITION	Land Use Manager
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021 808 8674
E-MAIL ADDRESS	hedre.dednam@stellnbosch.gov.za

<i>REPORT DATE</i>	14 January 2019
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Annexure D
Item 7.3.3 of Council meeting 26 July 2017

7.3.3	AMENDMENT OF THE EXISTING CATEGORISATION OF APPLICATIONS, AMOUNTS PAYABLE TO THE STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL AND APPOINTMENT OF AN ADDITIONAL INTERNAL MUNICIPAL PLANNING TRIBUNAL MEMBER IN TERMS OF SPATIAL PLANNING AND LAND USE MANAGEMENT ACT NO 16 OF 2013 (SPLUMA)
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1. PURPOSE OF REPORT

To motivate and seek approval from Council to amend the existing decisions (approved in Item 8.6 dated 27 May 2015). Further to propose to Council to appoint an additional Internal Municipal Tribunal Members, to amend the existing categorisation of applications and adjust the remuneration of external Municipal Tribunal member's fees in line with market value.

2. BACKGROUND

During 2015 Council authorised the establishment of a Municipal Planning Tribunal (MPT) for Stellenbosch Municipality (WC024) in line with new planning legislation which include the Spatial Planning and Land Use Management Act No 16 of 2013 (SPLUMA), the Western Cape Land Use Planning Act No 3 of 2014 (LUPA) as well as the Stellenbosch Municipal Land Use Planning By-law (2015).

Council took a series of decisions during 2015 [*Resolution 8.6 dated 27 May 2015 as APPENDIX 1*] and [*item 7.4 (36th Council Meeting dated 25 of November 2015 as APPENDIX 2*] in line with the above mentioned land use planning legislation. Amongst others Council approved the appointment of external public Municipal Planning Tribunal Members, the remuneration for external MPT members, the categorisation of applications, and the appointment of an authorised employee (the Director for Planning and Economic Development) to consider and determine certain applications in line with Council's approved categorisation.

During 2016 not one Municipal Planning Tribunal meeting was conducted, amongst others as a result of the existing categorisation of applications approved by Council.

The purpose of this item is to amend the existing categorisation of applications in terms of SPLUMA, LUPA and the Land Use Planning By-law to amend the remuneration of External Municipal Planning Tribunal Members in line with the SACPLAN professional fees and appoint additional secondi Internal Municipal Planning Tribunal members.

10TH COUNCIL MEETING: 2017-07-26: ITEM 7.3.3

RESOLVED (nem con)

- (a) that Council rescind the approved categorisation of applications as per resolutions (g) and (h) of Council Item 8.6 dated 27 May 2015 and replace it with the table below in line with Section 35 of SPLUMA:

NO	APPLICATION TYPE	COUNCIL	Category 1 Municipal Planning Tribunal	Category 2 (AO/AE)
Actions in terms of Sections 11 and 22 of the Western Cape Land Use Planning Act 2014 and Section 35(3) and 47(2) of the Spatial Planning and Land Use Management Act, 2013				
1.	Approval / amendment of Spatial Development Framework	X		
2.	Approval / amendment of Zoning Scheme	X		
3.	Approval / amendment of an Overlay Zone for the zoning scheme 15(2)(j) of the Land Use By-law read with section 12 & 13 of MSA	X		
4.	Title Deed Relaxations to enable minor departure applications SPLUMA 47(2)			X
5.	Categorisation of applications	X		
Application types as per section 15 of the Stellenbosch Municipal Land Use Planning By-law (2015)				
6.	15(2)(a) Rezoning of Land		X OBJECTIONS	X NO OBJECTIONS
7.	15(2)(b) a permanent departure from the development parameters of the zoning scheme		X OBJECTIONS	X NO OBJECTIONS
8.	15(2)(c) a departure granted on a temporary basis to utilise land for a purpose not permitted in terms of the primary rights of the zoning applicable to the land;		X OBJECTIONS	X NO OBJECTIONS
9.	15(2)(d) a subdivision of land that is not exempted in terms of section 24, including the registration of a servitude or lease agreement;		X OBJECTIONS	X NO OBJECTIONS
10.	15(2)(e) a consolidation of land that is not exempted in terms of section 24;			X
11.	15(2)(f) a removal, suspension or amendment of restrictive conditions in respect of a land unit;		X OBJECTIONS	X NO OBJECTIONS
12.	15(2) (g) a permission required in terms of the zoning scheme ;			X
13.	15(2)(h) an amendment, deletion or imposition of conditions in respect of an existing approval ;			X
14.	15(2) (i) an extension of the validity period of an approval			X
15.	15(2) (j) an approval of an overlay zone as contemplated in the zoning scheme ;	X		
16.	15(2)(k) an amendment or cancellation of an approved subdivision plan or part thereof, including a general plan or diagram ;			X
17.	15(2)(l) a permission required in terms of a condition of approval ;			X
18.	15(2)(m) a determination of a zoning ;			X
19.	15(2)(n) a closure of a public place or part thereof;		X OBJECTIONS	X NO OBJECTIONS
20.	15(2)(o) a consent use contemplated in the zoning scheme;		X OBJECTIONS	X NO OBJECTIONS
21.	15(2)(p) an occasional use of land ;			X
22.	15(2)(q) to disestablish a home owner's association			X
23.	15(2)(r) to rectify a failure by a home owner's association to meet its obligations in respect of the control over or maintenance of services;			X
24.	15(2)(s) a permission required for the reconstruction of an existing building that constitutes a non-conforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building.			X

25.	15(2)(6) When the Municipality on its own initiative intends to conduct land development or an activity contemplated in subsection (2), the decision on the application must be made by the Tribunal in accordance with this Chapter and Chapter IV and no official may be authorised to make such a decision.		X	
26.	15(2)(l) Amendment of Site Development Plan			X
27.	15(2)(l) Compilation / Establishment of a Home Owners Association Constitution / Design Guidelines			X

Note: "OBJECTIONS" above refer only to submissions indicating objection to the proposed development / activity and not comment submitted with proposed conditions and mitigation measures.

- (b) that Council amend resolution e (ii) of Council Item 8.6 dated 27 May 2015 in line with SACPLAN professional fees (Category B) from R300. 00 per hour to R 1 000, 00 per hour to a maximum remuneration equal to five hours per meeting. The appointed External Municipal Planning Tribunal Members meets the criteria of SACPLAN Categories B as their expertise are of private consulting firm in practice standard whom have adequate expertise and relevant experience to perform the work of a planning nature and whom can carry the direct technical responsibility for one or more specific activities;
- (c) that Council amend resolution f of Council Item 8.6 dated 27 May 2015 to expand the internal members from 3 internal MPT members to 6 by appointing additional 3 secondi members whom include:
1. The Environmental Planner
 2. Head of Transport
 3. Manager: Integrated Development Planning; and
- (d) that Council authorise and delegate the Municipal Manager to appoint Internal Municipal Planning Tribunal Members fulfilling the designations in accordance with the requirements set in the Land Use Planning By-law (2015), the Land Use Planning Act (2014), and the Spatial Planning and Land Use Planning Act (2013).

Meeting: Ref no: Collab:	10 th Council: 2017-07-26 1/1/1/40	Submitted by Directorate: Author Referred from:	Planning & Economic Development SPLUMA Compliance Officer Mayco: 2017-07-19
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Annexure E

Typical example of advert to be published



CALL FOR MUNICIPAL PLANNING TRIBUNAL (MTP) NOMINATIONS

Stellenbosch Municipality calls for nominations of public persons to be appointed as members of the Municipal Planning Tribunal.

The Stellenbosch Municipality intends to establish a Municipal Planning Tribunal in terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) and the Stellenbosch Municipality Land Use Planning By-law (2015). The Tribunal will be responsible for taking decisions on categories of land use and land development applications as designated by the Stellenbosch Municipality.

The Municipal Planning Tribunal will consist of members of the public and officials with knowledge and experience of spatial planning, land use management, land development or the law related thereto. Responsibilities will include preparing for meetings by reading reports, attendance and participation at meetings of the Tribunal, attending site inspections and other duties and functions provided for in legislation.

Interested individuals are invited to submit nominations for consideration as members who have knowledge, experience and/or qualifications in one or more of the aforementioned fields to be appointed to the Stellenbosch Municipal Planning Tribunal for its first term of office. Members will be appointed for a three year term, subject to terms and conditions. The Tribunal will include at least seven (7) individuals who are not Municipal employees or Councillors. It is a part time position, estimated to take 10 (ten) hours per month, with remuneration as approved by Council from time to time.

The nomination forms are available on the Stellenbosch Municipal website: www.stellenbosch.gov.za

Completed nomination forms must be accompanied by a curriculum vitae of the nominee. Any person without internet may also fax a request for the information to 021 886 6899.

Enquiries: Hedré Dednam
Email: hedre.dednam@stellenbosch.gov.za
Tel: +27 21 808 8674

The closing date for the nomination is _____. Applications must be sent to the Director: Planning and Economic Development at :

Postal Address:
PO Box 17
Stellenbosch
7599

or

Physical Address:
Plein Street
Stellenbosch
7600

or

Fax: +27 21 886 6899



OPROEP OM NOMINASIES VIR DIE MUNISIPALE BEPLANNINGSTRIBUNAAL

Stellenbosch Munisipaliteit wag nominasies in van publieke persone om aangestel te word as lede van die Munisipale Beplanningstribunaal.

Stellenbosch Munisipaliteit beoog om 'n Munisipale Beplanningstribunaal ingevolge die Wet op Ruimtelike Beplanning- en Grondgebruiksbestuur, 2013 (Wet 16 van 2013) en die Stellenbosch Munisipaliteit Verordening op Grondgebruikbeplanning (2015) tot stand te bring. Die Tribunaal sal verantwoordelik wees vir besluitneming oor verskillende kategorieë grondgebruiks- en grondontwikkelingsaansoeke soos deur die Stellenbosch Munisipaliteit aangewys.

Die Munisipale Tribunaal sal bestaan uit lede van die publiek en amptenare met kennis en ervaring van ruimtelike beplanning, grondgebruiksbestuur en grondontwikkeling wat met die tersaaklike wetgewing verband hou. Verantwoordelikhede sal insluit die lees van verslae ter voorbereiding van vergaderings, bywoning van en deelname aan vergaderings van die Tribunaal, bywoning van terreininspeksies en ander pligte waarvoor in wetgewing voorsiening gemaak word.

Belangstellendes word genooi om nominasies in te dien vir lede met kennis, ervaring en/of kwalifikasies in een of meer van die voorafgemelde velde, om sodoende vir die eerste ampstermyn van die Stellenbosch Munisipale Beplanningstribunaal aangestel te word. Lede sal aangestel word vir 'n drie jaar termyn, onderworpe aan bepalings en voorwaardes. Die Tribunaal sal ten minste (7) sewe individue, wat nie munisipale amptenare of Raadslede is nie, insluit. Dit is 'n deelydse posisie van ongeveer tien (10) ure per maand, teen 'n vergoeding soos van tyd tot tyd deur die Raad bepaal sal word.

Die nominasievorms is beskikbaar op die Stellenbosch Munisipale webwerf by www.stellenbosch.gov.za

Volledige nominasievorms moet deur 'n curriculum vitae van die genomineerde vergesel word. Enige persoon sonder internettoegang mag ook 'n versoek vir die inligting per faks rig aan 021 886 6899.

Navrae: Hedré Dednam

E-pos: hedre.dednam@stellenbosch.gov.za

Tel: +27 21 808 8674

Die sluitingsdatum vir die nominasies is _____. Nominasies moet aan die Direkteur: Beplanning en Ekonomiese Ontwikkeling gerig word by:

Posadres :

**Posbus 17
Stellenbosch
7599**

of

Fisiese Adres:

**Pleinstraat
Stellenbosch
7600**

of

Faks: +27 21 886 6899

Annexure F
Typical example of nomination form



STELLENBOSCH MUNICIPALITY

DIRECTORATE PLANNING AND ECONOMIC DEVELOPMENT



DEPARTMENT LAND USE MANAGEMENT

PO Box 17
STELLENBOSCH
7599

Plein Street
STELLENBOSCH
7600

Tel no: (021) 808 8674 (Hedré Dednam)
Fax no: (021) 886 6899
E-mail: Hedre.dednam@stellenbosch.gov.za

NOMINATION FORM FOR APPOINTMENT AS MEMBER OF STELLENBOSCH MUNICIPAL PLANNING TRIBUNAL

SECTION A: TO BE COMPLETED BY NOMINATOR (*Section A is not necessary in the event of self-nomination*)

1. DETAILS OF THE NOMINATOR

Full Names:		Surname:	
Identity Number:		Date Of Birth:	
Residential Address:			
			Code:
Postal Address:			
			Code:
Tel:		Cell:	
Email:			

2. NOMINATION

I,, ID, whose further particulars are provided above, hereby nominate.....as a suitable candidate to serve on the Stellenbosch Municipal Planning Tribunal to be established in terms of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) and the Stellenbosch Municipality Land Use Planning By-law (Oct 2015).

3. MOTIVATION

(An additional motivation can be attached separately if required)

Signed at _____ on this _____ day of _____ 2019

NOMINATOR

WITNESS

SECTION B: FOR COMPLETION BY THE NOMINEE/APPLICANT

1. DETAILS OF THE NOMINEE	
Full Names:	Surname:
Identity Number:	Date Of Birth:
Residential Address:	
	Code:
Postal Address:	
	Code:
Tel:	Cell:
Email:	

2. ACCEPTANCE OF NOMINATION <i>(Only to be completed in the event of nomination)</i>
--

I,, ID, whose further particulars are provided above, hereby accept the nomination to serve on the Stellenbosch Municipal Planning tribunal to be established in terms of the Spatial Planning and Land Use Management Act, Act 16 of 2013.

3. MEMBERSHIP AND SUPPORTING DOCUMENTS <i>(Please provide the following)</i>
--

- 3.1 A comprehensive curriculum vitae indicating qualification/s and experience of spatial planning, land use, land development or the law related thereto as contemplated in section 36(1) (b) of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) and section 72(2)(b) & 72(3) of the Stellenbosch Municipality Land Use Planning By-law (Oct 2015).
- 3.2 Certified copies of qualifications and registration certificates indicating registration with a relevant professional body.
- 3.3 Comprehensive motivation indicating why you believe you should be appointed as a member of the Stellenbosch Municipal Planning Tribunal.

4. CONFLICT OF INTEREST

- 4.1. In terms of sections 38(3) of the Spatial Planning and Land Use Management Act, Act 16 of 2013 and sections 74.(3) & (4) of the Stellenbosch Municipality Land Use By-law (Oct 2015), a member of the Municipal Planning Tribunal-
 - 4.1.1 must make full disclosure of any conflict of interest, including any potential conflict; and
 - 4.1.2 may not attend, participate or vote in any proceedings of the Tribunal in relation to any matter in respect of which the member has conflict of interest.

5. DECLARATION

I, _____, ID..... declare that I:

- a) am available to serve on the Stellenbosch Municipal Planning Tribunal;
- b) am a citizen or permanent member of the Republic of South Africa;
- c) am not a member of Parliament, Provincial Legislature, Municipal Council or House of Traditional Leaders;
- d) am not an unrehabilitated insolvent;
- e) was never declared by a court of law to be mentally incompetent nor detained under the Mental Health Care Act, Act 17 of 2002;
- f) have never been convicted of any offence involving dishonesty;
- g) have never been removed from an office of trust on account of misconduct;
- h) have never been found guilty of misconduct, incapacity or incompetence;
- i) have disclosed all potential conflict of interests;
- j) the municipality may verify all the information provided; and
- k) will commit to and uphold the Code of Conduct for members of the Municipal Planning Tribunal.

Signed at _____ on this _____ day of _____ 2019

NOMINEE/APPLICANT

WITNESS 1

WITNESS 2

Annexure G

Schedule of procedures and Timelines for the appointment of
new MPT members

APPOINTMENT OF NEW MPT MEMBERS	
SCHEDULE OF PROCEDURES AND TIMELINES	
ACTION	DUE DATE
MARCH	
Report to Council drafted	05-Mar-19
Report to Council signed by Hedre, Tabiso, Cllr Groenewald, MM, Mayor	05-Mar-19
Closing date for submission to Mayco	06-Mar-19
Mayco meeting	13-Mar-19
Closing date for submission to Council	19-Mar-19
Council meeting	27-Mar-19
Minutes of Council issued	03-Apr-19
APRIL	
Publication of notice in the press and on website	04-Apr-19
Presentation to Informal Mayco and drafting TOR	09-Apr-19
Closing date for nominations	18-Apr-19
Candidate long list finalised	24-Apr-19
Evaluation panel	25-Apr-19
MAY	
Report recommendation complete	02-May-19
Report to Council signed by Hedre, Tabiso, Cllr Groenewald, MM, Mayor	2 May 2019 to 6 May 2019
Closing date for submission to Mayco	07-May-19
Mayco meeting	15-May-19
Closing date for submission to Council	21-May-19
Council meeting	29-May-19
JUNE	
Minutes of Council issued	05-Jun-19
Letters of appointment issued	07-Jun-19
Closing date for acceptance of appointments	21-Jun-19
Memorandum to MM to confirm MPT is in a position to commence its operation	25-Jun-19
Publication of notice in Provincial Gazette	29-Jun-19
JULY	
MPT commencement date	01-Jul-19

Annexure H

Notice no 1080 in Government Gazette No 41959 dated 5
October 2019



Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID AFRIKA

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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

NO. 1080

05 OCTOBER 2018

**SACPLAN NO 2 OF 2018****SOUTH AFRICAN COUNCIL FOR PLANNERS****PLANNING PROFESSION ACT, 2002 (ACT 36 OF 2002)****WITHDRAWAL OF THE BOARD NOTICE 118 OF 2014.****DETERMINATION OF GUIDELINE PROFESSIONAL FEES IN TERMS OF SECTION 29 OF THE PLANNING PROFESSION ACT, 2002.**

It is hereby notified, for general information, that the South African Council for Planners has determined guideline professional fees in terms of Section 29 of the Planning Profession Act, 2002. These fees replace the fees advertised in Board Notice 118 of 2014. The provisions contained in the Schedule, which exclude value-added tax to the fee so calculated, come into effect on the date of proclamation of this notice and shall apply in respect of any stage of professional service, which is started with, on, or after the date of commencement of this Schedule.

SCHEDULE**GUIDELINE PROFESSIONAL FEES**

The guideline hourly tariff charge out rates for each of the defined categories shall be:

Category of Staff	Indicative Rate per Hour
A	R2 323.00
B	R1 992.00
C	R1 464.00
D	R1 207.00

For purposes of reference the definitions of categories A to D, are quoted below:

- (a) Category A in respect of a private consulting practice in Planning shall mean a top practitioner whose expertise and relevant experience is nationally or internationally recognised and who provides advice at a level of specialisation where such advice is recognised as that of an expert or managing director or member of a company or close corporation who, jointly and severally with other partners, co-directors or co-members, bears the risks of the business, takes full responsibility for the liabilities of such practice, where level of expertise and relevant experience is commensurate with the position, performs work of a conceptual nature in Planning and development, provides strategic guidance in planning and executing a project and / or carries responsibility for quality management pertaining to a project. He or She shall have been registered by SACPLAN as a Professional Planner in terms of the Planning Profession Act, 2002.
- (b) Category B in respect of a private consulting practice in Planning, shall mean all salaried professional staff with adequate expertise and relevant experience of performing work of a planning nature and who carry the direct technical responsibility for one or more specific activities related to a project. A person referred here shall be what is referred to in the Planning Profession Act, 2002 as a Professional Planner and shall have been registered by SACPLAN as such.
- (c) Category C in respect of a private consulting practice in Planning, shall mean all technical staff with adequate expertise and relevant experience of performing work of a planning nature. He or She shall have been registered by SACPLAN as a Technical Planner in terms of the Planning Profession Act, 2002.
- (d) Category D in respect of a private consulting practice in Planning, shall mean all other salaried professional or technical staff members who have not yet completed the 24 months post qualification experience requirement for registration with SACPLAN in terms of the Planning Profession Act, 2002. He or She will be performing work of a Planning nature under the direct supervision provided by any person contemplated in categories A and B above. He or She shall have been registered by SACPLAN as a Candidate Planner in terms of the Planning Profession Act, 2002.

MP LEWIS Pr.PlIn MRTPI

A/795/1994

CHIEF EXECUTIVE OFFICER

REGISTRAR

SOUTH AFRICAN COUNCIL FOR PLANNERS (SACPLAN)

7.7.3	TO AUTHORISE THE MUNICIPAL MANAGER TO START THE PRESCRIBED PUBLIC PARTICIPATION PROCESS AS PER CHAPTER 4 OF THE MUNICIPAL ASSET TRANSFER REGULATIONS, WITH THE VIEW OF FOLLOWING A TENDER/CALL FOR PROPOSAL PROCESS FOR OUTSOURCING THE MANAGEMENT/USE OF THE KAYAMANDI ECONOMIC AND TOURISM CORRIDOR (KETC)
--------------	---

Collaborator No: 633452
 IDP KPA Ref No:
 Meeting Date: 13 March 2019

1. SUBJECT: TO AUTHORISE THE MUNICIPAL MANAGER TO START THE PRESCRIBED PUBLIC PARTICIPATION PROCESS AS PER CHAPTER 4 OF THE MUNICIPAL ASSET TRANSFER REGULATIONS, WITH THE VIEW OF FOLLOWING A TENDER / CALL FOR PROPOSAL PROCESS FOR OUTSOURCING THE MANAGEMENT / USE OF THE KAYAMANDI ECONOMIC AND TOURISM CORRIDOR (KETC)

2. PURPOSE

To gain authorisation for the Municipal Manager to start the prescribed public participation process as per Chapter 4 of the Municipal Asset Transfer Regulations, with the view of following a tender/call for proposal process in outsourcing the management/use the Kayamandi Economic Tourism Corridor.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Kayamandi Economic and Tourism Corridor continues to be under-utilised. It is of critical importance that the Municipality finally delivers the correct strategy and operational model for the sustainable future benefit of the community.

This will include re-defining possible mixed-use outcomes, and appointing a suitably capacitated operator that will have the financial resources and operational experience to deliver a sustainable and relevant facility that serves real needs within the community. It is acknowledged that various operational reference models exist within the Western Cape, and that these are useful guides to articulating the type of outcome needed at KETC.

5. RECOMMENDATIONS

- (a) that Council authorises the Municipal Manager to start the Public Participation Process as per Chapter 4 of the Asset Transfer Regulations with the intention of following an appropriate process for the outsourcing and management of the Kayamandi Economic and Tourism Corridor;
- (b) that Council gives reasonable consideration to all regulations and processes required by the Municipal Policy on the Management of Immovable Property, the Asset Transfer Regulations and prescriptions of the MFMA, and then to follow the process that best ensures the correct operational outcome for the Kayamandi Economic and Tourism Corridor;

- (c) that the local community be invited to submit representations to the Municipality in terms of Section 116 (3)(b)(ii); and
- (d) that the Municipal Manager be authorized to conclude the contract or agreement after (d) above is finalized in terms of the applicable Act/Regulation.

6. DISCUSSION / CONTENT

6.1 Background

The Kayamandi Economic & Tourism Corridor, covering an area of approximately 5000m², of which an estimated 930m² has historically been considered as let-able, was built with the intention to be a civic and economic hub that would serve not only the needs of the local community, but also with the correct mix of tenants to be an attraction for tourists.

Despite having good potential, this facility has never delivered on its original intention and promise. The facility has never attracted a critical mass and mix of tenants. It hosts various administrative functions, but the varied and indeed attractive trading- and community space remains badly under-utilised.

Whilst still functional, the building is falling into disrepair, and as a consequence becomes steadily less attractive as a civic space. There are tenants who hold valid leases, but these are short term, and will therefore lapse within two years.

6.2 Discussion

The Kayamandi Economic and Tourism Corridor needs to be managed as an economic asset to ensure its on-going attraction. The Municipality does not have the necessary/requisite human resources to effectively manage the property as an economic asset.

Moreover, outsourced management and marketing will reduce the operational cost of the function. Thus, outsourcing the management is critically important to ensure asset retention.

6.3 Financial Implications

It is intended that the appointment of the correct operator will lead to significant operational cost-savings for the Municipality.

6.4 Legal Implications

Municipal Finance Management Act (No 65/2003) (MFMA)

In terms of Section 14 of the MFMA:

- (1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.
- (2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public -
 - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

- (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
- (3) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.

Asset Transfer Regulations (ATR)

Disposal (Chapter 2)

In terms of Regulation 5(1)(b) of the ATR a municipal Council may transfer or dispose of a non-exempted capital asset only after-

- a) the municipal council -
 - i) has made the determination required by Section 14(2)(a) and (b) of the MFMA; and
 - ii) has, as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

In terms of Regulation 11, an approval in principle may be given subject to any condition, including conditions specifying a floor price or minimum compensation for the capital asset.

Awarding of rights (Chapter 4)

In terms of Regulation 34(2) of the ATR a municipality may grant a right to use, control or manage a capital asset, but only after:

- c) The accounting offices has in terms of regulation 35 conducted a public participation process regarding the proposed granting of the right; and
 - d) The municipal council has approved in principle that the right may be granted.
- Sub regulation (1)(a) (public participation process) must be complied with only if -
- a) the capital asset in respect of which the proposed right is to be granted has a value in excess of R10 million; and
 - b) a long term right is proposed to be granted in respect of the capital asset.

The municipal council must, when considering the in principle approval take into account -

- (a) whether the capital asset may be required for the municipality's own use during the period for which the right is to be granted;
- (b) the extent to which any compensation to be received for the right together with the estimated value of any improvements or enhancements to the capital asset that the private sector party or organ of state to whom the right is granted will be required to make, will result in a significant economic or financial benefit to the municipality;
- (c) the risks and rewards associated with the use, control or management of the capital asset in relation to the municipality's interests;
- (d) any comments or representations on the proposed granting of the right received from the local community and other interested persons (not applicable);

- (e) any written views and recommendations on the proposed granting of the right by the National Treasury and the relevant provincial treasury (not applicable);
- (f) the interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community; and
- (g) compliance with the legislative regime applicable to the proposed granting of the right.

In terms of **Regulation 40** an approval in principle in terms of regulation 34(1)(b) or 37(1)(b) that a right to use, control or manage a capital asset may be granted, may be given subject to any conditions, including conditions specifying -

- (a) the type of right that may be granted, the period for which it is to be granted and the way in which it is to be granted;
- (b) the minimum compensation to be paid for the right; and
- (c) a framework within which direct negotiations for the granting of the right must be conducted, if granting of the right is subject to direct negotiations.

Further, in terms of **Regulation 41**, If approval in principle has been given in terms of regulation 34(1)(b) that a right to use, control or manage a capital asset may be granted, the relevant municipality may grant the right only in accordance with the disposal management system of the municipality, irrespective of -

- (a) the value of the asset;
- (b) the period for which the right is to be granted; or
- (c) whether the right is to be granted to a private sector party or organ of state.

Policy on the Management of Stellenbosch Municipality's immovable property (Approved by Council 29-03-2018)

The relevant and appropriate terms of the Policy to apply to the implementation of the desired outcomes, which may include:

Unsolicited proposals

Non-competitive proposals: Private Treaty Agreements

Non-viable Immovable Property

Viable Property: Deviation from a competitive process.

Further, in terms of the Supply Chain Management Policy, assets may only be disposed of/leased out by way of -

- (a) a tender process;
- (b) a call for development proposal; or
- (c) a two-stage Bidding process.

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:**12th COUNCIL MEETING: 2008-02-26: ITEM 7.9**

- (a) that Council decide on reasonable grounds that the Kayamandi Economic Tourism Precinct is not needed to provide the minimum level of basic municipal services;
- (b) that the list of names for the Kayamandi Economic and Tourism Precinct Steering Committee and functions of the Committee as proposed by the Ad Hoc Committee , be endorsed and approved and that a further three persons (not Councillors) from Kayamandi be nominated by the ANC, KCA and UDM; and
- (c) that Council authorize the Municipal Manager to, based on the findings of an independent property valuator:
 - (i) determine a fair market related-rental per m²;
 - (ii) determine a subsidized rental per m²;
 - (iii) determine the ratio between the fair market value rentals and subsidized rental rates to ensure a reasonable revenue stream from rentals based on recommendations of the Kayamandi Economic and Tourism Precinct Steering Committee;
 - (iv) approve and amend the proposed retail mix as a guide to conclude rental agreements based on the recommendation of the Kayamandi Economic and Tourism Precinct Steering Committee ; and
 - (v) approve the evaluation criteria for the assessment of proposals received from prospective lessees for the Kayamandi Economic Tourism Precinct.

6.7 Risk Implications

This report has no risk implications for the Municipality.

6.8 Comments from Senior Management:

Senior Management supports the recommendations.

ANNEXURES

None

FOR FURTHER DETAILS CONTACT:

NAME	Tabiso Mfeya
POSITION	<i>Director</i>
DIRECTORATE	<i>Planning & Economic Development</i>
CONTACT NUMBERS	<i>021 808 8491</i>
E-MAIL ADDRESS	<i>tabiso.mfeya@stellenbosch.gov.za</i>
REPORT DATE	<i>1 March 2019</i>

7.8	RURAL MANAGEMENT AND TOURISM: (PC: CLLR S PETERS)
-----	--

NONE

7.9	YOUTH, SPORTS AND CULTURE: (PC: M PIETERSEN)
-----	---

NONE

7.10	REPORTS SUBMITTED BY THE MUNICIPAL MANAGER
------	---

7.10.1	TABLING OF DRAFT CAPITAL EXPENDITURE FRAMEWORK IN PREPARATION FOR INTEGRATED URBAN DEVELOPMENT GRANT
--------	---

Collaborator No:

File No:

3/4/5/2/32 X 8/1/2/6

IDP KPA Ref No:

Good Governance and Compliance

Meeting Date:

13 and 27 March 2019

1. SUBJECT: TABLING OF DRAFT CAPITAL EXPENDITURE FRAMEWORK IN PREPARATION FOR THE INTEGRATED URBAN DEVELOPMENT GRANT

2. PURPOSE

To obtain Council's approval for submission of the Draft Capital Expenditure Framework (CEF) to the National Department of Cooperative Government and Traditional Affairs (CoGTA) as part of the Integrated Urban Development Grant (2020-2030) application.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

According to Section 21(n) of the Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013, the content of a municipal spatial development framework must determine a CEF for the municipality's development programmes. This means that the CEF is informed by the Spatial Development Framework i.e. stating the spatial vision of the municipality where the CEF states the financial vision of the municipality.

The Integrated Urban Development Framework (IUDF) was approved by Cabinet in April 2016, which led to the Integrated Urban Development Grant that will be introduced in the 2019/2020 Division of Revenue Act as a Consolidated Grant for Intermediate City Municipalities (ICM's). Stellenbosch Municipality was identified as one of the municipalities to benefit from this new grant, subject to specified criteria.

The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs.

The business plan for the IUDG is a three-year capital programme that is aligned with a long-term CEF (10 year plan). The Capital Expenditure Framework must be submitted to the Department of Cooperative Governance (CoGTA) as part of the formal application by 31 March 2019.

There are a number of key intentions in introducing the CEF as the basis for monitoring the IUDG, namely:

- a) To ensure that priorities identified in the Spatial Development Framework are translated into capital programmes;
- b) To promote long-term infrastructure planning;
- c) To promote infrastructure planning that is better integrated across sectors and spheres and within space; and
- d) To promote a more integrated approach to planning within municipalities that brings together technical, financial and planning expertise.

5. RECOMMENDATION

that the Draft Capital Expenditure Framework be approved for submission to the National Department of Cooperative Government and Traditional Affairs (CoGTA) by 31 March 2019.

ANNEXURES

Appendix 1: Stellenbosch Municipality Capital Expenditure Framework

FOR FURTHER DETAILS CONTACT:

NAME	Shireen de Visser
POSITION	Senior Manager: Governance
DIRECTORATE	Office of the Municipal Manager
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E-MAIL ADDRESS	shireen.devisser @stellenbosch.gov.za
REPORT DATE	6 March 2019

APPENDIX 1



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MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

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Stellenbosch Local Municipality: Capital Expenditure Framework

Development of a Long-term Financial Plan and Capital Expenditure Framework in line with the provision of system driven support for integrated development planning, project prioritisation, budgeting, implementation and performance monitoring.

Version: Draft_4.00
6 March 2019



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Stellenbosch Local Municipality: Capital Expenditure Framework

Development of a Long-term Financial Plan and Capital Expenditure Framework in line with the provision of system driven support for integrated development planning, project prioritisation, budgeting, implementation and performance monitoring.

Version: Draft_4.00
6 March 2019

Foreword

The first principles of urban planning advocates for access, growth, governance, and resource efficiency. Furthermore, it calls for inclusivity, developmentalism, and integrated planning in order to achieve the desired urban space as set out by various strategic documents – the most recent being the National Development Plan (NDP). Given the historical context of urban and rural spaces, these principles are applied to realise spatial transformation and in so doing establishing liveable environment.

The Integrated Urban Development Framework (IUDF) gives more practical approach to the urban future envisioned by the NDP. The IUDF calls on municipalities to not only identify spatial inequality, but to utilise spatial decision making to unlock access to basic services. It demands sustainable long term financial planning to ensure a future of growth and improvement. And finally, it insists on a process of integrated capital expenditure planning, budgeting, and the tracking of implementation.

The benefits of integrated urban planning are recognised and longer a subject of debate. Evidence of its incorporation into many strategies and sectoral plans that have been developed over the past decade is abundant. As far as the implementation of many of these aspiration are concerned, many challenges remain. The intersection between the complexity of integrated planning within the municipal context, the need for technological tools to simplify this complexity, and ultimate need for a roadmap to traverse towards a better future has led to the development of the Capital Expenditure Framework.

The role of a CEF is to frame the outcomes of a multitude of planning documents within the municipality in order to ensure that implementation on the ground is guided by a strategic, spatial, financial and social logic. The said documents are informed by national and provincial strategies and policies and those at city level, namely, Integrated Development Plan (IDP), Spatial Development Framework (SDF) and other departmental strategies. Collectively these plans have a spatial imperative that the city uses to guide investment and development in order to realise short, medium and long-term goals.

The Capital Expenditure Framework on its own is not the only mechanism that will enable integrated urban development – but it is the catalyst to streamline project-level development and the moving away from the inherited hierarchical and silo-based approach still entrenched in municipalities today.

In summary, as the first Capital Expenditure Framework of the Stellenbosch Local Municipality and one of the first in South Africa, this document marks a significant leap in cross sectoral integrated planning, needs assessment, long-term financial planning and multi-attributed project prioritisation.

Disclaimer

A vital component of the Capital Expenditure Framework, as envisioned by the Capital Expenditure Framework Guidelines (2018) developed by the National Department of Cooperative Governance and Traditional Affairs, is the relationship between the Spatial Development Framework and the Capital Expenditure Framework. The Municipality has included the investment paradigm as per the draft Spatial Development Framework and has consequently incorporated the principles and priorities as per the draft Spatial Development Framework within the prioritisation model. Upon the approval of the draft Spatial Development Framework, the Capital Expenditure Framework will be finalised.

This document contains forward looking statements. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside the authors control. The reader is cautioned not to place undue reliance on forward-looking statements.

The information presented in the memorandum is based on the particular facts and circumstances of Stellenbosch Municipality at a particular point in time and on any applicable prevailing rules and regulations in force. Consequently, the document may be less relevant to any other party or at a different time and under different circumstances. The author does not warrant or guarantee that there will be no change to relevant facts and circumstances in the future or that future events or outcomes will transpire.

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Table of Abbreviations

AFS	Annual Financial Statements
CEF	Capital Expenditure Framework
CEIP	Capital Expenditure Implementation Plan
CLS	Community Library Services
COGTA	Cooperative Governance and Traditional Affairs
CP3PM	CP3 Prioritisation Model
CRC	Current Replacement Cost
CRR	Capital Replacement Reserves
DORA	Division of Revenue Act
EIM	Economic Impact Module
EUL	Economic Useful Life
ICDG	Integrated City Development Grant
ICM	Intermediate City Municipality
IDP	Integrated Development plan
IIIF	Integrated Infrastructure Investment Framework
INEP	Integrated National Electrification Programme
IUDF	Integrated Urban Development Framework
IUDG	Integrated Urban Development Grant
LOS	Level of Service
MFMA	Municipal Finance Management Act
MRRRI	Municipal Revenue Risk Indicator
MSCOA	Municipal Standard Chart of Accounts
MTREF	Medium Term Revenue Expenditure Framework
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
PTIS	Public Transport Infrastructure Systems Grant
RUL	Remaining Useful Life
SDF	Spatial Development Framework
SIG	Social infrastructure Grant
SPLUMA	Spatial Planning and Land use Management Act
STATSSA	Statistics South Africa
USDG	Urban Settlement Development Grant

Section 1 Introduction

1 Introduction

1.1 Legislative context of a Capital Expenditure Framework

1.1.1 The Constitution of South Africa

The term “Capital Expenditure Framework” has made its debut in municipal planning legislation for the first time in the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) section (21)(n). However, the concept of a Capital Expenditure Framework has been eluded to in several other preceding legislative and policy instruments. The legislative context could be best understood when considering a brief history of municipal planning, with specific reference to Integrated Development Plans, Spatial Development Frameworks, and Municipal Budgeting. To understand the evolution of municipal planning in this regard, one first have to consider the Constitution of South Africa.

Section 153 of the Constitution of South Africa states that a municipality must structure and manage its administration, budgeting and planning process to give priority to basic needs of the community and to promote the social and economic development of the community. It effectively instructs municipalities to be developmental in nature, and it states that it should be done through two vehicles namely planning processes and budgeting processes. Stemming from the constitution follows two main components in municipal legislation that would finally lead to the formulation of a Capital Expenditure Framework. These two main components are planning processes and budgeting processes.

1.1.2 The Planning Processes

With regard to planning processes, it is of utmost importance to understand the background of an Integrated Development Plan. The Local Government Transitions Act, Act 209 of 1993 was the first act stating that a municipality should compile an Integrated Development Plan, however it did not define the content or nature thereof.

The Local Government Transitions Act Second Amendment, Act 97 of 1996 then defined an IDP as a plan aimed at the integrated development and management of the area of jurisdiction of a municipality. Section (10)(c) specifically showed that IDP’s would promote rational and developmentally oriented budgeting, monitoring and tracking of development. A similar definition of an IDP was included in the Local Government Municipal Structures Act, Act 117 of 1998. This definition further joined the planning and budgeting process.

Following the Local Government Municipal Structures Act, Act 117 of 1998 is the Local Government Municipal Systems Act, Act 32 of 2000 and is deemed as the most important statute furthering all aspects of integrated development planning. Chapter 5 of the act is titled “Integrated Development Planning” and provides that municipalities must undertake developmentally oriented planning to ensure that the objects of local government and its developmental duties as set out in the constitution are achieved.

The Act continues and state that an IDP is the principal, single, inclusive and strategic planning instrument of a municipality. The purpose of an IDP is to align the resources and capacity of the municipality with the implementation of the plan. This forms the policy framework and general basis on which annual budgets must be based, and is compatible with national and provincial development plans and planning requirements. An IDP’s core components must reflect:

- The municipality’s vision for it’s own long-term development of the municipality;

- An assessment of the existing level of development in the municipality;
- The municipality's development priorities and objectives;
- The municipality's development strategies;
- The municipality's Spatial Development Framework;
- The Municipality's Operational Strategies;
- An applicable disaster management plan;
- A Financial plan; and
- Performance indicators and performance targets.

In section (5)(1)(a) of The Spatial Planning and Land Use Management Act, Act 16 of 2013 it is stated that municipal planning consists of the compilation, approval, and review of an Integrated Development Plan. The Spatial Planning and Land Use Management Act, Act 16 of 2013 further states in Part E (20)(2) that the municipal Spatial Development Framework must be prepared as part of a municipality's Integrated Development Plan in accordance with the provisions of the Municipal Systems Act, Act 32 of 2000.

Section 21 of SPLUMA depicts exactly what the content of a municipal Spatial Development Framework must be. Section 21(n) is of particular importance in this context as it states that a municipal Spatial Development Framework must determine a Capital Expenditure Framework for the municipality's development programmes, depicted spatially.

1.1.3 The Budgeting Processes

The Municipal Systems Act, Act 32 of 2000 states that an IDP must consist of a Financial Plan. The Municipal Planning and Performance Management Regulations, Regulation 2 of 2001 describes the details of such a Financial Plan and states in section (3) that a financial plan reflected in a municipality's Integrated Development Plan must (a) include budget projections, (b) indicate the financial resources that are available for capital project developments; and (c) include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives.

After the Municipal Systems Act, Act 32 of 2000 defined what should be done in terms of the Integrated Development Plan and Financial Planning, the Local Government: Municipal Finance Management Act, Act 56 of 2003 was established to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government and to establish treasury norms and standards for the local sphere of government. The Local Government: Municipal Finance Management Act, Act 56 of 2003 was revised in 2011 and redefined its aim to enable improved processes or municipal planning budgeting, allowing for more informed decisions and is fundamental to sustainable and efficient service provision.

In order to achieve the aim of The Local Government: Municipal Finance Management Act, Act 56 of 2003, it describes municipal budgets in chapter 4. In section 17(3)(b) it states that when an annual budget is tabled it must be accompanied by measurable performance objectives for revenue from each source and for each vote in a budget, taking into account the municipality's Integrated Development Plan. This means that a municipal budget cannot be drafted in isolation of an Integrated Development Plan. It continues to state when starting with the budget preparation process, as per

section 21 of the act, a mayor must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's Integrated Development Plan in order to ensure that the tabled budget and the Integrated Development Plan are mutually consistent and credible.

Section 7(1) of the Municipal Budget and Reporting Regulations 1 states that policies that affect or are affected by the annual budget of a municipality should include a policy related to a Long Term Financial Plan.

1.1.4 The Relationship between the Planning and Budgeting Processes

From the legislative context provided in this section the following is clear:

- That the Constitution of South Africa demands planning and budgeting processes in local government (Constitution of South Africa, Act 108 of 1996);
- That the Constitution of South Africa demands local government to be developmental and resource efficient (Constitution of South Africa, Act 108 of 1996);
- That an Integrated Development Plan, is deemed as the principal, single, inclusive and strategic planning instrument of a municipality and that it should comprise of a Financial Plan as well as a Spatial Development Framework (Municipal Systems Act, 32 of 2000);
- The municipal budgeting process cannot stand alone from the integrated Development Plan (Municipal Finance Management Act, 56 of 2003); and
- Spatial Development Framework must contain a Capital Expenditure Framework (Spatial Planning and Land Use Management Act, 16 of 2013).

In April 2016 Cabinet approved the Integrated Urban Development Framework (IUDF). The IUDF is coordinated by the Department of Cooperative Governance (COGTA). The IUDF capital programme requires alignment by participating municipalities wishing to access the IUDF grants. This required alignment should be through the development of a long-term Capital Expenditure Framework (CEF). According to the 2018 guide to preparing a Capital Expenditure Framework, a CEF is an outcome of strategic Prioritisation within the available Affordability Envelope of a municipality and must:

- Ensure that priorities identified in the spatial development framework are translated into capital programmes;
- promote long-term infrastructure planning;
- promote infrastructure planning that is better integrated across sectors and spheres and within space; and
- promote a more integrated approach to planning within municipalities that brings together technical, financial and planning expertise.

1.2 Status of the Stellenbosch Capital Expenditure Framework

The first-generation Stellenbosch Capital Expenditure Framework (CEF) is currently in draft format and are awaiting approval from Municipality before formal submission to the Department of Cooperative Governance and Traditional Affairs (COGTA).

Once the draft document has been approved, it will be submitted to COGTA to serve as an application for funding from the Integrated Urban Development Grant (IUDG).

The expected submission date for the draft Stellenbosch Capital Expenditure Framework is 31 March 2019. The expected submission date for the final Stellenbosch Capital Expenditure Framework is 31 May 2019.

1.3 The role of the Capital Expenditure Framework in relation to the Integrated Urban Development Framework

The Integrated Urban Development Framework (IUDF) is a policy initiative of the Government of South Africa, coordinated by the Department of Cooperative Governance and traditional Affairs (COGTA). The IUDF seeks to foster an understanding between local government and society on how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions.

The IUDF marks a new deal for South African 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 facing South Africa's cities and towns. It advocates the effective management of urbanisation so that the increasing concentration of an economically active population translates into higher levels of economic activity, greater productivity and higher rates of growth, thereby transforming our South African cities into engines of growth.

The key outcome of the IUDF is spatial transformation. The identified policy levers and priorities are crucial for maximising the potential of urban areas, by integrating and aligning investments in a way that improves the urban form.

The Capital Expenditure Framework is therefore the mechanism of the municipality which aims to achieve spatial transformation by aligning capital investment in such a way that the key outcomes of the IUDF is achieved.

1.4 The role of the Capital Expenditure Framework in relation to the Integrated Urban Development Grant

A Review of Local Government Infrastructure Grants was initiated in October 2013, led by National Treasury together with the Department of Cooperative Governance, the Financial and Fiscal Commission, the South African Local Government Association, and the Department of Performance Monitoring and Evaluation . The review envisioned a grant system that included:

- Greater differentiation in the type of grants going to different municipalities;
- A move from focussing on rolling out new infrastructure to increased focus on the management and renewal of existing infrastructure;
- Ensuring greater value for money for the funds spent; and
- Ensuring greater coherence in the management of the grant system.

The Integrated Urban Development Framework is consistent with and reinforces the findings of the Review of Local Government Infrastructure Grants.

As a result, the Integrated Urban Development Grant will be introduced in the 2019/20 Division of Revenue Act as a consolidated grant for Intermediate City Municipalities (ICM's). The aim of the Integrated Urban Development Grant is to support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces and ultimately unlock urban growth.

In terms of the IUDG description, the purpose of the grant is to:

- provide funding for public investment in infrastructure for the poor;
- promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure;
- ensure that public investments are spatially aligned; and
- promote the sound management do the assets delivered.

According to the Integrated Urban Development Grant policy framework, a Capital Expenditure Framework is a comprehensive, high-level, long-term infrastructure plan that flows from a spatial development framework. It continues to state that the capital expenditure framework estimates the level of affordable capital investment by the municipality over the long term.

The Capital Expenditure Framework is therefore the municipal instrument to realise the agenda of the IUDF.

1.5 The role of the Capital Expenditure Framework

The role of a CEF is to frame the outcomes of a multitude of planning documents within the municipality in order to ensure that implementation on the ground is guided by a strategic, spatial, financial and social logic. The said documents are informed by national and provincial strategies and policies and those at city level, namely, Integrated Development Plan (IDP), Spatial Development Framework (SDF) and other departmental strategies. Collectively these plans have a spatial imperative that the city uses to guide investment and development in order to realise short, medium and long-term goals.

A CEF serves not only as performance evaluation mechanism, but also as a rationale towards capital investment planning that provides business intelligence, data validation, project synchronisation and prioritisation. This fundamental element of a municipality – its planning and investment rationale – is guided, managed and finally implemented through means of numerous processes guided by many more legislative frameworks, guidelines, toolkits, and circulars, each related to a specific component of the municipal planning and implementation process essentially described in the Integrated Development Plan.

The simultaneous management of the said processes together with processes relating to strategic analysis and planning, best scenario identification, phasing and implementation, as well as monitoring and readjusting; is an extremely complex process. To rationally and reasonably manage and facilitate such a process, the municipality has implemented the Collaboration Planning Prioritisation and Performance (CP3) system which is an online planning and decision support tool, was used in the process of strategic analysis and planning. CP3 combines all of the mentioned processes into one manageable and navigable workspace.

The role of the CEF is therefore to strengthen the process currently institutionalised within the municipality, and to show how capital flows from planning to implementation. In order to facilitate

logical and rationally based reporting, the 2019/2020 CEF submission will be structured at the hand of the IUDF Guidelines expressed in terms of the CP3 process flow.

The role of the Capital Expenditure Framework can be best understood in terms of the process flow depicted below.

- Firstly, In order to define a set of projects that should enjoy access to a limited resource pool, one should start by identifying all capital demand that might realise within the municipality's jurisdiction. The Integrated Infrastructure Investment Framework (IIIF) therefore aims to gather the realities of the municipality in terms of known capital demand – that is with regard to local government and other governmental institutions.
- The next step is then to consolidate the said realities into one synthesised plan depicted spatially. The Spatial Development Framework (SDF) then identify the spatial vision and depict the quantities needed to realise the spatial vision. The Spatial Development Framework should not only be a graphic representation of the desired urban form, but should also provide a demand quantification.
- Thirdly, a prioritisation model should be defined in order to score projects at the hand of the investment paradigm of the municipality.
- The multi-criteria prioritisation and decision making model is the framework to which any capital project is measured and rationalised and therefore serves as the Capital Expenditure Framework (CEF). The CEF scores project based on five main criteria; broadly defines as policy, economic, spatial, financial and technical criteria. After the prioritisation model has been run, and after a funding envelope has been established by the Long term Financial Strategy, a budget fit scenario can be tested until the best roll out strategy has been defined.
- The last step would be to identify the Capital Expenditure Investment Programme (CEIP) which is better defined as the MTREF.

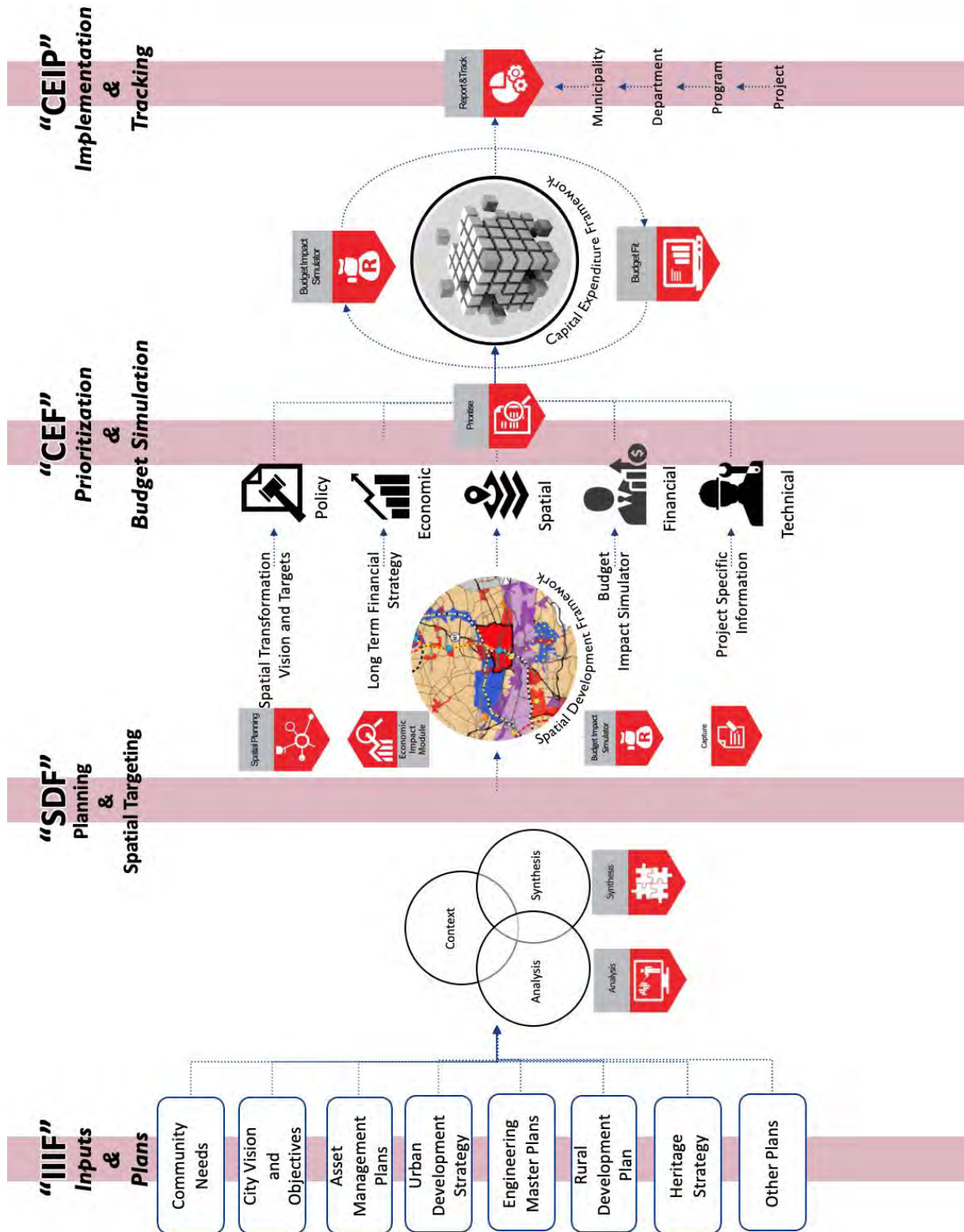


Figure 1: The role of the Capital Expenditure Framework in relation to other internal processes

1.6 Context and Alignment

1.6.1 Capital Expenditure Framework Origin

According to section 21 (n) of the Spatial Planning and Land Use Management Act (SPLUMA), Act No. 16 of 2013, the content of a municipal spatial development framework must determine a Capital Expenditure Framework for the municipality's development programmes. This means that the Capital Expenditure Framework is informed by the Spatial Development Framework i.e. stating the spatial vision of the municipality where the Capital Expenditure Framework states the financial vision of the municipality in the context of the spatial vision. The requirements as per SPLUMA states the relationship between the two frameworks.

As a result, the Integrated Urban Development Framework (IUDF) was approved by Cabinet in April 2016, which led to the Integrated Urban Development Grant that will be introduced in the 2019/2020 Division of Revenue Act as a consolidated grant for Intermediate City¹ Municipalities.

It is within this legislative and institutional context, i.e. SPLUMA requirements and restructuring of grant funding, that the Capital Expenditure Framework has developed.

1.6.2 Capital Expenditure Framework Context

In 2016, Cabinet adopted the Integrated Urban Development Framework (IUDF) which positions Municipalities and towns (ICMs – Intermediate City Municipalities) as the main catalytic engines of economic growth in South Africa. The vision (which is expressed through the IUDF and is premised on the National Development Plan (NDP)) is to build liveable, safe, resource-efficient municipalities that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life and the economic opportunities that it offers. In addition, the IUDF proposes an urban growth model premised on compact and connected municipalities and towns.

With the acceptance of the IUDF as policy, the emphasis has now shifted to implementation. The IUDF is coordinated by the National Department of Cooperative Government and Traditional Affairs (CoGTA), which has set up the institutional arrangements for the coordination of activities across government departments and agencies, under the overall management of an IUDF Working Group.

The IUDF intermediate-city municipality programme, targeting 39 municipalities, is intended to provide support for the Municipalities in the middle size and density range of cities. The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs. In so doing the initiative aims to give impetus to achieve the main IUDF goals, which are forging new integrated forms of spatial development; ensuring that people have access to social economic services, opportunities and choices; harnessing urban dynamism to achieve inclusive and sustainable growth; and enhancing the governance capacity of the state and citizens in ICMs.

One element of the implementation of the IUDF is the introduction of a consolidated infrastructure grant and all 39 ICMs are all eligible for the Integrated Urban Development Grant (IUDG) from 2019/20. Among other features, the IUDG moves towards programmatic grant monitoring. The business plan for the IUDG is a three-year capital programme that is aligned with a long-term Capital Expenditure Framework (CEF).

¹ Intermediate Cities are defined in the IUDF 2016 Document

A Capital Expenditure Framework is a consolidated, high-level view of infrastructure investment needs in a municipality over the long term (10 years) that considers not only infrastructure needs but also how these needs can be financed and what impact the required investment in infrastructure will have on the financial viability of the municipality going forward.

Guide to preparing an Infrastructure Investment Framework, SALGA, 2017, page 2

There are a number of key intentions in introducing the CEF as the basis for monitoring the IUDG:

- To ensure that priorities identified in the spatial development framework are translated into capital programmes;
- To promote long-term infrastructure planning;
- To promote infrastructure planning that is better integrated across sectors and spheres and within space; and
- To promote a more integrated approach to planning within municipalities that brings together technical, financial and planning expertise.

Stellenbosch Local Municipality is one of a few municipalities that have been approved for IUDG application during the 2019/20 budget cycle, under the sole condition that the municipality prepare and submit a draft CEF to CoGTA by 31 January 2019.

1.7 Approach and Planning Method

1.7.1 The Project Preparation, Prioritisation and Budgeting Process

The approach towards developing this Capital Expenditure Framework is to draw on the information obtained from the municipality, the institutional arrangements within the municipality, and the guidelines provided from the IUDF on the content of a CEF.

The establishment of a Capital Expenditure Framework is possible due to the current institutional arrangements of the Stellenbosch Municipality. This current institutional arrangement is the result of a three-year process which started as the adaptation of a Capital Planning, Prioritisation and Performance Process. The CP3 platform enabled the municipality to collectively identify the capital demand and so effectively plan and track capital investment within the municipality's jurisdiction.

The figure below depicts the process that was implemented using the CP3 system at Stellenbosch Local Municipality to facilitate the process of project precreation, budget scenario development and Prioritisation – the backbone required for the development of the CEF.

The CP3 process enables the municipality to amongst other:

- Capture all Capital Expenditure demand together with all departments on one spatially enabled platform;
- Evaluate projects at the hand of various criteria – either quantitative or qualitative – again with inputs from all departments;
- Evaluate the Social and Economic impact of Capital Expenditure – based on standardised economic and social indicators;

- Relate Capex with various levels of governments' Strategic Outcomes – as per the various policy documents together with the IDP office;
- Interact with other public realm entities in a collaborative manner – through means of the IGR platform;
- Prioritise projects based on a sophisticated prioritisation model – through means of a multi-criteria attribute model;
- Run a budget analysis in order to test various Capex scenarios - based on standardised indicators;
- Facilitate a budget fit process together with Finance in order to determine the best MTREF Capex budget for the City – annually; and
- Evaluate and report on a myriad of elements related to the Capital project book at any point in time such as CIDMS phasing, project scheduling, MSCOA.

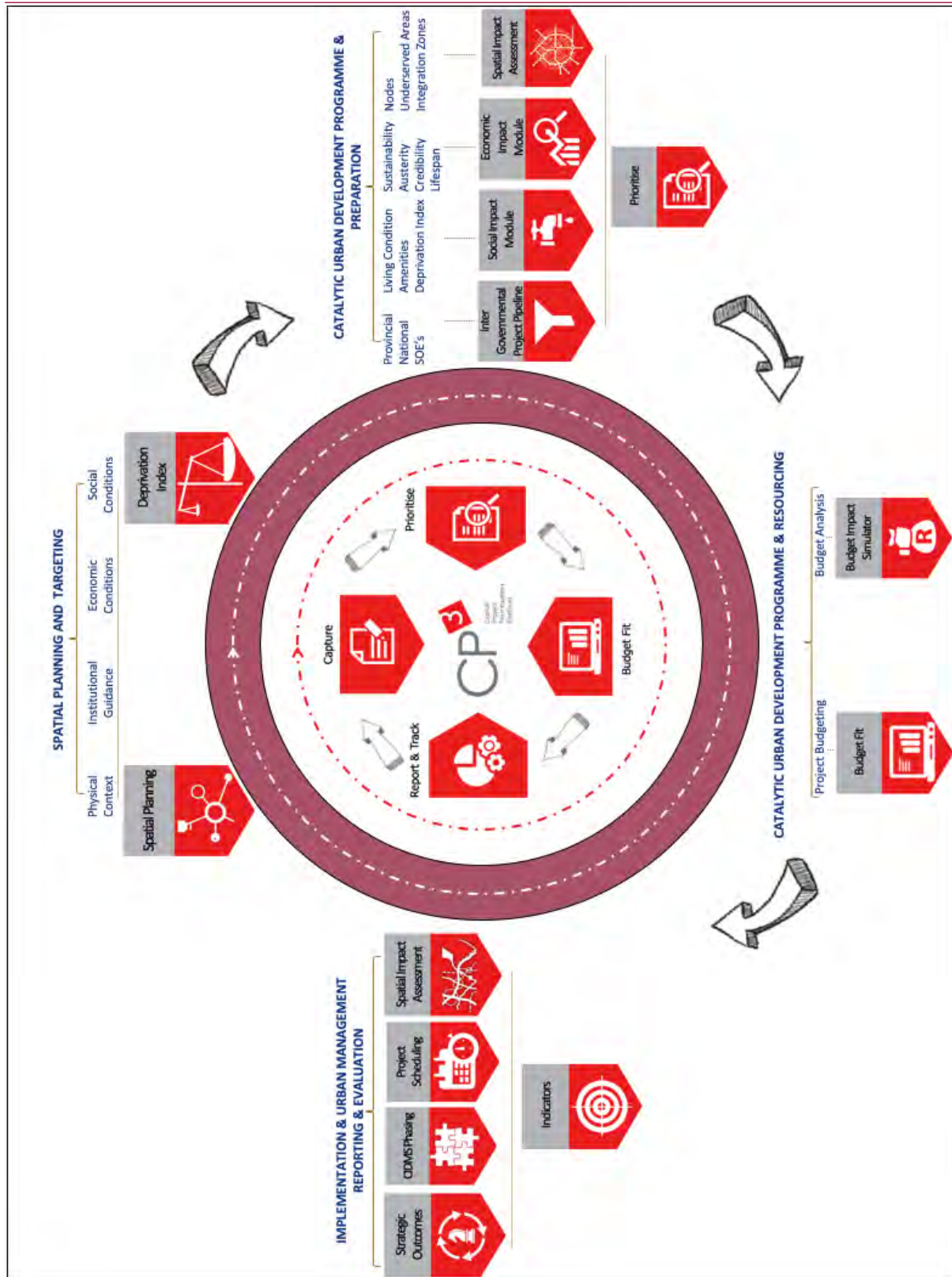


Figure 2: Institutional Arrangement – Collaboration Planning Prioritisation and Performance process

1.7.2 Draft IUDG CEF Guidelines

According to the Guidelines provided by the IUDF, a Capital Expenditure Framework should comprise of 10 steps/components:

- Step 1: Identify Functional Areas and Priority Development Areas;
- Step 2: Undertake profiling of each functional area and priority development area;
- Step 3: Compile a land budget for residential and commercial growth for the next ten years;
- Step 4: Confirm the appropriateness of the SDF Vision and long-term spatial structure for the municipality;
- Step 5: Revise sector plans based on step 1 to 4 in order to identify backlogs;
- Step 6: Develop a long-term financial plan;
- Step 7: Compile an affordability envelope;
- Step 8: Structure programmes per functional area;
- Step 9: Compile a CEF for a ten-year horizon; and
- Step 10: Conceptualise projects.

With the introduction of the IUDF and its adjoining guidelines, emphasis was not only put on the development of a project pipeline, but also on the integration and alignment with the Spatial Development Framework, the Long-term Financial Strategy, and the Integrated Development Plan. This emphasis led the Stellenbosch Local Municipality to adjust the institutional arrangement² as set out in the section above to internalise the Long Term Financial Strategy. The incorporation of the long term financial strategy only strengthened the institutional process of Capital Planning, Prioritisation and Performance facilitated by CP3 and resulted in a logical process of collaborative and sustainable capital expenditure planning.

1.7.3 Stellenbosch Local Municipality Strategic Planning and Implementation Framework Process

The figure below depicts the process followed to facilitate the development of the Capital Expenditure Framework.

² Capital Planning Prioritisation and Performance platform

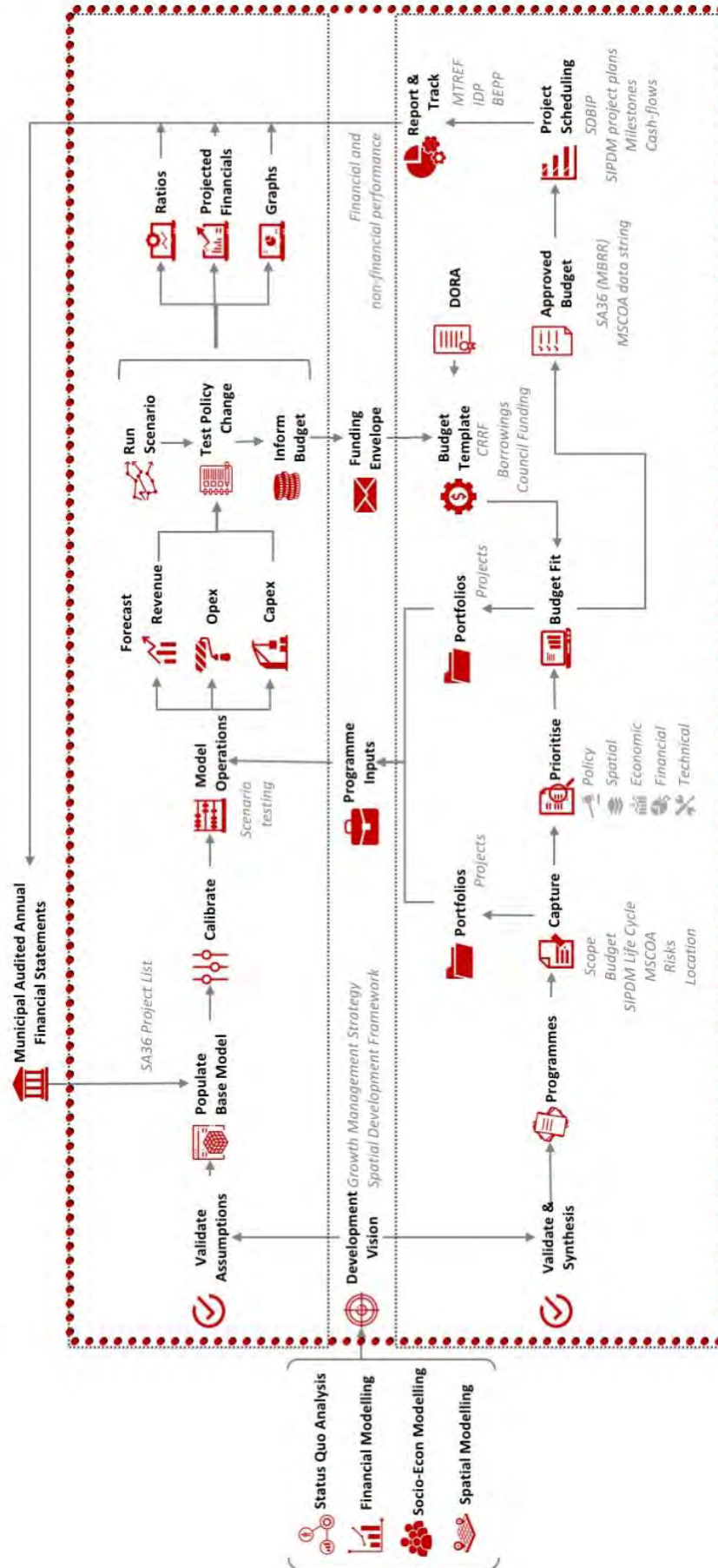


Figure 3: Compilation of the Capital Expenditure Framework based on CP3 and LTFS

This process depicted above can be broken down into eleven distinct steps.

1.7.3.1 Step 1: Identify Functional Areas and Priority Development Areas

In order to define the context in which the Capital Expenditure Framework is applicable, this section aim to analyse the current spatial and demographic realities of the municipality, and conclude by identifying the functional areas³ of the municipality. Considering the functional areas, together with the spatial development framework of the municipality, this section also identifies Priority Development Areas.

Additionally, this step is vital for the rest of the process, as it identifies the areas with sustainable development potential and areas which qualify as spatial targeting areas. Different Functional Areas / Priority Development Areas within the municipality, are fulfilling different functions, and should therefore not enjoy the same priority – a hierarchy of these areas should therefore be identified as to inform investment scenarios and decisions going forward.

1.7.3.2 Step 2: Complete Socio-Economic and Spatial Profiling

The purpose of this step is to understand the nature of the demographic and socio-economic characteristics of the people that are being served firstly across the whole municipality, and secondly in each Functional Area / Priority Development Area. This assessment includes the current accessibility to, and quality of basic services. This information serves as the base-data that are used for infrastructure and financial modelling.

1.7.3.3 Step 3: Compile a land budget and demand quantification

Once the current population, and land use budget figures have been established, it is possible to derive a demand for infrastructure. Three components contribute to the demand for investment and can be summarised as:

- existing households without access to services,
- renewal and maintenance of existing infrastructure, and
- the growth in households.

It is important to note, that this step informs the base year need – the status quo as to what the current infrastructure requirements are. The purpose of this step is thus to identify the infrastructure demand based on the desired urban form and adjoining level of infrastructure services.

1.7.3.4 Step 4: Verify the Spatial Development Framework

The purpose of this step is to verify whether the projections made by the SDF service providers, in terms of the populations, social facilities, basic services and land budget, is in line with the municipality's latest version of the Spatial Development Framework and the Capital Expenditure Framework.⁴

³ Please note, that the term "Functional Area" is defined by COGTA – but in essence refers to the core spatial structuring elements of the municipality.

⁴ This is necessary given that the SDF revision process will only conclude in June 2019.

1.7.3.5 Step 5: Identify infrastructure demand and Integrated Infrastructure Investment Framework

The purpose of this step is to identify specific infrastructure backlog and requirements within the municipality's jurisdictional area. It will incorporate existing backlogs and include backlogs with regards to access-to-services requirements, assets refurbishment requirements and lastly, replacement and renewal requirements for a ten year horizon. At the end of this step, a total list of interventions will be identified that is required to realise the spatial vision of the municipality.

Considering firstly the institutional context in which municipalities finds themselves and secondly the fact that other tiers of government are responsible for different investment and intervention in the same jurisdiction, this step will result in delivering an inter-governmental project pipeline portal on the CP3 system. The purpose of the inter-governmental project pipeline portal is to enable a view of planned interventions by various tiers of government, within the same jurisdictional area, given that not all required infrastructure is the responsibility of the local government authority.

1.7.3.6 Step 6: Develop a long-term financial model and plan

The purpose of this step is to apply a sound long-term financial planning methodology which comprise of a four-step modelling process. This iterative process consists of the following key steps:

- Populate the base model;
- Calibrate;
- Forecast; and
- Scenario Testing.

Once the long-term financial planning methodology has been applied, different scenarios can be tested, and the outcome results in a funding envelope.

1.7.3.7 Step 7: Identify an affordability Envelope

Based on the Long Term Financial Strategy, an affordability-envelope is compiled. The aim of the affordability envelope is to set the financial parameters to which the Capital Expenditure Framework should be implemented over a 10 year horizon.

1.7.3.8 Step 8: Project Prioritisation and Budget Scenarios

The purpose of this step is to prioritise the total list of capital projects needs to realise the Spatial Development Framework vision. Once the project needs have been prioritised, by using a sophisticated model that enables spatial and alpha numeric data inputs, the projects are fitted to the affordability envelope. The spatial prioritisation is of specific importance as it facilitates the allocation of budget towards the spatially targeted Functional Areas / Priority Development Areas of the municipality as required by legislation referred to in section 1 of this document. The purpose of this step is to effectively and efficiently allocate limited resources to an unlimited demand which will enable the city to sustainably allocate resources and priority to projects that will realise the strategic and Spatial vision of the municipality.

1.7.3.9 Step 9: Compile programmes per Functional Area

The purpose of this step is to allocate the identified projects to functional implementation programmes. This aims to enable and ease sequential implementation within the Functional Areas.

1.7.3.10 Step 10: Capital Expenditure Implementation Framework

Once the spatial and financial framework have been developed the CEF has been set up in the form of a Prioritisation and budgeting methodology, the next step entails the identification of an implementation framework. The CEF is compiled to provide the most sustainable development path. roll-out of the CEF is guided by the MTREF, which is the capital expenditure implementing mechanism of the municipality.

1.7.3.11 Step 11: Implementation tracking

The purpose of this step is to provide insight on the roll-out of the MTREF. This is done by ensuring the project pipeline (from conceptualisation to prioritisation and budgeting), is compliant⁵ with the requirements of National Treasury and that the planned project schedule is captured after approval during the planning year, and then used as measure and reporting framework within the implementation year(s).

⁵Complies with the requirements of mSCOA and SIPDM

Section 2 Functional Area Identification

2 Functional and Priority Development Area Identification

2.1 Contextualisation

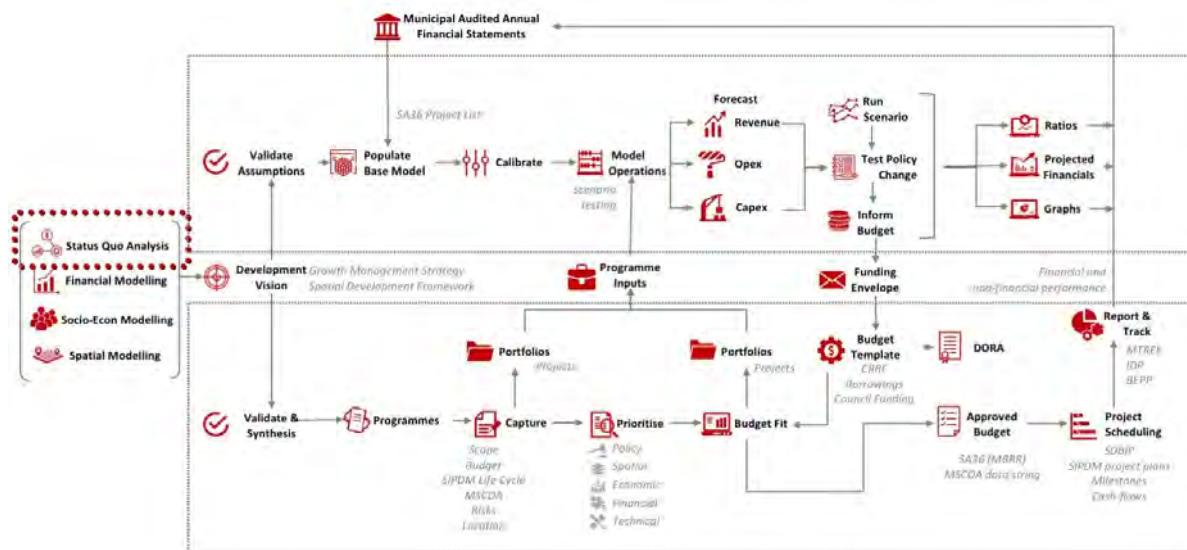


Figure 4: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

In terms of section 152 (1) (b), (c) and (d) of the constitution, a municipality must ensure the provision of services to communities in a sustainable manner, promote social and economic development and promote safe and healthy environments. It continues and state in 152 (2) that a municipality must strive, within its financial and administrative capacity, to achieve the objectives set out in 152 (1). The current developmental pressures experienced within the South African context, specifically the lack of available resources to address the infrastructure demand faced by municipalities, together with the legislative framework as set out in the constitution of South Africa and other planning documents led to the implementation of the principle of spatial targeting. Spatial targeting simply refers to the deliberate focus of particular actions on a particular spatial area. This concept is currently very popular in the planning and urban management environment as it is a very effective and efficient principle to apply when dealing with limited resources and when a municipality aims to address spatial injustices in a focussed and integrated manner.

The purpose of this step is thus to contextualise the Functional Areas as well as the Priority Development Areas in the light of the municipalities jurisdictional area, future spatial structuring elements – as per the draft SDF, and current spatial structuring elements – such as the Urban Edge.

This section will firstly describe the concept of a Functional Area – as defined by COGTA. It will then continue to describe functional areas in terms of Stellenbosch and how it relates to the Spatial Development Framework, and the application thereof. The last component of this section will define the Priority Development areas, and express them in terms of Stellenbosch.

2.2 Status of the Spatial Development Framework

A vital component of the Capital Expenditure Framework, as envisioned by the Capital Expenditure Framework Guidelines (2018) developed by the National Department of Cooperative Governance and Traditional Affairs, is the relationship between the Spatial Development Framework and the Capital Expenditure Framework. It must be noted that even though the Spatial Development Framework is in draft format, its conceptual structure and investment paradigm guided the Capital Expenditure Framework. In order to mitigate any possible risk in this regard, the Capital Expenditure Framework team has had numerous engagements with the Spatial Development Framework team in order to

ensure that the investment paradigm and prioritisation models are effectively directed towards the development concept of the draft Spatial Development Framework.

2.3 Spatial Structuring Elements as per the CEF Guidelines

The following figure depicts the relationship between specific spatial structuring elements and Stellenbosch's planning paradigm. It is important to note that each Spatial Development Framework across all municipalities has a different view on what the concepts of different spatial structuring elements entail. It is for that purpose that the CEF will relate the "wall-to-wall" Stellenbosch SDF in terms of the CEF Guidelines⁶.

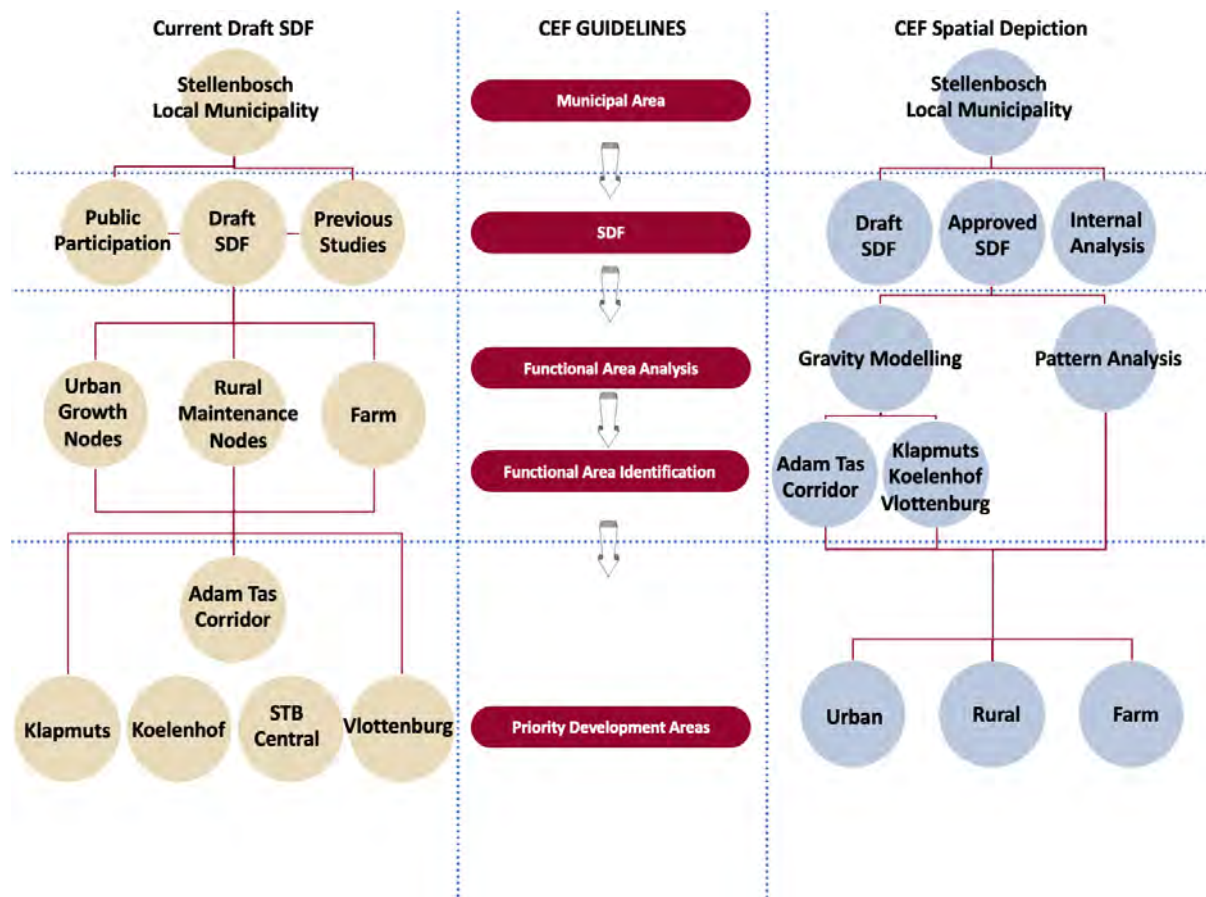


Figure 5: Spatial Structuring as per the CEF Guidelines

The following subsections will describe the figure above. However, it is worth noting at this point that the CEF Spatial Depiction show that a wall to wall approach was taken in order to enable various modelling outcomes based on the total Stellenbosch population and in so doing, enabling the municipality to have a full understanding of its customer base.

2.4 Understanding the concept of Function Areas

According to the CEF Guidelines a functional area is an area with similar characteristics (homogenic) from a developmental and service demand perspective. A typical example is to demarcate the rural part of the municipality or the tribal land as a functional area because it has more or less similar

⁶ A similar approach of standardization can be found in the Built Environment Performance Plans (BEPP) Guidelines in terms of the Urban Network Concept via the National Treasury City Support Program

challenges (low density, lack of high order services, etc.) and it requires a specific development strategy that is unique to the development challenges of the area.

The ability to sustain any function or service is based on a demand threshold. The threshold population, for example, to sustain a small café is completely different from the threshold population to sustain a hospital. Matters such as the income of the threshold population, their mobility and many other factors complicate matters. The crucial issue is, nevertheless, that functional boundaries vary and do not coincide with municipal boundaries. Municipal boundaries describe administrative jurisdiction, but for obvious reasons, the municipality cannot plan for areas outside their jurisdiction. In the same way that development efforts are focused on selected nodal areas the demand for services and uses are determined and generated by the broader functional area that a node serves rather than the extent of develop within the node only. To accommodate this dynamic it was necessary to make a distinction between different functional areas in the municipal area.

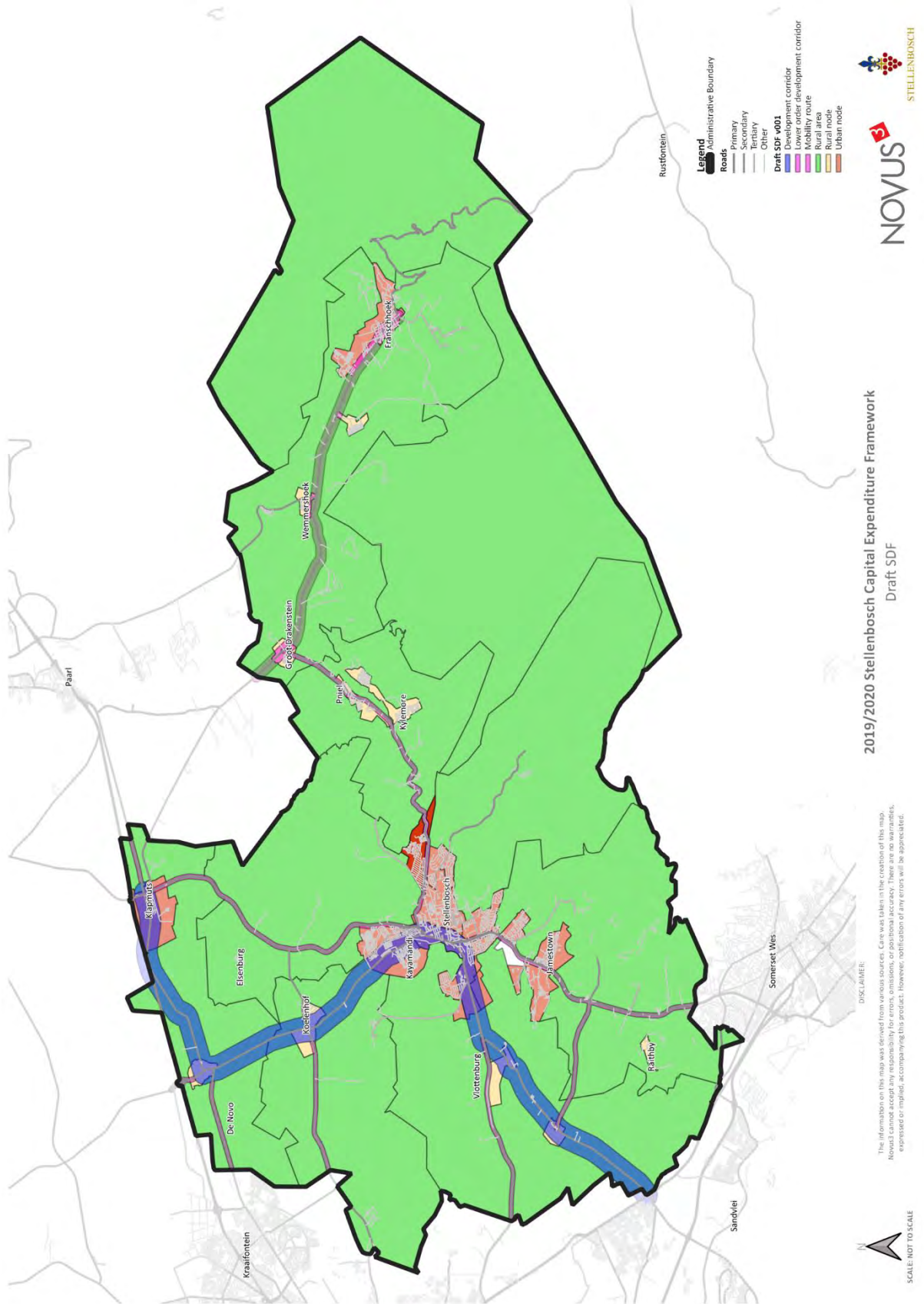
2.5 Spatial Development Framework and Functional Areas

To translate the Stellenbosch Spatial Development Framework in the context the functional areas as per the CEF guidelines; the point of departure was to consult the future development vision of Stellenbosch⁷. The main functional areas have been identified as:

- Stellenbosch;
- Klipmuts;
- Koelenhof;
- Vlottenburg; and
- Franschhoek.

According to the development vision of the municipality, Franschhoek should enjoy a development approach based on maintenance expenditure. In tandem with the said approach, the remaining functional areas should be viewed in the light of urban restructuring, integration and densification with the aim to restructure Stellenbosch along the Adam Tas corridor (from Klipmuts to Vlottenburg).

⁷ Refer to the Stellenbosch Spatial Development Framework review



Map 1: Future Spatial Development Vision of Stellenbosch Local Municipality (As per Draft SDF Review)

These areas are narrowly demarcated and also substantially different in terms of current development. It is however not currently effective to determine future target populations for these areas for two reasons:

- Firstly, the development concept is still in process, and will only be clear once the detailed development plan has been established as part of the Spatial Development Framework; and
- Secondly, if you base future population on past population trends, the result will be underwhelming - especially in areas with no current population - and will not lead to a logical and defensible population size.

Furthermore, the fact that areas such as Vlothenburg are not developed makes long-term demand estimates for land uses and infrastructure that much more challenging without a clear spatial vision.

2.6 Defining Priority Development Areas

According to the CEF Guidelines "Priority Development Areas" as the name suggests, are areas where the municipality intends to focus investment in order to achieve the goals of the SDF and other strategic documents.

In order to define the Priority Development Areas, the following two regimes were considered:

- Gravity Modelling; and
- Current Settlement Pattern.

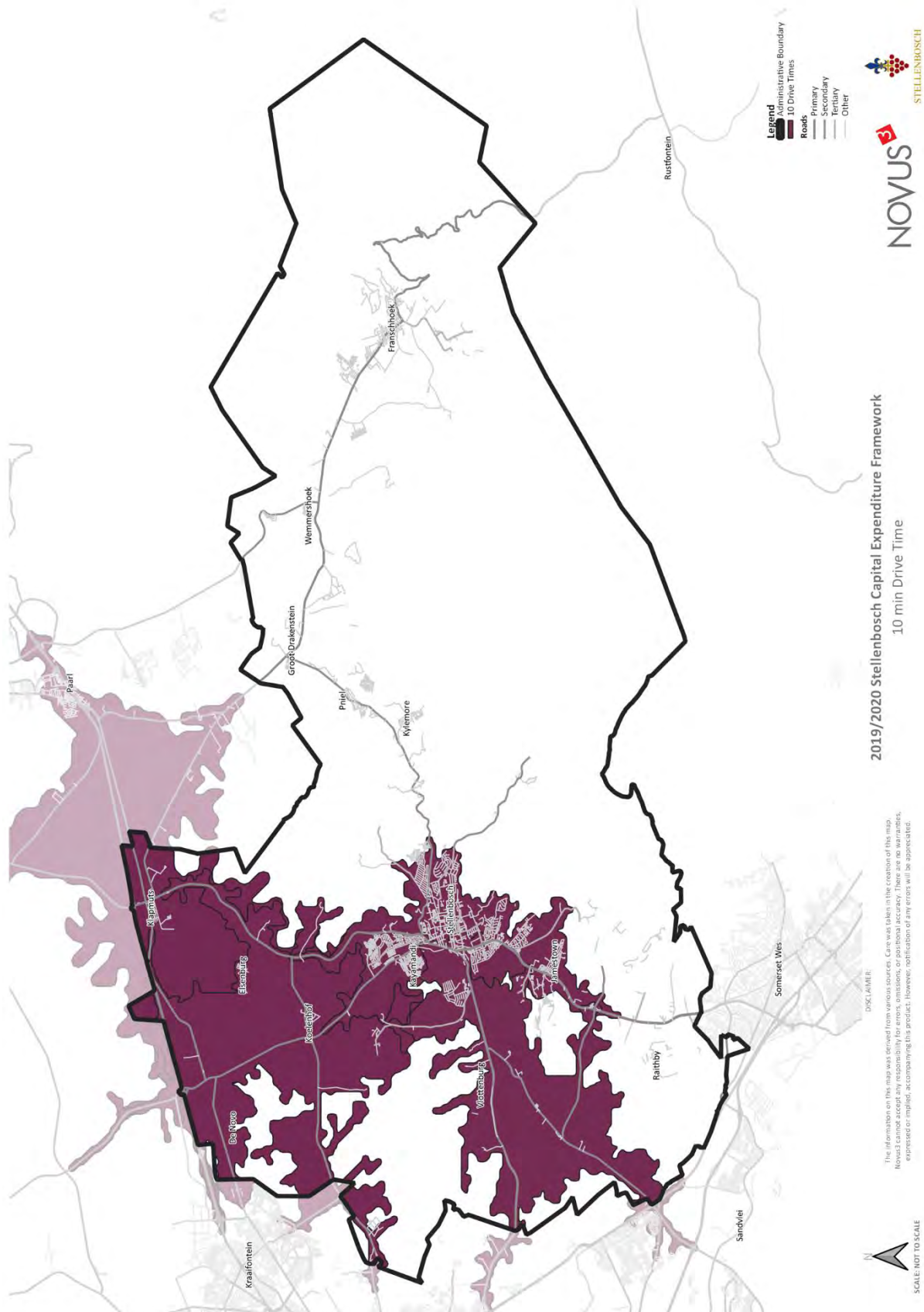
2.6.1 Gravity Modelling

The concept of a gravity model originates in transportation modelling and is a form of a trip distribution model. A distribution model produces a new origin-destination trip matrix to reflect new trips in the future made by population, employment and other demographic changes so as to reflect changes in people's choice of destination.

The gravity model gets its name from the idea of gravity where the 'pull' between two objects is proportional to the size of the object and inversely proportional to (some function of) the distance between them. This is similar to travel between areas where the amount of travel between two areas can be considered as being proportional to their population, numbers of jobs, schools, factories, offices etc. but inversely proportional to the distance (or some measure of the separation or deterrence) between them. When researchers started looking at this they found that generally this relationship holds up quite well - the bigger the towns the more travel there was between them and the further apart towns were, the less travel there was between them. The amount of pull between the origin zone and the destination zone is given as the origin and destination trip ends respectively.

It is the same logic that validated the investigation of Priority Development Areas as a function of 10 minute drive times with respect to the functional areas identified. The assumption was that the more connected a functional area is, the more people it will attract, reflecting a natural area of function, and so defining the area which the municipality should prioritise capital investment.

The map below depicts the 10 minute drivetime based on the functional area nodes:



Map 2: 10-minute travel time isochrones based on functional area nodes

Four issues are evident from the drive times:

- Firstly, even on a low threshold, there are substantial overlaps in the areas that the isochrones covered. This might point to the fact that should development occurs, the functional integration between the areas is possible but also that these areas are so close together that they will, from a business point of view compete with one another.
- Secondly, the areas reach over municipal boundaries. This especially true in the case of Klappmuts which implies that it competes with the adjacent areas in Drakenstein and also that development in Drakenstein will have a direct impact on the development of Klappmuts. It might be advisable for the municipality to consider absorbing the entire area, as Klappmuts serves and is likely to develop as a single functional area. This will contribute to developmental cohesion.
- Thirdly, the accessibility and the impact of major routes is evident. It implies that the long-term development of the road network will have major impacts on the success or failure of the identified areas.
- Lastly, and very importantly the isochrones do not cover the eastern parts of the municipal area. However, irrespective of the Municipality's priorities, the customers in the municipal area will legally demand services and will continue to impact on demand for services and infrastructure.

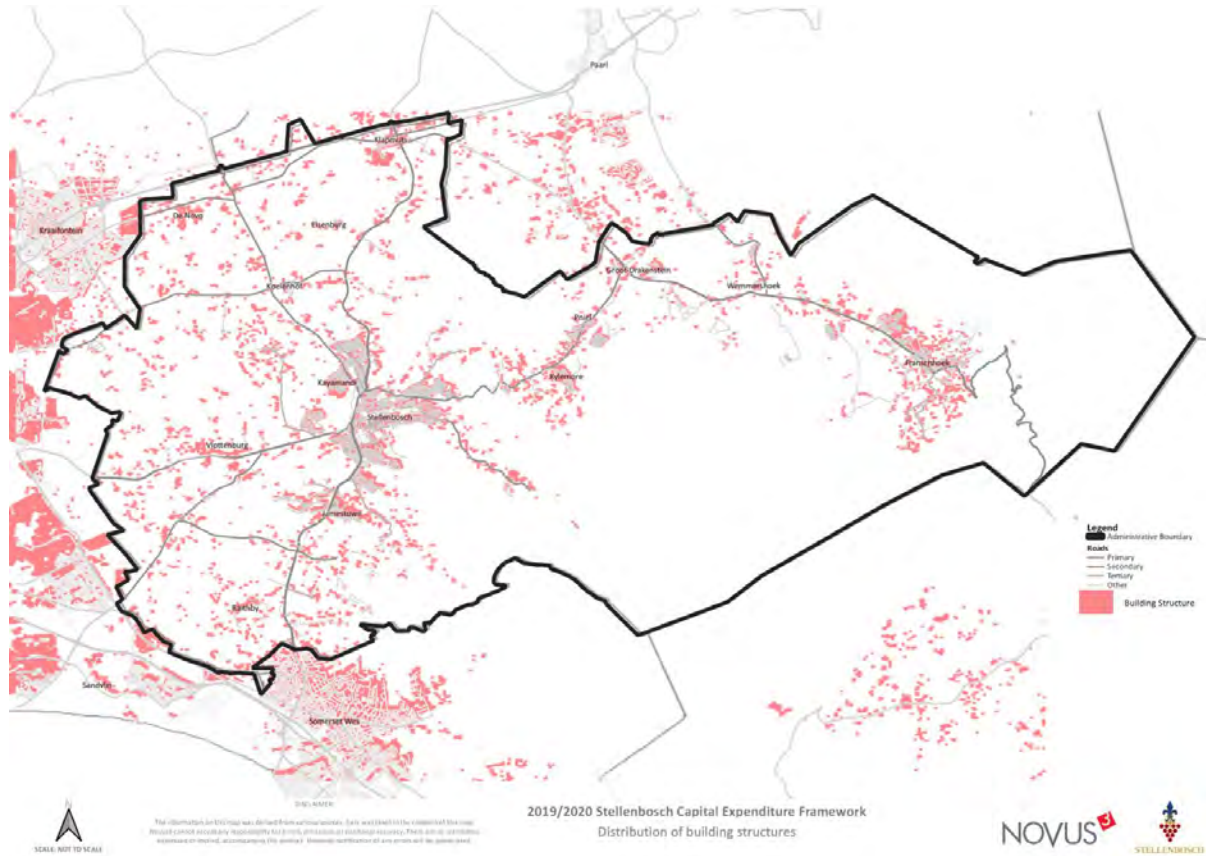
2.6.2 Current Settlement Patterns

Current settlement patterns provides a good understanding of the status quo and informs modelling exercises. Current settlement patterns serves as one of various informant to the Priority Development Areas.

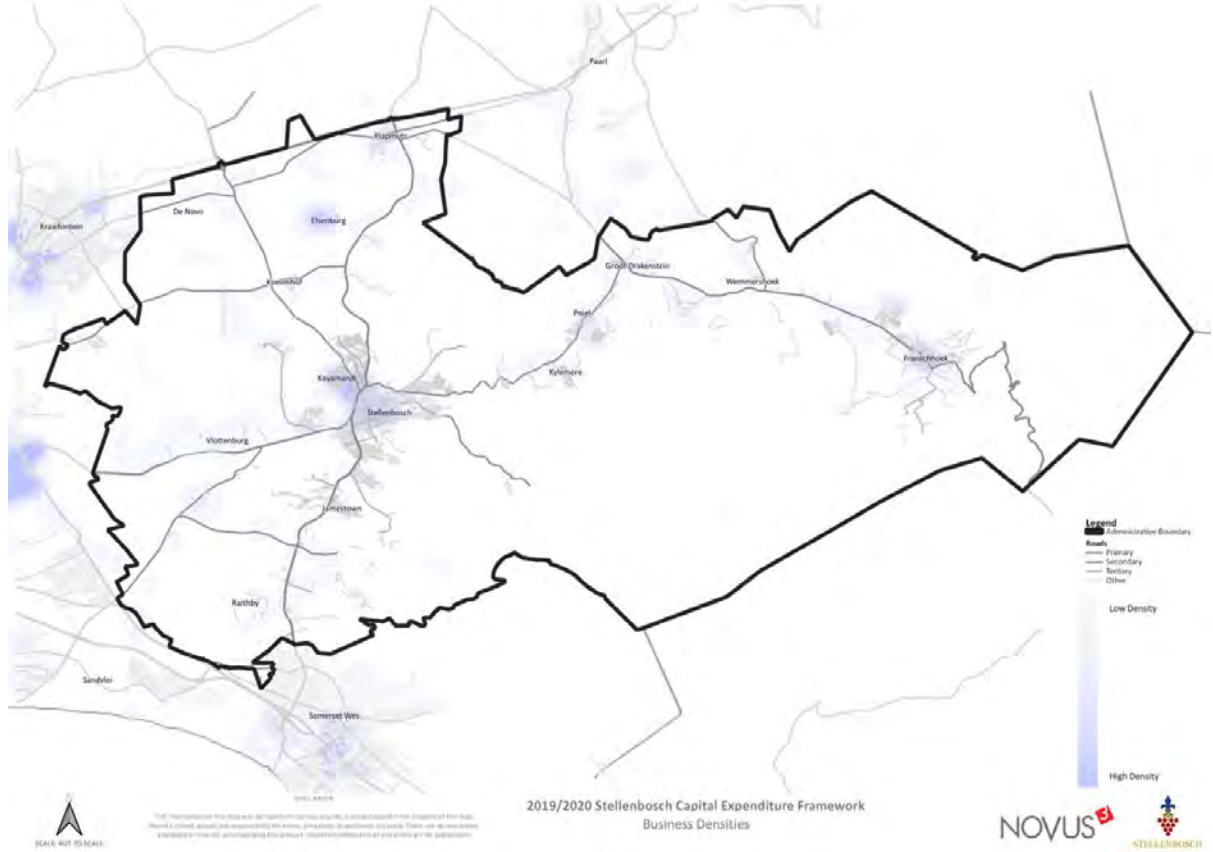
The following Maps illustrates the difference in development Intensities within the municipality⁸⁹:

⁸ MapAble database www.mapable.co.za

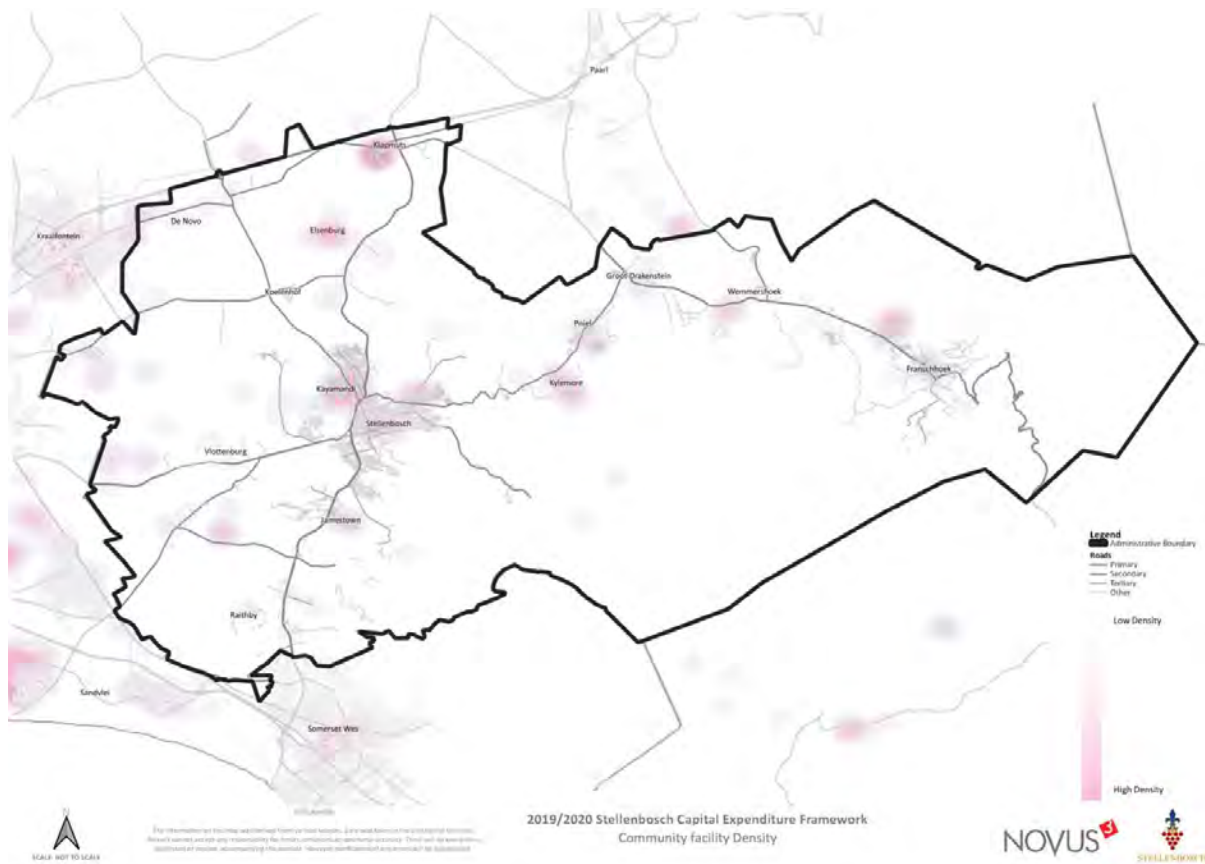
⁹ Please click on the maps to open them on your browser; powered by MapAble



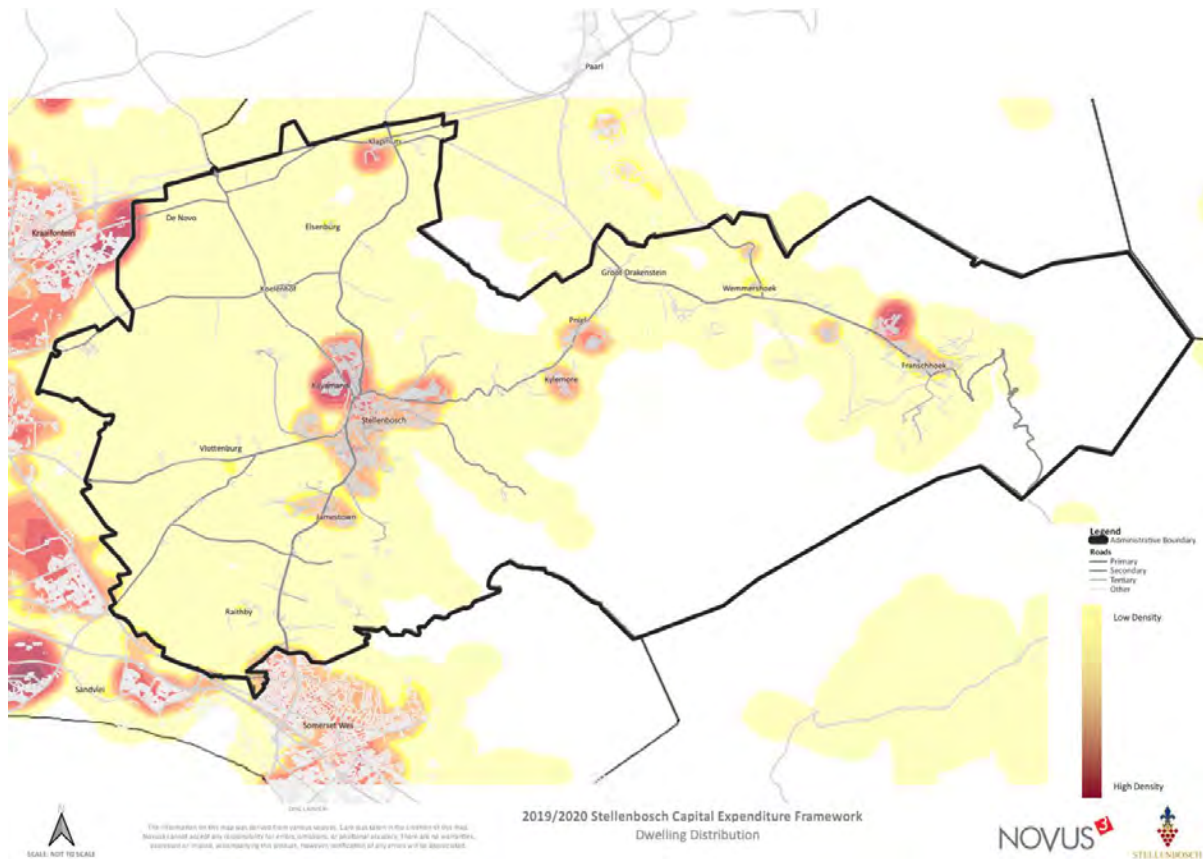
Map 3: Distribution of building Structures



Map 4: Business Densities



Map 5: Community Facilities densities



Map 6: Dwelling Distribution

The importance of secondary rural nodes is evident and do contribute to long-term demand. For the purposes of forecasting long-term land use, services and infrastructure demand, it is evident that not only the functional areas should be considered but the whole municipality.

2.6.3 The Adam Tas Corridor

The most strategically located land in Stellenbosch town comprises large industrial spaces, including land previously occupied by Cape Sawmills and Distell facilities. A significant proportion of these have been vacated or will be vacated in the foreseeable future in response to changes in the operating context of manufacturing enterprises. Thoughtful redevelopment of these spaces – at scale – can contribute meaningfully to meeting existing challenges and MSDF objectives. In simple terms, the concept is to launch the restructuring of Stellenbosch town through redevelopment of the Adam Tas Corridor, the area stretching along the R310 and R44 along the foot of Papegaaiberg from the disused Cape Sawmills site in the west to Kayamandi and Cloeteville in the north.

It forms the western edge to the town but is not well integrated with the rest of Stellenbosch, largely because of the barrier/ severance effect of the R44 and the railway line. Much of the area has a manufacturing use history. It includes the disused sawmill site, the government owned Droë Dyke area, Distell's Adam Tas facility, Oude Libertas, various Remgro property assets, Bosman's Crossing, the rail station, Bergkelder complex, Van der Stel sports complex, the George Blake Road area, and parts of Kayamandi and Cloeteville. Underutilised and disused land in the area measures more than 150ha.

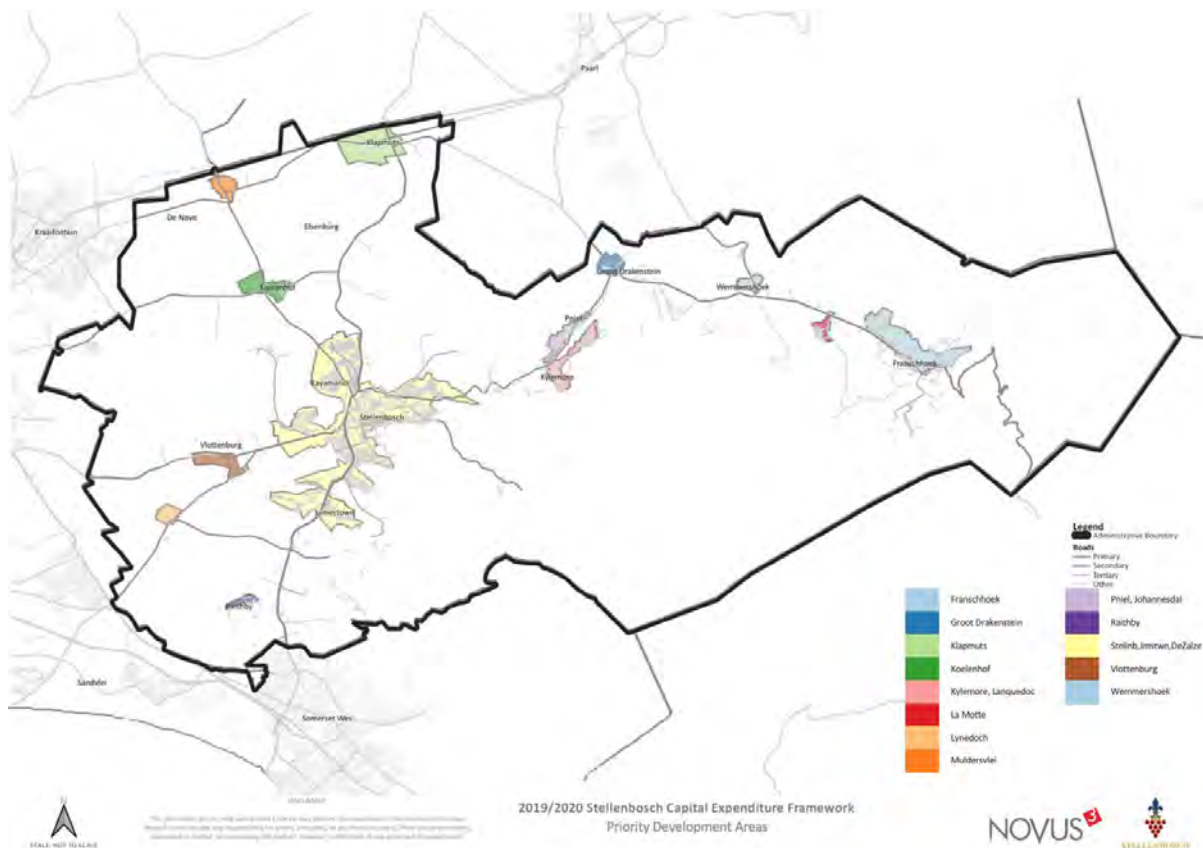
Redevelopment in terms of the concept offers the opportunity to:

- Grow Stellenbosch town – and accommodate existing demand – in a manner which prevents sprawl, and create conditions for efficient, creative living and working.
- Stimulate and act as a catalyst for the development of improved public transport and NMT
- Rethink and reconstruct infrastructure, and particularly the movement system, including the possible partial grade separation of east- west and north-south movement systems, in turn, integrating the east and west of town and releasing land for development.
- Integrate Kayamandi and Stellenbosch town seamlessly.
- Shift new development focus to the west of town, with Die Braak and Rhenish complex forming the center and seam between the new west and east of Stellenbosch town.
- Accommodate the parking of vehicles on the edge of town whilst the corridor provides for and promotes a greater focus on pedestrianism and cycling into the core town.
- Accommodate uses which meet urgent needs, specifically higher density housing and university expansion, also assisting in establishing a compact, less sprawling town, public transport, and pedestrianism; and
- Increases land value east of the R44 and in the area between Kayamandi and the Bergkelder complex.

2.6.4 Conclusion

In its current planning, the municipality makes a distinction between urban and rural nodes, on the one hand, and the balance of the area. The balance of the land is predominantly farming land, but it also includes large tracts of undevelopable mountainous terrain.

For the purposes of the Capital Expenditure Framework, a distinction was made between the urban and rural nodes on the one hand and the balance of the areas on the other hand. This distinction is based on the assumption that urban related development and supporting social services will be focused within the nodal areas and the balance of the areas will be the mainstay of agricultural development. However, there are substantial numbers of people settled in the agricultural areas that will contribute to the demand for social and community services but not necessarily for housing and related infrastructure services. This assumption becomes the basis for modelling long-term growth and investment demand. This allows one to determine the demand for land and development in nodal areas based on the broader demand generated by the functional areas that these nodes serve.



Map 7: Priority Development Areas

2.7 Unpacking the Priority Development Areas

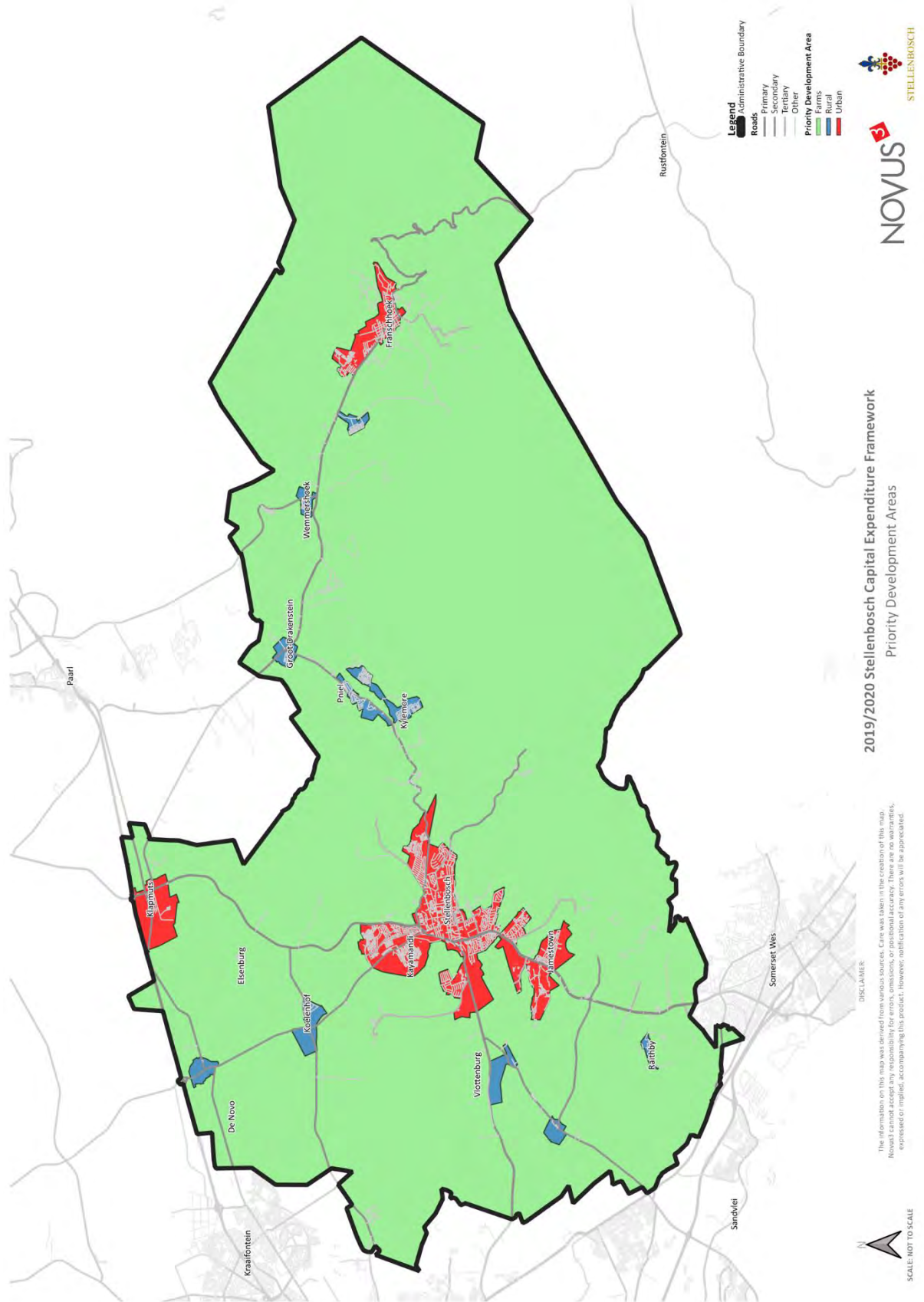
When using the priority development areas as the basis for establishing future demand for services and infrastructure, the first step is to assess the long-term population trends. Although one works in a very interventionist environment, historical trends are the best indicators for future growth and change expectations. The next table shows a forecast for population growth expected in the municipal area.

Table 1: Population Distribution

Timeline	Urban	Rural	Farm	%
1996	52.19%	5.04%	42.8%	100.00%
2001	47.68%	5.89%	46.4%	100.00%
2006	49.09%	7.12%	43.8%	100.00%
2011	50.50%	8.35%	41.1%	100.00%
2016	49.77%	9.44%	40.8%	100.00%
2021	49.49%	10.56%	40.0%	100.00%
2026	49.20%	11.68%	39.1%	100.00%
2030	48.97%	12.58%	38.5%	100.00%

Based on historical trends and prevailing policies of growth restrictions in the urban nodes, it is clear that development pressures will focus on the rural nodes. This is to the extent that the urban nodes will decrease in terms of its population share in the municipal areas. It does not imply that the urban

and farming populations will not grow. The expected growth rates are, however, lower than the forecasts for the rural nodes.



Map 8: Priority Development Areas

The following table is a summary of the Stellenbosch nodal points. For a detailed profile please refer to Annexure 1.

Table 2: Summary profile of the Priority Development Areas

	Type	Urban node	Rural Node	Farming	Total
	Area (ha)	3 803	1 099	79 977	84 879
Population	Population 1996	61 734	5 259	37 361	104 354
	Population 2001	68 810	7 013	43 153	118 976
	Population 2011	100 973	12 999	41 739	155 711
	Population/ha 1996	16.23	4.79	0.47	1.23
	Population/ha 2001	18.09	6.38	0.54	1.40
	Population/ha 2011	26.55	11.83	0.52	1.83
Households	Households 1996	15 973	1 091	9 091	26 155
	Households 2001	17 498	1 476	10 147	29 121
	Households 2011	30 495	3 040	9 793	43 328
	Households /ha 1996	4.20	0.99	0.11	0.31
	Households /ha 2001	4.60	1.34	0.13	0.34
	Households /ha 2011	8.02	2.77	0.12	0.51
	Households size 1996	3.86	4.82	4.11	3.99
	Households size 2001	3.93	4.75	4.25	4.09
	Households size 2011	3.31	4.28	4.26	3.59
Dwelling frame	DF18 Dwelling	32 186	3 692	7 014	42 892
	DF18 Businesses	591	46	268	905
	DF18 Special dwelling institutions	3 182	4	240	3 426
	DF18 Service units	126	17	66	209
	DF18 Recreational units	46	14	8	68
	DF18 Other Units	994	282	3 549	4 825
	DF18 Vacant	989	306	257	1 552
	DF18 Total units	38 114	4 361	11 402	53 877
Schools	Primary school	18	7	4	29
	Secondary school	10	0	1	11
	Intermediate school	0	0	1	1
	Combined schools	1	0	4	5
Facilities	Public health facilities	12	2	0	14
	Private health facilities	1	0	0	1
	SAPS stations	4	1	0	5
	Lower courts	1	0	1	2
Land cover 2014 (non-urban) (ha)	Cultivated commercial fields	99.37	22.78	3 870.32	3 992.47
	Cultivated commercial pivot	0.00	0.00	84.11	84.11
	Cultivated orchard and vines	297.58	132.72	19 005.52	19 435.82
	Sugarcane	0.00	0.00	0.00	0.00
	Subsistence farming	0.00	0.00	0.00	0.00
	Forests & Plantations	43.97	15.04	2 951.10	3 010.11
	Mining	0.00	17.06	44.57	61.63
Land cover 2014 (urban) (ha)	Urban built-up	19.47	0.26	17.90	37.63
	Urban commercial	306.12	1.27	42.34	349.73
	Urban industrial	145.06	20.80	265.89	431.75
	Urban residential	867.70	28.90	58.46	955.06

	Type	Urban node	Rural Node	Farming	Total
	Urban townships	218.11	160.80	102.22	481.13
	Urban informal	47.61	0.00	3.92	51.53
	Rural villages	0.00	0.00	0.00	0.00
	Urban sports and golf	276.67	3.47	112.28	392.42
	School and sports grounds	66.67	13.05	22.86	102.58
	Small holdings	69.40	12.84	337.36	419.60
	TOTAL	2 016.81	241.39	963.23	3 221.43
Roads (km)	National	0	0	22.96	22.96
	Arterial	15.2	9.93	93.59	118.72
	Secondary	0.43	1.44	35.48	37.35
	Tertiary	22.64	19.42	513.75	555.81
	Main (Urban)	28.46	1.15	24.72	54.33
	Streets (Urban)	196.74	0.36	32.53	229.63
	Total roads	263.47	32.3	723.03	1018.8

Section 3 Socio-Economic & Spatial Profiling

3 Socio-Economic & Spatial Profiling

3.1 Contextualisation

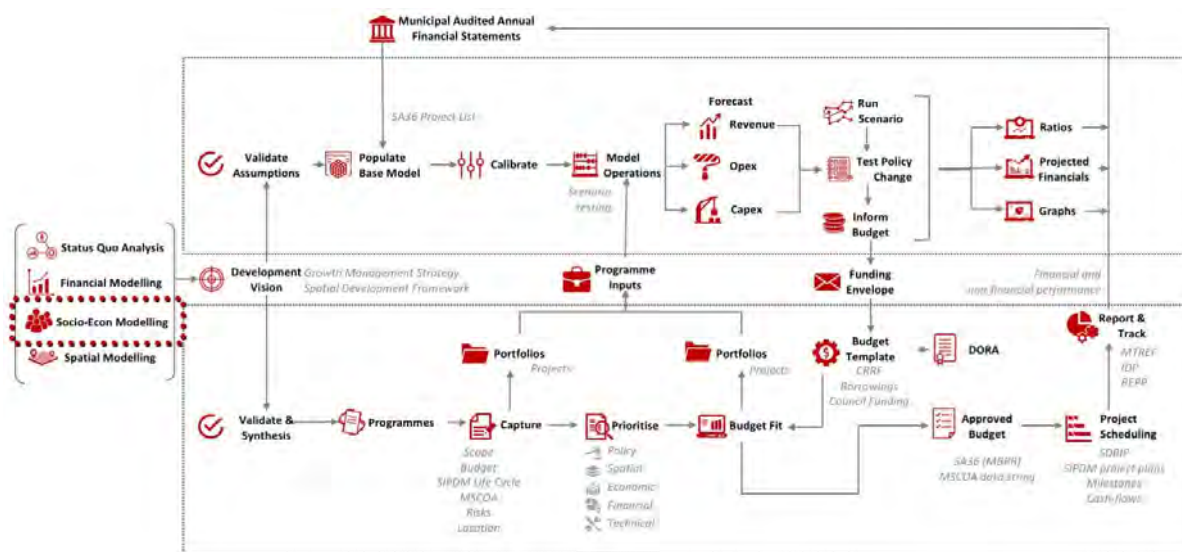


Figure 6: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

This section is based on a report generated by MapAble® and shows the demographic and other characteristics for the municipal area. The spatial and economic profile of the municipality is the critical drives for future demand and hence capital and operating expenditure.

The aim of this analysis is to obtain an in depth understanding of the demographic and socio-economic characteristics of the people that are being served in each Functional Area. This assessment includes typically the access to infrastructure and social services as well as the level of service of the said services. The purpose is twofold:

- Firstly, to identify the population within the municipality and functional areas in order to determine the base unit of needs estimation, infrastructure modelling and financial modelling; and
- Secondly, to understand a status quo of services.

These two basic elements can be used to quantify and project growth which in turn will unlock the ability to project infrastructure provision demand. Understanding the Socio-Economic and Spatial profile of the municipality, enables the municipality to make more accurate and informed decisions regarding capital investment.

Social profiling usually resides in the Spatial Development Framework, however, given the lack of quantification in the current Spatial Development Frameworks across local governments nation-wide, this is deemed as a necessary step by the Capital Expenditure Framework Guidelines. The section therefore only presents the profile for background purposes and no detailed analysis is done in this section.

3.2 General Context: Background

3.2.1 Demarcation History

South Africa undergoes a major reassessment of its municipal demarcations prior to each municipal election. Changes in municipal and ward boundaries affect all levels of planning and also long-term development strategies. The next table shows the municipality's and wards which previously formed part of the current area under assessment.

Table 3: Stellenbosch Local Municipality's demarcations history

	2016	2011	2006	2001	1996
District municipality(s) / Metropolitan area(s) affected	Cape Winelands	Cape Winelands	Cape Winelands DC	Boland DM, City of Cape Town MM	Metropolitan Area Overberg DC Winelands DC
The local municipality(s) affected:	Stellenbosch	Stellenbosch	Stellenbosch	City of Cape Town Stellenbosch	Franschhoek TLC Helderberg MLC Nuweberg TRC Oostenberg MLC Paarl TRC Pniel TLC Stellenbosch TLC Stellenbosch TRC
Municipal ward(s) affected	WC024-1 WC024-2 WC024-3 WC024-4 WC024-5 WC024-6 WC024-7 WC024-8 WC024-9 WC024-10 WC024-11 WC024-12 WC024-13 WC024-14 WC024-15 WC024-16 WC024-17 WC024-18 WC024-19 WC024-20 WC024-21 WC024-22	WC024-1 WC024-2 WC024-3 WC024-4 WC024-5 WC024-6 WC024-7 WC024-8 WC024-9 WC024-10 WC024-11 WC024-12 WC024-13 WC024-14 WC024-15 WC024-16 WC024-17 WC024-18 WC024-19 WC024-20 WC024-21 WC024-22	WC024-1 WC024-2 WC024-3 WC024-4 WC024-5 WC024-6 WC024-7 WC024-8 WC024-9 WC024-10 WC024-11 WC024-12 WC024-13 WC024-14 WC024-15 WC024-16 WC024-17 WC024-18 WC024-19	Cape Town-13 Cape Town-15 Cape Town-84 Cape Town-85 WC024-1 WC024-2 WC024-3 WC024-4 WC024-5 WC024-6 WC024-7 WC024-8 WC024-9 WC024-10 WC024-11 WC024-12 WC024-13 WC024-14 WC024-15 WC024-16 WC024-17 WC024-18	No data

The data shows that Stellenbosch had little demarcation disruptions. This contributes to stability in the municipal administrative area and allows more certainty in planning investment and operations.

3.2.2 Spatial Relationship

Stellenbosch's location has a clear impact on its development. Its distance from the metropolitan core allows it to develop an own identity and carve its own strategies, but it will always be linked to the development of the greater Cape Town area.

Simply, in terms of distance relations, development will always tend to gravitate towards the metropolitan core rather than away from it. This implies that the western parts of the municipality will always have more development pressure than the eastern parts. However, its interface with the high levels of settlement in the adjacent parts of the metropolitan area will benefit Stellenbosch or alleviate pressure if the Metropolitan Government pursues densification strategies under the banner

of building a compact city. It might allow the Municipality to create a band of low-intensity development between its urban core and the adjacent settlement areas in the metropolitan area.

These spatial relationships are important. The subsequent profile, and especially the maps continue to emphasise the spatial distribution of the elements and their impact on Stellenbosch.



Map 9: Spatial Relationship of Stellenbosch

3.3 Macro Economic Context

3.3.1 Demography

3.3.1.1 Total Population

Total Population of Stellenbosch is the 2nd highest (with Breede Valley) in the District at approximately 173 000, growing at 2% p.a. (Provincial 2% p.a. and National 1.5% p.a.)

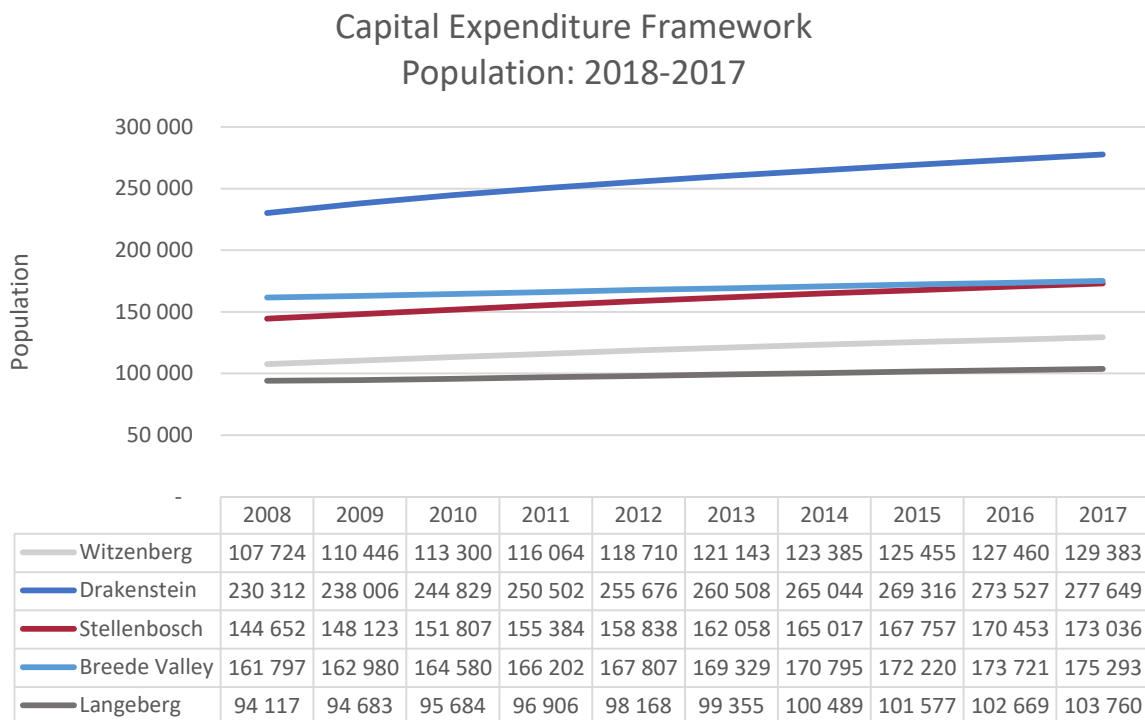


Figure 7: Population

3.3.1.2 Household Income Distribution

13.3% of households earn an annual economic income of below R30 000 p.a., and the highest concentration of households (9.8%) earn between R192 000 – 360 000 p.a.

The average household’s income for Stellenbosch is R 209 700 p.a (R 17 475 p.m). which is the second highest of all five municipalities in Cape Winelands District, but higher than the national average of R 190 386 p.a.

The average annual per capita income of Stellenbosch of R 78 293 is the highest in the district, followed by Drakenstein: R 76 593; Breede Valley; R 67 789; Langeberg: R 62 675; and Witzenberg: R 55 955.

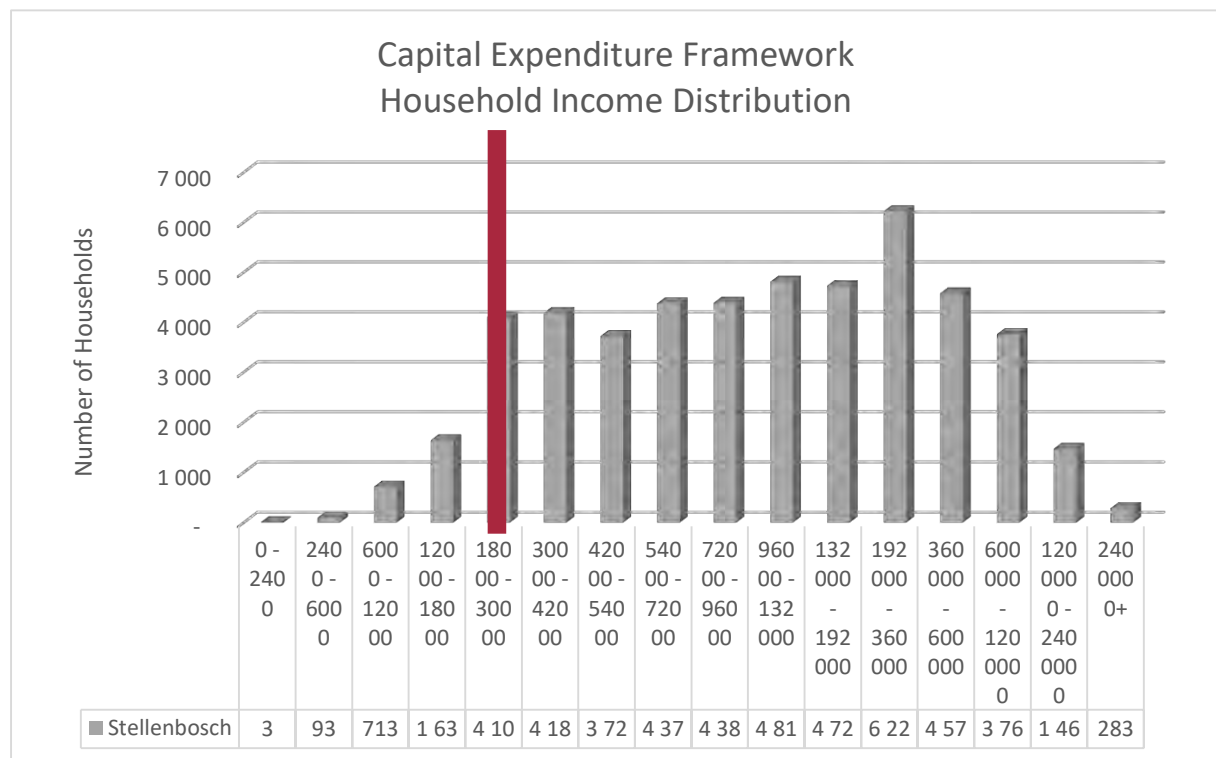


Figure 8: Distribution of Household Income

3.3.1.3 Population Age profile

Population Age Profile of Stellenbosch reflects a very young population with 52% under 29 years old and the single highest population is in the 20-24-year cohort. This is typical of a young developing society although in Stellenbosch’s case, the profile is probably distorted by the number of students coming into the area.

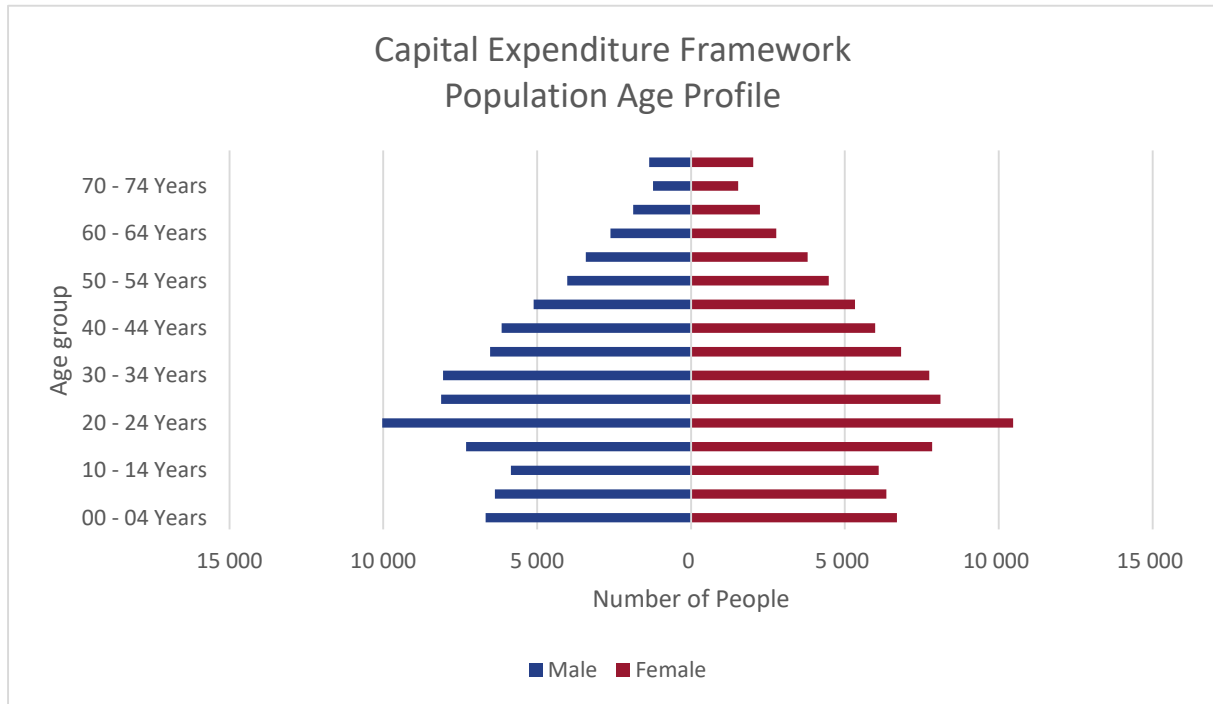


Figure 9: Age Profile

3.3.1.4 Unemployment Rate

The official Unemployment Rate of Stellenbosch of 16.8% is 9.6 percentage points lower than the national average of 26.4% but ranks second highest when compared to the other municipalities in the District. The rate has increased over the last 10 years.

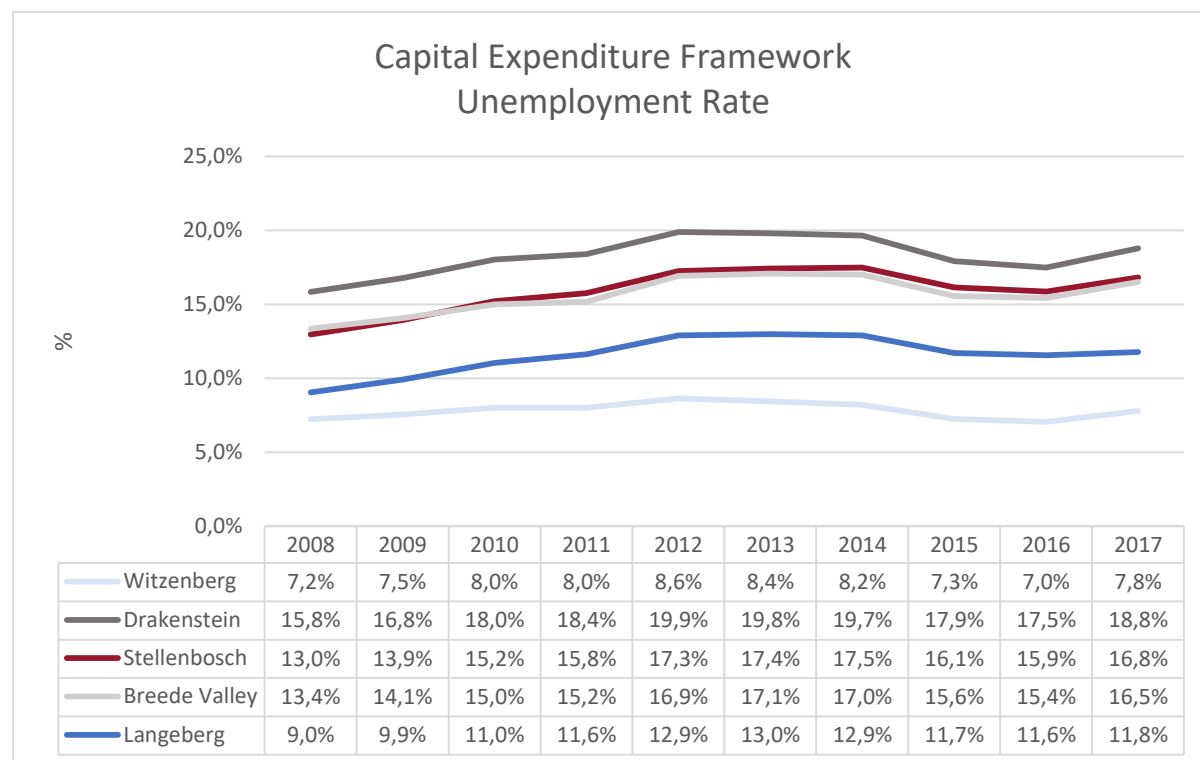


Figure 10: Unemployment Rate

3.3.2 Economy

The economy of Stellenbosch is relatively diversified with the manufacturing-; finance- trade-, and community services sectors jointly contributing 82% to local GVA. The contribution of agriculture is surprisingly low.

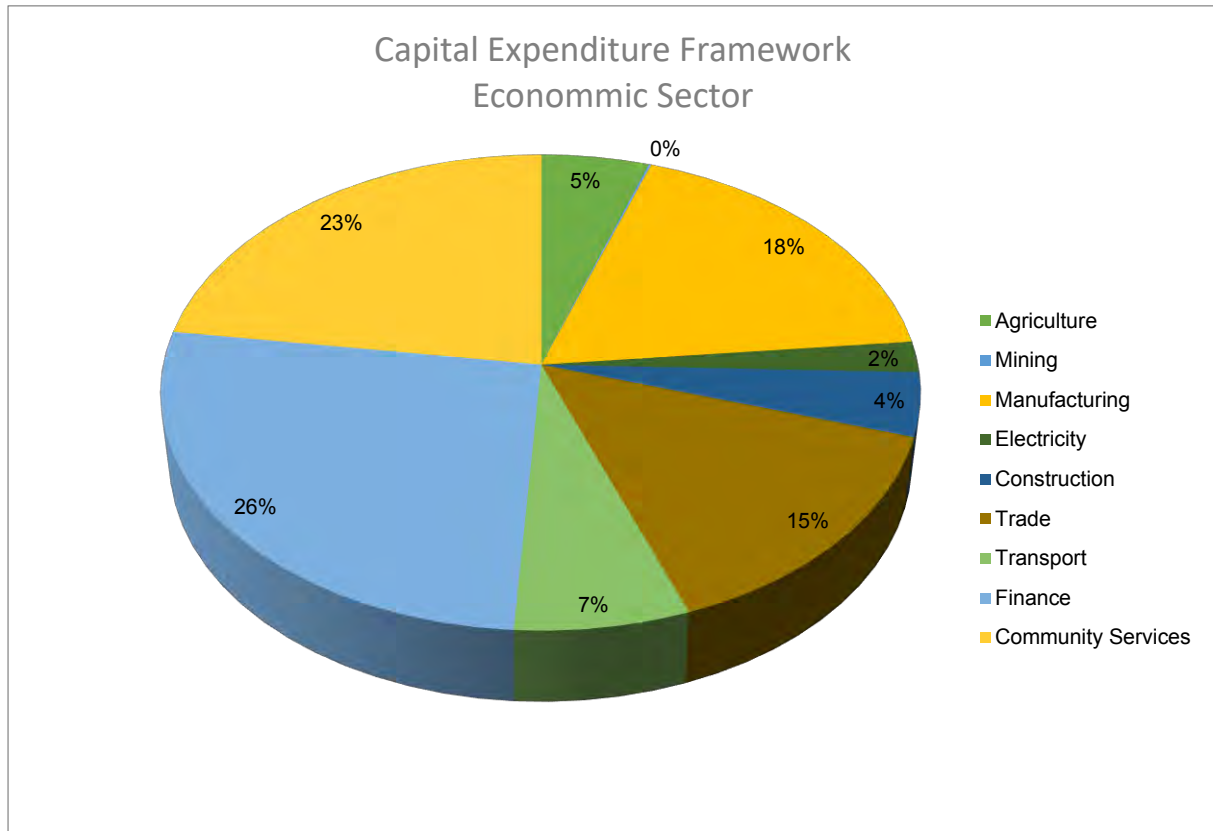


Figure 11: Economic Sectors

The average annual GVA growth rate of Stellenbosch for the past 5 years at 1.3% p.a. is lower than that of the Province at 1.7% p.a. and the National rate of 1.5% p.a.

Proportional growth was experienced in Finance's contribution to the local GVA, even though a declining trend is noted in Agriculture and Manufacturing, indicatives of a change in the economic structure is evident.

Table 4: Proportional Growth of economic Sectors

Subsector	2008	2017
Agriculture	6.5%	5.1%
Mining	0.1%	0.1%
Manufacturing	20.6%	18.2%
Electricity	1.7%	2.1%
Construction	4.1%	4.3%
Trade	14.0%	14.5%
Transport	6.4%	6.7%
Finance	24.4%	26.2%
Community Services	22.3%	22.7%

3.3.2.1 Employment

Since 2008 the number of people formally employed in Stellenbosch increased by just under 13%. This implies an average annual growth of 1.3%, which is lower than the annual population growth rate of 2%. Trade and Finance make a meaningful contribution to employment with each sector employing more than 14 000 people as illustrated in Graph 6 while the Agricultural sector is declining.

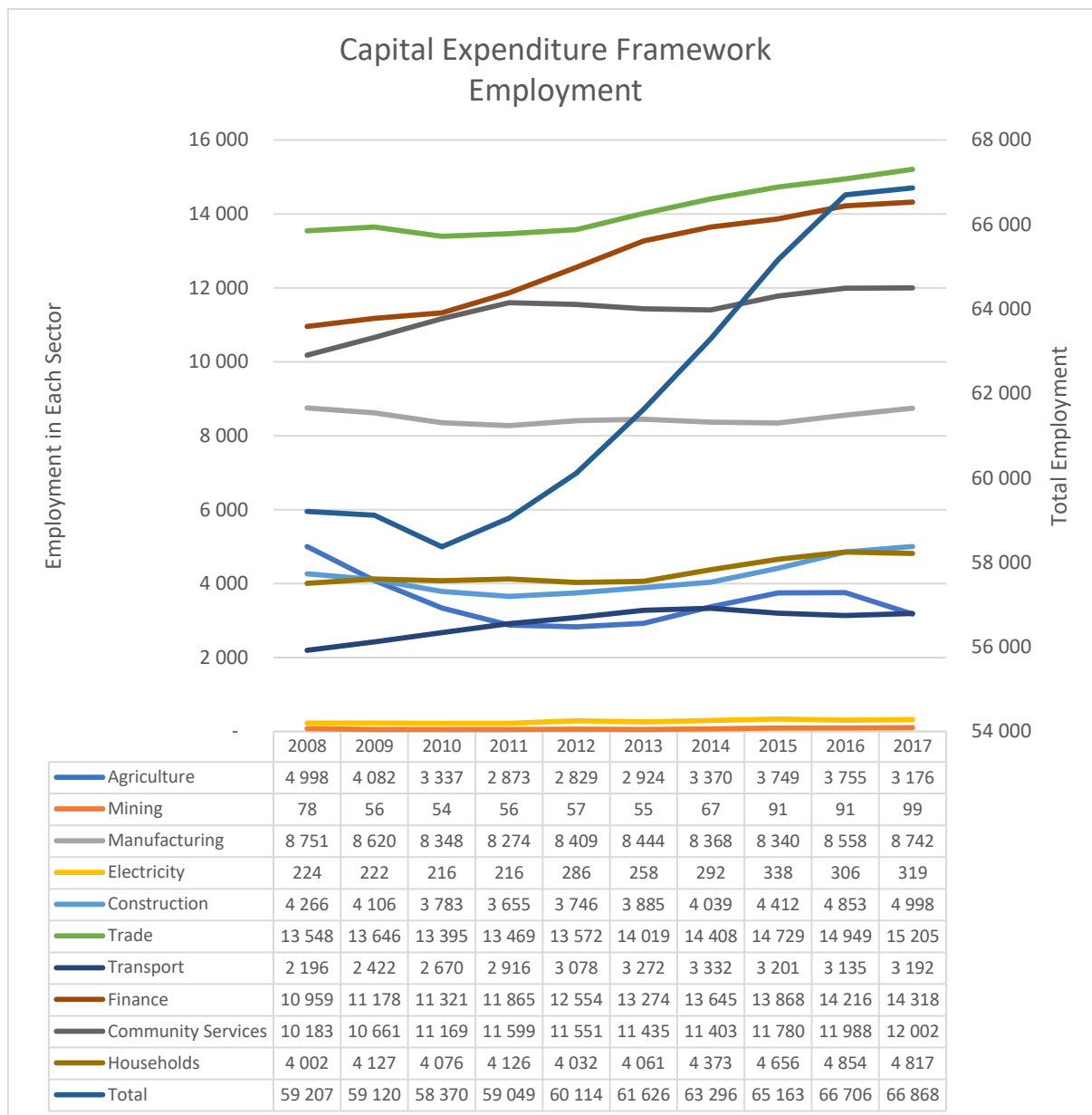


Figure 12: Employment

3.3.2.2 Tourism Spend

Tourism is a key economic driver and Tourism Spend has more than doubled since 2008 although number of visitors only increased by 15% over the same period. Tourism Spend in 2017 amounted to R 2.5 billion, which equates to 23.5% of GVA. Of the total tourism spend in the Cape Winelands DM; about 50% was spent in Stellenbosch LM.

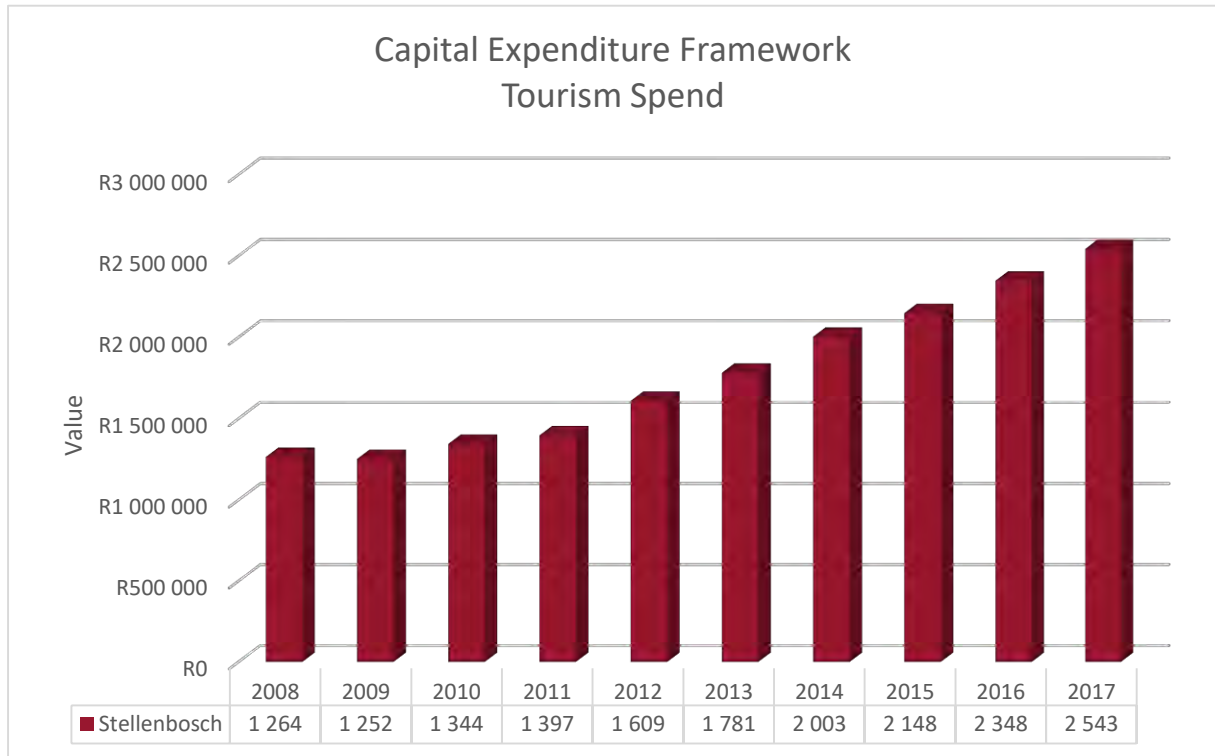


Figure 13: Tourism Spend

3.3.3 Household Infrastructure

The average Infrastructure Index (2008-17), a population-adjusted, access-to-service weighted index, which measures a region's overall access to household infrastructure, is 0.86¹⁰. This is higher than the National index of 0.74. Although service backlogs are relatively low, Housing backlogs contributed significantly to the decline in household infrastructure delivery.

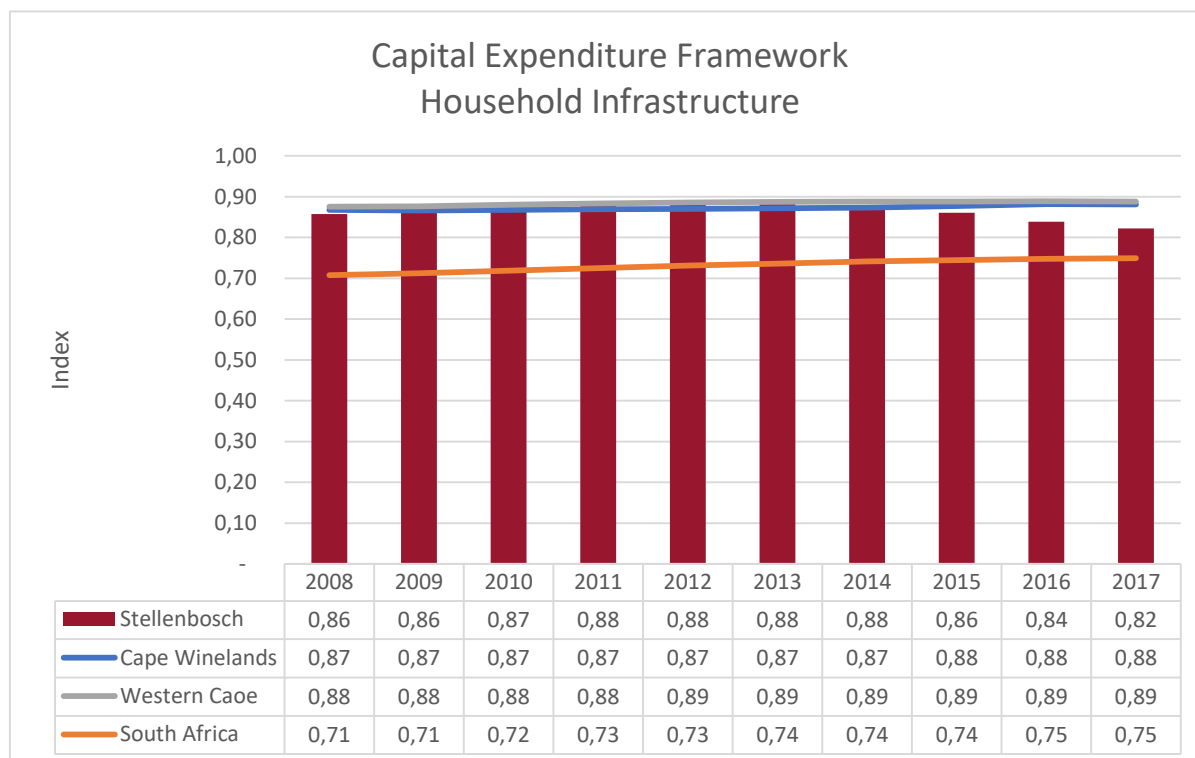


Figure 14: Infrastructure Index

¹⁰ A score of 1.00 would indicate a position where no backlogs exist. Stellenbosch's 0.86 implies a 14% on average level of backlogs. The index is, however, weighting based on cost of service basis – i.e. any backlog in housing (as is the case with Stellenbosch) would significantly impact on this index outcome due to this cost of delivering this service.

3.3.3.1 Household Formation

Stellenbosch experienced Household Formation increase of 20% between 2008 and 2017 which is below the Western Cape level, but higher than the national average. In 2017 there were approx. 50 000 households.

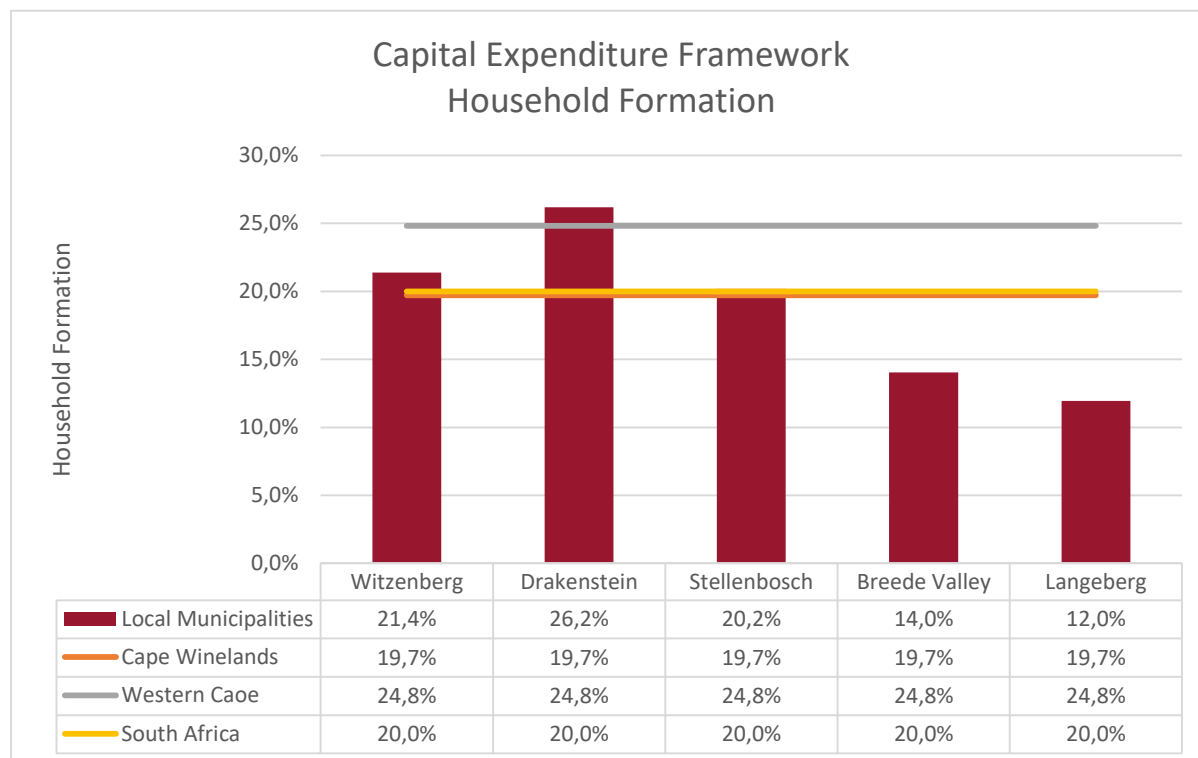


Figure 15: Household Formation

3.3.3.2 Household Infrastructure Provision

By comparing backlogs of sanitation, water, electricity and refuse removal in urban as well as non-urban areas one notes that the Stellenbosch municipality's overall infrastructure service delivery is high. Refuse removal and to a lesser extent, electricity provision reflects the remaining backlogs.

Table 5: Household Infrastructure Provision (2017)

Infrastructure	Cape Winelands		Stellenbosch	
Above RDP Level				
Sanitation	222 059	96,2%	48 019	96,5%
Water	225 813	97,8%	48100	96,6%
Electricity	221 550	96,0%	46 688	93,8%
Refuse Removal	203 040	87,9%	43 377	87,1%
Below RDP				
Sanitation	8 828	3,8%	1 764	3,5%
Water	5 084	2,2%	1 683	3,4%
Electricity	9 347	4,0%	3 095	6,2%
Refuse Removal	27 857	12,1%	6 406	12,9%
Total Number of Households	230 897	100%	49 783	100%

3.4 Stellenbosch Municipal Area: Demography

3.4.1 Basic population characteristics

Population dynamics, such as changes in population size, structure and distribution along with the associated demographic factors of births, deaths and migration affect all facets of human life. Planners in every sector should examine the population aspects of their sectors carefully and address their sector plans with reference to the relevant population issues.

The demographic profile and dynamics are critical infrastructure investment and largely determine the ability of the municipality to meet the operating consequences of its investment strategies.

3.4.1.1 Population and gender

The total population is the starting point. For any planning assessment, the total population is fundamental to the current and long-term demand for services and facilities. The table below shows the population for the three census periods with a gender split. From the time-related figures, inferences can be drawn on population growth or decline. (See details later in the report) Gender also serves as a proxy for economic conditions. Very generally speaking, male absenteeism can indicate that an area is shedding workers while a surplus of males might indicate the area is attracting migrant labour and hence higher expectation regarding economic growth and job creation. The table on age groups below will shed more light on this matter.

Table 6: Population and Gender

	1996	2001	2011	CS2016 ¹¹
Males	51,224	57,850	76,158	
Females	53,411	61,129	79,536	
Population density (persons/ha)	1.15	1.40	1.83	2.04
Total Population	104,635	118,979	155,694	173,197

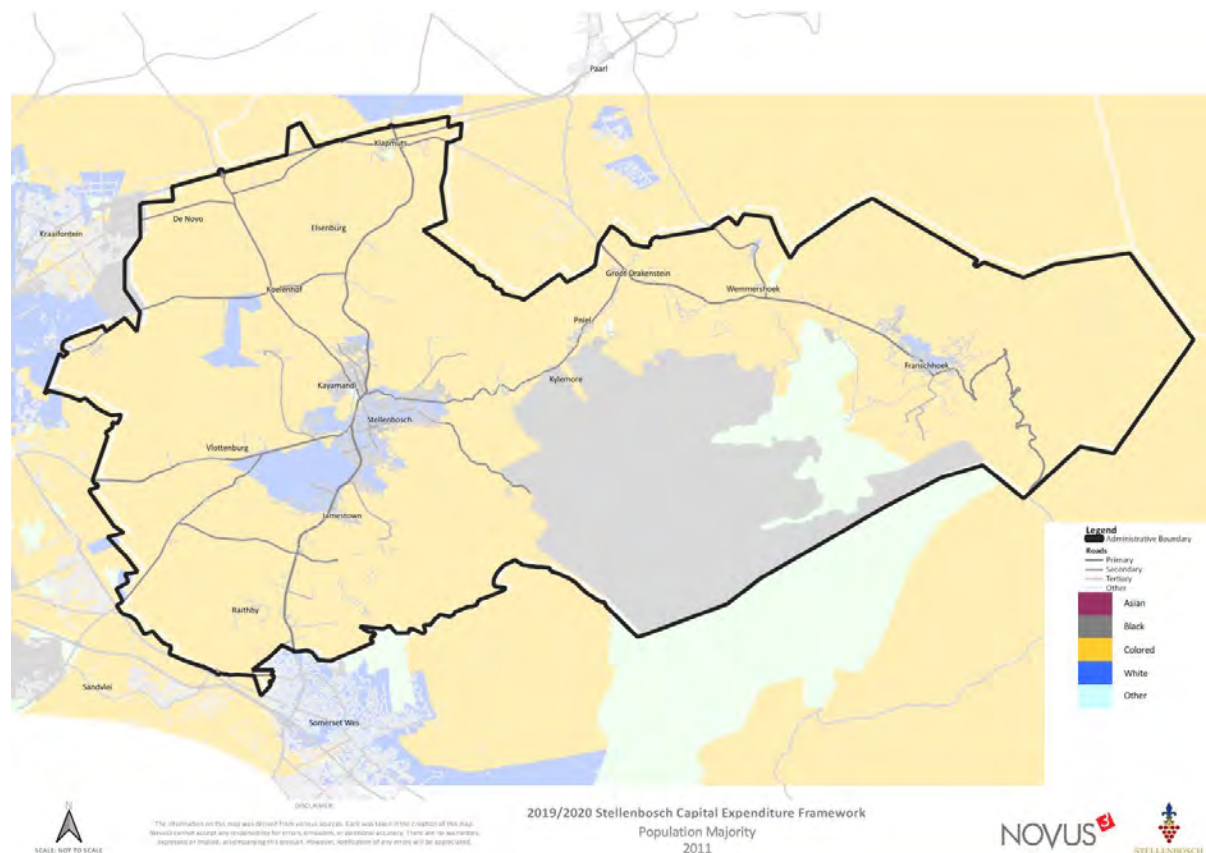
¹¹ The StatsSA Community Survey does not give a gender breakdown per municipality

3.4.1.2 Population groups

Population groups need not be a central issue in development analysis. However, looking at the composition of the local population might help to explain current dynamics based on historical population settlement patterns.

Table 7: Population Groups

	1996	2001	2011	CS2016
Black	16,235	24,226	43,703	76,574
White	27,025	26,225	28,735	21,182
Coloured	59,039	68,259	81,329	75,386
Indian	264	269	620	72
Other	2,072	NA	1,307	
Total	104,635	118,979	155,694	173,197



Map 10: Population Majority 2011

3.4.1.3 Age groups

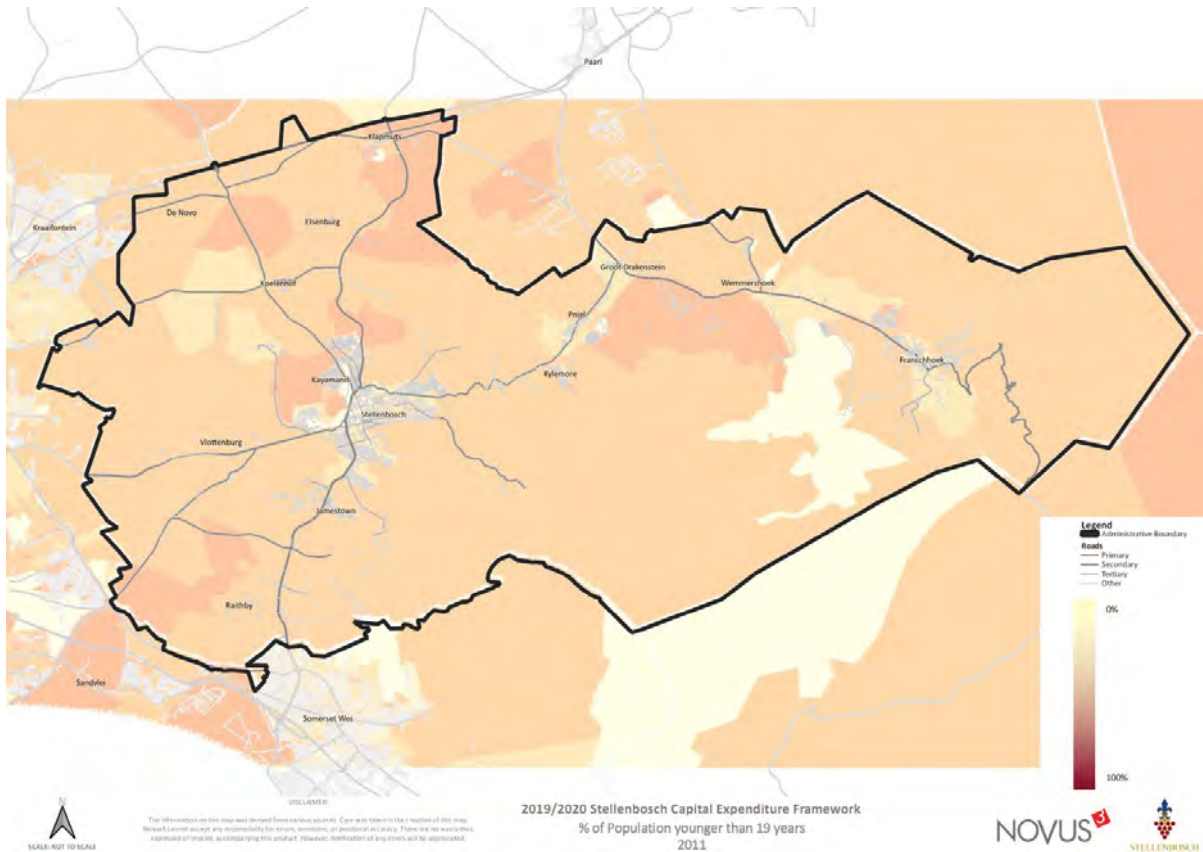
Age groups are very important in any demographic assessment. The age structure of the population provides a very direct indication of long-term demand for community and social services, housing and infrastructure demand. The table below only reflects on four age categories. The first category is the preschool population, and the second category is the extent of the school population, the third category is the economically active population, and the last group is the elderly population.

Table 8: Age groups¹²

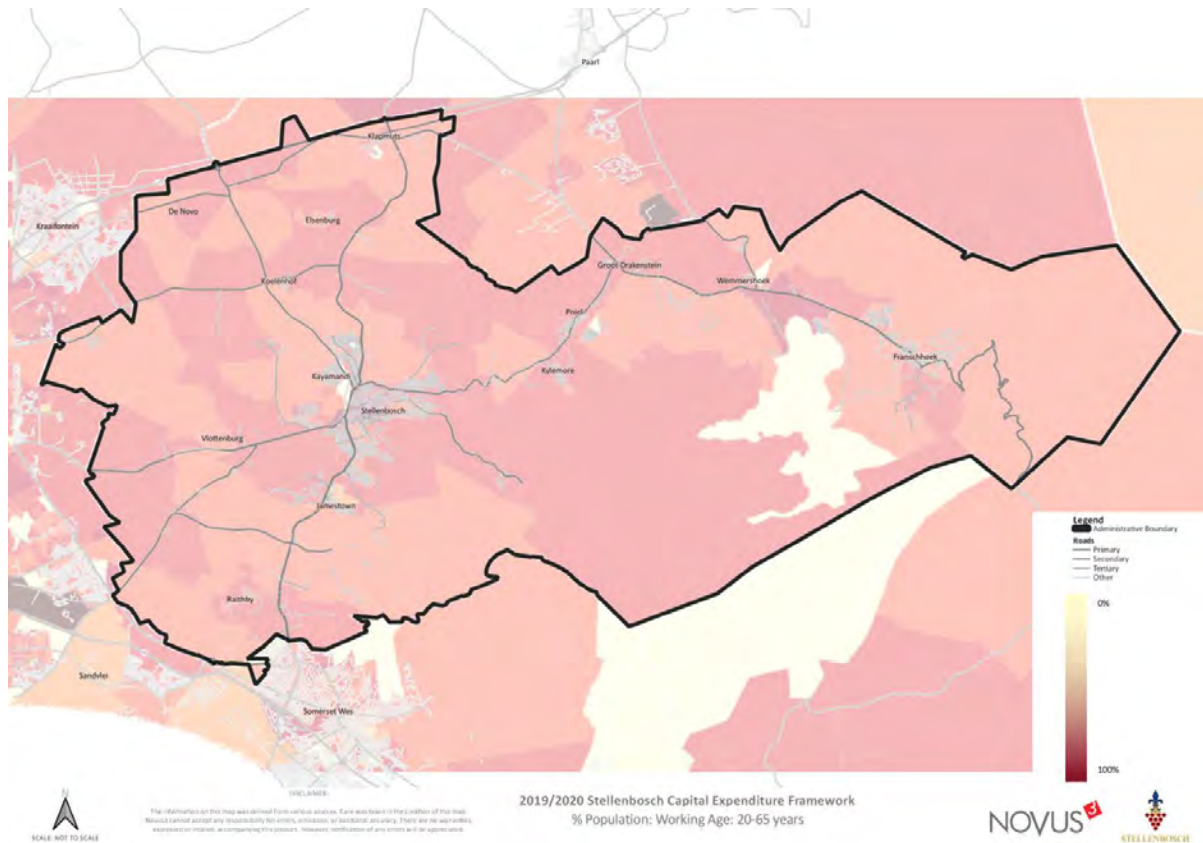
	1996		2001		2011	
	Male	Female	Male	Female	Male	Female
<5	5,680	5,527	5,734	5,811	8,010	7,861
5 to 20	15,407	16,111	17,524	18,210	19,811	20,740
20 to 65	27,786	28,719	32,516	34,298	45,428	46,891
>65	1,637	2,412	2,077	2,810	2,909	4,045
Unspecified	715	642		0		0
Total	51,224	53,411	57,850	61,129	76,158	79,536
		104,635		118,979		155,694

¹² The Community Survey 2016 does not provide a compatible age breakdown at municipal a level. According to CS2016, 23,8% was under the age of 14 years, 42.4% in the 15-35 year bracket, 28.7% was between 35 and 64 years and 4.1% above 64 years.

In considering age groups, the 20 to 65-year cohort is very significant. The male-female ratio in this age group is important. As explained above male absenteeism or a male surplus is a good proxy for migrant labour. Furthermore, the number of women in this age group is also a good indicator of the expected number of households in an area. Stellenbosch shows stability in this cohort with no or very little evidence of migrant labour.



Map 11: % Of the Population – younger than 19 years (2011)



Map 12: % of the Population: Working age – 20 to 65 year (2011)

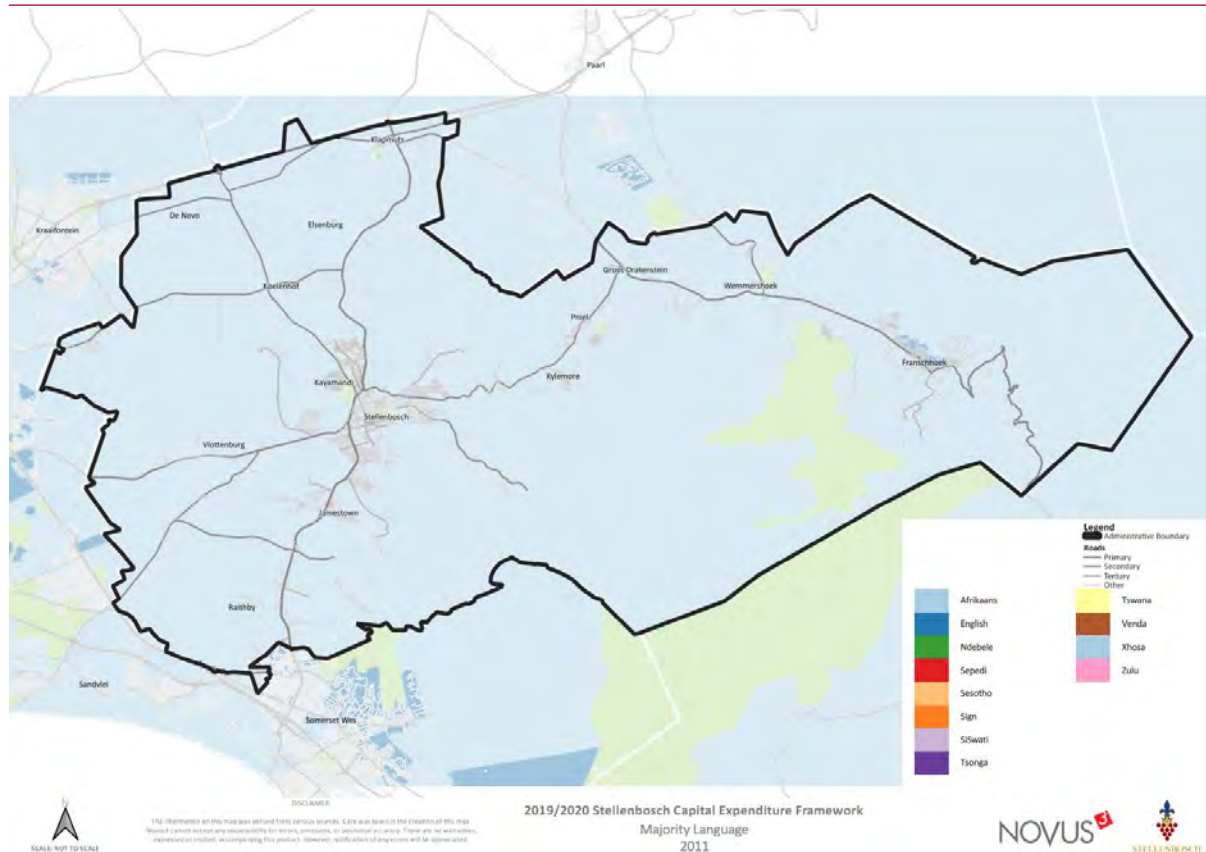
3.4.1.4 Language groups

Language groups display very strong spatial patterns in South Africa. These patterns and distributions have ramifications for education, labour markets, and labour relations. Its impact on the demand for community services, infrastructure and social facilities are, however, not significant for the planner.

 Table 9: Language groups¹³

	1996	2001	2011
Afrikaans	80,767	88,185	99,397
English	7,275	8,329	10,613
Ndebele	445	36	225
Sepedi	10	78	143
Sesotho	514	1,155	1,783
Siswati	7	30	48
Tsonga	8	54	103
Tswana	29	54	538
Venda	3	27	65
Xhosa	13,234	20,189	30,538
Zulu	45	147	369
Other	2,297	695	11,873
Total	104,635	118,979	155,694

¹³ CS2016 do not provide data for municipalities.



Map 13: Majority Language (2011)

3.4.2 Household Characteristics

Population numbers relate to the demand for community and or social facilities. Households, on the other hand, determine the demand for infrastructure and housing. Furthermore, many planning indicators are measured in terms of household sizes and densities.

3.4.2.1 Households, size and density

Households are usually assessed in the context of the total population. This gives rise to density ratios and household size. The total number of households is always an important factor in determining the overall demand for infrastructure services and housing. Household density is an important indicator for settlement efficiency and plays an important role in urban planning and development strategies. Household size has an impact on the extent of consumption of goods and services. One should note that housing support strategies have affected household formation to the extent that there are often different rates of change between households and population. The basic household profile for the assessment area is shown in the table below.

Table 10: Total Households, size and density

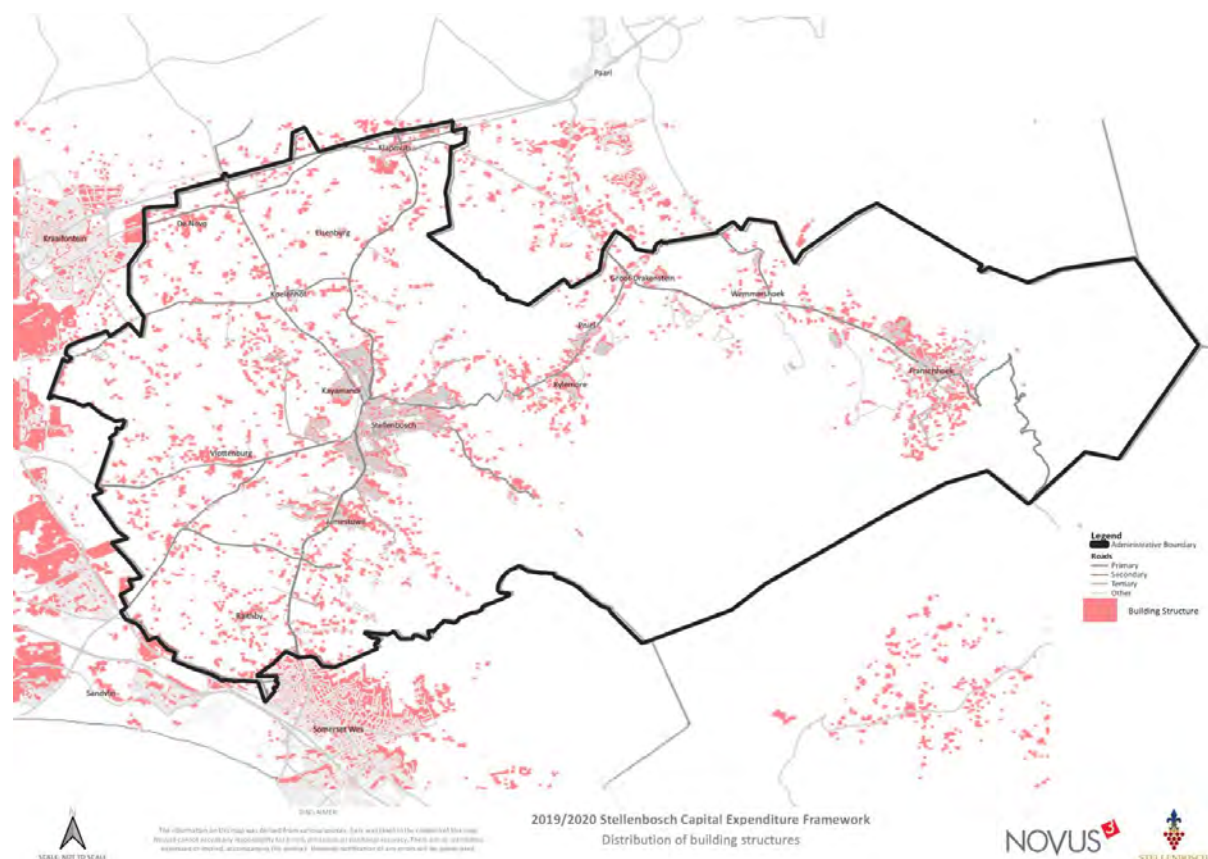
	1996	2001	2011	2016
Total households	26,154	35,165	43,328	52,274
Household density (households/ha)	0.29	0.41	0.51	0.62
Ave household size	4.00	3.38	3.59	3.3

3.4.2.2 Dwelling frame 2018 profile

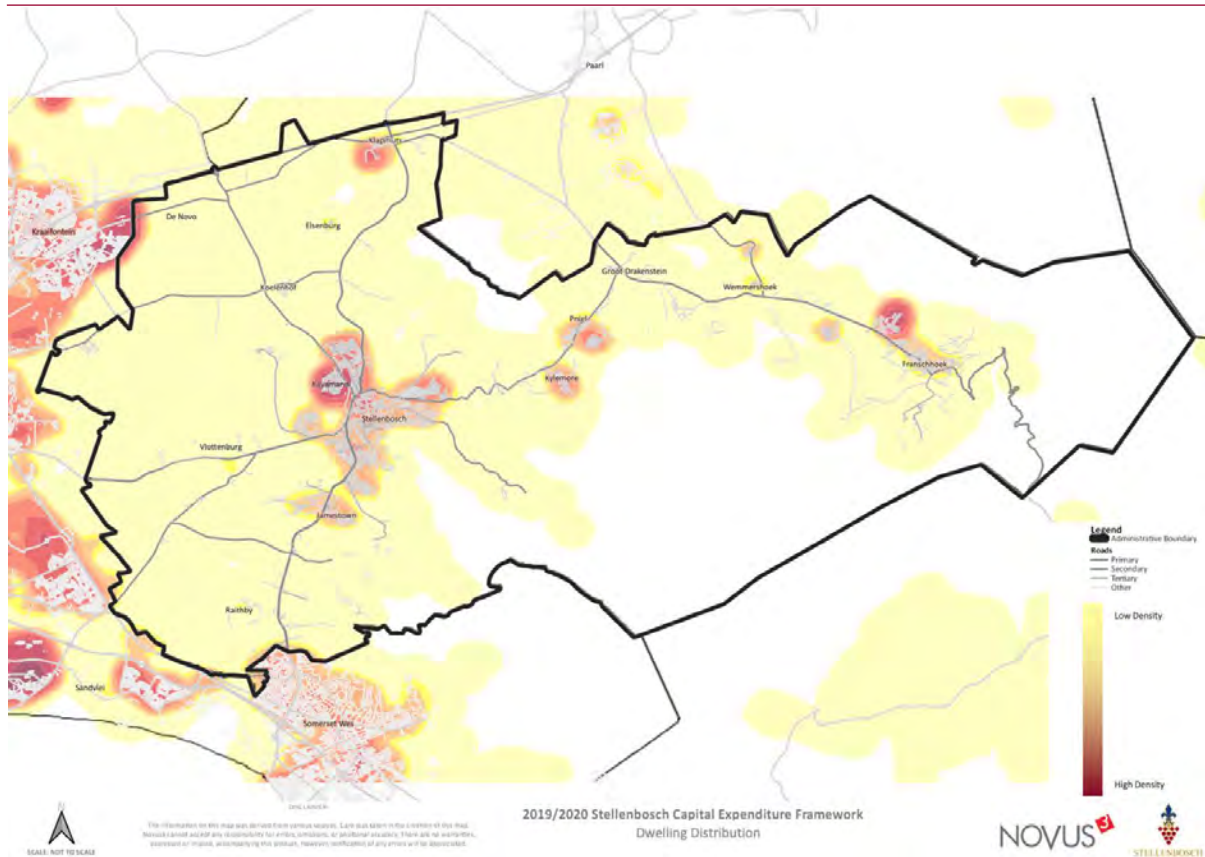
The Statistics South Africa Dwelling Frame data reports the following profile for the area. It indicates figure very similar to that of Census 2011 which is an indication, as is shown later in the report, of a slowdown in expected household growth over the longer term.

Table 11: Dwelling Frame 2018

Profile unit	Quantum
Dwelling unit	42,892
Business unit	905
Special dwelling institution unit	3,426
Service unit	209
Recreation unit	68
Other unit	4,825
Vacant unit	1,525



Map 14: Dwelling Frame 2018 – Building structures

Map 15: Dwelling Units per Km² (Kernel densities)

3.4.2.3 Head of household

Gender is an important aspect in any development environment. The gender of household heads relates to many socio-economic and cultural practices and factors. Therefore, the data below should be interpreted within the context of the environment that is being assessed.

Table 12: Head of Household by gender¹⁴

	1996	2001	2011
Male head of household	19,181	23,209	28,321
Female head of household	6,844	11,956	15,007
Unspecified	130	0	0
Total	26,154	35,165	43,328

3.4.2.4 Household income

Household income is used as one of the main poverty indicators in South Africa. Social support and subsidy systems are often based on household income parameters. When comparing household income, it is important to discount the impact of inflation. The figures in the table below were adjusted to 2011 Rand values. Increases in poverty are evident and will have serious consequences for service delivery and investment for the Municipality. High service levels and increasing poverty will lead to structural constraints on the Municipality and may eventually lead to cash flow challenges due to an increasing inability to pay for services.

¹⁴ CS2016 does not provide compatible data. Data only available at district municipality level.

Table 13: Household income per month in 2011 Rand values¹⁵

Income group (Rands)	1996	2001	2011
<1200	3,574	8,491	13,494
1 200 – 2 000	38	3,766	4,363
2 000 – 5 000	163	4,206	7,155
5000 – 10 000	791	6,600	7,381
10 000 – 20 000	2,039	8,208	5,098
20 000 – 50 000	7,577	2,572	3,678
>50 000	11,973	1,323	2,160
Total	26,154	35,165	43,328

3.4.2.5 Dwelling type

Housing backlogs and the demand for housing was and will always remain an issue in development and social support strategies in South Africa. The next table shows the different dwelling types in the area under assessment.

Table 14: Dwelling type

	1996	2001	2011	CS2016
Traditional	467	768	254	366
House made of bricks	14,143	18,681	24,817	33,971
Flat	3,026	2,959	4,353	
Multiple housing	2,508	1,198	2,644	
Dwelling in backyard	1,180	554	445	
Room/ granny flat	700	265	279	
Informal	2,937	3,478	7,496	17,829
Informal dwelling in backyard	601	1,111	2,442	
Other	592	6,150	598	107
Total	26,154	35,165	43,328	52,274

Formal housing is clearly increasing, but the pressure from the informal settlements are clear.

3.4.2.6 Dwelling Ownership

Dwelling ownership data must be treated with circumspect. The data from the census below is based on the occupant's perceptions. There are many ownership systems available. If ownership is interpreted as freehold ownership in terms of a title deed, many areas in South Africa are excluded from this form of ownership. The table below reflects the position as reported for Stellenbosch in the censuses.¹⁶

Table 15: Dwelling Ownerships

Tenure	2001	2011
Rented	8,544	13,002
Owned but not yet paid off	4,533	4,312
Occupied rent-free	8,210	12,576
Owned and fully paid off	7,848	11,080
Other	6,031	2,358
Total	35,165	43,328

¹⁵ No compatible data available for 2016

¹⁶ 1996 census data is not comparable to the 2001 and 2011 census.

3.4.3 Migration

In a country where urbanisation plays a pivotal role in long-term development strategies and where the local economy is open, migration is an important issue.

3.4.3.1 Country of origin

Migration into the area of assessment from abroad is shown in the next table.

Table 16: Migration - country of origin¹⁷

Migration	1996	2001	2011
RSA Origin	95,112	117,811	139,577
SADC	794	379	1,851
Rest of Africa	49	61	373
Europe	876	568	482
Asia	71	30	123
Oceania	16	21	33
North America	29	72	21
South America	15	36	43
Unspecified/Other	7,673	NA	13,191
Total	104,635	118,979	155,694

Migration comprises between 8% and 9% of the population of Stellenbosch. This seems to be a fairly consistent figure of the past three censuses. However, the proportion of people from SADC and other African countries increased while people with a European origin decreased.

3.4.3.2 Province of previous residence

This section describes the movement of people within South Africa to the area under assessment.

Table 17: Province of previous residence¹⁸

Migration	1996	2001	2011
Eastern Cape	4,131	3,928	4,368
Free State	331	699	352
Gauteng	1,559	2,004	2,275
KwaZulu-Natal	385	790	698
Limpopo	46	162	181
Mpumalanga	65	261	226
Northern Cape	496	885	431
North West	140	382	160
Western Cape	53,602	109,110	133,465
Unspecified/Other	43,879	759	13,538
Total	104,635	118,979	155,694

3.5 Education

Education is pivotal in the development process. Skill levels are derivatives of levels of education. The next table shows the profile of the highest level of education for the area.

¹⁷ CS2016 only provides data at provincial level.

¹⁸ CS2016 only provides data at provincial level.

Table 18: Highest level of education¹⁹

	1996	2001	2011
Under 5	9,240	9,584	22,172
No school	10,250	7,977	4,437
Primary	28,842	36,533	39,565
Secondary	25,307	31,556	43,569
Matric	16,016	19,571	27,110
Post matric	4,294	5,807	7,168
Graduate	4,010	4,111	3,813
Post-graduate	2,121	3,482	6,978
Other	4,555	357	883
Total	104,635	118,979	155,694

3.6 Employment

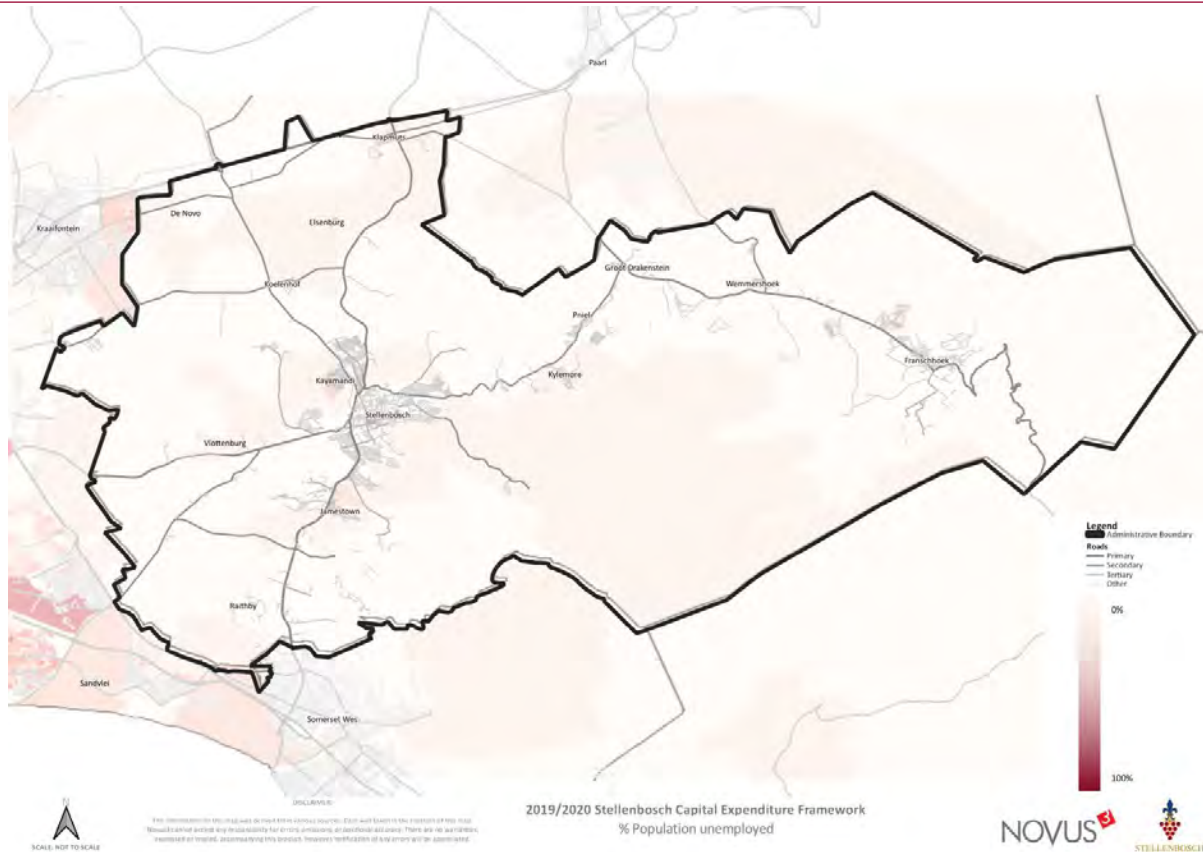
Employment and unemployment are some of the most challenging aspects of the South African development environment. The next table shows how employment and related factors have changed since 1996. Increasing unemployment obviously have serious consequences for the Municipality and its infrastructure investment and service delivery strategies.

Table 19: Employment within the area²⁰

Employment	1996	2001	2011
Employed	40,135	44,177	56,942
Unemployed	4,894	9,010	10,177
Discouraged	1,002	1,148	2,730
Not economically active	23,954	18,189	42,654
< 15 years	27,207	46,455	0
Unspecified/Other	7,444	NA	43,191
Total	104,635	118,979	155,694

¹⁹ CS2016 not in a comparable format

²⁰ Employment was not reported in CS2016



Map 16: Percentage people unemployed in 2011

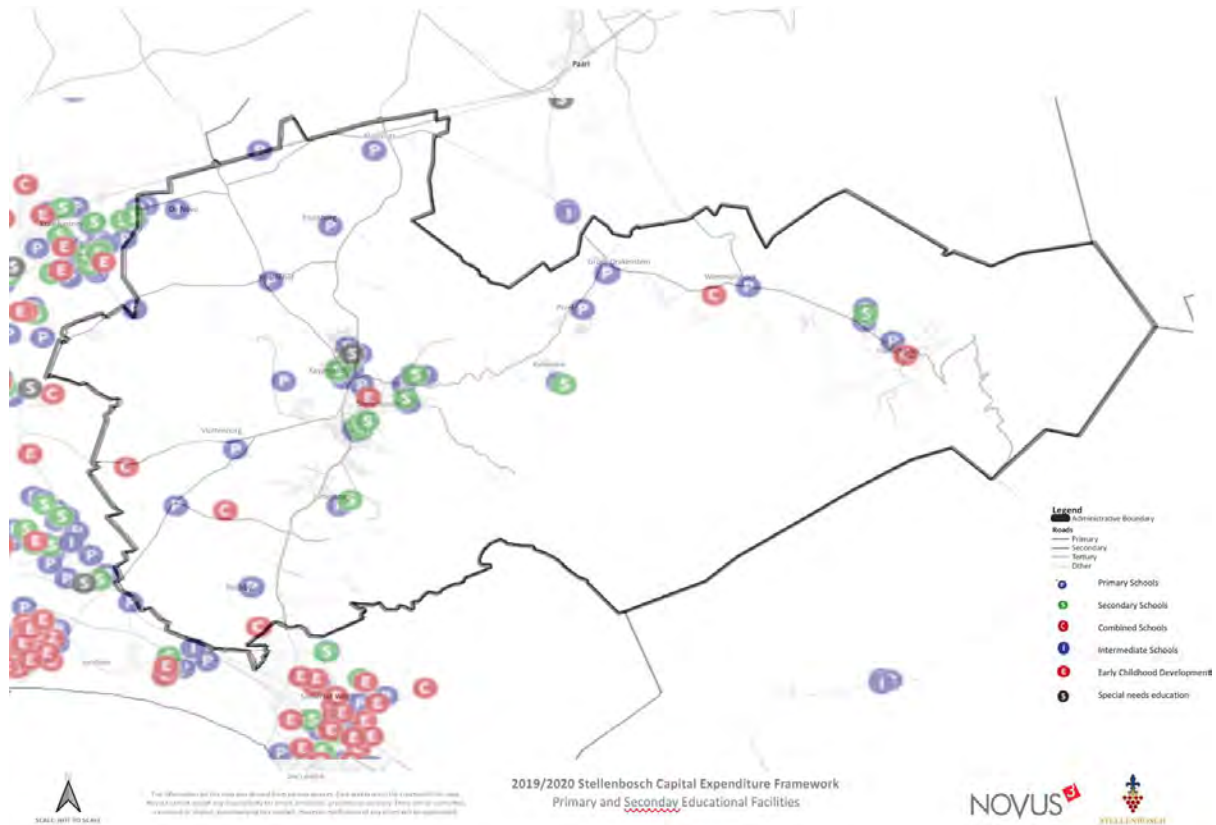
3.7 Social and community facilities

3.7.1 Education facilities

Education facilities include primary, secondary, combined and intermediate schools as listed in the database of the National Department of Education. Generally, the queries list educational facilities within the area.

There is a total of:

- 29 primary schools in the area;
- 11 secondary schools in the area; and
- 1 intermediate school in the area.



Map 17: Primary and secondary Educational facilities (2016)

3.7.2 Health Facilities

A distinction is made between public and private health facilities in the assessment.

There is a total of 14 public health facilities in the municipal area comprising of:

- 9 clinics;
- 2 satellite clinics;
- 1 community day centre;
- 1 district hospital; and
- 1 emergency service station.

There is only one private medical facility in the municipality, namely Stellenbosch Medi-Clinic with a total of 90 beds.

3.7.3 SAPS Stations

There are a total of 5 SAPS stations in the area.

Table 20: Police stations

Name of SAPS station in the area
Cloetesville
Franschhoek
Groot Drakenstein
Klapmuts
Stellenbosch

The following SAPS precinct(s) are affecting the area although the police stations for the precincts may be located outside the area of assessment²¹:

Table 21: Area covered by SAPS precincts

Precinct name	% of the assessment area
Brackenfell	2.27 %
Cloetesville	2.52 %
Franschhoek	23.92 %
Groot-Drakenstein	12.89 %
Klapmuts	3.97 %
Kleinvei	0.08 %
Kraaifontein	1.17 %
Kuilsrivier	0.15 %
Somerset West	3.26 %
Stellenbosch	44.87 %
Villiersdorp	4.91 %

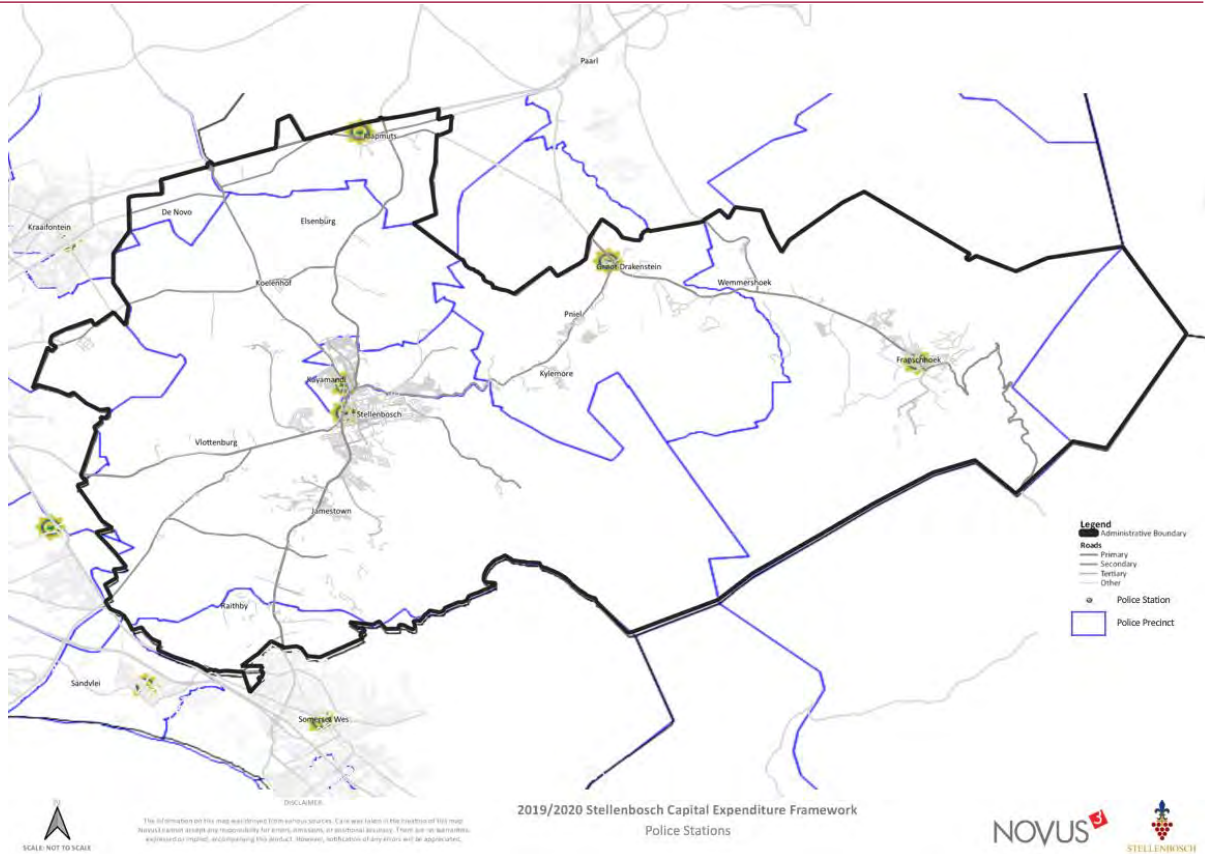
3.7.4 Lower courts

The courts of South Africa are the civil and criminal courts responsible for the administration of justice in South Africa. The following table below describes the courts within the area (if present).

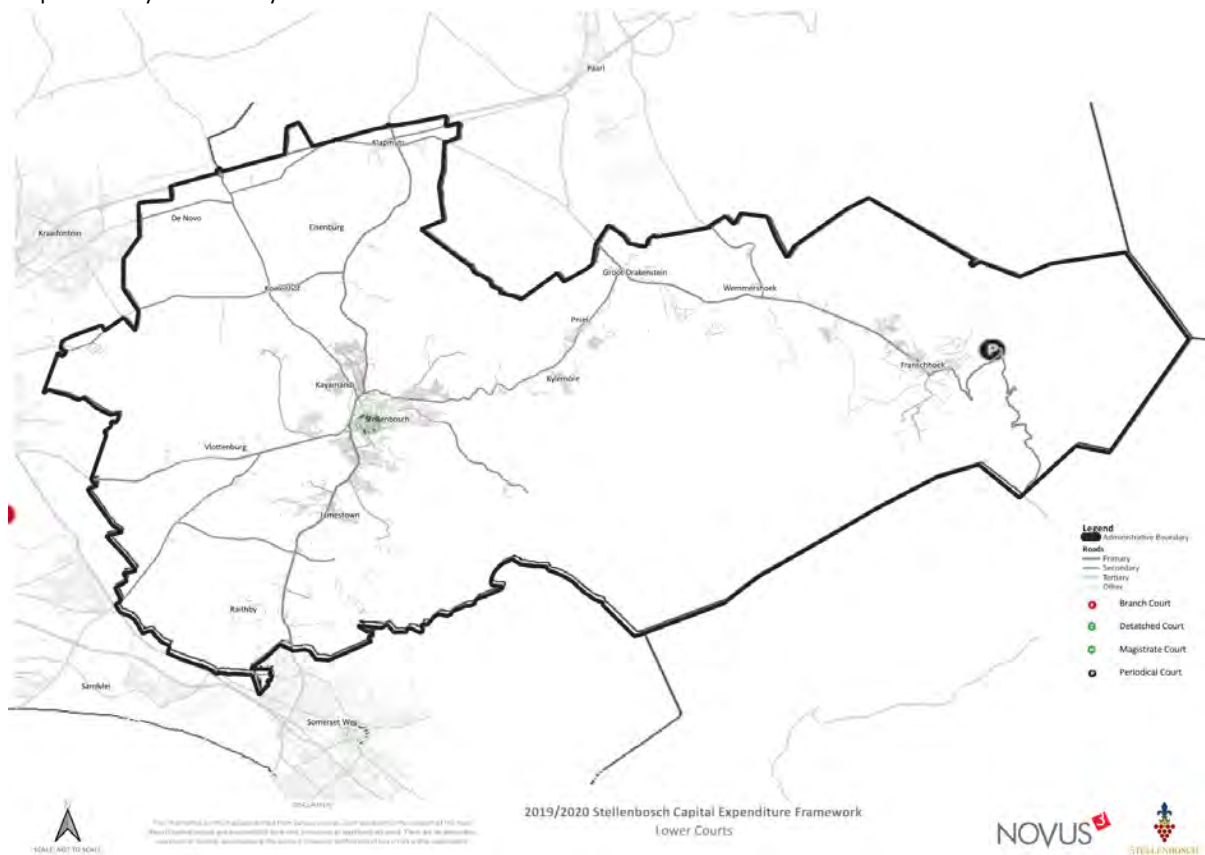
Table 22: Lower courts in the area

Type of court	Area/Office	Address
Magistrate Court	Stellenbosch	Alexander Street, Stellenbosch 7600
Periodical Court	Franschhoek	n/a

²¹ Please note that precinct boundaries do not align with cadastral boundaries. This causes “slivers” in spatial data which the reporting system picks up.



Map 18: Safety and security



Map 19: Lower Courts

3.8 Settlement footprint

3.8.1 Land cover

This section deals with land cover. The dataset has been derived from multi-seasonal Landsat 8 imagery, using operationally proven, semi-automated modelling procedures developed specifically for the generation of this dataset, based on repeatable and standardised modelling routines. The dataset has been created by GEOTERRAIMAGE (GTI) and is available as a commercial data product. The data is presented at 30m resolution. As a result, the accuracy of the query results is affected accordingly.

The following table lists the extent of land cover in the area under assessment. The results are expressed as hectares covered by a category.²²

Table 23: Land cover 1990 and 2014: Natural elements

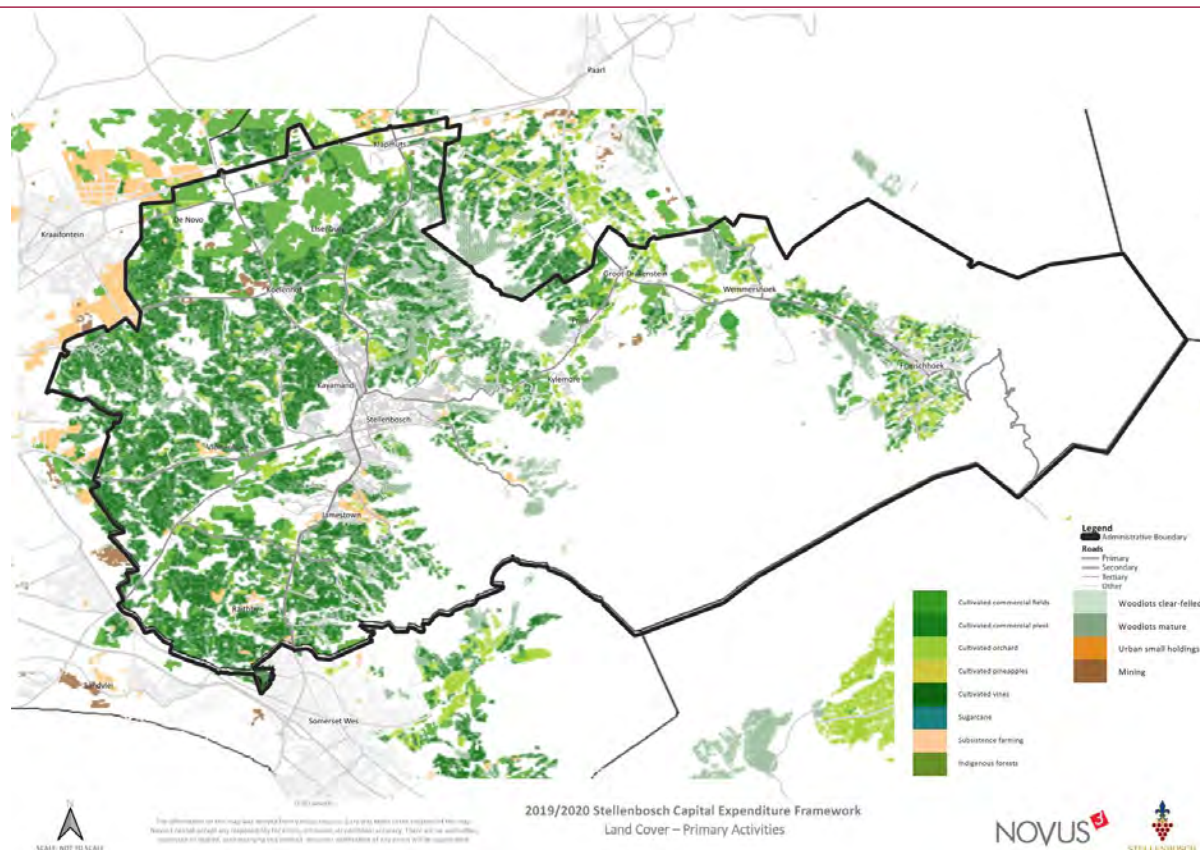
Land cover category	Extent of cover 1990 (ha)	Extent of cover 2014 (ha)
Erosion dongas		
Waterbodies	3509.6	3705

Table 24: Land cover 1990 and 2014²³: Primary economic activities

Land cover category	Extent of cover 1990 (ha)	Extent of cover 2014 (ha)
Cultivated commercial fields	4215.52	3992.47
Cultivated commercial pivot		84.11
Cultivated orchard and vines	19690.08	19435.82
Sugarcane		
Smallholdings	187.48	419.6
Subsistence farming		
Forests & Plantations	8019.04	3010.11
Mining		61.63

²² No data against a category implies that the category does not occur the assessment area.

²³ No data against a category implies that in a particular land cover category does not occur the assessment area.

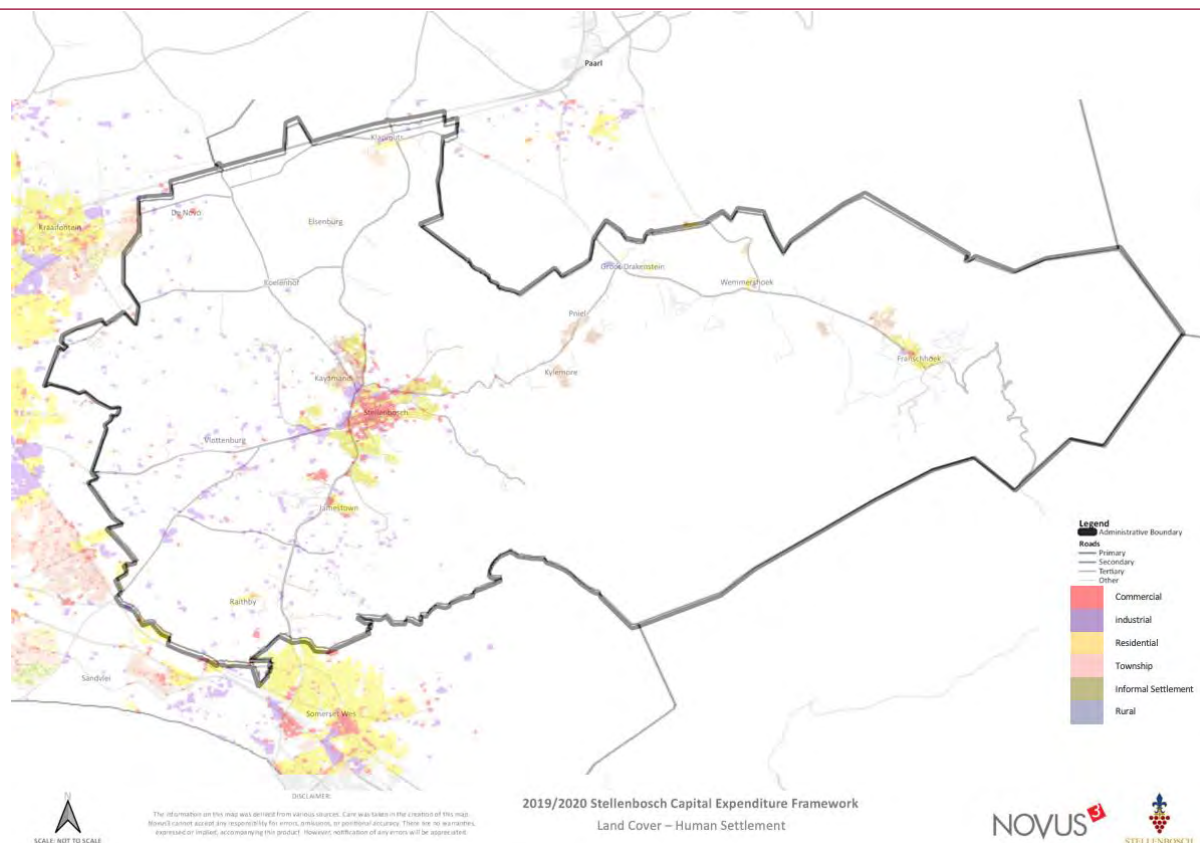


Map 20: Land cover – Primary activities

Table 25: Land cover 1990 and 2014: Human settlement

Land cover category ²⁴	Extent of cover 1990 (ha)	Extent of cover 2014 (ha)
Urban built-up	24.06	37.63
Urban commercial	339.57	349.73
Urban industrial	484.27	431.75
Urban residential	990.39	955.06
Urban townships	393.13	481.13
Urban informal	1.27	51.53
Rural villages		
Urban sports and golf	290.37	392.42
School and sports grounds	132.96	102.58

²⁴ No data against a category implies that in a particular land cover category does not occur the assessment area.



Map 21: Land Cover – Human Settlements

3.9 Service access

Access to infrastructure services is a driving force for the betterment of all communities in South Africa. It is a core function of government and since 1994 access to services for previously disadvantaged communities was emphasised to the extent that it becomes the driving force of most government delivery policies. Initial approaches were to meet the health requirements of the World Health Organisation and hence the adoptions of the so-called RDP standards, later referred to as access to basic services. However, these policies have evolved over time for many reasons to the extent that many of the services currently contemplated by the government at all levels exceed the initial norms and standards.

3.9.1 Water services

Water services have been a very high priority in services delivery strategies over the past two decades. It is one of the key Millennium Goals adopted in 2000, which stated that countries should aim to halve the proportion of people without access to safe drinking water and basic sanitation by 2015. In terms of these goals, at least 50% of households should have access to at least basic services.

The table below shows the access to water has changed between 1996 and 2011.

Table 26: Access to water services 1996, 2001 and 2011

		Full	Intermediate	Basic	Below Basic	None	Total
1996	Total	19,580	2,795	2,879	660	240	26,154
	%	74.86 %	10.69 %	100.00 %	2.52 %	0.92%	100 %
2001	Total	25,005	4,066	2,706	3,143	245	35,165

		Full	Intermediate	Basic	Below Basic	None	Total
	%	71.11 %	11.56 %	7.70 %	8.94 %	0.70 %	100 %
2011	Total	31,337	3,521	6,231	1,835	404	43,328
	%	72.33 %	8.13 %	14.38 %	4.24 %	0.93 %	100 %

The Community Survey 2016 shows 4.8% of households in Stellenbosch did not have access to drinking water. This is lower than in the 5.17% indicated for 2011 in the table above. However, in terms of numbers this there were 207 more households in 2016.

3.9.2 Sanitation services

Access to appropriate sanitation services is a very high health priority. Although sanitation services received a high priority from the government, there are always challenges, and this service did not achieve the same level of success as improved access to water services. This section shows the sanitation access for the area.

Table 27: Access to sanitation services 1996, 2001 and 2011

		Full	Intermediate	Basic	Below Basic	None	Total
1996	Total	21,960	NA	NA	2,348	1,846	26,154
	%	83.96 %	NA	NA	8.98 %	7.06 %	100 %
2001	Total	31,132	114	596	1,067	2,257	35,165
	%	88.53 %	0.32 %	1.69 %	3.03 %	6.42 %	100 %
2011	Total	39,437	319	206	2,331	1,035	43,328
	%	91.02 %	0.74 %	0.48 %	5.38 %	2.39 %	100 %

The Community Survey 2016 shows 1.7% of households (892 households) in Stellenbosch did not have proper sanitation. This is lower than in the 7.7% % indicated for 2011 in the table above.

3.9.3 Electricity services

Although electricity does not have the same implications for health as water and sanitation, access to electricity is very important for general development and especially education. Access to electricity was therefore always a high priority. The table below shows how access to electricity has changed since 1996. This table is based on access to lighting as a proxy for access to electricity.

Table 28: Access to electricity services 1996, 2001 and 2011

		Full access	No access	Total
1996	Total	23,530	2,625	26,154
	%	89.96 %	10.04 %	100 %
2001	Total	32,362	2,803	35,165
	%	92.03 %	7.97 %	100 %
2011	Total	40,305	3,023	43,328
	%	93.02 %	6.98 %	100 %

According to the Community Survey 2016, 93% of all household had access to electricity. This represents a growth in the backlog if household growth between 2011 and 2016 is accounted for.

3.9.4 Refuse removal

Solid waste management and refuse removal are important for health and environmental considerations. The table below shows how access to refuse removal services was reported in the previous three censuses.

Table 29: Access to refuse removal services 1996, 2001 and 2011

		Full	Intermediate	Basic	Below Basic	None	Total
1996	Total	19,946	257	2,415	2,632	905	26,154
	%	76.26 %	0.98 %	9.23 %	10.06 %	3.46 %	100 %
2001	Total	28,643	561	1,320	4,442	2,257	35,165
	%	81.45 %	1.60 %	3.75 %	12.63 %	0.57 %	100 %
2011	Total	37,672	1,068	1,347	2,053	1,188	43,328
	%	86.95 %	2.46 %	3.11 %	4.74 %	2.74 %	100 %

There were, deepening of how one categorises a basic service and whether a household is located in an urban area not, between about 1 253 and 6 400 household that may have less than a basic service.

3.9.5 Road network

Access to road services is not recorded the censuses. The next table shows the available roads data for the area.

Table 30: Road services in the area

Road type/class	Total (km)
National	22.96 km
Arterial	118.72 km
Secondary	37.35 km
Tertiary	555.81 km
Main (Urban)	54.33 km
Streets (Urban)	229.63 km

Section 4 Demand Quantification

4 Demand Quantification

4.1 Contextualisation

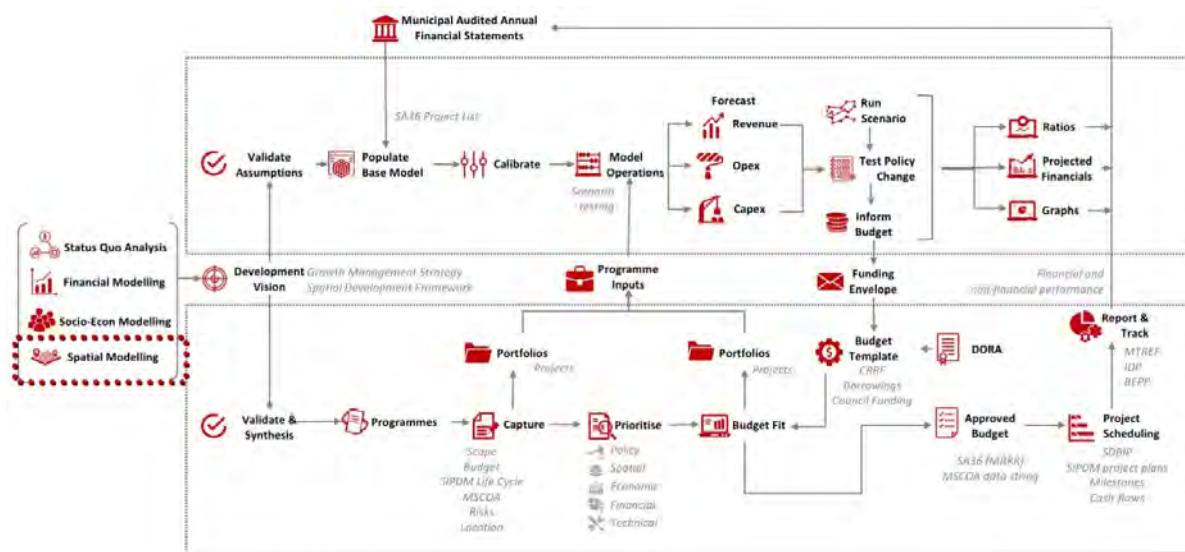


Figure 16: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

The emphasis over the past two decades has largely been on extending services to poor households. This is done in an environment where major population shifts have occurred, through accelerated urbanization and decreased growth and even population declines in rural areas. However, extending access to services must be regarded as only one of three major investment areas that require attention in order to sustain or accelerate development in any municipality. In this dynamic process, three components contributing to the demand for investment are recognised:

- The first investment challenge is existing households without access to services;
- the second is investment required to renew (rehabilitate and maintain) existing infrastructure; and
- the third is the growth in households and the economy.

In South Africa, the emphasis for the past two decades was mainly on addressing backlogs while demand created through growth received indirect attention to the extent that it often contributed to growing backlogs. Renewal of infrastructure was always recognised by infrastructure practitioners but is only recently that it started to feature in the policy debate and filtering through into formal government support strategies.²⁵

The purpose of this section can therefore be summarised as process to identify the balance between the following three elements:

- Population Demand – population demand will determine the customer base served by the municipality and thus what the quantum of the services should be;

²⁵ Burgert Gildenhuys, City of Johannesburg, High level socio-economic and infrastructure investment assessment

- Level of Service – level of service of each infrastructure component varies, but has a significant effect on the affordability of service;
- Development Vision – the development vision in this instance do not necessarily cater for shock effects to the urban fabric but rather the policy regarding service provision of the municipality.

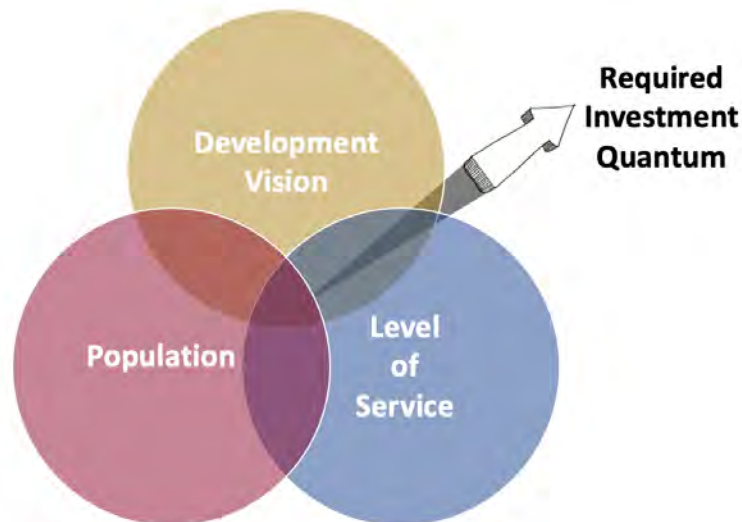


Figure 17: Elements contributing to the required investment quantum

4.2 Investment demand and growth - the infrastructure planning equation

Long-term customer growth is usually one of the biggest drivers of investment demand. The ability to address growth ensures, at a minimum, that backlog increases do not occur. It, however, adds to operating expenditure and the maintenance burden of a service provider which must be balanced against income.

The services, infrastructure delivery, and the relationship with demand and supply within a framework of sustainability are all embedded in the analytical framework shown in the diagram below. Within this framework, the demand for infrastructure services is determined by the extent of existing backlogs and household growth. This determines the need for new services, upgrading of existing services and the requirements for bulk infrastructure facilities.

When the requirements for the renewal of existing infrastructure are added, it defines the extent of the Municipality's capital investment programme. The demands of the investment programme are balanced against capital expenditure. The level of capital expenditure is a function of available funding and access to funding sources. To balance this equation the impact of capital expenditure, interest and redemption, operating and maintenance and bulk purchases must be smaller or equal to the total income sources. Financial sustainability implies that this equilibrium can be maintained over the long-term.

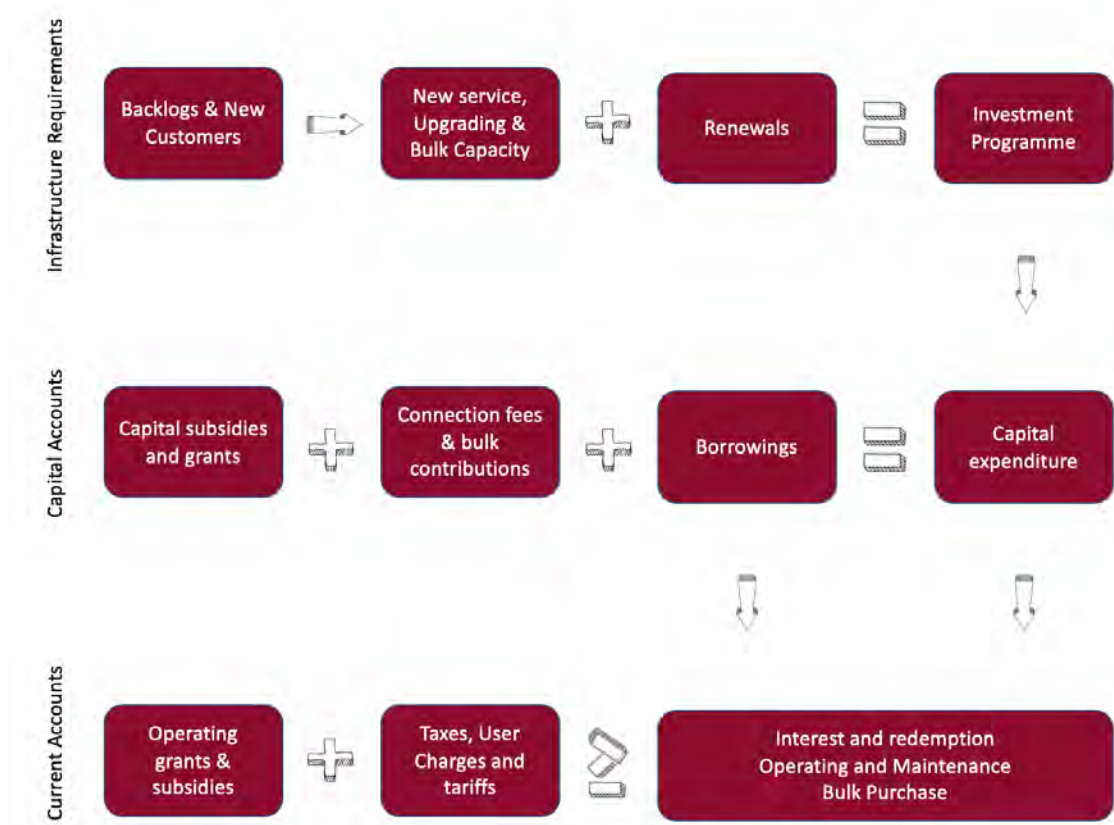


Figure 18: The Infrastructure Investment Planning Equation

Investment demand is a function of three core processes, namely:

- The investment required to address backlogs in services access.
- Investment to address the required renewal of assets and renewal backlogs.
- The investment necessary with the demand created through growth.

The manner in which this report deals with each of these elements was largely determined by the time available to appropriately address each of these components.

4.2.1 Dealing with infrastructure backlogs

The drive behind government infrastructure and service policies since 1994 was to eradicate backlogs. Many factors do affect the extent of backlogs and also the ability of municipalities to address the matter. The project brief did not allow for a backlogs study to determine the current extent of the backlog. Backlogs were not addressed as part of the demand for capital investment. However, it is worthwhile to address backlogs based on available data.

The table below shows the backlog situation as calculated from the 2011 Census. It was not possible to desegregate any 2016 figure or other data source on a sub-municipal level.

Table 31: Households with less than basic services in 2011

		Nodes		Farms		Municipality	
		Total	%	Total	%	Total	%
Population		113 972	73.19%	41 739	26.81%	155 711	100.00%
Households		33 535	77.40%	9 793	22.60%	43 328	100.00%
Water	%<Basic	5.67%		3.41%		5.16%	
	Households	1 902	85.06%	334	14.94%	2 236	100.00%
Sanitation	%<Basic	5.67%		11.17%		7.76%	
	Households	2 269	67.47%	1 094	32.53%	3 362	100.00%
Electricity	%<Basic	6.76%		7.84%		6.98%	
	Households	2 257	74.63%	767	25.37%	3 024	100.00%
Refuse	%<Basic	6.73%		25.47%		7.46%	
	Households	738	22.83%	2 494	77.17%	3 232	100.00%

The next table shows the extent of households with less than full services. Generally, the Municipality opted for providing full services.

Table 32: Households with less than full services

		Nodes		Farms		Municipality	
		Total	%	Total	%	Total	%
Population		113 972	73.19%	41 739	26.81%	155 711	100.00%
Households		33 535	77.40%	9 793	22.60%	43 328	100.00%
Water	% < full	29.85%		20.02%		27.63%	
	Households	10 011	83.62%	1 961	16.38%	11 972	100.00%
Sanitation	% < full	7.11%		15.38%		8.98%	
	Households	2 385	61.29%	1 506	38.71%	3 891	100.00%
Electricity	% < full	6.73%		7.84%		6.98%	
	Households	2 257	74.63%	767	25.37%	3 024	100.00%
Refuse	% < full	4.93%		41.07%		13.10%	
	Households	1 654	29.15%	4 022	70.85%	5 676	100.00%

When considering the tables above, it is important to note the following:

- The Municipality prefers higher levels or full services;
- Backlogs in 2011 were substantial, irrespective if measured against access to only basic services or measured against access to full services. In terms of access to at least basic services, none of the services had a backlog of more than about 3 300 households. That is 7.76% of all households. This equates to about 3.8 times the annual household growth rate. This is substantial and can have serious consequences for any capital investment programme. The same figures apply if backlogs are measured against access to full services. The notable exception is water services that then reported a backlog of nearly 12 000 units. However, full services are measured by in-house water connections. If a water connection to a stand is taken as the acceptable norm, the backlog figure falls to 6 500 units which remain high. It seems that the Municipality does, in the case of water apply basic service approach. However, the relative low sanitation backlog notwithstanding the high number of customers without a water connection on their stands. Waterborne sanitation does require a water connection;

- The bulk of the backlogs is in the urban nodes, with the extent of backlogs in Franschhoek particularly noticeable; and
- Backlogs in the rural nodes vary, but the number is small that will make general upgrading programmes in these nodes difficult.

Backlogs will remain a significant issue and will have to be further addressed.

4.2.2 Asset renewals and renewal backlog

Asset renewals and renewal backlogs are calculated from asset management registers and plans. Condition assessments are central to the process. The Municipality do have challenges in this regard, and it was therefore not possible to calculate the extent of asset renewals. The general rule is that asset renewals should more or less equate the annual depreciation on assets based on their useful economic life (EUL). Depreciation in accounting terms is not necessarily the same as depreciation in an asset management context. Renewal backlogs is a function of the condition of an asset and renewal backlogs occur where an asset's remaining useful life (RUL) is less than about 45% of its current replacement cost (CRC). This information is currently not available in the Municipality, and the extent of asset renewal could not be calculated.

4.2.3 Demand created through growth

In the processes to determine the demand created through growth, four elements were addressed. The first is land demand created through growth expectations. The second is was the capital requirements to meet the growing demand. Capital requirements reflect the cost of the five major infrastructure services, namely water, sanitation, electricity, roads and stormwater and refuse removal services.

4.2.3.1 Land demand

Land demand is determined by norms standards that were applied to various land uses. In this respect, a distinction was made between the demand for housing (residential demand) demand for other land uses which includes business industrial, opens space, community and social facilities. Land demand for residential purposes was restricted to the areas within the urban edges determined by the Municipality's spatial plans. It was assumed that the Municipality would prioritise infrastructure services in these areas. However, the land demand for the other uses is a function of thresholds to sustain them, and it was therefore calculated on the total growth demand in the municipal area. This is technically not 100% correct since the service function of these uses may exceed administrative boundaries. It gives recognition that development demand in a municipality may be determined factors outside its jurisdiction. In the case of this assessment, the long-term demand was only calculate based on growth expectations within the municipal area.

4.2.3.2 Long-term capital expenditure

Long-term capital expenditure is a function of land demand and the growth in customers. The results show the incremental cost for bulk and reticulated infrastructure. The point of departure is the assignment of appropriate service levels to each user or customer category. This is essentially a policy matter. For the purposes of assessment, a full services approach was adopted. This one aspect where different approaches and options can be introduced to assess the impact of service level approaches on the demand for capital and the operating impact thereof. The capital cost per service for each of the land use categories was calculated.

4.2.3.3 *The operating impact of capital expenditure*

It is relatively easy to calculate capital demand. However, the critical aspects are the long-term operating impact of capital expenditure. Furthermore, an over-investment in capital investment that does not address affordability may lead to structural impediments where the Municipality will find it difficult to meet the operating obligations of customers that cannot pay for services. This is usually one of the main contributors to cash flow constraints in municipalities.

Operating cost is based on a life-cycle approach that considers both maintenance and operating costs. All costs are marginal costs.

4.2.3.4 *Consumption and use*

Since consumptions and use norms are standards are used to calculate operating costs, the same values are used to calculate the demand for water, wastewater discharge, electricity consumption, the roads required and the solid volume and tonnage. The results are also presented as annual increments to reflect the impact of growth.

4.3 Modelling outcomes and growth impact forecasts

A development cost model²⁶ was used to model and forecast long terms investment demand.

4.3.1 Population growth as the basis for modelling demand

As indicated earlier the modelling is premised on population growth that is then translated into customer units. The first step was to do a population growth forecast. However, given the distinction between the areas within the municipality's urban edges (urban and rural) and the farming areas it was necessary to make forecasts based on these distinctions.

4.3.1.1 *Step 1: Define population*

The first step was to draw profiles for each of the areas based in order to determine the population and household spit.

Table 33: Distribution of population and households per Priority Development Area

Name	Type	Area (ha)	Population 1996	Population 2001	Population 2011	Households 1996	Households 2001	Households 2011
La Motte	Rural	69	906	50	1 606	154	10	397
Wemmershoek	Rural	66	190	554	859	38	104	202
Lanquedoc	Rural	184	1 483	3 527	7 233	286	687	1 645
Pniel	Rural	119	1 983	2 412	1 725	434	566	428
Groot Drakenstein	Rural	98	102	71	118	19	14	27
Raithby	Rural	45	262	34	440	72	8	105
Lynedoch	Rural	78	35	50	164	11	12	36
Vlottenburg	Rural	153	98	99	334	24	23	86
Koelenhof	Rural	182	150	118	448	39	28	97
Muldersvlei Cross Road	Rural	105	50	98	72	14	24	17

²⁶ The Development Cost Model V13 is propriety model develop and applied by Gildenhuys and Associates over the past 20 years to address the land use and capital expenditure demand and the operating consequences thereof in municipal service delivery.

Name	Type	Area (ha)	Population 1996	Population 2001	Population 2011	Households 1996	Households 2001	Households 2011
Stellenbosch	Urban	2 868	54 466	56 725	78 638	14 310	14 598	23 744
Franschhoek	Urban	485	5 692	7 909	14 521	1 322	1 928	4 785
Klapmuts	Urban	450	1 576	4 176	7 814	341	972	1 966
Municipal areas	Total	84 879	104 354	118 976	155 711	26 155	29 121	43 328
Urban nodes		3 803	61 734	68 810	100 973	15 973	17 498	30 495
Rural node		1 099	5 259	7 013	12 999	1 091	1 476	3 040
Farming areas		79 977	37 361	43 153	41 739	9 091	10 147	9 793
Total municipality		84 879	104 354	118 976	155 711	26 155	29 121	43 328

4.3.1.2 Step 2: Forecast population

The next step was to forecast the population of the municipal area.^{27 2829}

	Timeline	Threshold population				Residential target population		
		Values	Forecast	Growth rate	Growth increment	Population	Growth rate	Number of persons
5	1997	112 073	112 073	2.35%	2 576	63 322	1.04%	654
6	1998	114 454	114 454	2.12%	2 381	63 829	0.80%	507
7	1999	116 680	116 680	1.95%	2 227	64 217	0.61%	387
8	2000	118 906	118 906	1.91%	2 226	64 571	0.55%	354
9	2001	120 995	120 995	1.76%	2 089	64 819	0.38%	248
10	2002	123 564	123 564	2.12%	2 569	66 848	3.13%	2 029
11	2003	126 029	126 029	2.00%	2 465	68 847	2.99%	1 999
12	2004	129 308	129 308	2.60%	3 278	71 321	3.59%	2 473
13	2005	133 051	133 051	2.89%	3 743	74 087	3.88%	2 767
14	2006	134 844	134 844	1.35%	1 793	75 798	2.31%	1 710
15	2007	138 614	138 614	2.80%	3 770	78 648	3.76%	2 851
16	2008	143 451	143 451	3.49%	4 838	82 150	4.45%	3 502
17	2009	146 790	146 790	2.33%	3 339	84 837	3.27%	2 687
18	2010	149 891	149 891	2.11%	3 101	87 421	3.05%	2 583
19	2011	152 944	152 944	2.04%	3 053	90 009	2.96%	2 588
20	2012	156 187	156 187	2.12%	3 244	92 031	2.25%	2 022
21	2013	159 751	159 751	2.28%	3 564	94 246	2.41%	2 216
22	2014	164 088	164 088	2.71%	4 337	96 924	2.84%	2 678
23	2015	166 931	166 931	1.73%	2 842	98 724	1.86%	1 800
24	2016	171 434	171 434	2.70%	4 504	101 512	2.82%	2 788
25	2017	176 130	176 130	2.74%	4 696	104 586	3.03%	3 074
26	2018		180 793	2.65%	4 663	107 656	2.94%	3 070
27	2019		185 456	2.58%	4 663	110 743	2.87%	3 086
28	2020		190 120	2.51%	4 663	113 844	2.80%	3 102
29	2021		194 783	2.45%	4 663	116 962	2.74%	3 117
30	2022		199 447	2.39%	4 663	120 095	2.68%	3 133

²⁷ This figure was used calculate the demand for non-residential land uses. It represents the total municipal area.

²⁸ These figures represented the growth expectations with in the demarcated urban edges of the Municipality (nodal areas)

²⁹ The details of the figures might differ slightly from other figure due to projection and analysis approaches.

Timeline	Values	Threshold population			Residential target population		
		Forecast	Growth rate	Growth increment	Population	Growth rate	Number of persons
31	2023	204 110	2.34%	4 663	123 243	2.62%	3 148
32	2024	208 774	2.28%	4 663	126 407	2.57%	3 164
33	2025	213 437	2.23%	4 663	129 586	2.52%	3 180
34	2026	218 101	2.18%	4 663	132 781	2.47%	3 195
35	2027	222 764	2.14%	4 663	135 918	2.36%	3 136
36	2028	227 427	2.09%	4 663	139 067	2.32%	3 149
37	2029	232 091	2.05%	4 663	142 228	2.27%	3 161
38	2030	236 754	2.01%	4 663	145 717	2.45%	3 489

The 2018 (base year) figures of 180 793 for the threshold population and 107 565 people for the residential target population are important. These figures were used to calibrate the model for the base year service as the departure point for the rest of the modelling and forecasts. The residential target population refers to the extent of the population that will require housing and the threshold population refers to the service population that determines the demand for land and facilities for non-residential customers in the municipal area.

It is important to note that growth rates are slowly declining. However, the impact in terms of the number still shows consistent growth. The more important aspect is highlighted in the next table.

Table 34: Change in population distribution from 1996 to 2030

Timeline	Urban	Rural	Farm	%
1996	52.19%	5.04%	42.8%	100.00%
2001	47.68%	5.89%	46.4%	100.00%
2006	49.09%	7.12%	43.8%	100.00%
2011	50.50%	8.35%	41.1%	100.00%
2016	49.77%	9.44%	40.8%	100.00%
2021	49.49%	10.56%	40.0%	100.00%
2026	49.20%	11.68%	39.1%	100.00%
2030	48.97%	12.58%	38.5%	100.00%

It is important to note that expectation is that, irrespective of growth numbers, the share of rural nodes will increase while both the population share of the urban nodes and farming areas will decrease. The implication is that the demand for infrastructure and services will grow in the rural nodes at a higher rate and that these nodes will become increasingly more important in the Municipality's development and service delivery strategies.

4.3.2 The scenario assessed

The scenario applied for assessment tried emulating the current policies and strategies of the Municipality as closely as possible. However, one should always consider that it is a model that in sometimes in a very crude way tries to replicate a very complicated system. It was, therefore, necessary to make some basic assumptions before the model was calibrated.

4.3.2.1 Assumptions and inputs on housing variables

As described above the model uses the growth in population to determine housing demand as well as ancillary uses. However, there are a number of key inputs that need to be considered. They are:

- Residential typologies, stand;
- The residential mix in terms of stand size; and
- Stand sizes assign to the different typologies.

Housing typologies for the CEF consist are configured around low, medium and high density residential development that includes different housing typologies. Stand, and households sizes were linked to these typologies. Household sizes and cars per were also considered. The following inputs were used:

Table 35: Assumptions on housing typologies, mix stand and household sizes

Residential types	Residential mix	Stand sizes	Household size
Single Residential: Low income	20.0%	350	4.00
Single Residential: Medium income	22.5%	600	3.75
Single Residential: High income	15.5%	850	3.20
Medium Density: Low income	15.0%	5 000	4.00
Medium Density: Medium income	7.0%	4 000	3.80
Medium Density: High income	5.0%	3 000	3.50
High Density: Low income	2.5%	5 000	3.50
High Density: Medium income	2.5%	4 000	3.25
High Density: High income	5.0%	3 000	2.80
Backyard dwellings	5.0%	Not applicable	2.00
Total/average	100.00%		3.59

The base distinction between income groups was derived from the 2011 census for the urban nodes. Backyard dwellers were included in the equation because of their demand to consume services. It was assumed that this would remain for the full assessment period although there are indications that household incomes have been decreasing.

4.3.2.2 Norms and standards for land use budgeting

The following land use norms and standards were used in the land use budgeting process.

Table 36: Land use norms and standards applied

Land use	Provision unit	Provision norm - persons/cars/ children	Ruling stand size m2
Residential			
Single Residential: Low income	units per net ha (net)	29	350
Single Residential: Medium income	units per net ha (net)	17	600
Single Residential: High income	units per net ha (net)	12	850
Medium Density: Low income	units per net ha (net)	40	5 000
Medium Density: Medium income	units per net ha (net)	30	4 000
Medium Density: High income	units per net ha (net)	25	3 000
High Density: Low income	units per net ha (net)	80	5 000
High Density: Medium income	units per net ha (net)	75	4 000
High Density: High income	units per net ha (net)	60	3 000
Backyard dwellings	units per household	0	0
Business			
Local Activity Centre	m2 per capita	2.00	2 500
Neighbourhood Activity Centre	m2 per capita	3.00	5 000

Land use	Provision unit	Provision norm - persons/cars/ children	Ruling stand size m2
Regional Activity Centre	m2 per capita	6.00	50 000
CBD	m2 per capita	7.00	50 000
Garages & filling stations	per 2500 cars	1.00	3 000
Industrial & storage			
Light industrial	ha per 7500 people	5.00	2 000
Heavy industrial	ha per 5000 people	3.00	20 000
Storage & warehousing	ha per 5000 people	8.00	10 000
Public spaces: recreation			
Parks: public	ha per 1000 people	0.33	5 000
Parks: private	ha per 1000 people	1.00	10 000
Sports fields	per 1000 housing units	3.50	10 000
Stadiums	per 125000 people	1.00	50 000
Community facilities: municipal			
Municipal office	per 75000 people	1.00	3 000
Community hall	per 25000 people	1.00	3 000
Local library	per 50000 people	1.00	1 500
Primary health clinic	per 50000 people	1.00	3 000
Fire station & Ambulance	per 75000 people	1.00	7 500
Ambulance station	per 75000 people	1.00	3 000
Cemeteries	ha per 5500 people	1.00	20 000
Public parking areas	m2 per capita	0.20	3 000
Market/trading area	ha per 10000 people	1.00	7 500
Taxi ranks	m2 per capita	0.10	3 000
Community facilities: other			
Post office	per 20000 people	1.00	1 500
Lower Court	per 100000 people	1.00	2 000
Post collection point	per 3000 housing units	1.00	200
Police station	per 80000 people	1.00	5 000
District hospital	per 300000 people	1.00	50 000
Community health centre	per 100000 people	1.00	2 000
Hospice	per 50000 people	1.00	2 000
Old age home	per 50000 people	1.00	10 000
Children's homes	per 200000 people	1.00	5 000
Thusong centre	per 70000 people	1.00	10 000
Place of worship	per 1000 people	1.00	2 000
Crèche	per 2800 people	1.00	2 000
Nursery school	per 5000 people	1.00	3 000
Primary school	per 5500 people	1.00	32 000
Secondary school	per 12500 people	1.00	45 000
After school centre	per 5000 people	1.00	2 000

The norms and standards were derived from different sources. The main sources were the Municipality's zoning scheme, cadastre from the office of the Surveyor General, the CSIR norms and standards for social and community facilities and then also calculated from the current land cover in the municipality. The approach was to calibrate the model on local data as far as possible.

Average stand sizes were calculated the zoning scheme data of the Municipality. The following data was used.

Table 37: Calculated land parcels sizes per zoning

Integrated zoning scheme categories	Unit Count	Area m2	Average size (m2)
Group Residential Zone	5 148	1 721 858	334
High Density Residential Zone	110	74 941	681
Less Formal Residential Zone	2 184	725 973	332
Medium Density Residential Zone	1 686	1 738 576	1 031
Single Residential Zone	8 534	7 282 915	853
Unknown	206	1 345 158	6 530
Agriculture Zone	220	33 247 798	151 126
Community Zone	122	780 437	6 397
Education Zone	120	2 021 340	16 845
General Business Zone	504	1 616 983	3 208
General Industrial Zone	78	588 360	7 543
Light Industrial Zone	188	441 975	2 351
Limited Use Zone	18	157 905	8 773
Local Business Zone	29	121 224	4 180
Private Open Space Zone	156	4 680 409	30 003
Public Open Space Zone	115	793 306	6 898
Public Roads and Parking	23	61 644	2 680
Resort Zone	576	488 634	848
Sub divisional Area	2	61 372	30 686
Transport Facility Zone	14	125 865	8 990
Utility Services Zone	58	1 657 600	28 579
Total average	20 091	59 734 273	2 973

Further refinements were made by calculating the number of persons per social and community facilities based on location and 2011 population data where appropriate these values were incorporated into the modelling.

Table 38: Current provision of social and community facilities (persons per facility)

	Urban Node	Rural Node	Farming	Total
Primary schools	5 610	1 857	10 435	5 369
Secondary schools	10 097	0	41 739	14 156
Intermediate schools	0	0	41 739	155 711
Combined schools	100 973	0	10 435	31 142
Public health facilities	8 414	6 500	0	11 122
Private health facilities	100 973	0	0	155 711
SAPS stations	25 243	12 999	0	31 142
Lower courts	100 973	0	41 739	77 856

For other uses, the area per person was calculated based on location and using land cover data for 2014 and the 2011 population figures.

Table 39: Current provision per person (m²) based on land cover

	Urban Node	Rural Node	Farming	Total
Urban built-up (hard surfaces)	1.93	0.20	4.29	2.42
Urban commercial	30.32	0.98	10.14	22.46
Urban industrial	14.37	16.00	63.70	27.73
Urban residential	85.93	22.23	14.01	61.34
Urban townships	21.60	123.70	24.49	30.90
Urban informal	4.72	0.00	0.94	3.31
Rural villages	0.00	0.00	0.00	0.00
Urban sports and golf	27.40	2.67	26.90	25.20
School and sports grounds	6.60	10.04	5.48	6.59
Small holdings	6.87	9.88	80.83	26.95

4.3.2.3 Service levels

Service levels relates to the technology used to supply a customer with a service. It should not be confused with a service standard which represents the qualitative aspects of service delivery.

The following describes the levels of services (LOS) available for the modelling process.

Table 40: Levels of service options for water

Level of services	Description
LOS00	No formal service
LOS01	Water point more than 200m distance
LOS02	Communal standpipe less than 200m distance
LOS03	Yard tap connection (single tap) and or limited supply with a dry on-site system
LOS04	Yard tap connection (single tap) and or limited supply linked to waterborne sanitation
LOS05	House/building connection unlimited metered supply
LOS06	Supply volume. is limited to 100mm connection, peak flow limited, and on-site storage required
LOS07	All requirements met up to 150mm pipe, 150mm connection

Table 41: Levels of service options for sanitation

Level of services	Description
LOS00	No formal service
LOS01	Bucket system
LOS02	Unventilated pit latrines and soakaways
LOS03	Ventilated improved pit (VIP)
LOS04	Dry composting toilet
LOS05	Communal chemical toilet
LOS06	Low flow (small bore) system with toilet structure
LOS07	Septic or conservancy tank with toilet structure
LOS08	Waterborne sewerage to each stand 110mm connection (no toilet structure)
LOS09	Waterborne sewerage to each stand 110mm connection, with toilet structure
LOS10	Waterborne sewer available, max connection size 150 mm or larger
LOS11	Waterborne sewerage, discharge load is above normal limits.

Table 42: Levels of service options for electricity

Level of services	Description
LOS00	No electricity service
LOS01	None grid electricity service
LOS02	Grid-connected and metered - Single phase 230V up to 20A or 4.6 kVA
LOS03	Grid-connected and metered - Single phase 230V up to 60A or 13.8kVA
LOS04	Grid-connected and metered - Three phase / Multiphase 230/400V up to 150A or 100kVA
LOS05	Grid-connected and metered - Bulk higher than 230/400V - not exceeding 11kV (at least 25 kVA)
LOS06	Grid-connected and metered - Bulk - exceeding 11kV (at least 100 kVA)

Table 43: Levels of service options for roads and stormwater

Level of services	Description
LOS00	No service
LOS01	Tracks (Graded)
LOS02	Gravel within 500m
LOS03	Gravel
LOS04	Paved 4.5m
LOS05	Paved 5.5m
LOS06	Paved 6.5
LOS07	Paved heavy capacity 7.5m

Table 44: Levels of service options for refuse removal services

Level of services	Description
LOS00	None
LOS01	Communal waste collection point
LOS02	Weekly kerbside waste removal
LOS03	Bi-weekly kerbside waste removal
LOS04	Bi-weekly waste removal from site 1
LOS05	Daily waste removal from site 1
LOS06	Bi-weekly waste removal from site 2
LOS07	Daily waste removal from site 2

Based on the service level options the following service levels were assigned to the land uses in the model.

Table 45: Level of service option per land use

Land use	Water	Sanitation	Electricity	Roads & stormwater	Refuse removal
Residential					
Single Res: Low Inc	LOS05	LOS09	LOS02	LOS04	LOS02
Single Res: Med Inc	LOS05	LOS08	LOS03	LOS05	LOS02
Single Res: High Inc	LOS05	LOS08	LOS03	LOS05	LOS02
Medium Dens: Low Inc	LOS05	LOS09	LOS02	LOS04	LOS02
Medium Dens: Med Inc	LOS05	LOS08	LOS03	LOS06	LOS02
Medium Dens: High Inc	LOS05	LOS08	LOS03	LOS06	LOS02

Land use	Water	Sanitation	Electricity	Roads & stormwater	Refuse removal
High Dens: Low Inc	LOS05	LOS09	LOS02	LOS05	LOS02
High Dens: Med Inc	LOS05	LOS08	LOS03	LOS06	LOS02
High Dens: High Inc	LOS05	LOS08	LOS03	LOS06	LOS02
Backyard dwellings	LOS00	LOS00	LOS00	LOS00	LOS00
Business		0.00%	0.00%	0.00%	0.00%
Local Activity Centre	LOS05	LOS08	LOS04	LOS06	LOS05
Neighbourhood Activity Centre	LOS05	LOS08	LOS05	LOS06	LOS05
Regional Activity Centre	LOS07	LOS08	LOS06	LOS07	LOS05
CBD	LOS07	LOS10	LOS06	LOS07	LOS07
Garages & filling stations	LOS05	LOS08	LOS05	LOS07	LOS03
Industrial & storage		0.00%	0.00%	0.00%	0.00%
Light industrial	LOS05	LOS08	LOS05	LOS06	LOS05
Heavy industrial	LOS07	LOS11	LOS06	LOS07	LOS05
Storage & warehousing	LOS05	LOS08	LOS05	LOS06	LOS04
Public spaces: recreation		0.00%	0.00%	0.00%	0.00%
Parks: public	LOS05	LOS00	LOS04	LOS05	LOS02
Parks: private	LOS05	LOS00	LOS04	LOS05	LOS02
Sports fields	LOS05	LOS08	LOS04	LOS06	LOS02
Stadiums	LOS05	LOS10	LOS04	LOS07	LOS02
Community facilities: municipal		0.00%	0.00%	0.00%	0.00%
Municipal office	LOS05	LOS08	LOS04	LOS07	LOS02
Community hall	LOS05	LOS08	LOS04	LOS06	LOS02
Local library	LOS05	LOS08	LOS04	LOS06	LOS02
Primary health clinic	LOS05	LOS08	LOS04	LOS06	LOS02
Fire station & Ambulance	LOS07	LOS08	LOS04	LOS06	LOS02
Ambulance station	LOS05	LOS08	LOS04	LOS06	LOS02
Cemeteries	LOS05	LOS08	LOS03	LOS06	LOS02
Public parking areas	LOS05	LOS08	LOS03	LOS06	LOS02
Market/trading area	LOS05	LOS08	LOS04	LOS06	LOS05
Taxi ranks	LOS05	LOS08	LOS03	LOS07	LOS05
Community facilities: other		0.00%	0.00%	0.00%	0.00%
Post office	LOS05	LOS08	LOS05	LOS06	LOS02
Lower Court	LOS05	LOS08	LOS04	LOS06	LOS02
Post collection point	LOS05	LOS08	LOS04	LOS06	LOS02
Police station	LOS05	LOS08	LOS05	LOS06	LOS02
District hospital	LOS06	LOS11	LOS07	LOS06	LOS05
Community health centre	LOS05	LOS10	LOS06	LOS06	LOS05
Hospice	LOS05	LOS08	LOS05	LOS06	LOS02
Old age home	LOS05	LOS10	LOS06	LOS06	LOS02
Children's homes	LOS05	LOS08	LOS07	LOS06	LOS02
Thusong centre	LOS05	LOS08	LOS08	LOS06	LOS02
Place of worship	LOS05	LOS08	LOS05	LOS06	LOS02
Crèche	LOS05	LOS08	LOS03	LOS06	LOS02
Nursery school	LOS05	LOS08	LOS03	LOS06	LOS02
Primary school	LOS05	LOS10	LOS05	LOS06	LOS02
Secondary school	LOS05	LOS10	LOS04	LOS06	LOS02

Land use	Water	Sanitation	Electricity	Roads & stormwater	Refuse removal
After school centre	LOS05	LOS08	LOS03	LOS06	LOS02
ABET/Skills training	LOS06	LOS08	LOS05	LOS06	LOS02

4.3.3 Calibrating the model

Credible forecasts are incumbent on the base year of the model reflecting the current situation in the municipality as closely as possible. The following that shows how the model was set up for the base.

Table 46: Reference points in the calibration of the model

Element	Base year 2018	Comments
General		
Population	180 793	Population projections were done off model and brought into the model as a departing point.
Area (ha)	3820.6	The area calculated from land cover data was 3 221ha. This is 2014 data. Given a modelled increase of about 100ha per annum, the base year figure is acceptable
Average stand size m ²	1089	The figure calculated from cadastre of urban-related zoning is 1 103m ² .
Population density (p/ha):	43	This is a simple calculation by dividing the housing population into the area of the development footprint. The development footprint excludes the area of roads.
Household density (hh/ha):	12	This is a simple calculation by dividing the households into the area of the development footprint. The development footprint excludes the area of roads.
Residential customer units	51 759	Census 2011 indicated 43 328 households and the 2018 D dwelling frame just more than 50 000 dwelling units. The figure as modelled seems to be acceptable
Other CUs:	1643	It was not possible to verify this figure, and it is accepted as modelled.
Total customer units	53 402	This is the sum of the previous two figures.
Total no of stands	31 497	This figure is higher than the 19 713 land parcels included in the cadastre for the zoning scheme. However, for modelling purposes, all informal dwelling were incorporated into the model as if they were on separate stands.
Roads area (ha)	554	The total roads in the municipality are in the order of 1 018km. and roads in the urban nodes amounts to 298km. This might be an underestimate.
Roads as % of the total area	15.6%	This low and one should have expected it to be closer to 20%
The current asset base (R'00)		%
Water	1 032 455	20.9%
Sanitation	532 238	10.8%
Electricity	1 199 501	24.3%
Roads & Stormwater	2 093 910	42.3%
Refuse removal	86 854	1.8%
Total (R'000)	4 944 958	100.0%
Annual operating expenditure (R'000)		
Water	115 000	
Sanitation	132 600	The figures, as modelled, is acceptable and get close the actual figures of the Municipality. The biggest challenge in modelling these figures is the allowances for management operations cost per services.
Electricity	465 300	
Roads & Stormwater	121 498	Management operation cost is largely determined by local management configuration and how the Municipality organises itself to deliver services.
Refuse removal	97 350	
Total (R'000)	931 748	
Units consumed/generated		
Water (Ml/day)	32.5	
Wastewater (Ml/day)	24.9	These figures were difficult to verify. The figures for water and sanitation should be within acceptable limits. It is very difficult to present the figure for electricity with any confidence since there are very many factors that can affect the figure. There might be for example, how the extent of the Eskom supply area affects the figure is not clear. The same applies to refuse removal service.
Electricity (MWh/day)	6 131.6	
Roads & Stormwater (km/annum)	555.9	
Refuse removal (tons/day)	1 450.0	
Refuse removal (m3/day)	2 910.2	

4.3.4 The modelling outcomes

This section shows the results of the modelling process. The outcomes are presented as a high-level summary. It is important to note that the tables show incremental quantities includes of all service elements and components. Currently, it is not possible to model the impact of major interventions such as building a new wastewater treatment work of big investment to reconfigure the management of solid waste. Those aspects must be discounted in the project prioritisation process.

Although the results link the demand to a specific year, it is still important to take note of budgeting processes and the extent of lead times before project implementation can commence.

4.3.4.1 Land use demand

This table shows the summary of land use demand which is a result of the growth forecasts.

Table 47: Land use demand for the programme period 2019 to 2028

Land uses	No of units	% of total land	No of stand required	Area included in project
Totals	8 997	100.00%	5 573	951.71
Residential	8 997	43.85%	5 189	379.48
Single Res: Low Inc	1 571	6.35%	1 571	55.00
Single Res: Med Inc	1 886	13.07%	1 886	113.13
Single Res: High Inc	1 521	14.94%	1 521	129.26
Medium Dens: Low Inc	1 178	3.40%	59	29.46
Medium Dens: Med Inc	579	2.23%	48	19.30
Medium Dens: High Inc	449	2.08%	60	17.96
High Dens: Low Inc	224	0.32%	6	2.81
High Dens: Med Inc	242	0.37%	8	3.22
High Dens: High Inc	561	1.08%	31	9.35
Backyard dwellings	786	0.00%	0	0.00
Business		9.81%	74	189.25
Local Activity Centre		1.08%	37	5.55
Neighbourhood Activity Centre		1.62%	27	8.10
Market/trading area		0.40%	0	0.00
Regional Activity Centre		3.23%	5	25.00
Garages & filling stations		0.11%	2	0.60
Industrial		8.62%	133	71.60
Light industrial		2.16%	93	18.60
Heavy industrial		3.23%	13	26.00
Storage and warehousing		3.23%	27	27.00
Public spaces: recreation		10.13%	107	92.00
Parks: public		0.89%	30	15.00
Sports fields		3.64%	31	31.00
Stadiums		0.22%	0	0.00
Community facilities: Municipality		2.74%	13	17.50
Municipal office		0.02%	0	0.00
Community hall		0.06%	1	0.30
Local library		0.02%	0	0.00
Primary health clinic		0.03%	0	0.00
Fire station & Ambulance		0.05%	0	0.00
Ambulance station		0.02%	0	0.00
Cemeteries		1.96%	8	16.00
Public parking areas		0.11%	3	0.90
Taxi ranks		0.05%	1	0.30
Community facilities other		7.16%	57	48.74
Post office		0.04%	2	0.30
Police station		0.03%	0	0.00
District hospital		0.09%	0	0.00
Community health centre		0.01%	0	0.00
Hospice		0.02%	0	0.00
Old age home		0.11%	0	0.00
Children's homes		0.01%	0	0.00
Place of worship		0.21%	8	1.60
Crèche		0.38%	16	3.20
Nursery school		0.32%	9	2.70
Primary school		3.14%	8	25.60
Secondary school		1.94%	3	13.50
After school centre		0.22%	9	1.80
Technical college		0.54%	0	0.00
Roads totals		17.70%	0	153.14

4.3.4.2 Summary of general elements

The next two table show the context and main elements that define the expected level of capital and operating expenditure. The outcomes are shown per annum (first table and cumulative in the second table).

Table 48: Summary of totals per annum (annual increments)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Population	4 663	4 663	4 663	4 663	4 663	4 663	4 663	4 663	4 663	4 663
Area (ha)	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5
Average stand size m ²	1102	1102	1104	1102	1102	1102	1102	1102	1102	1102
Population density (p/ha):	44	44	44	44	44	44	44	44	44	44
Household density (hh/ha):	12	12	12	12	12	12	12	12	12	12
Residential Customers	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335
Other CUs:	30	30	30	30	30	30	30	30	30	30
Total customer units	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365
Total no of stands	800	800	799	800	800	800	800	800	800	800
Roads area (ha)	9.6	9.6	9.5	9.6	9.6	9.6	9.6	9.6	9.6	9.6
Roads as % of total area	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%

Table 49: Summary of totals per annum (Cumulative)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Population	4 663	9 327	13 990	18 654	23 317	27 981	32 644	37 308	41 971	46 635
Area (ha)	98	195	292	390	488	585	683	780	878	975
Average stand size m ²	1 102	1 102	1 104	1 102	1 102	1 102	1 102	1 102	1 102	1 102
Population density (p/ha):	43.6	43.6	43.6	43.6	43.6	43.6	43.6	43.6	43.6	43.6
Household density (hh/ha):	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Residential customers	1 335	2 670	4 005	5 340	6 675	8 011	9 346	10 681	12 016	13 351
Other CUs:	30	60	90	120	150	180	210	240	270	300
Total customer units	1 365	2 730	4 095	5 460	6 825	8 191	9 556	10 921	12 286	13 651
Total no of stands	800	1 600	2 399	3 199	3 999	4 799	5 599	6 399	7 199	7 999
Roads area (ha)	9.6	19.1	28.7	38.2	47.8	57.4	66.9	76.5	86.1	95.6
Roads as % of total area	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%

4.3.4.3 Summary of capital expenditure per service

The next to two tables shows the required capital expenditure (incrementally per annum and cumulative per annum) to accommodate the forecasted demand.

Table 50: Incremental capital expenditure: All services (R'000)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water	24 161	26 436	26 090	26 362	26 144	26 200	26 782	26 342	25 958	26 416
Sanitation	12 550	13 920	13 877	13 563	13 927	13 325	14 062	13 601	13 774	13 929
Electricity	28 505	31 287	31 154	31 497	30 863	31 397	32 087	31 350	31 132	31 126
Roads & Stormwater	49 957	54 372	53 499	53 801	54 428	53 480	55 423	53 745	53 136	54 316
Refuse removal	1 524	2 026	2 052	2 962	1 611	2 038	3 027	2 019	2 050	2 541
Total (R'000)	116 697	128 041	126 673	128 185	126 971	126 440	131 382	127 057	126 050	128 329

Table 51: Capital expenditure (all services (R'000) (Cumulative)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water	24 161	50 597	76 688	103 050	129 194	155 394	182 175	208 517	234 476	260 891
Sanitation	12 550	26 470	40 347	53 909	67 836	81 161	95 223	108 824	122 598	136 527
Electricity	28 505	59 792	90 946	122 443	153 306	184 703	216 790	248 140	279 271	310 398
Roads & Stormwater	49 957	104 329	157 828	211 629	266 056	319 536	374 959	428 704	481 840	536 156
Refuse removal	1 524	3 550	5 602	8 564	10 175	12 213	15 240	17 260	19 310	21 851
Total (R'000)	116 697	244 738	371 411	499 596	626 567	753 007	884 388	1 011 445	1 137 495	1 265 823

4.3.4.4 Summary of operating expenditure

One of the key elements that are often overlooked in capital investment planning is the operating consequences of capital investment. The next two tables show the forecasted operating and maintenance cost associated with the projected capital expenditure. It is an incremental cost and does not reflect on the revenue side and cost recovery strategies that the Municipality may apply.

Table 52: Incremental operating & maintenance expenditure: All services per annum (R'000)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water	2 688	2 942	2 903	2 934	2 909	2 916	2 980	2 932	2 889	2 940
Sanitation	3 138	3 452	3 441	3 381	3 454	3 338	3 502	3 390	3 408	3 458
Electricity	10 944	12 135	12 118	12 303	11 884	12 246	12 467	12 235	12 125	12 063
Roads & Stormwater	2 900	3 155	3 105	3 121	3 159	3 103	3 215	3 118	3 085	3 152
Refuse removal	1 709	2 271	2 300	3 319	1 805	2 285	3 393	2 263	2 298	2 849
Total (R'000)	21 379	23 956	23 868	25 059	23 211	23 888	25 557	23 939	23 805	24 462

Table 53: Operating & maintenance expenditure: All services per annum (R'000) (Cumulative)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water	2 688	5 630	8 534	11 468	14 377	17 293	20 274	23 206	26 094	29 034
Sanitation	3 138	6 590	10 031	13 411	16 866	20 204	23 705	27 096	30 504	33 962
Electricity	10 944	23 079	35 197	47 500	59 384	71 631	84 098	96 333	108 458	120 521
Roads & Stormwater	2 900	6 056	9 161	12 282	15 441	18 544	21 759	24 877	27 961	31 113
Refuse removal	1 709	3 979	6 280	9 599	11 404	13 689	17 082	19 345	21 643	24 492
Total (R'000)	21 379	45 334	69 202	94 261	117 472	141 360	166 917	190 856	214 661	239 122

4.3.4.5 Summary of consumption and use

Service delivery is about consumption and use. The next two tables show the expected demand for water and electricity. Also, the estimated wastewater and solid waste generated was calculated. These number can be used to assess the impact of future demand on the existing capacities of bulk facilities.

Table 54: Incremental consumption and usage

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water (Ml/day)	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8
Sanitation (Ml/day)	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.6
Electricity (MWh/day)	136.1	156.8	148.0	158.6	155.9	167.4	164.2	156.0	146.6	159.0
Roads & Stormwater (km/annum)	13.3	14.5	14.3	14.3	14.5	14.2	14.7	14.2	14.2	14.4
Refuse removal (tons/day)	15.2	51.2	22.3	49.7	18.7	52.6	22.3	50.6	52.5	17.4
Refuse removal (m3/day)	30.6	102.7	44.7	99.7	37.7	105.3	45.0	101.5	105.2	35.2

Table 55: Cumulative consumption and usage

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water (Ml/day)	0.7	1.6	2.4	3.2	4.0	4.9	5.7	6.6	7.4	8.2
Sanitation (Ml/day)	0.6	1.2	1.8	2.5	3.1	3.7	4.4	5.0	5.7	6.3
Electricity (MWh/day)	136.1	292.9	440.9	599.5	755.4	922.8	1 087.1	1 243.1	1 389.7	1 548.7
Roads & Stormwater (km/annum)	13.3	27.8	42.0	56.3	70.8	84.9	99.6	113.9	128.0	142.5
Refuse removal (tons/day)	15.2	66.4	88.7	138.4	157.1	209.7	232.1	282.6	335.2	352.6
Refuse removal (m3/day)	30.6	133.4	178.1	277.8	315.5	420.9	465.9	567.3	672.6	707.8

Section 5 Integrated Infrastructure Investment Framework

5 Integrated Infrastructure Investment Framework

5.1 Contextualisation

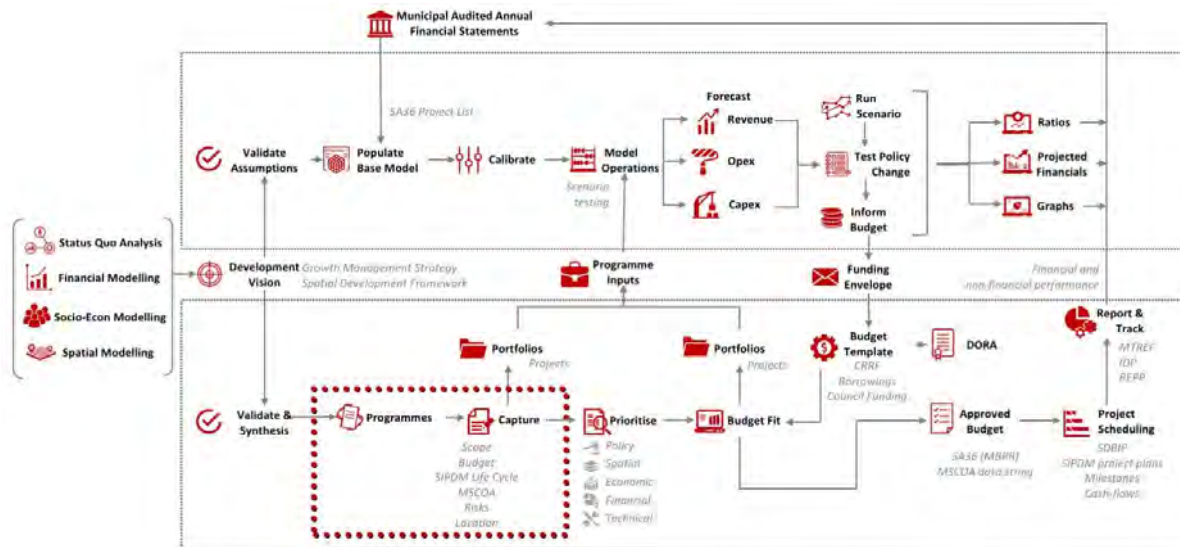


Figure 19: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

The Integrated Infrastructure Investment Framework (IIIF) outlines the demand identified of capital projects within the Stellenbosch Local Municipality jurisdiction. It represents all capital projects identified across various sectors by various departments on one platform. Stellenbosch has recognised the following three realities:

- Firstly, that Capital Expenditure projects not only originate and are implemented by the local municipality;
- Secondly, that it is the mandate of other bodies of government to provide services, specifically infrastructure related services; and
- Thirdly, that the IUDF calls for integrated planning and implementation.

Based on this above mentioned, Stellenbosch aims to identify the total investment demand within the Stellenbosch jurisdiction. The IIIF therefore depicts not only projects captured on CP3, but also of other government entities. Once other government entities' data is on the Consolidated Inter-Governmental Project Pipeline Platform³⁰, Stellenbosch has the ability to incorporate such projects to the Integrated Infrastructure Investment Framework and so the Capital Expenditure Framework. This will unlock the ability to:

- Develop an integrated urban form as guided by the National Development Plan and the Integrated Urban Development Framework;
- Reduce wasteful expenditure and so optimise capital investment; and
- Collaboratively invest in the urban form by different bodies of government.

The institutional process that can deliver an Integrated Infrastructure Investment Framework require project specific information in order to consolidate the capital expenditure demand as identified by various bodies of government within the municipal jurisdiction. Each project should be adjoined with

³⁰ A module of the CP3 platform

a set of minimum information to enable CP3 to appraise the readiness of a project for prioritisation – and is stored on a centralised database. This is important for a number of reasons:

- A centralised record of all capital needs can be backed up regularly assuring a measure of redundancy and independence on the knowledge of individuals within the various technical departments.
- The centralised data can be called upon by those that are involved in the appraisal of the relative importance of the respective projects and the subsequent budgeting and tracking of those projects.
- It provides a collaborative space for departments to keep record of their needs and to lobby for an appropriate and responsive portion of the annual budget allocation.
- It also provides a platform where project commitments can be communicated to the municipality.
- It enables in year monitoring of capital project roll-out.

Project capturing allows for the logging of a new project even though that particular project may still be a mere wish. In other words, not enough detail of the project is known to be able to graduate the “candidate” project to a “graduate” project status. Importantly though, the project is recorded and as a result, recognised as a need by the planning authority.

The minimum information collected includes:

- MSCOA Project Segment;
- Project location;
- Project beneficiary / affected area;
- Project budget; and
- Alignment of project budgets with Organisational Objectives.

5.2 Process

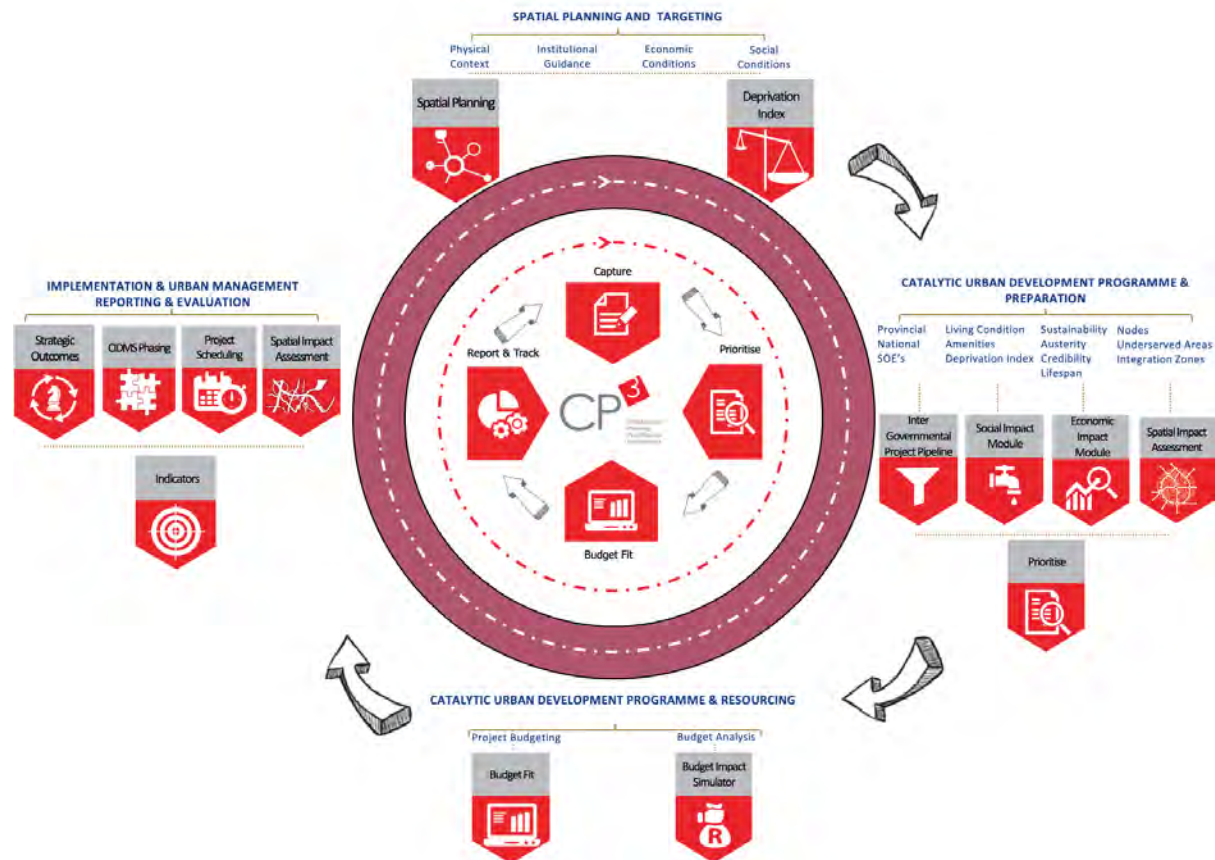


Figure 20: Inter Governmental Pipeline in relation to the internal Stellenbosch Capex process

5.3 Inter-Governmental Project Pipeline

Several key role players has been identified in order to compile the inter-governmental project pipeline. This includes:

- Selected National Departments;
- Selected Provincial Departments; and
- Selected SOE's.

Stellenbosch Local Municipality is working toward an inter-governmental project pipeline. To achieve this, the development of two additional prioritisation platforms are being developed, namely the Western Cape Collaboration Project Prioritisation and Performance platform as well as the National Government Collaboration Project Prioritisation and Performance platform of which the latter is already in place.

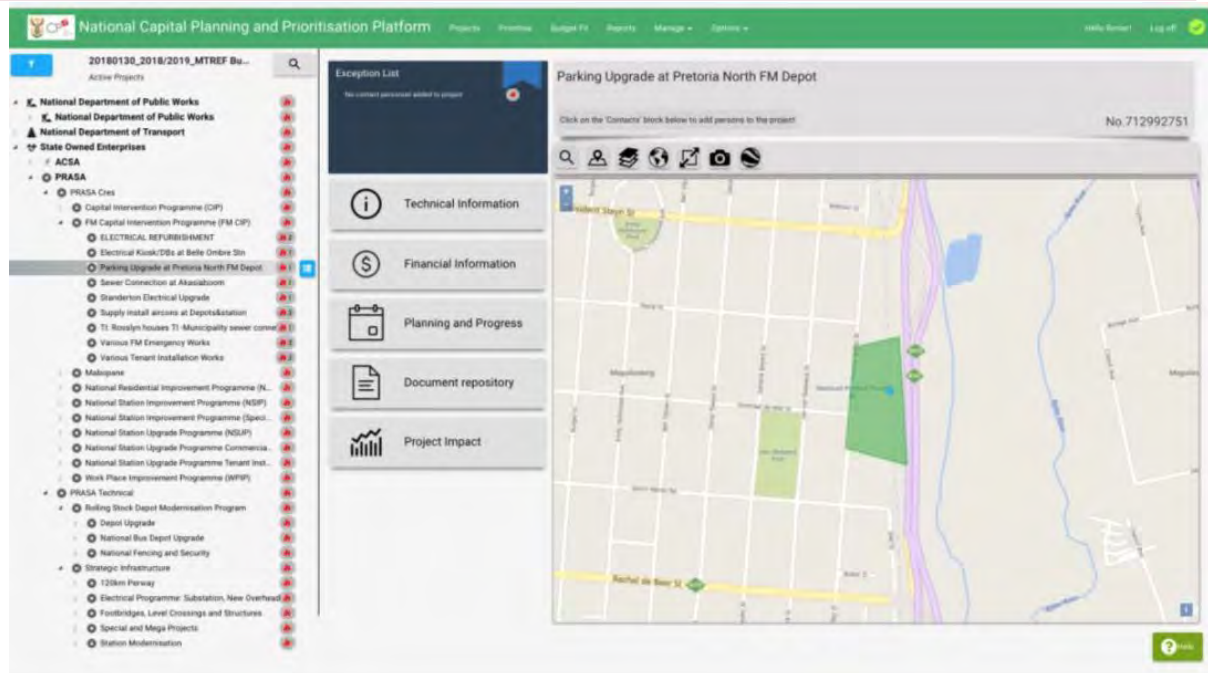


Figure 21: National Government capital Planning and Prioritisation Platform

Stellenbosch Local Municipality is awaiting information related to Capital projects from the government entities listed below. Following the receipt of this information, Stellenbosch will be in a position to populate the said platforms and so compile a comprehensive IIIF.

- Selected National Departments;
- Selected Provincial Departments; and
- Selected SOE's.

The fact that these two platforms, together with Stellenbosch CP3 are essentially identical – it is possible to start with the first step of the Intergovernmental Project Pipeline process namely, to view the different entities of government planned intervention in space³¹.

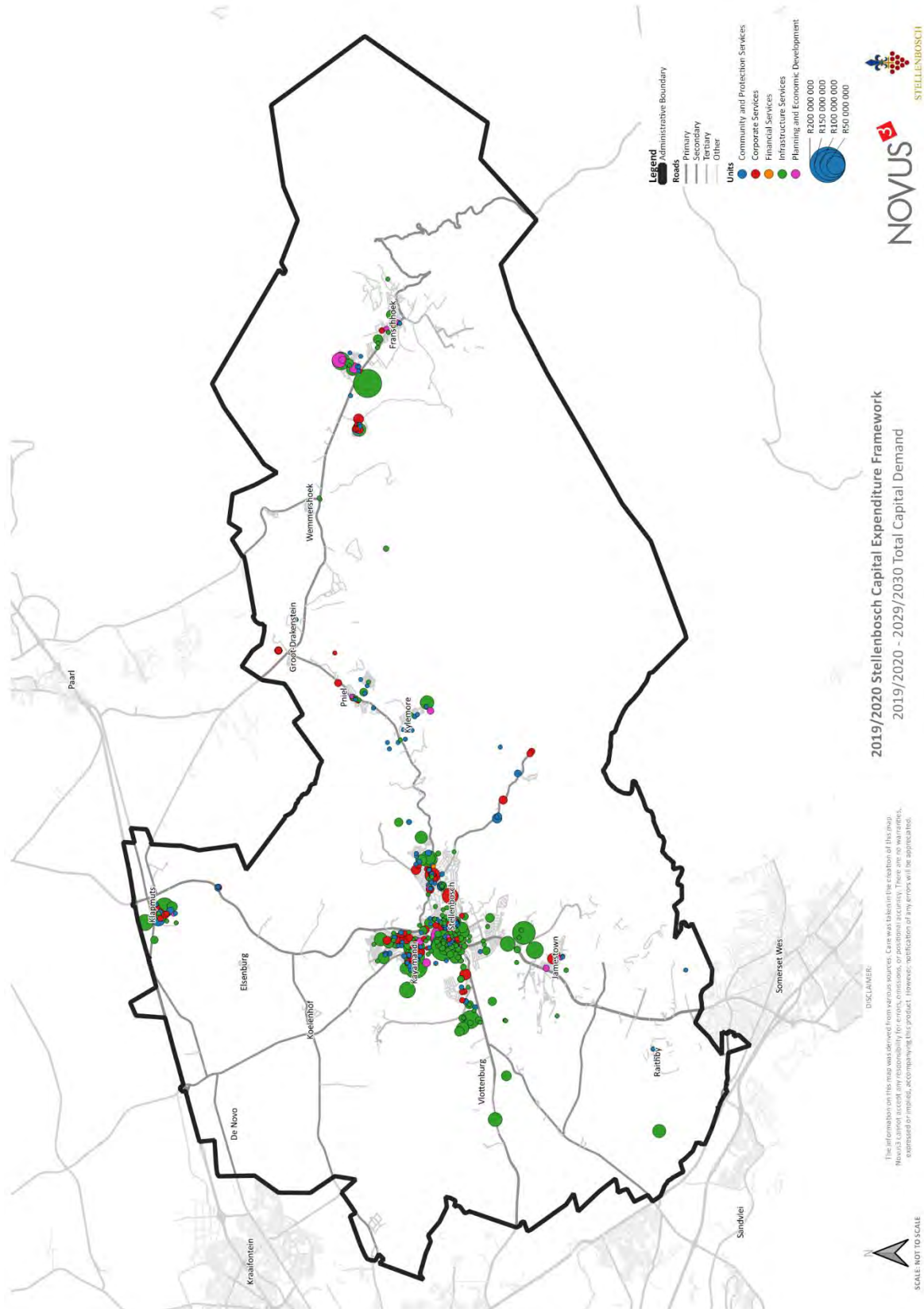
Once the platforms has been established, the second step will be to identify clear and obvious overlap or expenditure that is not in line with any other public entity's strategic vision or spatial targeting. Once these issues and opportunities has been identified, the various stakeholders and role players can use the same platform to coordinate and phase investment in a sustainable and efficient way which will lead to the most return on investment by the collaborative via the Capital Expenditure Framework.

Once such potentials have been identified and established, the CP3 platform will prioritize the investment opportunities, ranking projects based on the criteria engaged with by the Intergovernmental committee; such criteria will typically constitute of spatial, economic, social, technical and strategic qualities – each with a different weight – depending on the forum. The prioritized projects will then be sent through to the budget fit process where the different entities' budget will be allocated to the prioritized projects in order to realize and give effect to spatial targeting. Throughout the process projects will be monitored as they are implemented.

³¹ The Stellenbosch Jurisdictional area.

5.4 Stellenbosch Local Municipality Capital Demand

The current capital expenditure project pipeline of the Stellenbosch Local Municipality includes the current capital expenditure demand up to 2029/2030.



Map 22: 2019/2020 – 2029/2030 Total Capital Demand

5.4.1 2019/2020 – 2029/2030 Capital Expenditure Demand

The municipal process is based around a three year budget cycle as per the Medium Term Expenditure Framework (MTREF). This forced municipalities to plan in the same context. With the Introduction of the CEF, Stellenbosch first made an institutional change by planning on a five year horizon, and then in this budget cycles started to depict capital project requirements on a ten year horizon.

It is important to note that the further one plans into the future, the more difficult it becomes to state a capital demand. It is for that reason that the total capital demand decrease as the years increase.

Table 56: 2019/2020-2029/2030 Capital Expenditure Demand

Year	Total Capital Demand	Total Capital Demand %
2019/2020	R1 371 699 703	21%
2020/2021	R1 231 102 428	19%
2021/2022	R775 569 100	12%
2022/2023	R740 017 754	11%
2023/2024	R433 019 619	7%
2024/2025	R458 314 256	7%
2025/2026	R445 158 130	7%
2026/2027	R421 237 630	6%
2027/2028	R251 045 909	4%
2028/2029	R211 933 462	3%
2029/2030	R120 602 370	2%
2030/2031	R28 600 000	0%
Total	R6 488 300 361	100%

5.4.2 2019/2020 – 2029/2030 Capital Expenditure Demand per Unit

Table 57: Capital Expenditure demand per unit per year

Unit	Community and Protection Services	Corporate Services	Financial Services	Infrastructure Services	Municipal Manager	Planning and Economic Development	Grand Total
2019/2020	R139 679 000	R139 980 000	R150 000	R922 867 103	R35 000	R168 988 600	R1 371 699 703
2020/2021	R81 867 000	R99 020 000	R150 000	R911 786 528	R40 000	R138 238 900	R1 231 102 428
2021/2022	R21 690 000	R125 840 000	R-	R602 198 900	R-	R25 840 200	R775 569 100
2022/2023	R28 130 000	R111 640 000	R-	R572 197 754	R-	R28 050 000	R740 017 754
2023/2024	R22 795 000	R38 240 000	R-	R343 935 619	R-	R28 049 000	R433 019 619
2024/2025	R21 550 000	R18 440 000	R-	R404 274 756	R-	R14 049 500	R458 314 256
2025/2026	R18 290 000	R18 690 000	R-	R393 123 130	R-	R15 055 000	R445 158 130
2026/2027	R22 890 000	R15 740 000	R-	R368 552 630	R-	R14 055 000	R421 237 630
2027/2028	R9 790 001	R20 840 000	R-	R216 355 908	R-	R4 060 000	R251 045 909
2028/2029	R8 760 000	R64 040 000	R-	R135 133 462	R-	R4 000 000	R211 933 462
2029/2030	R2 480 000	R2 600 000	R-	R115 522 370	R-	R-	R120 602 370
2030/2031	R-	R-	R-	R28 600 000	R-	R-	R28 600 000

The total capital demand per year decrease as time increases. This is because the near future is more predictable than the distant future, which means that project managers has a better idea of what projects is required now, and what the actual capital expenditure would be of the said projects. This by no means mean that there is insufficient demand across the ten year horizon. In total, the capital demand is equal to R6 488 300 361.

The figure below shows capital demand per directorate and then per department. It is clear that Infrastructure services boasts more than 75% of the capital demand.

Capital Expenditure Framework 2019/2020 - 2029/2030 Total Capital Demand

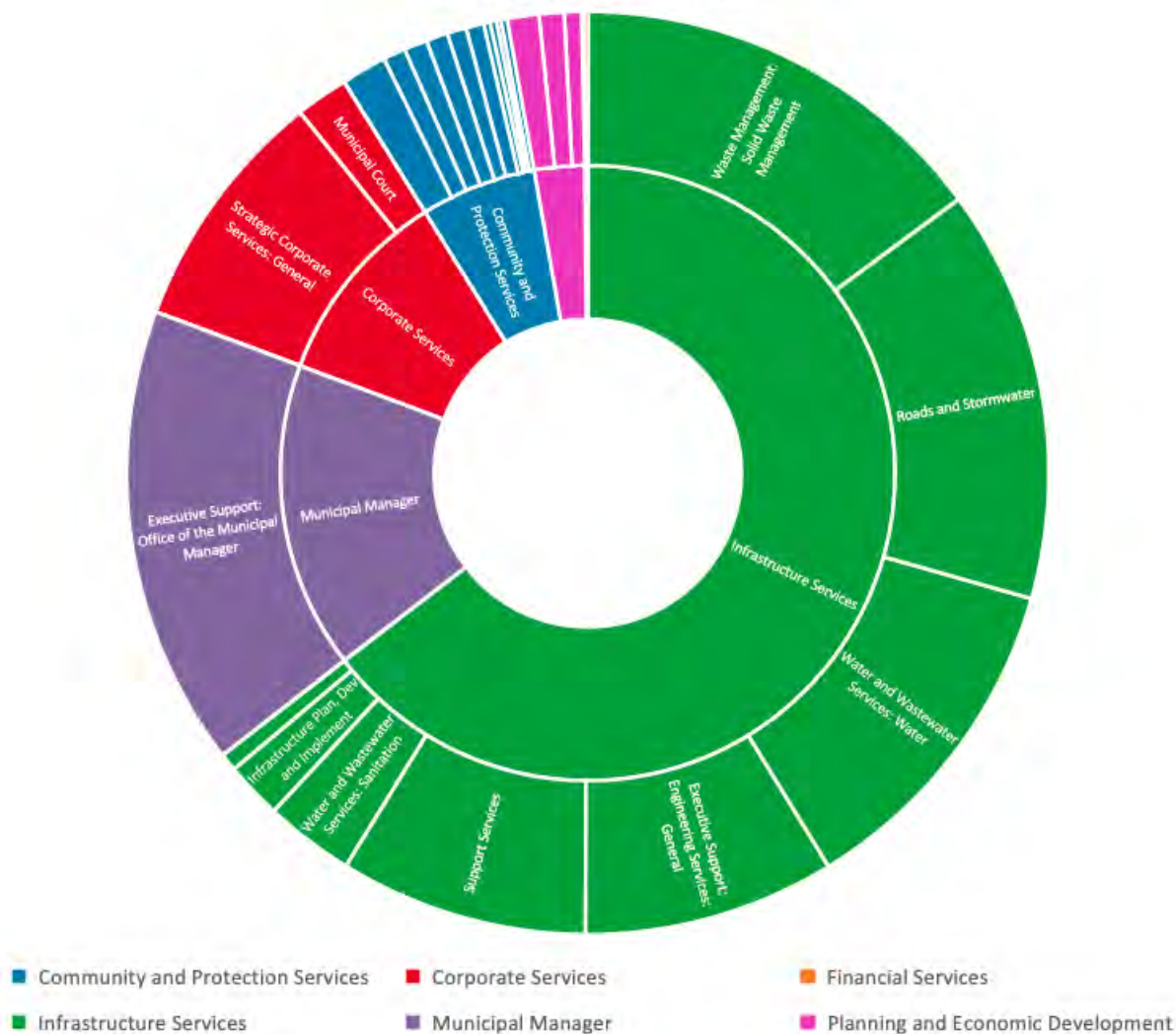


Figure 22: 2019/2020 – 2029/2030 Total Capital Demand

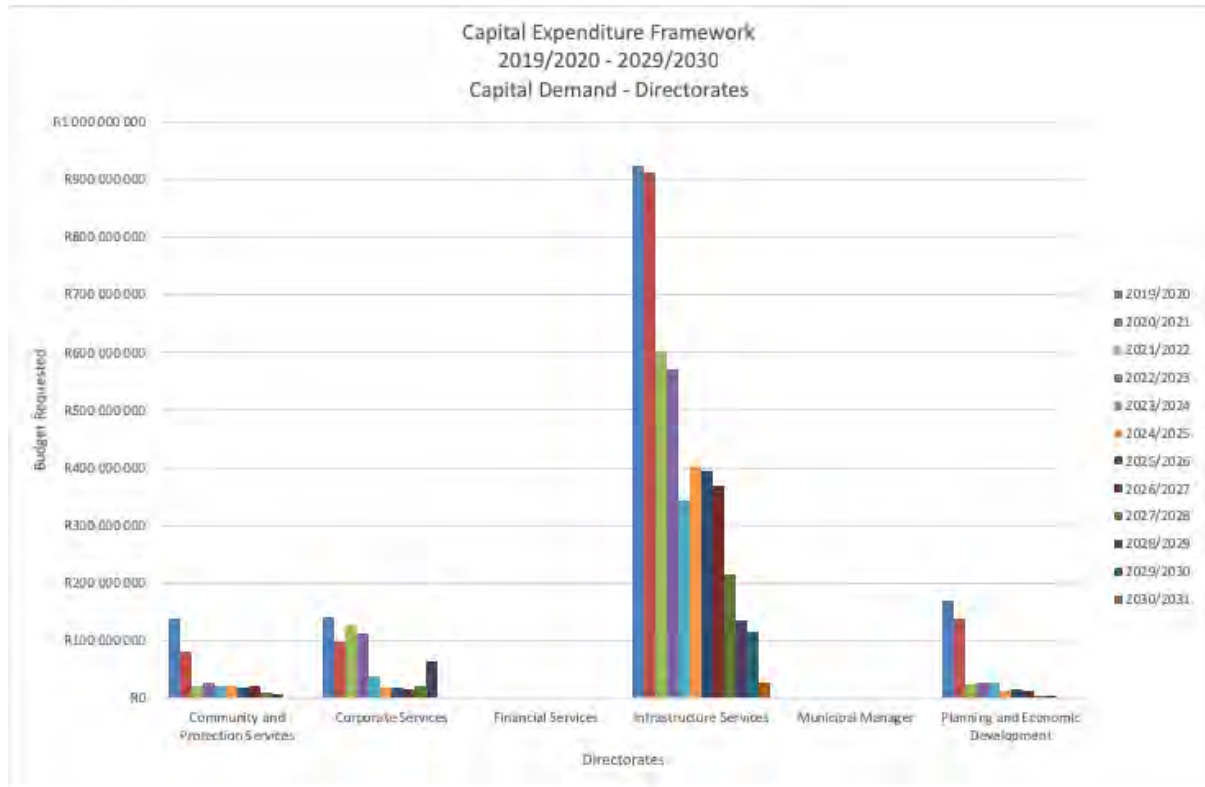
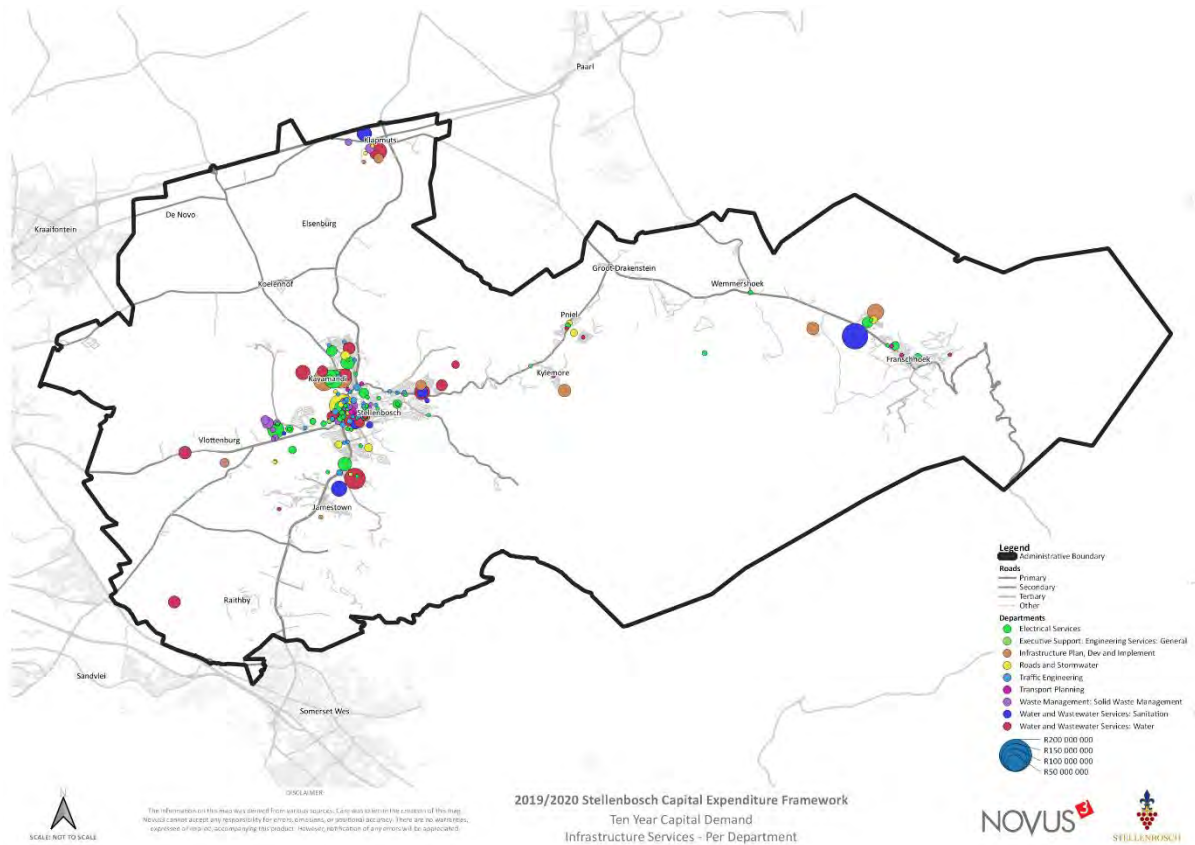


Figure 58: 2019/2020 – 2029/2030 Total Capital Demand

5.4.2.1 Capital Demand: Infrastructure Services – per department



Map 23: Ten Year Capital Demand – Infrastructure Services – per department

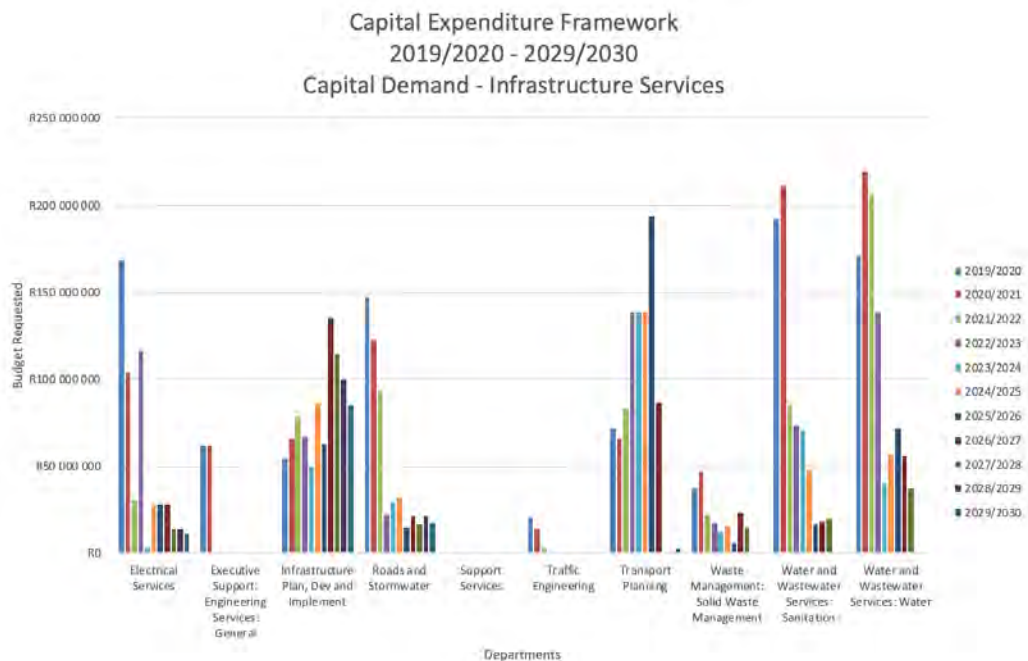
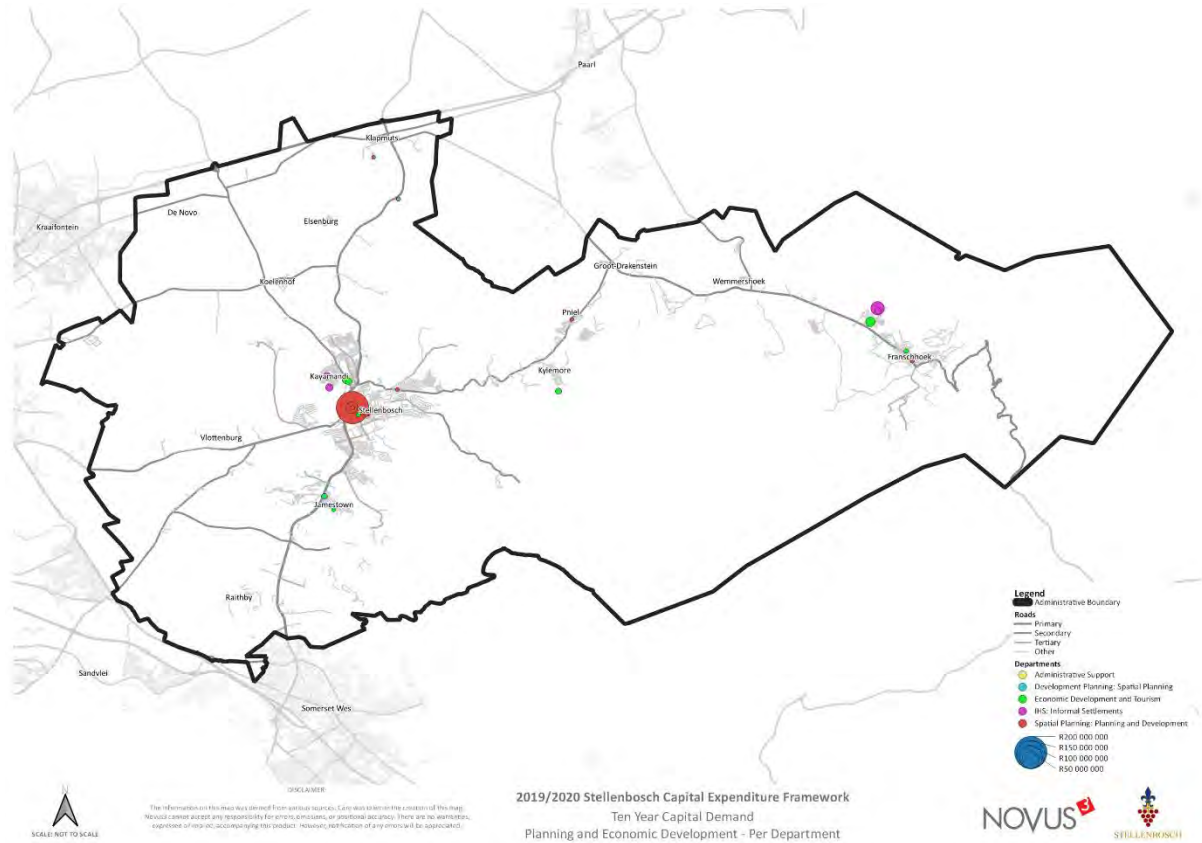


Figure 23: Ten Year Capital Demand – Infrastructure Services – per department

5.4.2.2 Capital Demand: Planning and Economic Development – per department



Map 24: Ten Year Capital Demand – Planning and Economic Development – per department

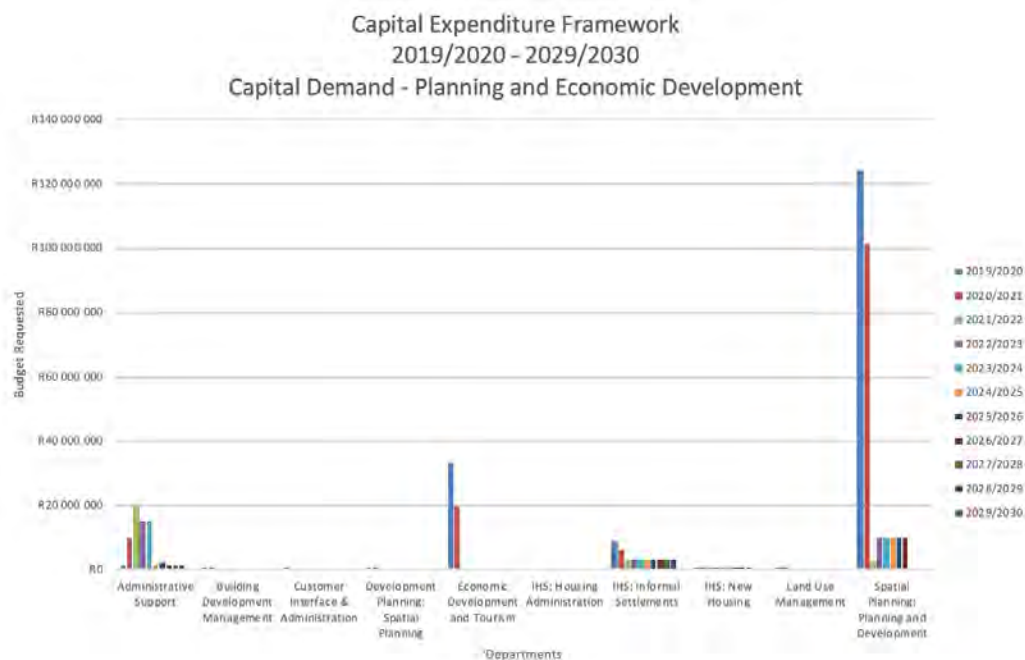
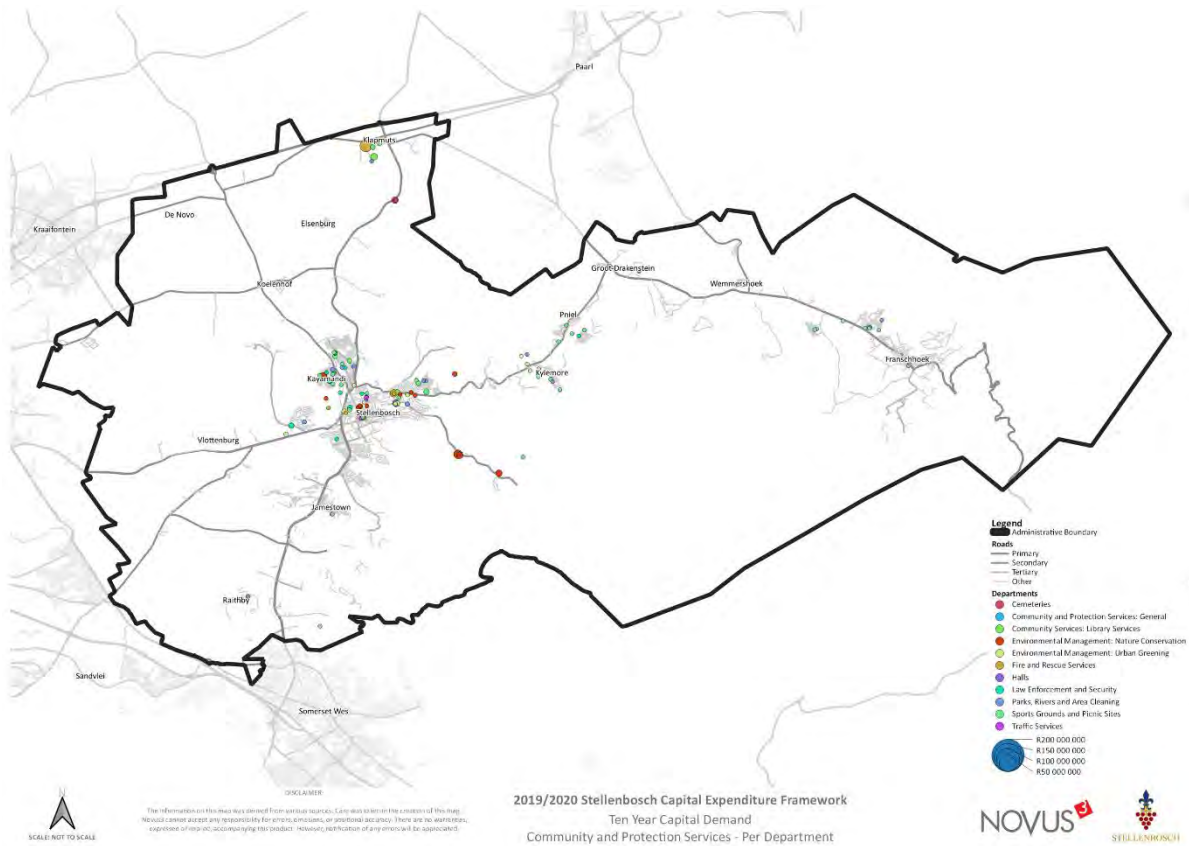


Figure 24: Ten Year Capital Demand – Planning and Economic Development – per department

5.4.2.3 Capital Demand: Community and Protection Services – per department



Map 25: Ten Year Capital Demand – Community and Protection Services – per department

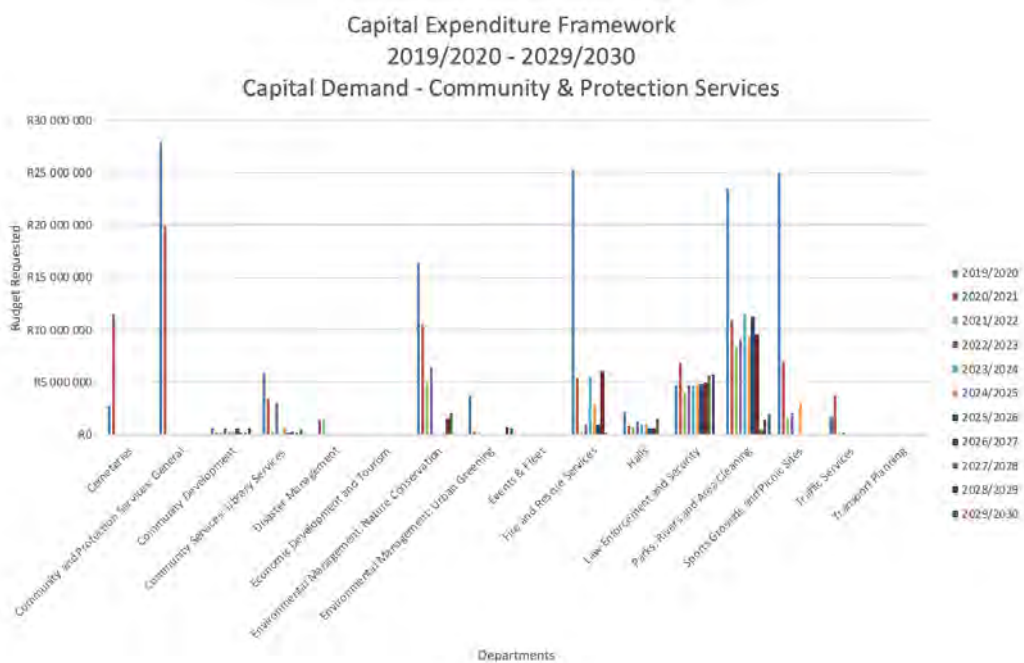
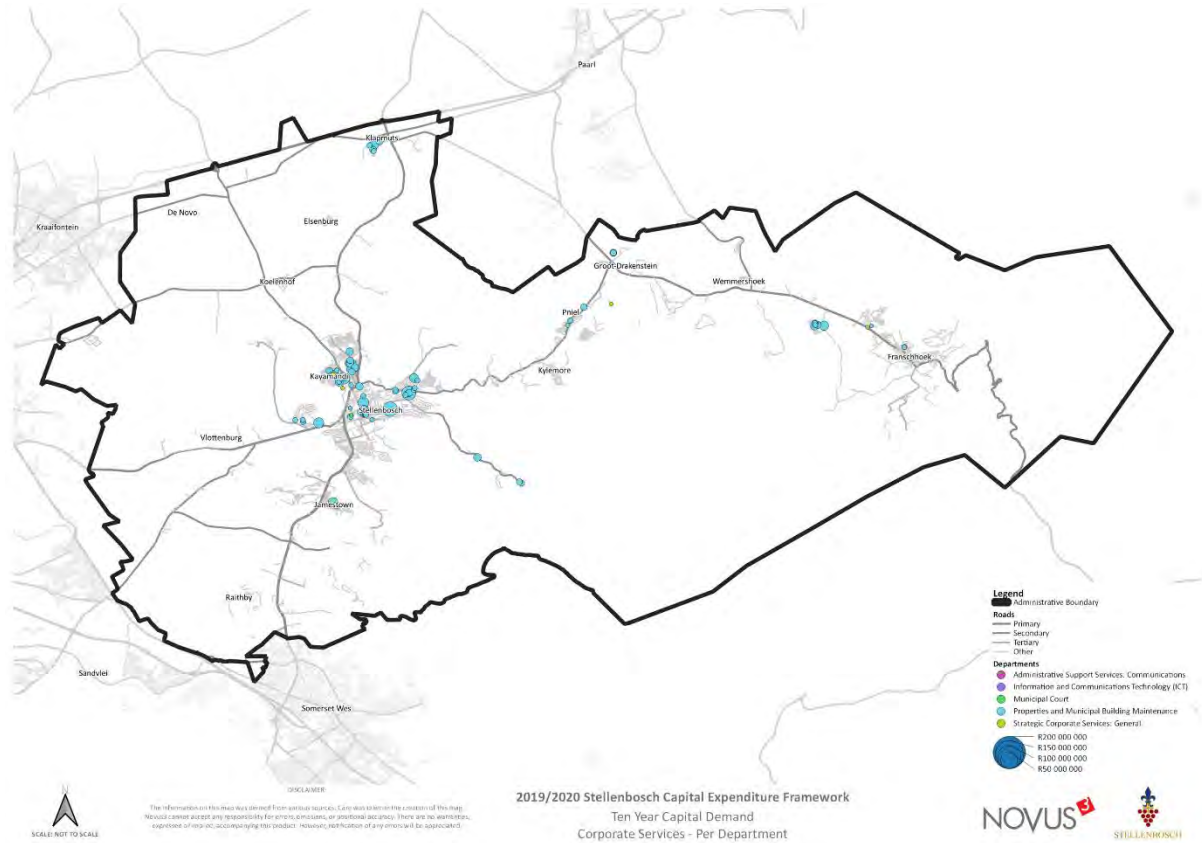


Figure 25: Ten Year Capital Demand – Community and Protection Services – per department

5.4.2.4 Capital Demand: Corporate Services – per department



Map 26: Capital Demand – Corporate Services – per department

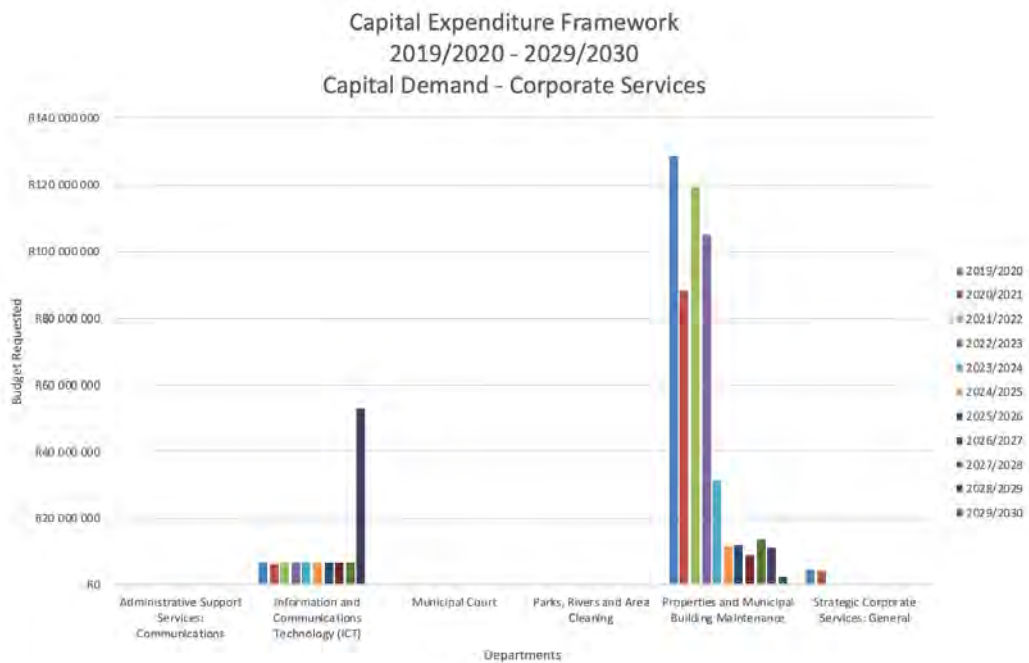


Figure 26: Ten Year Capital Demand – Corporate Services – per department

5.5 Volume based demand

5.5.1 Capacity based demand versus Capital based demand

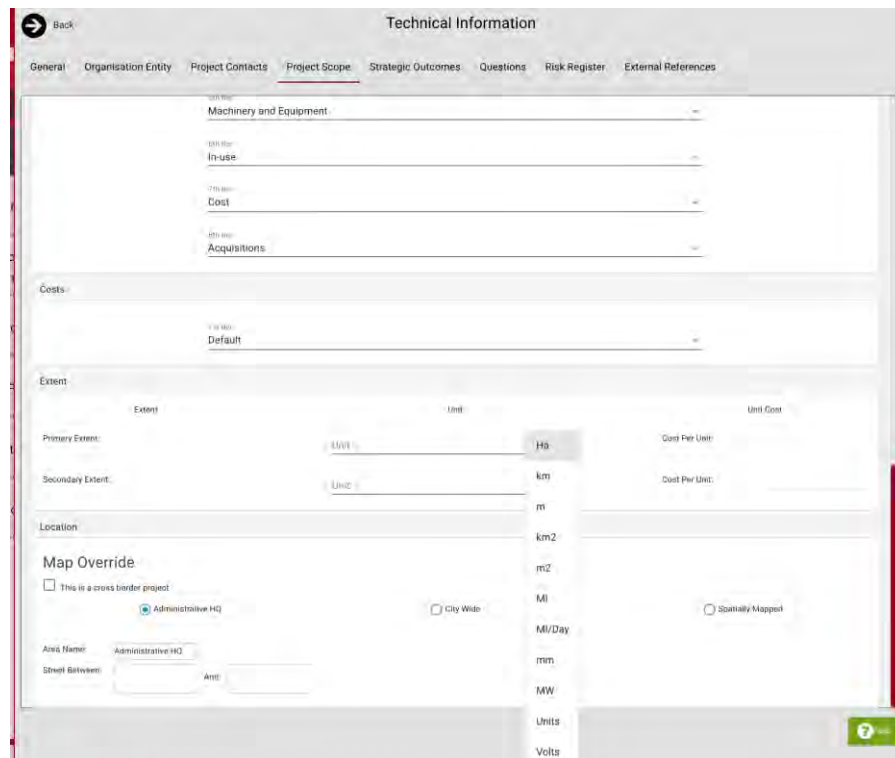
This section deals with the total Infrastructure demand within the Stellenbosch Local Municipality. As per the guidelines, it has expressed all capital demand in terms of budget requested and so answering the question of how much the total asset expenditure will cost. This enable financial modellers to determine what a sustainable path would be in terms of infrastructure roll out as well as the pace of implementation. However, at the core of the Capital Expenditure Framework is the aim to provide the desired urban form in an integrated manner – which means that capital demand should not only be viewed in monetary terms, but also in quantitative terms. The question that needs to be asked is therefore, how much units or how much capacity do we purchase with the identify demand within the Stellenbosch Local Municipality?

The first principles of economics dictate the relationship between quantity, price and demand. Without considering quantity, one does take the risk that not all demand is met over time.

5.5.2 Institutional processes in place to track capacity

Benchmarking of capital projects unit cost has been a difficult task throughout municipalities in South Africa. Not only because true project cost could never be measured accurately on a large scale, but also because actual expenditure and asset management has not been as sophisticated as one would hope. The Stellenbosch Local Municipality however, has the ability to amongst others, identify the volume that is being brought at a specific price.

The Capital Planning, Prioritisation and Performance platform has the ability to not only build the scope of a project – a function of CP3 that is MSCOA 6.3 compliant – but also to capture the extent of a project – catering for the majority of extent types such as hectareage, mega-litre, volts etc.



Back

Technical Information

General Organisation Entity Project Contacts **Project Scope** Strategic Outcomes Questions Risk Register External References

Machinery and Equipment

In-use

Cost

Acquisitions

Costs

Default

Extent

Extent	Unit	Unit Cost
Primary Extent:	Litre	HA
Secondary Extent:	Litre	km
		m
		km2
		m2
		M
		M/Day
		mm
		MW
		Units
		Volts

Location

Map Override

This is a cross border project

Administrative HQ City Wide

Spatially Mapped

Area Name: Administrative HQ

Street Between: Area:

Figure 27: Project scope and extent facilitation on CP3

Upon revision of the Capital Expenditure Framework, the municipality aims to be in a position where the data captured on CP3 has been captured on the available section of the platform.



Stellenbosch Local Municipality
Capital Expenditure Framework

Table 28: Total capital demand captured on CP3

Unit / Department	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	Total
Community and Protection Services													377 921 001
Cemeteries	R 2 700 000	R 11 500 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 14 200 000
Community and Protection Services: General	R 25 000 000	R 20 000 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 48 000 000
Community Development	R 585 000	R 92 000	R 50 000	R 560 000	R 55 000	R 60 000	R 550 000	R 50 000	R 60 000	R 570 000	R --	R --	R 2 632 000
Community Services: Library Services	R 5 885 000	R 3 435 000	R 250 000	R 2 960 000	R --	R 350 000	R 200 000	R 250 000	R 50 000	R 370 000	R --	R --	R 13 950 000
Disaster Management	R --	R 1 400 000	R 1 500 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 2 900 000
Economic Development and Tourism	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --
Environmental Management: Nature Conservation	R 16 410 000	R 10 500 000	R 5 100 000	R 6 500 000	R --	R --	R --	R 1 500 000	R 2 000 000	R --	R --	R --	R 42 010 000
Environmental Management: Urban Greening	R 3 735 000	R 250 000	R 100 000	R --	R --	R --	R --	R --	R --	R 680 000	R 600 000	R --	R 5 365 000
Events & Fleet	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --
Fire and Rescue Services	R 25 300 000	R 5 300 000	R 100 000	R 1 000 000	R 5 500 000	R 2 850 000	R 1 000 000	R 6 000 000	R 100 000	R --	R --	R --	R 47 150 000
Halls	R 3 350 000	R 850 000	R 750 000	R 1 300 000	R 1 000 000	R 1 000 000	R 500 000	R 500 000	R 500 000	R --	R --	R --	R 9 550 000
Law Enforcement and Security	R 4 700 000	R 6 850 000	R 3 950 000	R 4 650 000	R 4 650 000	R 4 800 000	R 4 850 000	R 4 950 000	R 5 600 000	R 5 700 000	R --	R --	R 50 700 001
Parks, Rivers and Areas Greening	R 23 550 000	R 10 980 000	R 8 350 000	R 9 120 000	R 11 590 000	R 9 290 000	R 11 190 000	R 9 640 000	R 480 000	R 1 440 000	R 1 880 000	R --	R 97 510 000
Sports Grounds and Picnic Sites	R 25 080 000	R 7 000 000	R 1 500 000	R 2 000 000	R --	R 3 000 000	R --	R --	R --	R --	R --	R --	R 38 580 000
Traffic Services	R 1 584 000	R 3 710 000	R 40 000	R 40 000	R --	R --	R --	R --	R --	R --	R --	R --	R 5 374 000
Transport Planning	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Corporate Services													655 070 000
Administrative Support Services: Communications	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --
Information and Communications Technology (ICT)	R 6 600 000	R 6 500 000	R 6 600 000	R 6 600 000	R 6 800 000	R 6 800 000	R 6 900 000	R 6 900 000	R 7 000 000	R 53 000 000	R --	R --	R 113 700 000
Municipal Court	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --
Parks, Rivers and Areas Cleaning	R 10 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 10 000
Properties and Municipal Building Maintenance	R 128 870 000	R 88 120 000	R 119 240 000	R 105 040 000	R 31 440 000	R 11 640 000	R 11 790 000	R 8 840 000	R 11 840 000	R 11 040 000	R 2 600 000	R --	R 532 460 000
Strategic Corporate Services: General	R 4 500 000	R 4 400 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 8 900 000
Financial Services													300 000
Executive Support: Financial Services: General	R 150 000	R 150 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 300 000
Infrastructure Services													5 014 548 160
Electrical Services	R 168 555 644	R 104 250 000	R 30 550 000	R 116 300 000	R 3 000 000	R 28 000 000	R 28 000 000	R 28 000 000	R 28 000 000	R 14 000 000	R 14 000 000	R 11 000 000	R 545 655 644
Executive Support: Engineering Services: General	R 61 820 000	R 61 660 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 123 480 000
Infrastructure Plan, Dev and Implement	R 53 952 028	R 55 696 528	R 78 603 900	R 66 442 734	R 49 510 619	R 85 414 756	R 62 273 130	R 134 982 630	R 114 505 908	R 100 033 462	R 84 922 370	R 8 000 000	R 904 338 085
Roads and Stormwater	R 146 650 000	R 122 950 000	R 93 450 000	R 21 800 000	R 29 850 000	R 32 350 000	R 14 600 000	R 21 100 000	R 16 600 000	R 21 100 000	R 17 600 000	R 20 600 000	R 558 650 000
Support Services	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --
Traffic Engineering	R 20 900 000	R 14 200 000	R 3 300 000	R --	R --	R --	R 500 000	R --	R --	R --	R --	R --	R 38 900 000
Transport Planning	R 71 570 000	R 66 085 000	R 83 550 000	R 138 660 000	R 138 660 000	R 138 660 000	R 194 000 000	R 86 820 000	R --	R --	R 2 000 000	R --	R 920 005 000
Waste Management: Solid Waste Management	R 36 585 000	R 46 745 000	R 21 745 000	R 16 895 000	R 12 065 000	R 15 900 000	R 5 750 000	R 23 150 000	R --	R --	R --	R --	R 193 535 000
Water and Wastewater Services: Sanitation	R 191 884 431	R 211 100 000	R 84 900 000	R 73 450 000	R 70 950 000	R 47 550 000	R 16 050 000	R 18 300 000	R 19 950 000	R --	R --	R --	R 733 534 431
Water and Wastewater Services: Water	R 170 950 000	R 219 100 000	R 206 100 000	R 138 650 000	R 39 900 000	R 56 400 000	R 71 950 000	R 56 200 000	R 37 200 000	R --	R --	R --	R 996 450 000
Municipal Manager													75 000
Executive Support: Office of the Municipal Manager	R 35 000	R 40 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 75 000
Governance	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --
Planning and Economic Development													440 386 200
Administrative Support	R 1 000 000	R 10 000 000	R 20 000 000	R 15 000 000	R 15 000 000	R 1 000 000	R 2 000 000	R 1 000 000	R 1 000 000	R 1 000 000	R 1 000 000	R --	R 67 000 000
Building Development Management	R 160 000	R 35 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 195 000
Customer Interface & Administration	R 100 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 100 000
Development Planning: Spatial Planning	R 902 000	R 800 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 1 702 000
Economic Development and Tourism	R 33 050 000	R 20 035 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 53 085 000
IHS: Housing Administration	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --
IHS: Informal Settlements	R 9 020 000	R 6 000 000	R 3 020 000	R 3 025 000	R 3 025 000	R 3 025 000	R 3 030 000	R 3 030 000	R 3 030 000	R 3 000 000	R --	R --	R 39 205 000
IHS: New Housing	R 20 000	R 20 000	R 25 000	R 25 000	R 24 000	R 24 500	R 25 000	R 25 000	R 30 000	R --	R --	R --	R 218 500
Land Use Management	R 515 000	R 155 000	R --	R --	R --	R --	R --	R --	R --	R --	R --	R --	R 670 000
Spatial Planning: Planning and Development	R 124 221 600	R 101 199 900	R 2 795 200	R 10 000 000	R 10 000 000	R 10 000 000	R 10 000 000	R 10 000 000	R 10 000 000	R --	R --	R --	R 278 210 700
Grand Total	R 1 371 699 703	R 1 231 102 428	R 725 569 100	R 740 017 734	R 433 019 619	R 438 314 256	R 445 158 130	R 421 237 650	R 251 045 909	R 211 933 462	R 120 602 370	R 28 600 000	R 4 488 300 361

Section 6 Long Term Financial Strategy

6 Long Term Financial Strategy

6.1 Contextualisation

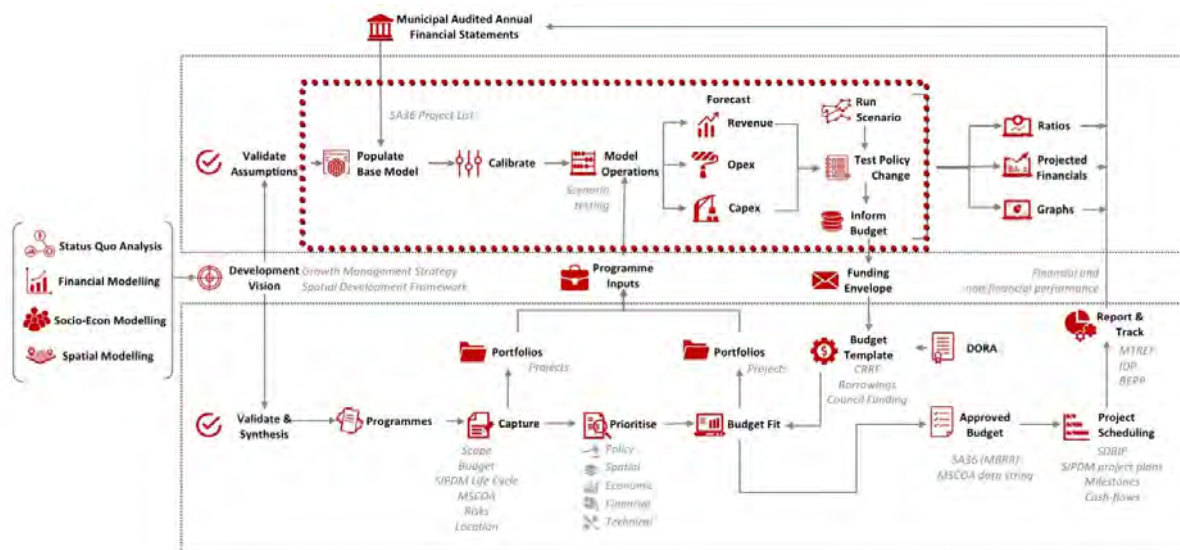


Figure 29: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

The objective of a Long-Term Financial Plan Strategy is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by forecasting future cash flows and affordable capital expenditure based on the municipality's historic performance and the environment in which it operates.

The main outcome of the Long-Term Financial Strategy, for the purposes of this report, is to determine the affordable future capital expenditure and proposed capital funding mix (affordability envelope) of the municipality over the next 10 years.

6.2 Financial model process



Figure 30: Financial Model Process

In forecasting the affordability envelope it is important to consider the four sources of capital funding available to the municipality, being:

- Capital grants from the fiscus, informed and affected by the National budget and macro-economic environment;
- Capital contributions by developers;
- Optimal and affordable external borrowings, informed by an analysis against financial sustainability parameters and ratios, including gearing levels, liquidity levels and the debt servicing capacity of the municipality; and
- Own cash resources of the municipality, from either cash-backed capital replacement reserves or annual residual cash generated by the municipality.

To recommend the most optimal funding mix between external borrowings and own cash resources, it is important to forecast the cash generated by the municipality (net cash for the year) in each of the next 10 years by considering the difference between:

- inflows from revenue (a function of quantity and price) and applying a reasonable collection rate and inflation expectations; and

- outflows of cash to staff and suppliers in the form of operating expenses of the municipality.

The net cash should first and foremost be utilised for servicing of existing loans and funding of cash backed reserves. Any free cash flow remaining after this would be available to service new debt, with the residual cash being utilised as part of own cash resources funding capital expenditure. These principles are depicted in the figure below.

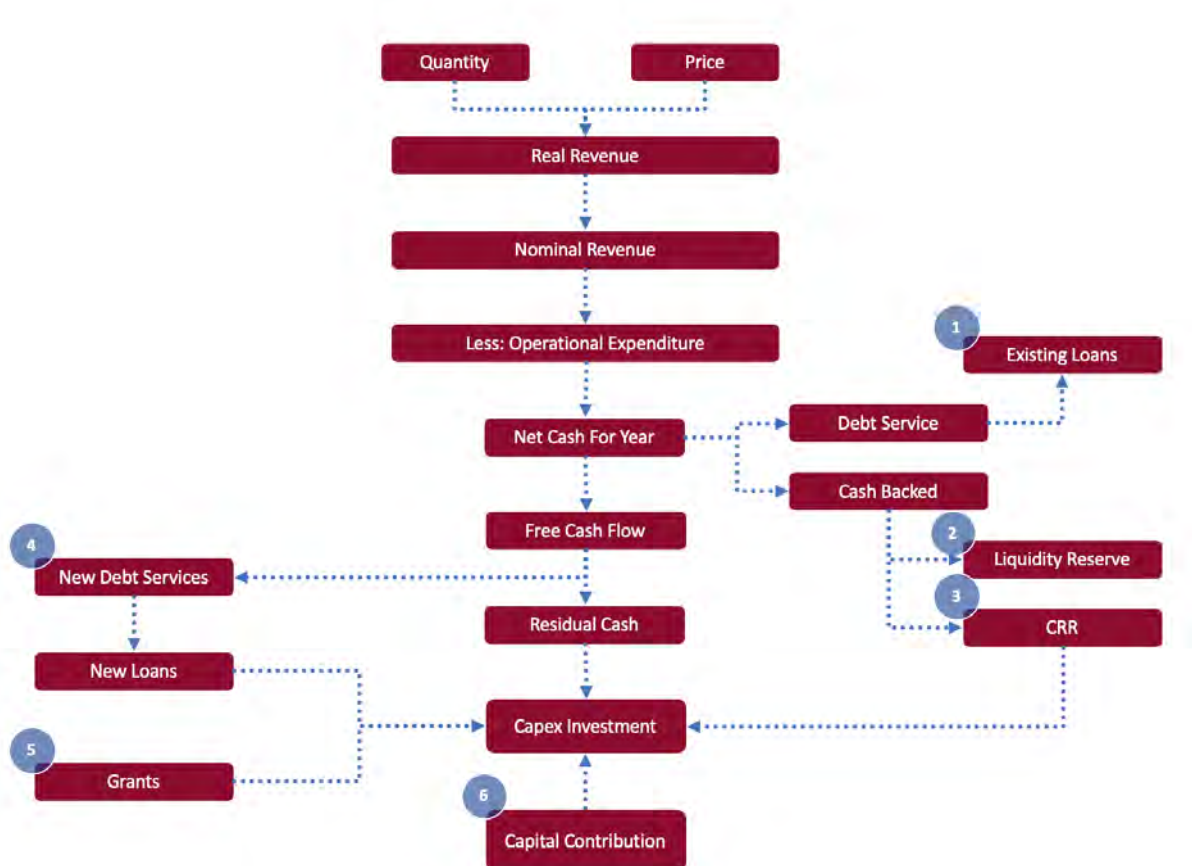


Figure 31: Financial model Input

6.2.1 Financial Model High Level Outline

The long term financial model used for this section of the Capital Expenditure Framework originated from National Treasury's Cities Support Program³². It is populated with the latest information of Stellenbosch Local Municipality and is used to make a base case financial forecast. The figure below illustrates the outline of the model.

The model was adapted for the purpose of this update in that no large infrastructure projects has yet been assessed. Once the capital prioritisation exercise has been completed, we shall include selected projects to determine the impact on the long-term financial position of the municipality. For now, the capital budget as presented in the MTREF was included and used to forecast an affordable future capex programme.

³² Part of National Treasury's Cities Support Programme and with technical assistance from the World Bank Group.

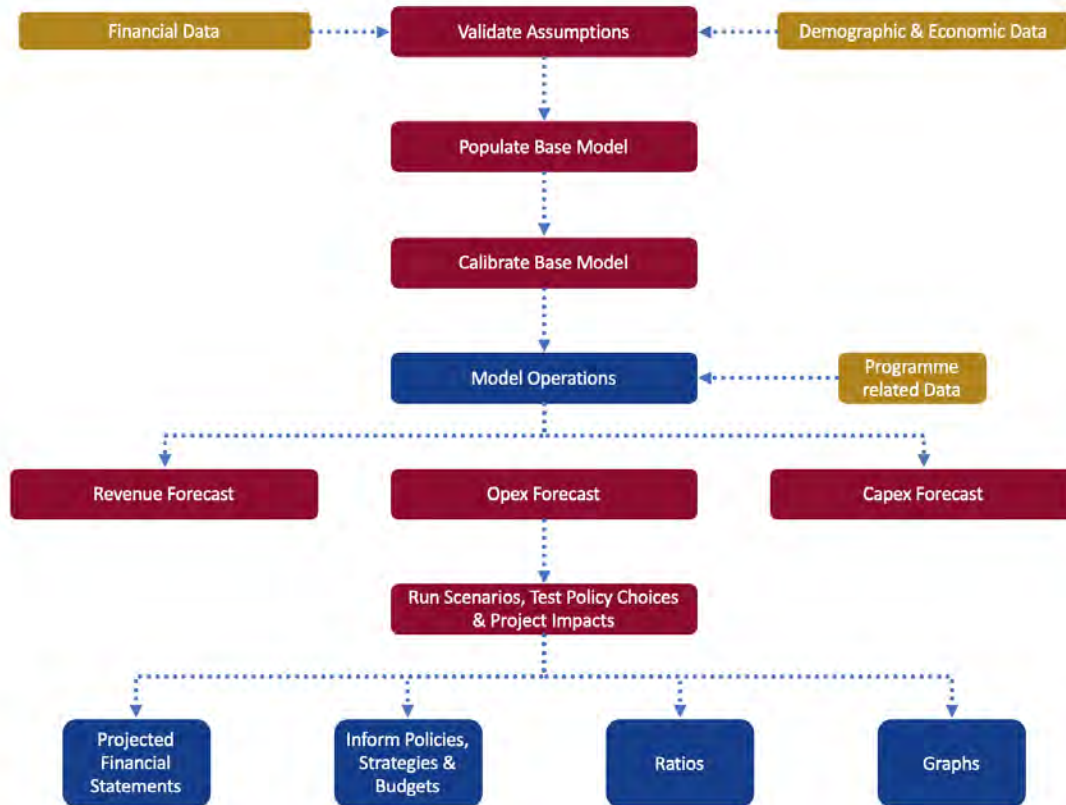


Figure 32: Financial model high level outline

6.2.2 Financial Model Detailed Elements

As a basis, the Long Term Financial Model relies on the input of reliable data and reasonable assumptions. The data utilised and key assumptions in the model are mainly informed by an independent financial assessment, which entails:

- a historic demographic-, economic- and household infrastructure perspective, which was based on the latest available information as published by IHS Global Insight;
- a historic financial analysis updated with the information captured in the municipality's audited annual financial statements of 30 June 2018;
- the 2018/19 to 2020/21 MTREF budget and associated worksheets data; and
- information gathered from market research, other strategic documents of the municipality (including the IDP, master plans etc), from experience gained in the sector and other relevant sources.

The outcomes of the independent financial assessment and the key assumptions made are discussed in more detail below.

6.3 Updated Historic Financial Assessment

6.3.1 Financial Position

The financial position of Stellenbosch remained positive throughout the 8 years of assessment. As at 30 June 2018, Stellenbosch's balance sheet reflected Total Asset position of R 6.07 billion, increasing from R 3.81 billion at the end of the 2011 financial year.

Stellenbosch's low gearing ratio of 11% and a positive debt coverage ratio (cash generated from operations/debt service) of 8.49 indicate that long term interesting bearing liabilities levels are contained. Total interest-bearing liabilities was R 173.30 million at the end of 2018, increasing from R 41.54 million in 2010/11.

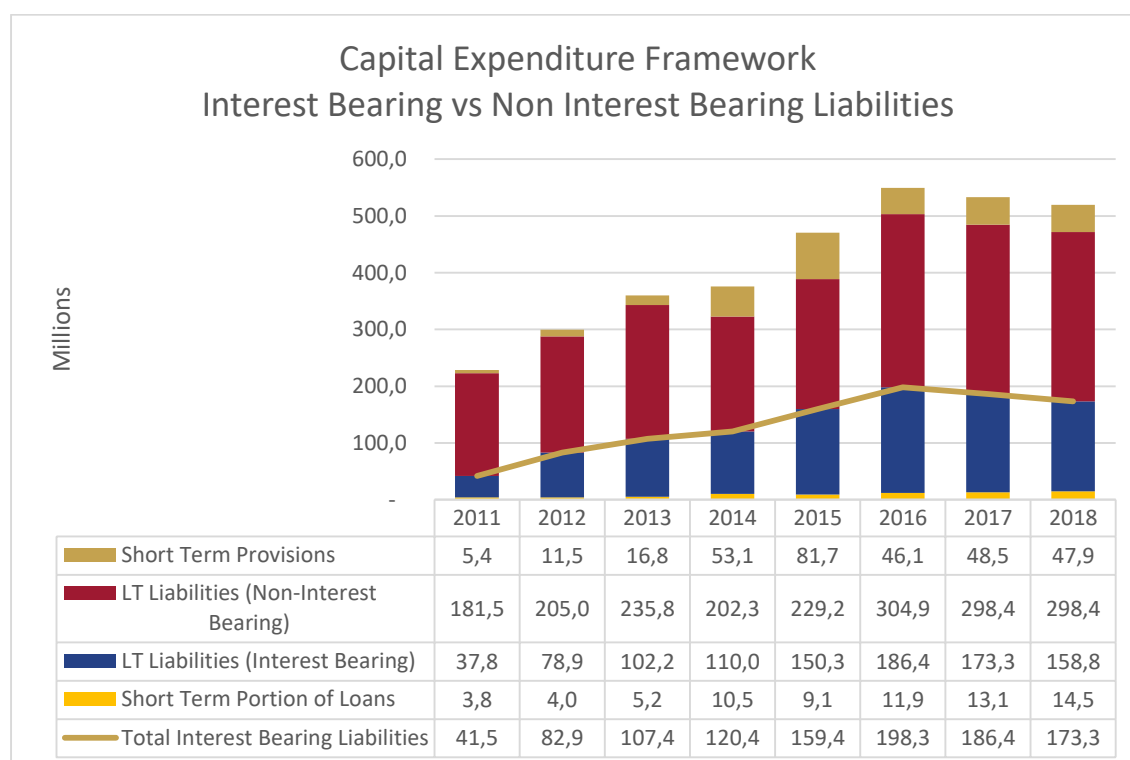


Figure 33: Interest Bearing vs Non Interest Bearing Liabilities

6.3.1.1 Current Liabilities

Current Liabilities peaked at R 445.84 million in 2017 decreasing slightly to R 420.65 million in 2018. This was due to a decrease in creditors of R41.11 million (14.6%) to R240.98 million at the end of the 2018 financial year, which represents 57.3% of current liabilities.

Of concern is the increase in unspent conditional grants, especially in the last two financial periods. Unspent Conditional grants increased to R 101.60 million at in 2018, which is an area the municipality is actively managing.

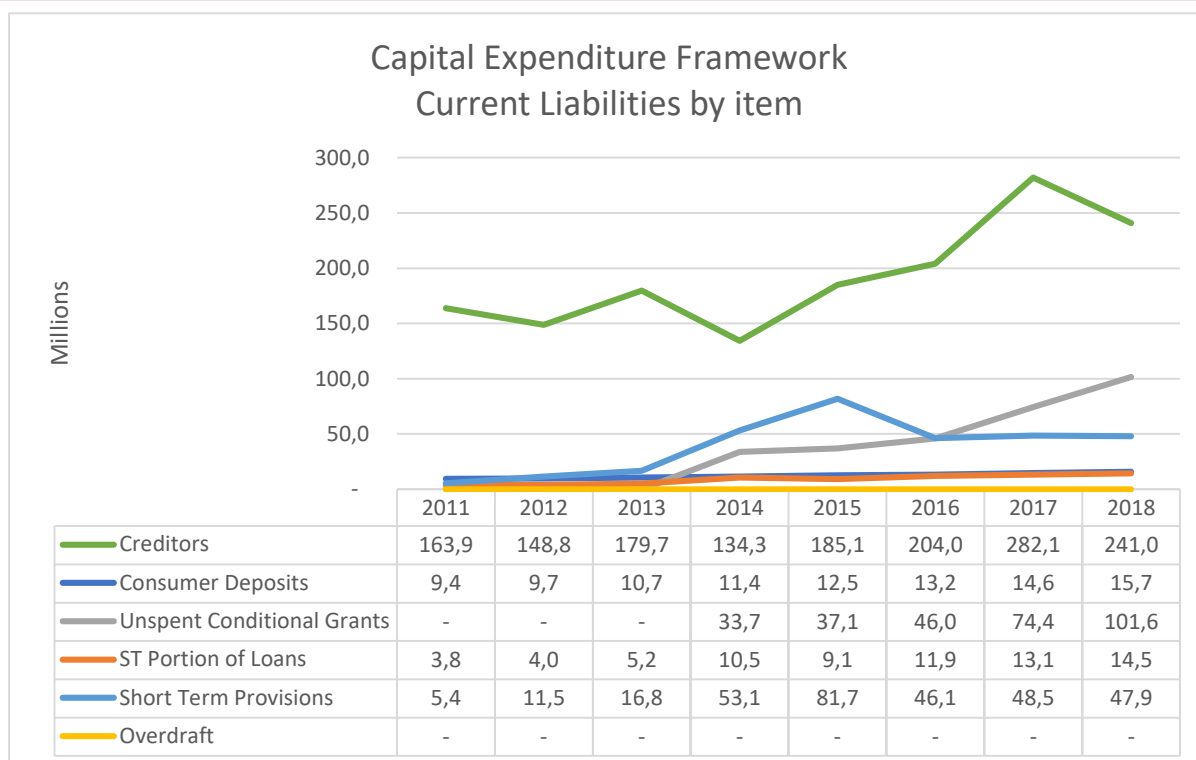


Figure 34: Current Liabilities by item

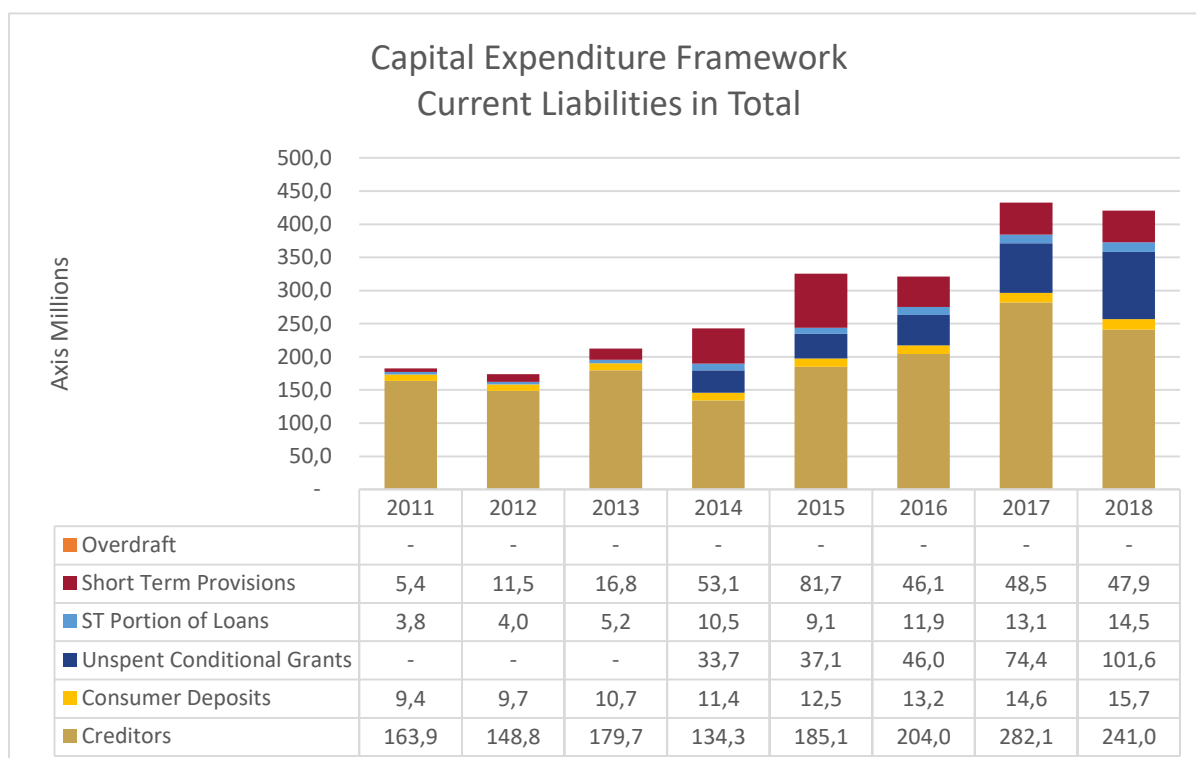


Figure 35: Current Liabilities in Total

6.3.1.2 *Current Assets*

Current Assets increased annually throughout the period, except for a 3% decline to a balance of R 920.73 million in 2018. Total Current Assets are mainly represented (57.4%) by Cash and cash equivalents, Consumer debtors (26.8%), Other Debtors (4.8%), and inventories (5.1%).

The sharp increase in consumer debtors between 2016 and 2017 relates to reclassification of accrued income on water debtors from other debtors to consumer debtors. The subsequent increase in 2018 is cause for concern, specifically in light of the decrease in cash and cash equivalents between 2016 and 2018.

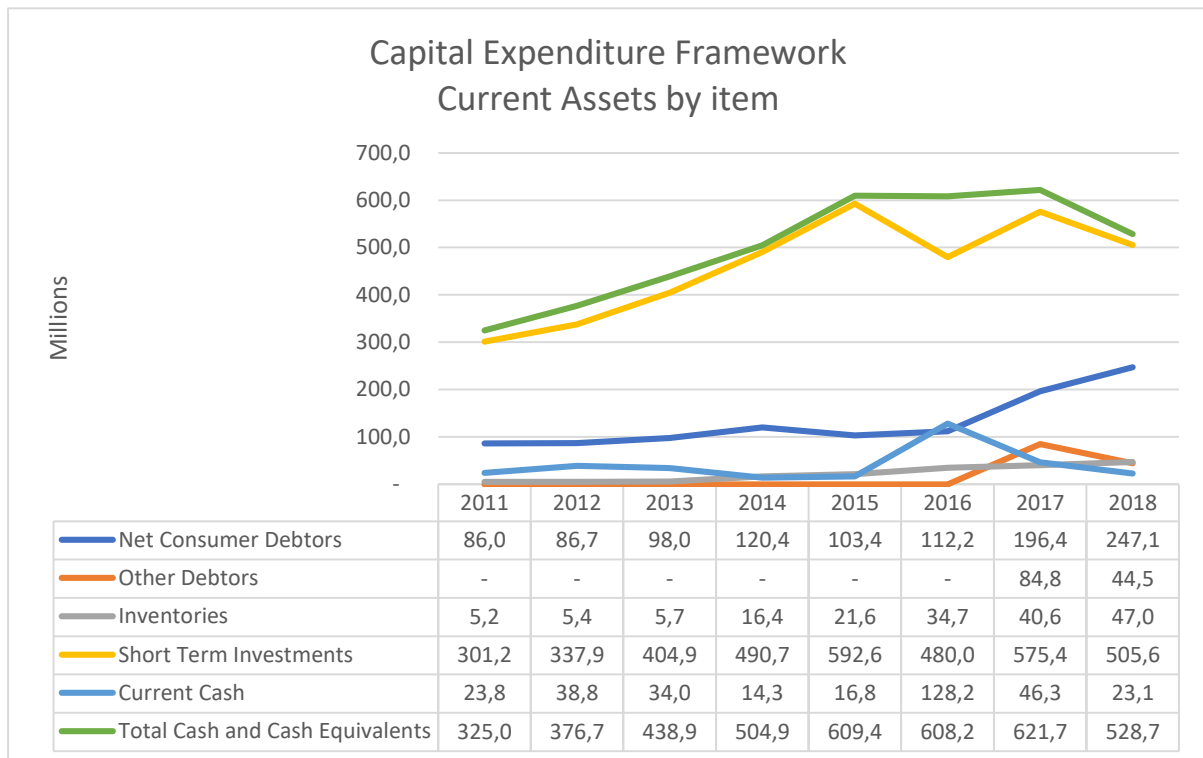


Figure 36: Current Assets by item

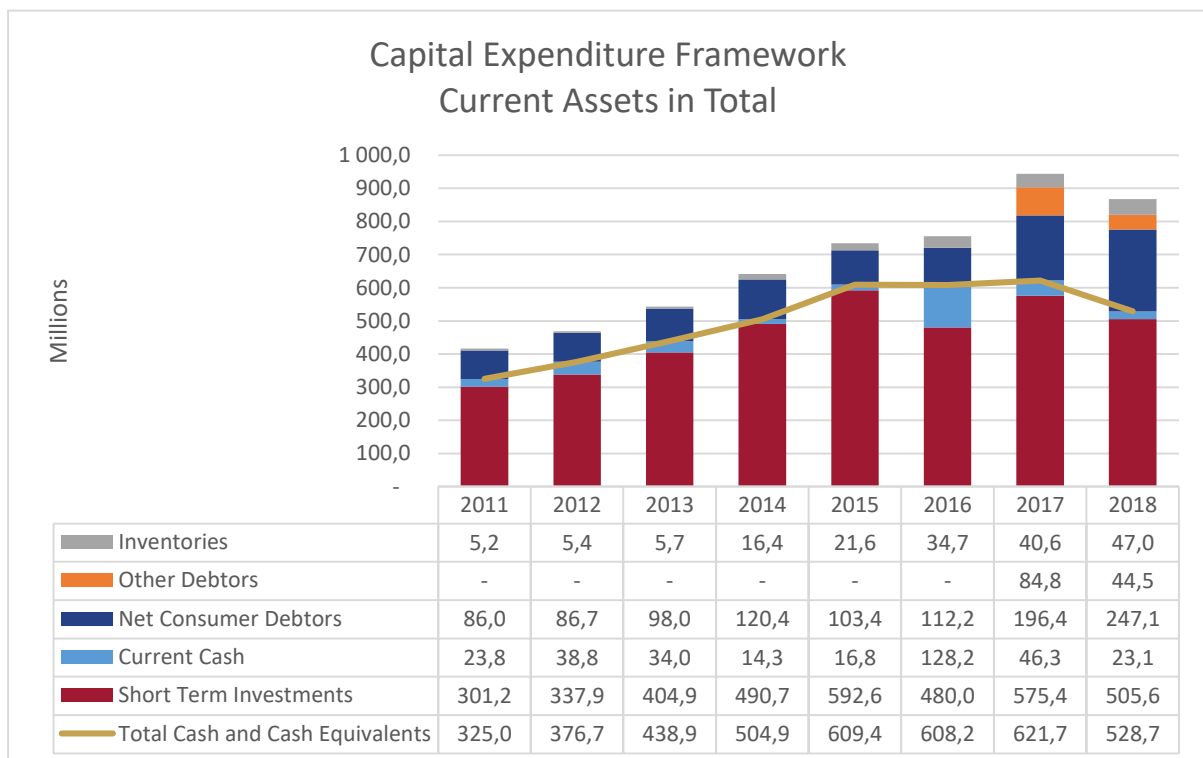


Figure 37: Current Assets in Total

6.3.1.3 Liquidity Ratio

The healthy liquidity position of 2.19:1 as at the end of 2018 is consistent with the 2017 trend. The ratio remains strong at 2.01:1 when debtors older than 30 days are excluded.

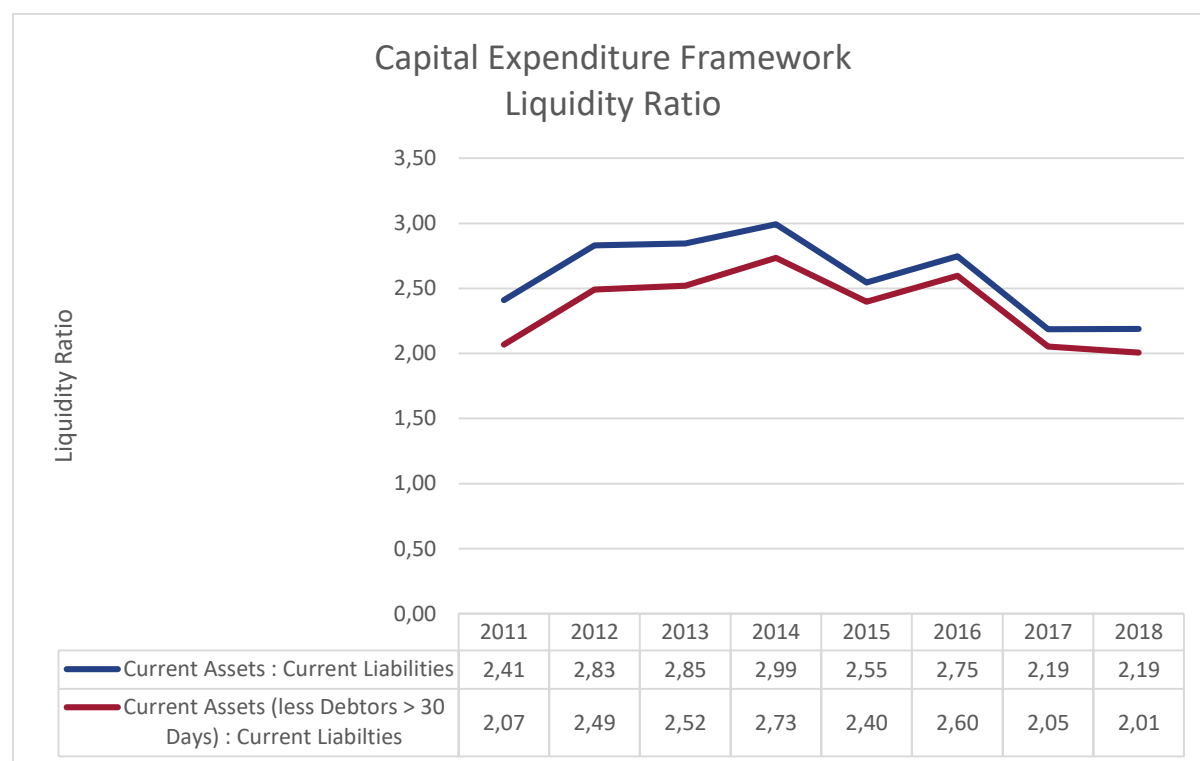


Figure 38: Liquidity Ratio

6.3.1.4 Net Consumer Debtors

Net Consumer Debtors increased to R 247.11 million in 2018, due to growth in gross consumer debtors, while the provision for doubtful debts decreased to R 65.2 million.

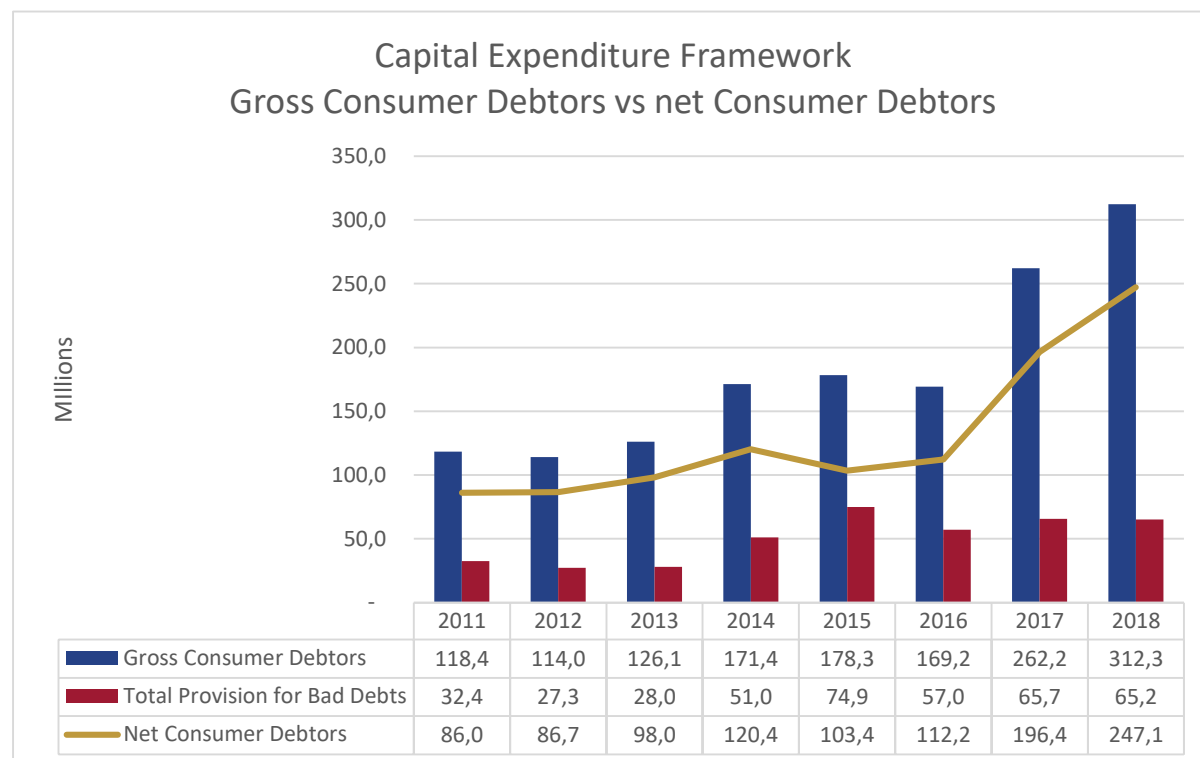


Figure 39: Gross Consumer Debtors vs net Consumer Debtors

6.3.1.5 Debtors Age Profile

The Debtors Age Profile indicates 42% of Gross Consumer Debtors being older than 90 days. The provision does not sufficiently cover debtors older than 90 days as prescribed by National Treasury. Current debtors represent 55% of the debtors book.

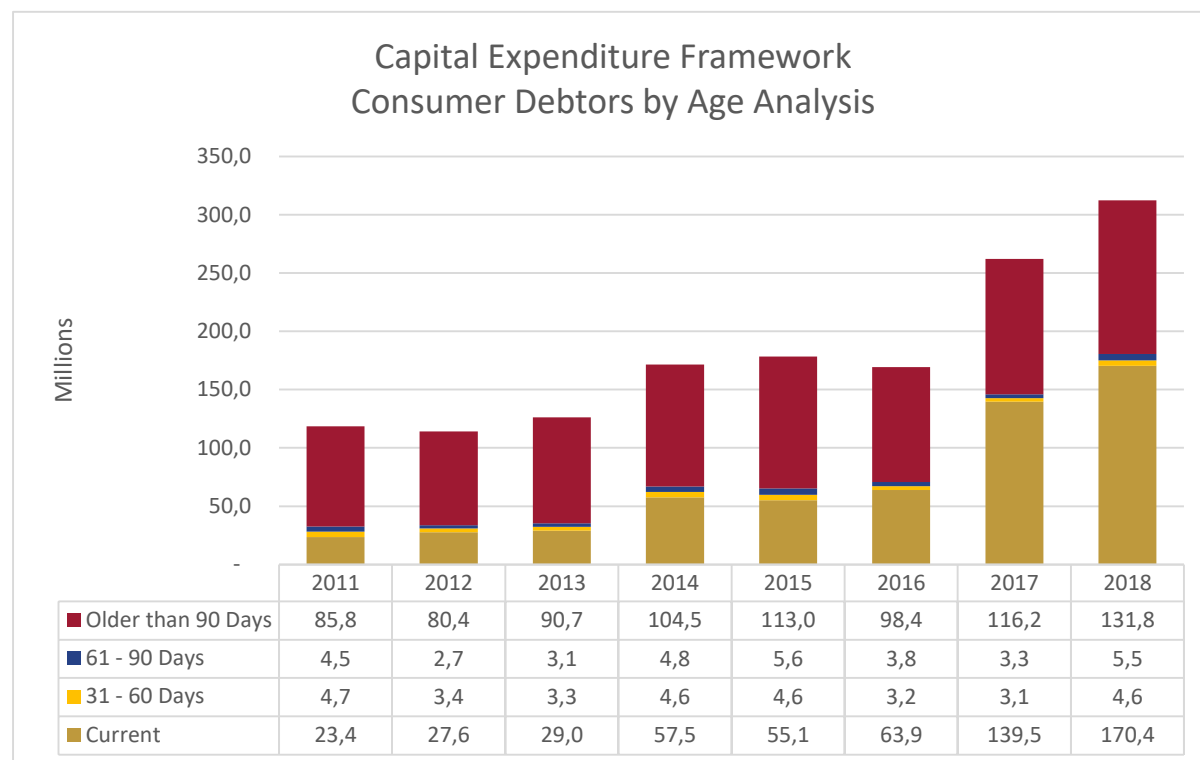


Figure 40: Consumer Debtors by Age Analysis

6.3.1.6 Consumer Debtors by type

Electricity and Water Debtors increased sharply in 2017 and 2018 and currently represents the majority (70%) of total outstanding net consumer debtors. This raises a concern that tariff increases may be unaffordable to the Stellenbosch community. Rates Debtors remained fairly stable, representing 13.2% of consumer debtors. The collection ratio averaged 96% during the assessment period and was in most years above the minimum acceptable benchmark of 95%. As disclosed in the AFS, the municipality implemented higher water tariffs because of persistent drought conditions experienced in the province. This is be the main factor behind the significant annual increase in water debtors. The higher tariffs are in line with approved tariffs, designed to limit water usage whilst the low water supply conditions persists.

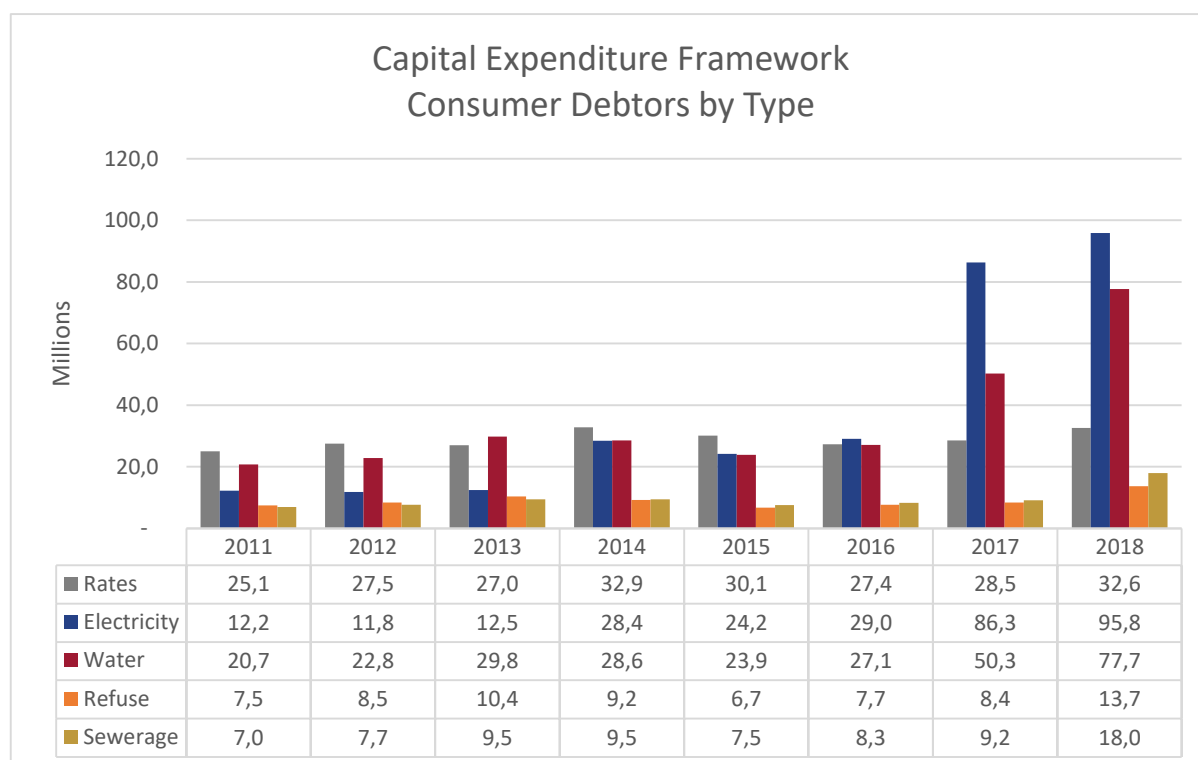


Figure 41: Consumer Debtors by Type

6.3.2 Financial Performance

Stellenbosch realised an Accounting Surplus of R 263.58 million in 2018, increasing from R 70.28 million at the end of the 2011 financial year. This accounting surplus was mainly driven by a significant increase in total income of R 800.17 million (98.8%), against an increase in total operating expenditure of R 606.08 million (83.33%).

When capital grants are excluded from total income, the municipality remained in a position to generate Total Operating Surpluses increasing from R 47.78 million in FY2016 to R 186.10 million in 2018.

Cash Generated from Operations (excl. capital grants) reached its highest value of R 270.47 million at in 2018 from the lowest of R 148.08 million in 2011.

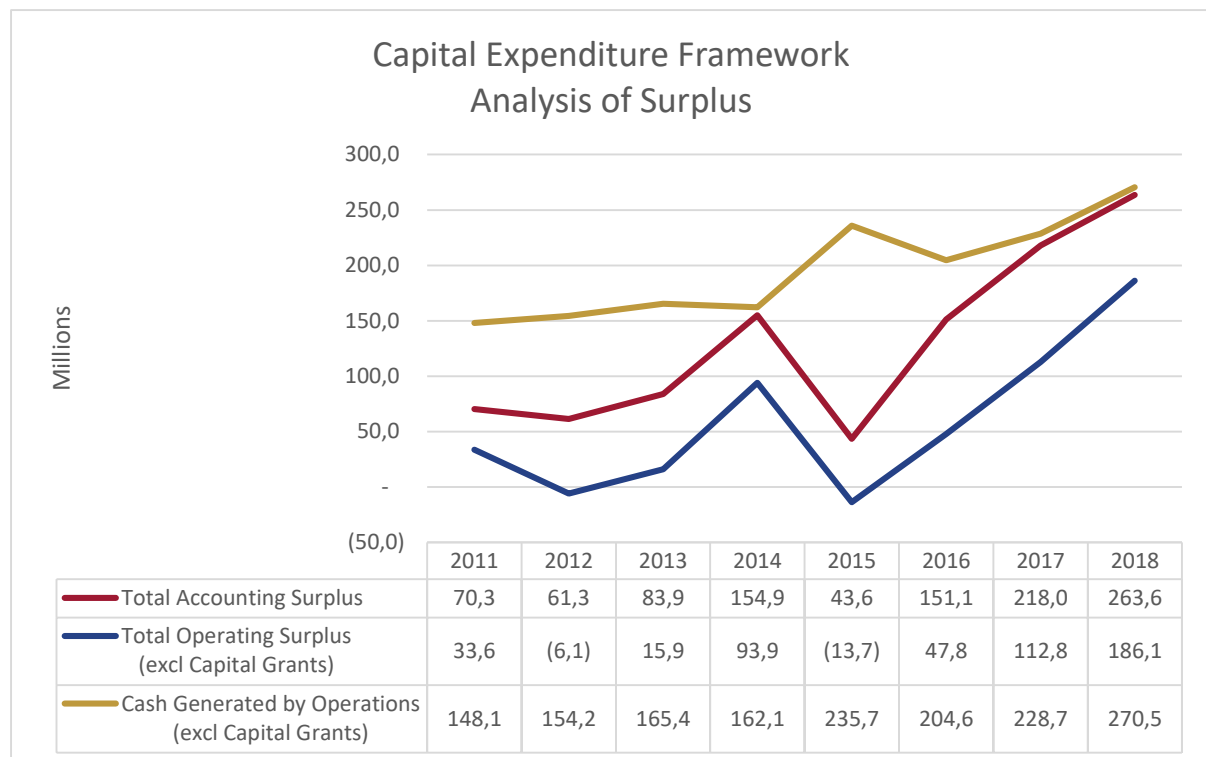


Figure 42: Analysis of Surplus

Income from Electricity Services and Property Rates remain the biggest drivers of Total Operating Income, with a combined contribution of 53%. Income from Water Services and Equitable Share are also important contributors.

Property Rates is considered a more stable income source for the municipality and has annually grown by an average of 8% between 2011 and 2018 to R 309.99 million.

Equitable Share income increased from R 36.78 million to R 110.63 million in 2018. However, the total grants/revenue ratio decreased from 16% in 2016 to 13% in 2018, mainly driven by significant decreases in capital grants received.

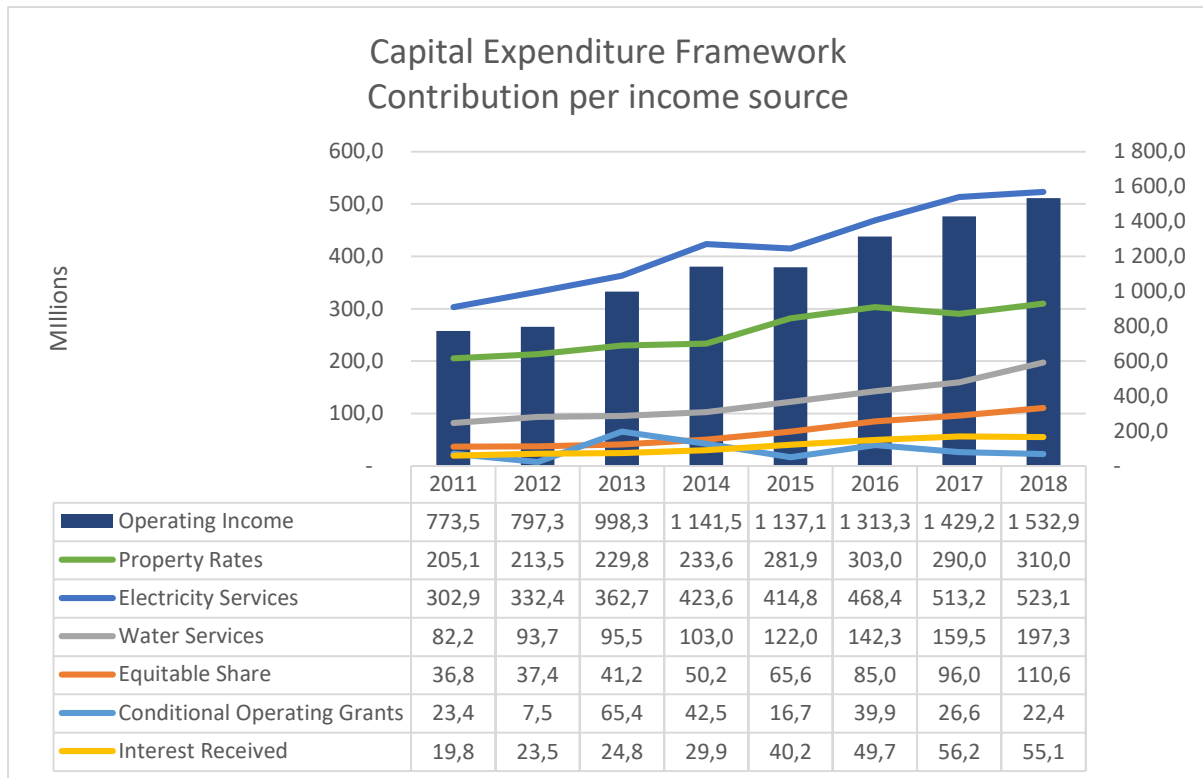


Figure 43: Contribution per income source

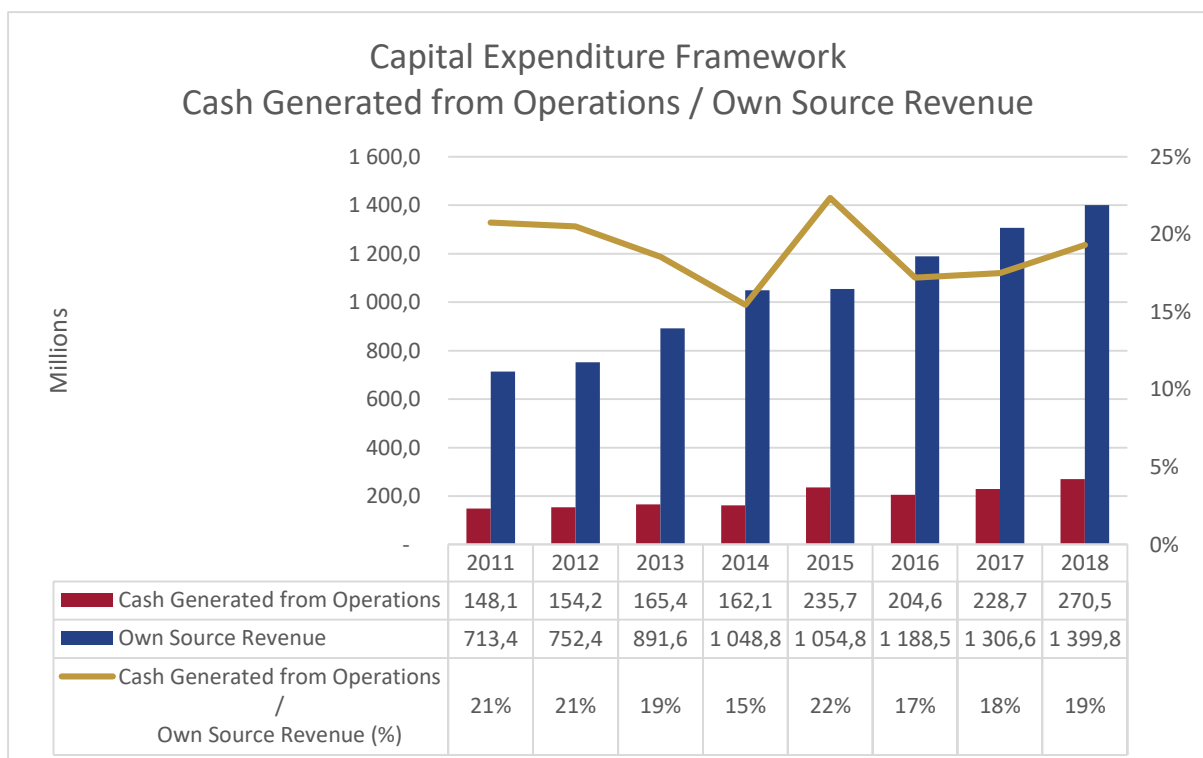
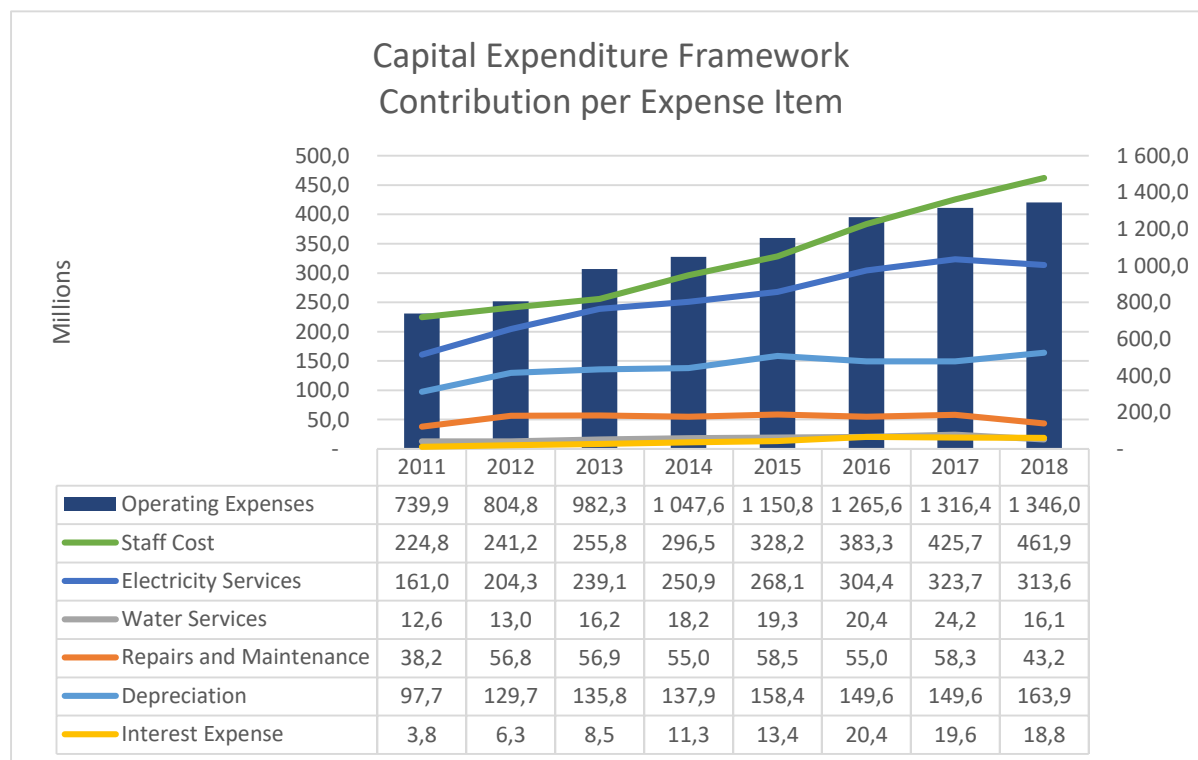


Figure 44: Cash Generated from Operations / Own Source Revenue

Staff Cost, Electricity Bulk Purchases and Depreciation represent 53% of Total Operating Expenses. The annual increases in Staff costs were generally high, with an average increase of 11% in the past 7 years.

Electricity Services, being the largest contributor to Total Operating Income, represents the second largest expense after staff costs. The surplus margins from this service remained high although decreasing from 41% in 2011 to 38% in 2018. Over the short term, expected steep increases in bulk electricity prices may narrow historic margins, lead to increased electricity theft and cause both businesses and higher income households to consider alternative energy sources. This will further reduce electricity sales.

Figure 45: Contribution per Expense Item



Interest received from external investments exceeded interest paid on external borrowings throughout the assessment period; resulting in R 36.33 million accumulated net interest inflow. The decrease in interest received in 2018 is due to a decrease in cash and cash equivalents. The 1% interest paid to total expenditure ratio is very low, highlighting Stellenbosch's limited utilisation of external borrowing and its minimal debt levels. As a consequence a healthy scope exists for taking up borrowing for service delivery and development in the future.

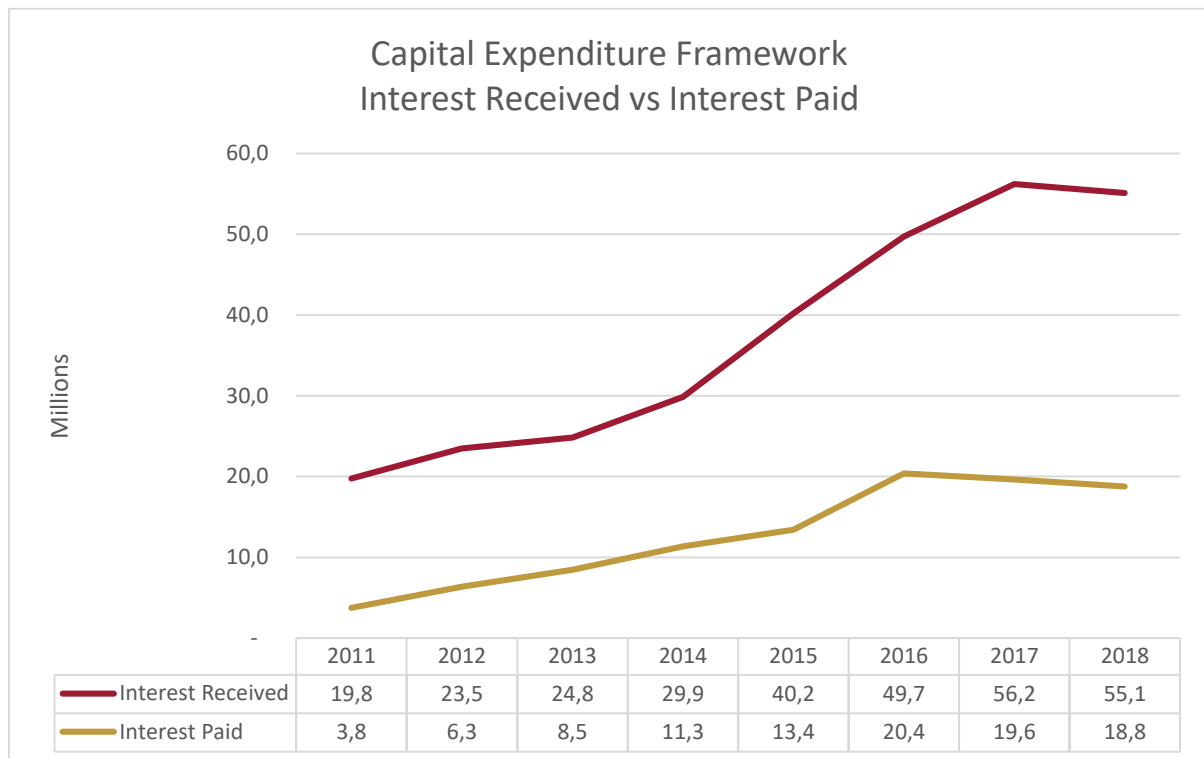


Figure 46: Interest Received vs Interest Paid

Stellenbosch Local Municipality has recorded steady growth in both total income and total expenditure over the 8-year period under review. Total operating income increased to R 1.53 billion against a total operating expenditure of R 1.35 billion.

The gap between total income and total operating expenditure has widened notably since 2016, with income and operating expenditure reflecting annual average growth rates of 11% and 9%. During this same period operating income increased at a sharper rate than operating expenditure, which resulted in larger operating profits.

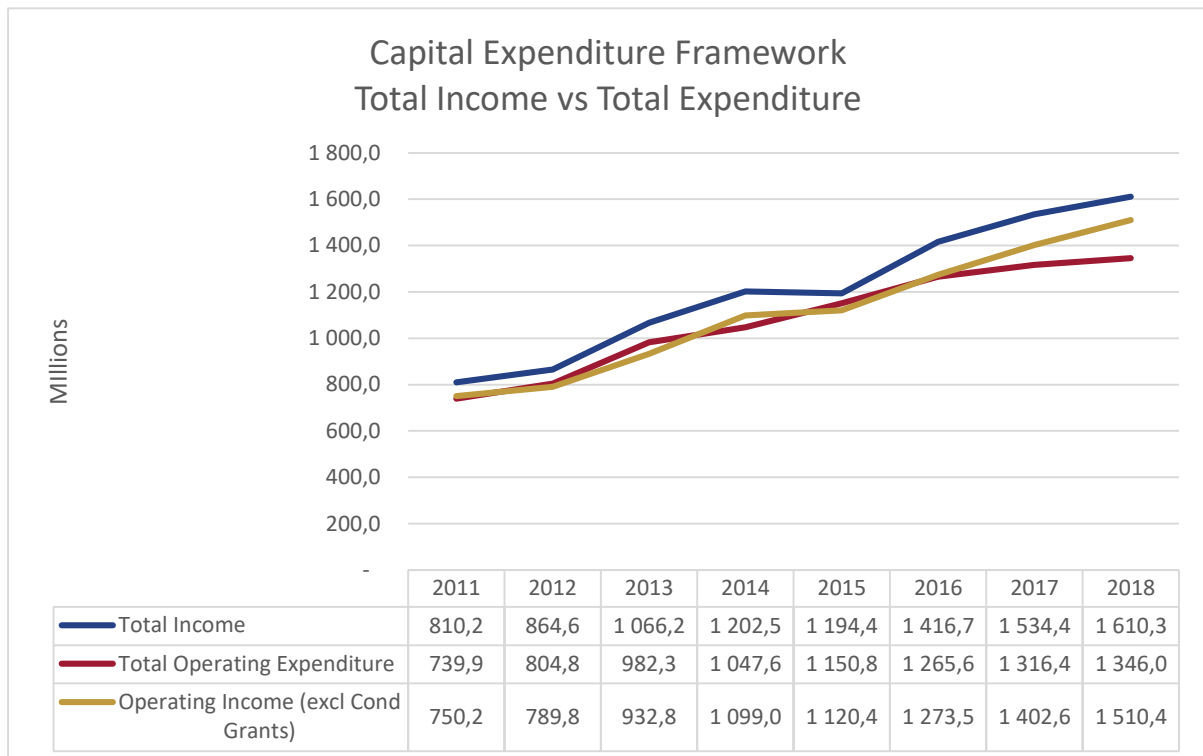


Figure 47: Total Income vs Total Expenditure

Table 59: Contribution per Key Income Source (Rm)

	2011	2012	2013	2014	2015	2016	2017	2018
Property Rates	205.1	213.5	229.8	233.6	281.9	303.0	324.0	310.0
Electricity Services	302.9	332.4	362.7	423.6	414.8	468.4	513.2	523.1
Water Services	82.2	93.7	95.5	103.0	122.0	142.3	159.5	197.3
Equitable Share	36.8	37.4	41.2	50.2	65.6	85.0	96.0	110.6
Conditional Operating Grants	23.4	7.5	65.4	42.5	16.7	39.9	26.6	22.4
Interest Received	19.8	23.5	24.8	29.9	40.2	49.7	56.2	55.1
Operating Income	773.5	797.3	998.3	1 141.5	1 137.1	1 313.3	1 426.5	1 532.9

Table 60: Contribution per Key Expenditure Item (Rm)

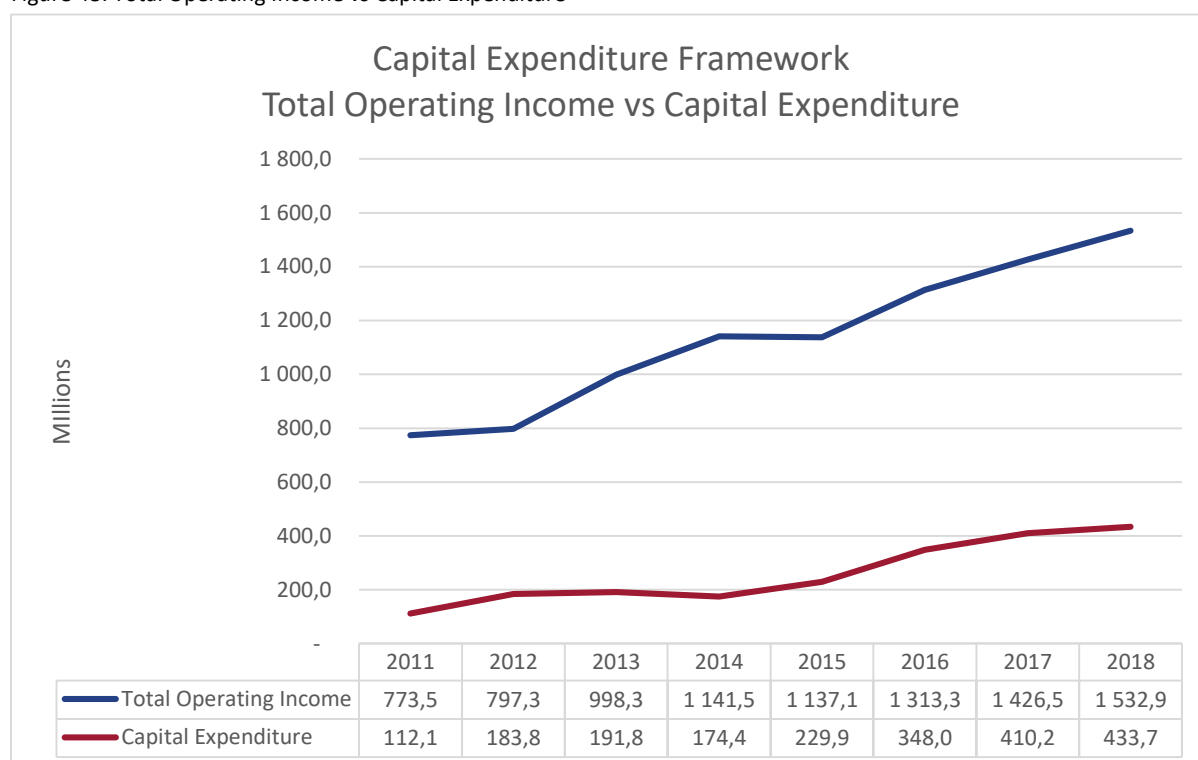
	2011	2012	2013	2014	2015	2016	2017	2018
Staff Cost	224.8	241.2	255.8	296.5	328.2	383.3	423.9	461.9
Electricity Services	161.0	204.3	239.1	250.9	268.1	304.4	323.7	313.6
Water Services	12.6	13.0	16.2	18.2	19.3	20.4	24.2	16.1
Repairs and Maintenance	38.2	56.8	56.9	55.0	58.5	55.0	58.3	43.2
Depreciation	97.7	129.7	135.8	137.9	158.4	149.6	149.6	163.9
Interest Expense	3.8	6.3	8.5	11.3	13.4	20.4	19.6	18.8
Operating Expenses	739.9	804.8	982.3	1 047.6	1 150.8	1 265.6	1 307.5	1 346.0

6.3.3 Cash Flow

The increased financial performance and the positive R 270.47 million cash generated by Stellenbosch (excluding capital grants) in 2018, puts the municipality in a strong position to maintain and increase capital expenditure and timeous investment in capital asset replacement.

Total capital expenditure for the past 8 years was R 2.08 billion. It's been characterised by a sharp and sustained increase of almost 150% from 2014-2018 with minimal external financing. The Capital Funding Mix of Stellenbosch, over the review period, has been reliant on the municipality's own Cash Reserves (66.4%). The other funding sources were Capital Grants (23.6%), Borrowings (9.6%) and Sale of Fixed Assets (0.4%). Noteworthy is that external borrowings were not utilised since 2016.

Figure 48: Total Operating Income vs Capital Expenditure



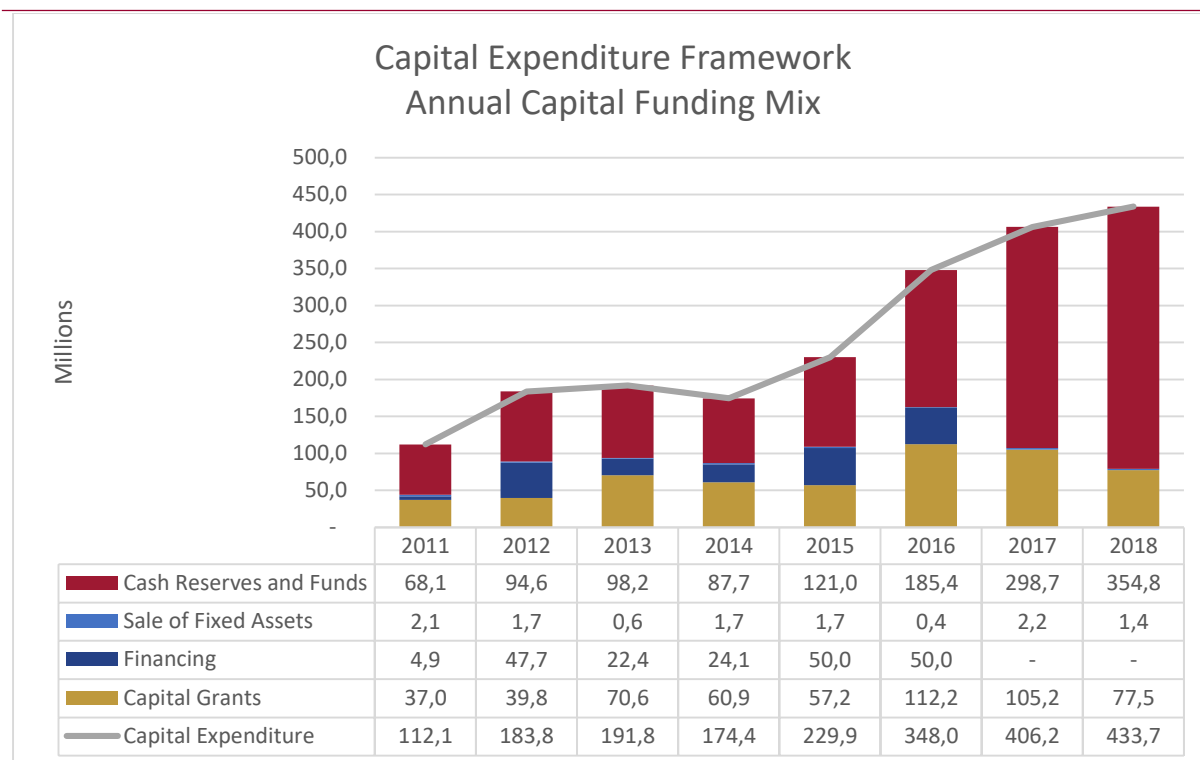


Figure 49: Annual Capital Funding Mix

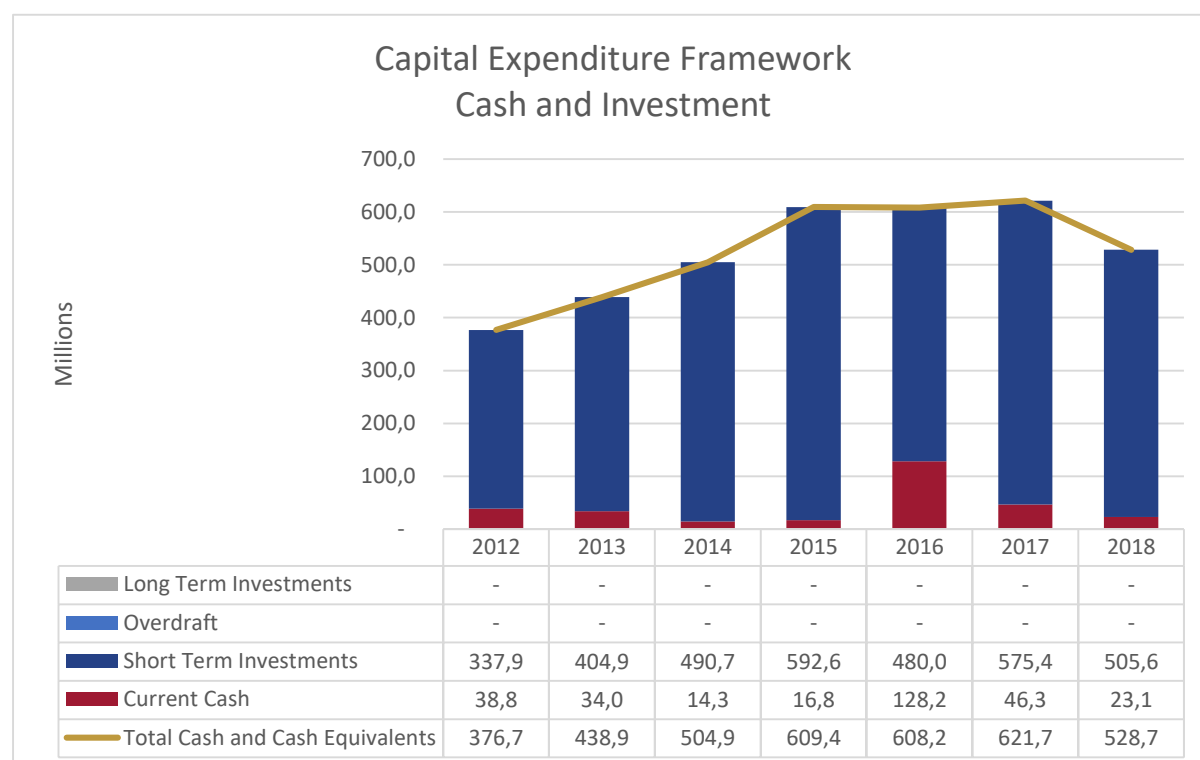


Figure 50: Cash and Investments

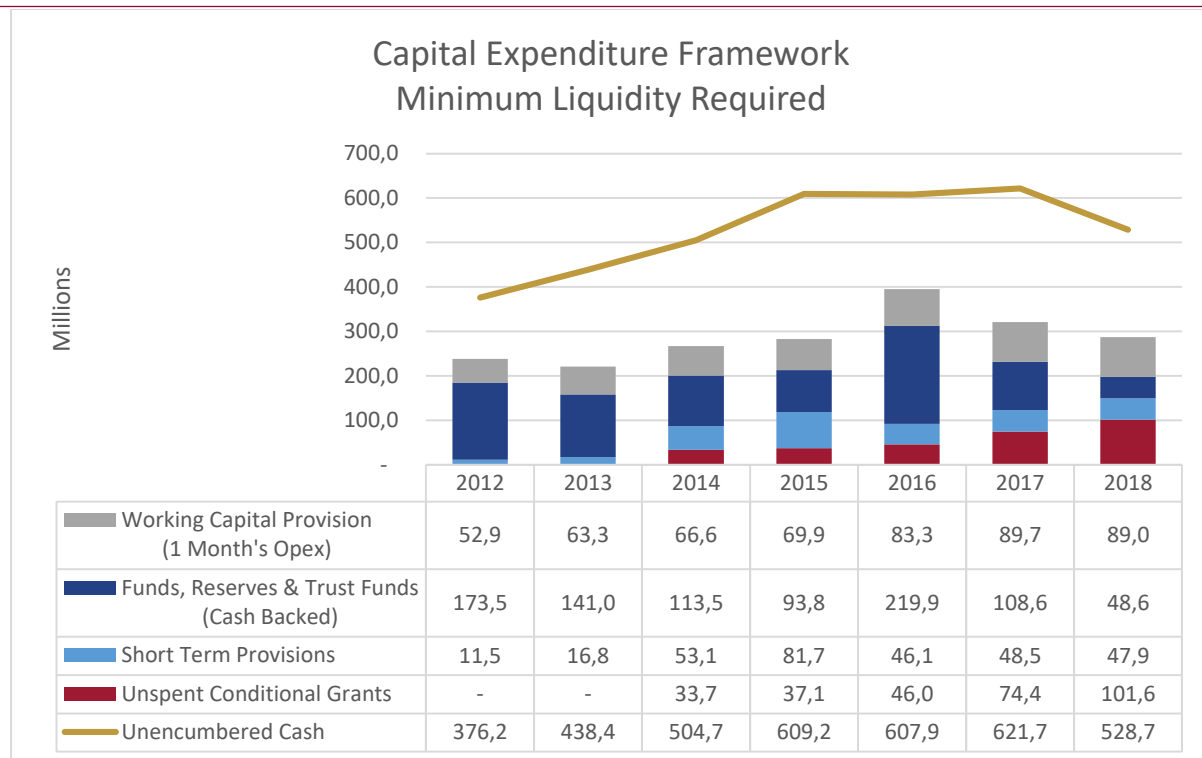


Figure 51: Minimum Liquidity Required

Total cash and cash equivalents increased from R 325.0 million in 2011 to R 528.7 million in 2018. This level of cash sufficiently covers the minimum liquidity requirements which includes Short Term Provisions of R 47.9 million, Unspent Conditional Grants and Receipts of R 101.6 million, Cash-backed reserves of R 48.6 million and Working capital provision (including one month's opex) of R 89.0 million. The cash surplus was R 241.6 million at the end of the 2018 financial year, decreased from the highest level of R 326.6 million in 2015.

The cash coverage ratio (including working capital) remained positive at 1.8 as at the end of the 2018 financial year.

Table 61: Minimum Liquidity Requirements

	2011	2012	2013	2014	2015	2016	2017	2018
Unspent Conditional Grants	-	-	-	33.7	37.1	46.0	74.4	101.6
Short Term Provisions	5.4	11.5	16.8	53.1	81.7	46.1	48.5	47.9
Funds, Reserves & Trust Funds (Cash Backed)	125.1	173.5	141.0	113.5	93.8	219.9	108.6	48.6
Total	130.5	185.0	157.8	200.4	212.6	312.0	231.5	198.1
Uncommitted Cash	325.0	376.2	438.4	504.7	609.2	607.9	621.7	528.7
Cash Coverage Ratio (excl. Working Capital)	2.5	2.0	2.8	2.5	2.09	1.9	2.7	2.7
Working Capital Provision (1 Month's Opex)	49.4	52.9	63.3	66.6	69.9	83.3	89.7	89.0
Cash Coverage Ratio (incl. Working Capital)	1.8	1.6	2.0	1.9	2.2	1.5	1.9	1.8
Minimum Liquidity Required	179.9	237.9	221.1	266.9	282.5	395.4	321.2	287.1
Cash Surplus/(Shortfall)	145.2	138.3	217.3	237.7	326.6	212.6	300.5	241.6

6.4 Outcome of the Independent Financial Assessment

Stellenbosch Local Municipality remained in a profitable position during the past 8 years of assessment. This was demonstrated by an Accounting Surplus of R 263.58 million posted at the end of the 2018 financial year, which increased from R 70.28 million in 2011.

Positive to note is that the municipality still managed to generate an operating surplus of R 186.10 million compared to R 33.63 million in 2011 when capital grants are excluded.

The municipality's strong financial performance, together with a healthy collection rate of 96%, enabled the municipality to generate R 270.47 million in cash from its operations (excl. capital grants). This was R 122.40 million higher than the cash generated from operations in 2011.

In 2018, the municipality spent R 433.68 million on capital infrastructure programs utilising most of its cash generated from operations (R 354.79 million) as well as Capital Grants to the value of R77.48 million. The funding structure was similar during the previous financial year.

In absence of new external loan liabilities taken during the past two years, the municipality maintained a healthy lower level of gearing of 11%, which is also the average level for the 8 years of assessment. The debt service coverage ratio was high in 2018(8.49), mainly as a result of higher repayment capability brought about by the positive cash generated by operations. These ratios are an indication that Stellenbosch still has the potential to increase gearing and obtain a more balanced funding mix.

Current Assets exceeded Current Liabilities by R 509.09 million in 2018. The gap between Current Assets and Current Liabilities remained positive during the assessment period. The healthy liquidity position was represented by a Liquidity Ratio of 2.19:1 in 2018 (2.19:1 at the end of the 2017 financial year). The ratio remains strong at 2.01:1 should debtors older than 30 days be excluded. This is underlined by the cash coverage ratio (including 1 month's working capital) of 1.8 at the end of the 2018 financial year.

The cash and investments balance of R 528.7 million (2017/18: R 621.7 million) was sufficient to cover minimum liquidity required. This comprised of Short Term Provisions of R 47.9 million, Unspent Conditional Grants and Receipts of R 101.6 million, Cash-backed reserves of R 48.6 million and working capital provision (including 1 month's opex) of R 89.0 million, resulting in a cash surplus of R 241.6 million at year end (2017: R300.5 million).

Cognisance is taken of the increase in unspent conditional grants, especially in the last two financial periods.

6.4.1 Strengths

- Strong balance sheet & liquidity position; low gearing;
- Investment-grade credit rating;
- Strong cashflows from own operations and limited reliance on transfers from national and provincial treasuries;
- High collection rate of 96%;
- Accelerated capex since 2014;
- Diversified economy with educational infrastructure;

- Aggressive addressing of backlogs; and
- High-quality financial and institutional governance evidenced by among others, clean audits.

6.4.2 Weaknesses

- Own cash reserves decreasing due to heavy reliance on own cash resources to fund its capital programme and the low reliance on utilisation of external borrowing;
- Urban limits & difficulties to densify;
- Repairs and Maintenance – below National Treasury Norm;
- High levels of unspent conditional grants since 2017; and
- Declining GVA growth rate.

6.5 Key Assumptions

The following key assumptions were used in the Long Term Financial Model:

Table 62: Key assumptions used in the LTFM

Variable	Base Case Average for a 10-Year Planning Period (per annum)
RSA consumer inflation rate (CPI)	5.7%
Population Growth Rate	1.2%
GVA Growth Rate	2.8%
Short term investment rate (Margin above CPI)	3.0%
Electricity Price Elasticity of Demand	-0.5
Water Price Elasticity of Demand	-0.2
Employee related cost escalation	9.1%
Bulk electricity cost escalation	6.9%
Collection Rate of customer billings	96.3%

6.6 Future Revenues

6.6.1 Municipal Revenue Risk Indicator (MRRI) = “Medium”

The latest IHS Global Insight update of the Stellenbosch economy reveals that the average economic growth rate during the past 5 years of 1.3% p.a is the 3rd highest of all municipalities in the district and with a relatively high Tress index.³³ In combination these 2 factors result in an Economic Risk component of the MRRI of “Medium”. However, the size of the local economy and GVA growth rate which is higher than similar Municipalities help moderate the risk metric.

³³An increase in the tress index of a region reflects an increase in the dependence of the local economy on a single or a few economic activities and is an ostensibly negative trend.

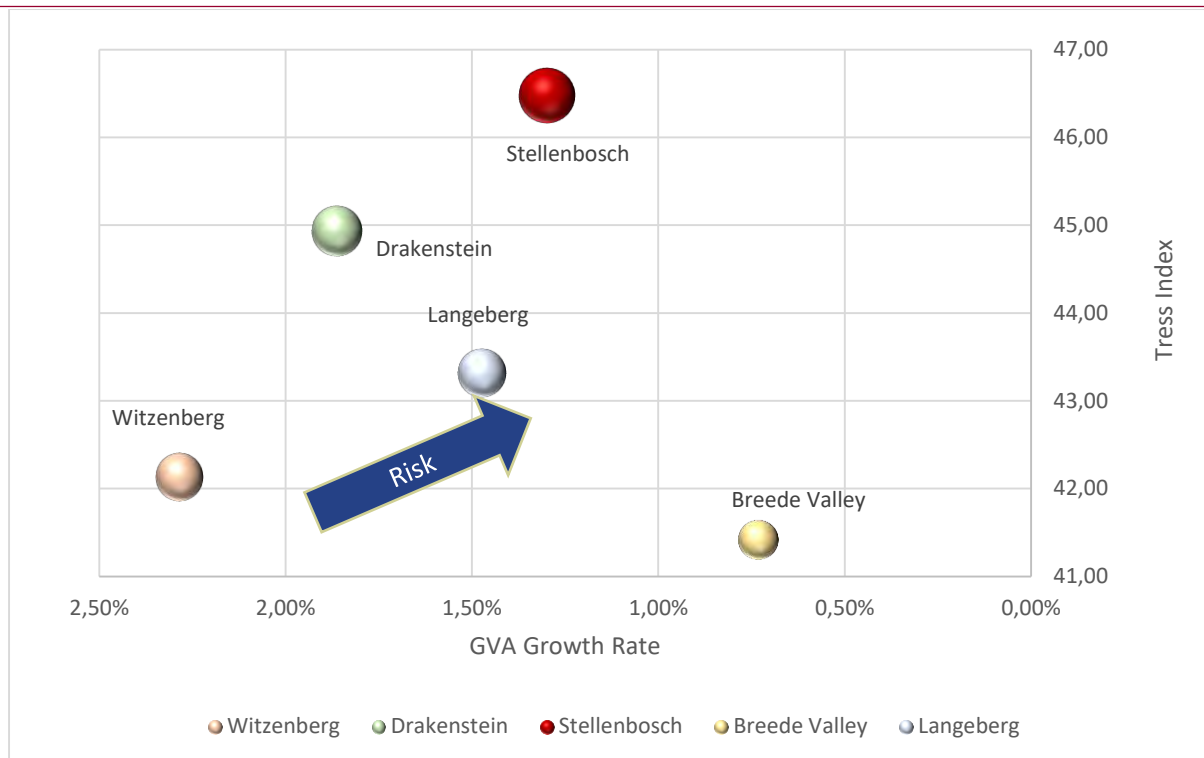


Figure 52: Economic Risk Component

The graph below indicates the non-payment risk by plotting the percentage of households earning less than R30 000 p.a and the unemployment rate. In comparison to municipalities in the region both these factors are higher than its peers in the case of Stellenbosch. Although these metrics are quite low within a national and provincial context the Household Ability to Pay Risk component of the MRRI is rated “Medium to High”.



Figure 53: Household Ability to Pay Risk Component of MRRI

Based on the above, the overall Municipal Revenue Risk Indicator of Stellenbosch is considered to be “Medium”.

In 2018 the declining trend of both Real Municipal Revenue per Capita and Real GVA per Capita evidenced since 2013, continued. It is unlikely that real revenues per capita can increase significantly in future without a structural change in the economy and a return to economic growth rates which will help create some fiscal space for tariff adjustments. This issue was dealt with in the recent State of City Finances Report (SACN 2018) which assessed the progressiveness of municipal bills and the impact this might have on tariffs.

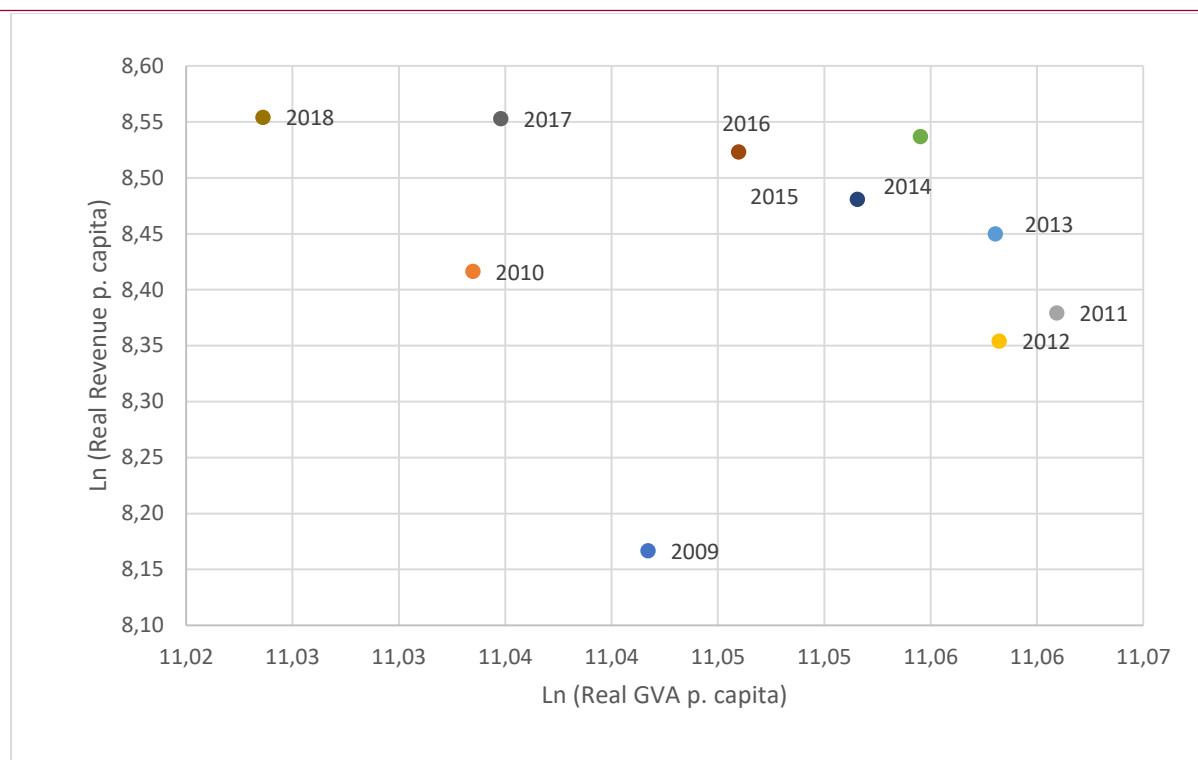


Figure 54: Real Revenues per Capital vs Real GVA per Capital for Stellenbosch Municipality

In Stellenbosch we note the rate of increase in the Real Revenue per Capita, but concurrently there is a decreasing growth rate in the Income per Capita. Such diverging trends place additional proportional financial pressure on households. The municipality should specifically note this situation when determining the fixed-cost portion of the household municipal bill going forward.

A comparison of the Average Household Bill for the Middle Income- and Affordable Range of a selected number of municipalities in the Western Cape (extracted from Budget Table SA14 as posted on the National Treasury local government database or the municipalities' websites), based on the 2018/19 tariffs, reveals that Stellenbosch features in the 2nd quartile of these municipalities. This suggests that the tariffs of Stellenbosch is comparatively more affordable.

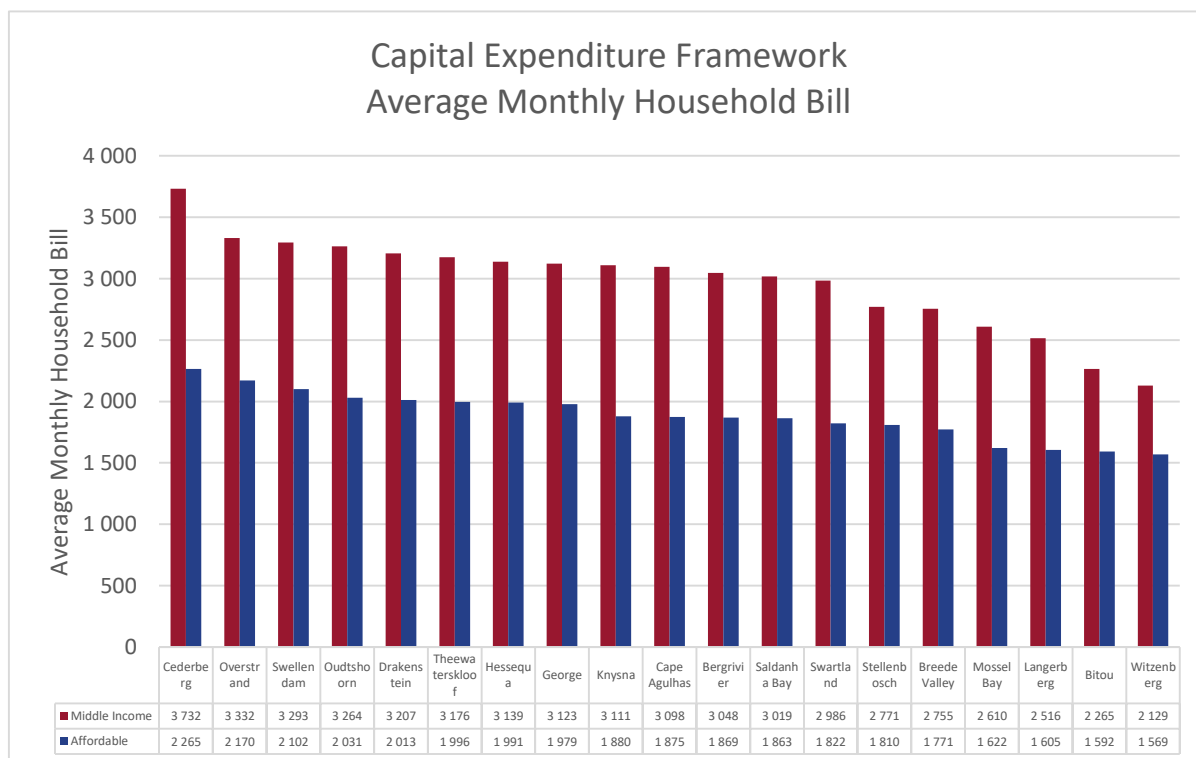


Figure 55: Average Monthly Household Bill

6.6.2 Municipal Revenues

In 2018 the Real Revenue per Capita of R 5 173 p.a. exceeded the expected amount for the Real GVA per Capita as researched by Schoeman³⁴. This provides comfort since the proportional growth of indigent households the model forecast is in line with current data.

³⁴ Fiscal Performance of Local Government in South Africa - an Empirical Analysis; Niek Schoeman; UP 22 July 2011; https://editorialexpress.com/cgi-bin/conference/download.cgi?db_name=IIPF67&paper_id=40

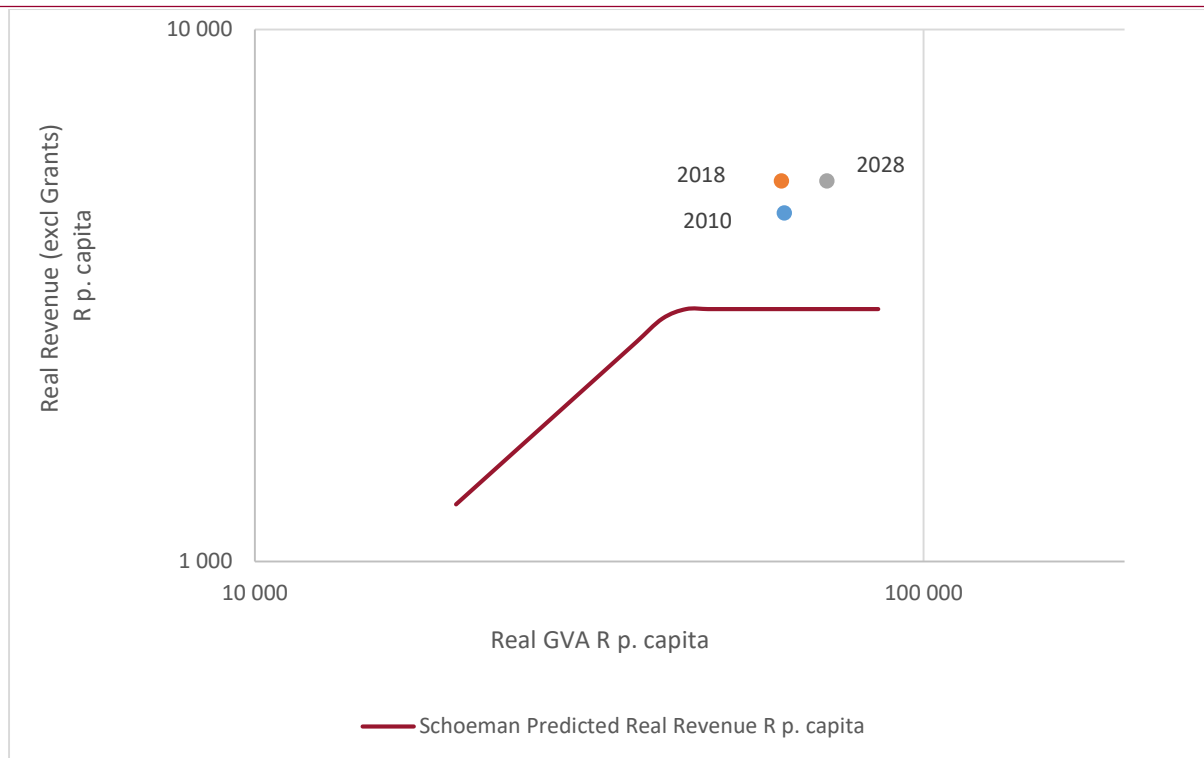


Figure 56: Real Revenue per Capita Across Time

Future Nominal Revenue (excluding Grants) is growing at an average rate of over 7 % p.a. Over the forecast period the municipality generates positive cash flow from operations and maintains a positive Accounting Surplus. The Total Operating Surplus (excluding grants) is negative up to 2028.

Improvements in revenue are ascribed to (i) tariff increases (ii) increased sales and (iii) additional revenue sources and importantly, (iv) sustained revenue-collection rates of over 96%. After 2022 we forecast a sustained period of Operating Surpluses.

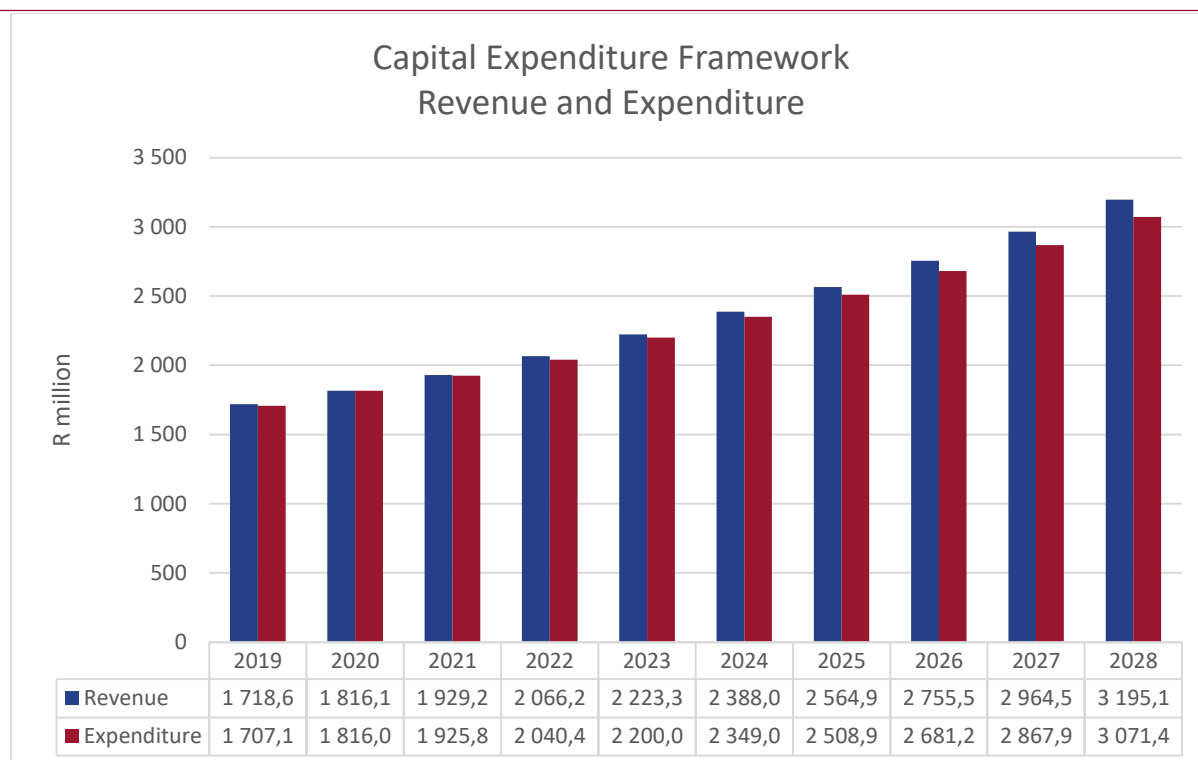


Figure 57: Revenue and Expenditure

The Stellenbosch municipal region is not immune to national and provincial socio-economic conditions. In the graph below, one notices a decline in the Real Revenue per Capita to 2022. This is largely the result of the rate of increase in population growth being higher than the rate of increase in total revenue of the municipality. Both the Real GVA per Capita and the Real Revenue per Capita are expected to improve after 2022. This is due to an economic growth rate expected to exceed the population growth rate at that time but is highly dependent on broader socio-economic conditions.

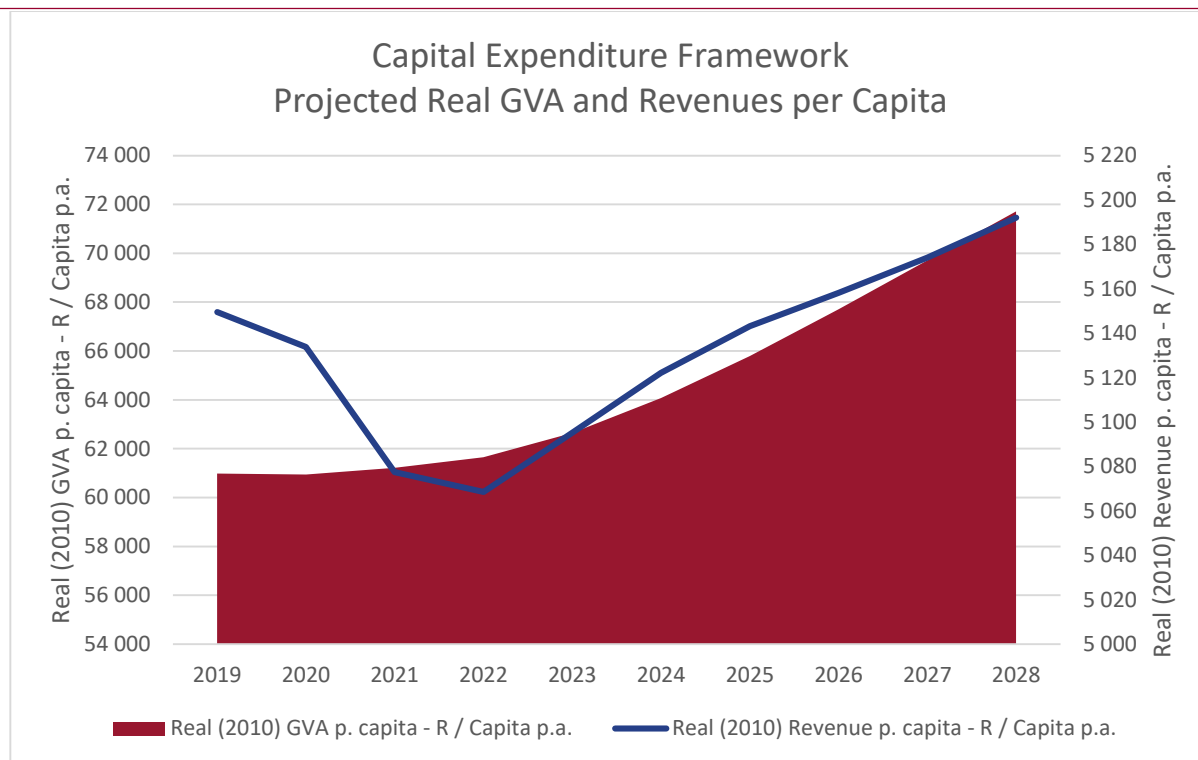


Figure 58: Projected Real GVA and Revenues per Capita

6.7 Affordable Future Capital Investment

The total affordable capital expenditure for the 10-year planning period amounts to R 4 129 million.

This 10-year amount was calculated by the Long Term Financial Model:

- by relying on and maintaining the capital programme and funding mix over the MTREF period up to 2020/21 (3 years), as contained in the latest approved MTREF budget of Stellenbosch; and
- forecasting the optimal capital programme and funding mix, taking several indicators and parameters into account, for the next 7 years of the forecast period.

The annual affordable envelope, which entails the forecast capital expenditure and proposed funding mix per annum with in detail in the next section of this report.

6.7.1 MTREF Capital Funding Mix

Stellenbosch Municipality's MTREF budget 2018/19 – 2020/21 expects a capital budget amounting to R1.4 billion and funded as follows:

Table 63: 3-Year MTREF Funding Mix

R'000	Total	2018/19	2019/20	2020/21
Loans	340 000	160 000	100 000	80 000
Cash	789 348	276 587	308 832	203 929
Grants	219 260	91 804	58 980	68 477
Total	1 348 608	528 391	467 812	352 406

The Long Term Financial Model accommodated the increased Borrowing of R340m, Internally Generated Funding of R789 m and Capital Grants of R219m for the MTREF period of 3 years to 2020/21 and allowed the model to calculate the future funding mix. Here we note the potential impact of the strong liquidity position on capital expenditure. Following sustained increases in the capital expenditure since 2014, this now declines over the MTREF-period to about R353m in 2020/21. To keep pace with anticipated population growth and ongoing investment in new infrastructure as well as upgrading and renewal projects, we increased the capital expenditure by 2% per year from 2020/21 over the planning period. The municipality has both sufficient own resources and capacity to borrow, allowing it to accelerate capital investment, despite the decreased grant transfers. (Fluctuations in grant amounts due to the allocation of housing grants for top structures and for infrastructure in different years.)

The capital expenditure budget of the municipality is financially feasible. Due to the healthy liquidity position, the budgeted capital expenditure can be implemented. Cash available is sufficient to cover the minimum recommended liquidity level to cater for unspent conditional grants, short term provisions, and working capital. These findings are illustrated in the graphs below.

The municipality's mainly relies on own reserves to fund the capital expenditure. The strong financial and liquidity position of the municipality allows it to accelerate the capital investment programmes which can be supported by borrowing.

6.7.2 10-Year Capital Funding Mix

Table 64: 10-Year Capital Funding Mix

Source	Rm	%
Public & Developers' Contributions	0	0%
Capital Grants	897	22%
Financing	1 529	37%
Cash Reserves and Funds	1 703	41%
Cash Shortfall	0	0%
Capital Expenditure	4 129	100%

Due to the prevailing national fiscal constraint, reliance on grant funding in future is probably doubtful and the amount of capital transfers in this latest estimate, when compared to previous estimates, has declined.

A balanced funding mix, incorporating a conservative level of external borrowing, will preserve Stellenbosch's own cash resources and will improve long term financial sustainability. Equally important is the average duration at which external borrowing are obtained in the market and the impact that this may have on liquidity and gearing levels. The most optimal average duration for loans is forecast at 13 years, to avoid breaching liquidity and/or gearing levels. IPM observed that Stellenbosch will breach minimum liquidity levels should an average duration of 10 years be achieved, while an average duration of 15 years may result in a breach of the upper gearing limit of 35%. Even at this upper gearing limits, these levels remain affordable and sustainable.

6.8 Scenarios

In the scenario analysis we developed two basic scenarios to compare to the Base Case. The Base Case reflects the model forecast. The Upside and Downside Scenarios were developed by adjusting (upwards and downwards, respectively) 6 variables as follows:

Table 65: Variables assessed in a Scenario Analysis

Variable	Base Case	Upside % of Base Case	Downside
Population Growth Rate	100%	98%	102%
GVA Growth Rate	100%	120%	80%
Employee related cost escalation (Margin above Inflation rate)	100%	80%	120%
Bulk electricity cost escalation (Margin above Inflation rate)	100%	80%	120%
Bulk water cost escalation (Margin above Inflation rate)	100%	80%	120%
Collection Rate of customer billings	100%	110%	90%

The impact of these adjustments was measured on 11 selected financial metrics. We noted the following outcomes:

- Average Annual Increase in Revenue differs only marginally over the three scenarios. The impact on percentage increases in Expenditure is more pronounced. Cash generated by Operations ranges between –R 247m and R 3 207m. The cash position after 10 years remains very healthy at R2 213 m in the base case. In the down-side case this amount is in deficit of R 247m;

- The 10-year capital investment for the Base Case is R 4 129 million and R4 701 million in the Upside. This is a modest change and is also evident in the External Loan Financing and Gearing during the planning period; and
- The great variation of outcome for a realistic combination of input variables, demonstrates the need to manage the municipality's finances with care and discipline.

Table 66: Outcome of Scenario Analysis

Outcome	Base Case	Upside	Down Side
Average annual % increase in Revenue	7.1%	7.2%	7.0%
Average annual % increase in Expenditure	9.1%	8.9%	10.3%
Accounting Surplus accumulated during Planning Period (Rm)	R 454	R 1 304	-R 1 926
Operating Surplus accumulated during Planning Period (Rm)	-R 443	R 408	-R 2 823
Cash generated by Operations during Planning Period (Rm)	R 2 190	R 3 215	-R 246
Average annual increase in Gross Consumer Debtors	6.6%	-8.5%	19.4%
Capital investment programme during Planning Period (Rm)	R 4 129	R 4 852	R 3 495
External Loan Financing during Planning Period (Rm)	R 1 529	R 1 640	R 1 305
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 454	R 839	-R 1 519
Gearing at the end of the Planning Period	36.3%	38.6%	31.2%
Debt Service to Total Expense Ratio at the end of the Planning Period	7.5%	8.2%	9.7%

6.9 Ratio Analysis

The Base Case forecast ratios are presented below. The model provides comfort that the municipality is sustainable in future - on condition that it operates within the assumed benchmarks set in the financial plan.

Table 67: Outcome of Future Ratio Analysis

		N.T. NORM	1 2019	3 2021	5 2023	7 2025	9 2027
FINANCIAL POSITION							
ASSET MANAGEMENT							
R29	Capital Expenditure / Total Expenditure	10% - 20%	23.6%	15.5%	14.5%	13.6%	12.8%
R27	Repairs and Maintenance as % of PPE and Investment Property	8%	1.7%	1.7%	2.3%	2.3%	2.3%
DEBTORS MANAGEMENT							
R4	Gross Consumer Debtors Growth		7.7%	7.6%	5.5%	5.9%	6.3%
R5	Payment Ratio / Collection Rate	95%	96.1%	96.1%	96.5%	96.5%	96.5%
	Net Debtors Days	30	76	65	57	49	43
LIQUIDITY MANAGEMENT							
R49	Cash Coverage Ratio (excl. Working Capital)		5.4 : 1	9.6 : 1	5.3 : 1	4.3 : 1	4 : 1
R50	Cash Coverage Ratio (incl. Working Capital)		2.3 : 1	1.3 : 1	1.2 : 1	1.2 : 1	1.3 : 1
R51	Cash Surplus / Shortfall on Minimum Liquidity Requirements		R 255.2 m	R 50.8 m	R 49.9 m	R 53.9 m	R 89.8 m
R1	Liquidity Ratio (Current Assets : Current Liabilities)	1.5 - 2.0 : 1	1.6 : 1	1 : 1	1 : 1	1 : 1	1 : 1
LIABILITY MANAGEMENT							
R45	Debt Service as % of Total Operating Expenditure	6% - 8%	3.2%	4.0%	5.5%	6.7%	7.1%
R6	Total Debt (Borrowings) / Operating Revenue	45%	19.2%	23.3%	31.3%	35.2%	36.6%
R7	Repayment Capacity Ratio		1.09	2.30	3.23	3.79	3.91
R46	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)		5.9 : 1	3 : 1	2.3 : 1	1.9 : 1	1.9 : 1
SUSTAINABILITY							
	Net Financial Liabilities Ratio	< 60%	18.6%	39.8%	47.3%	50.9%	50.6%
	Operating Surplus Ratio	0% - 10%	-4.9%	-3.5%	-2.9%	-1.6%	-0.4%
	Asset Sustainability Ratio	> 90%	21.1%	21.3%	21.4%	21.4%	21.4%
FINANCIAL PERFORMANCE							
EFFICIENCY							
R42	Net Operating Surplus / Total Operating Revenue	>= 0%	-4.9%	-3.5%	-2.9%	-1.6%	-0.4%
R43	Electricity Surplus / Total Electricity Revenue	0% - 15%	38.2%	38.5%	39.5%	40.7%	41.9%
R44	Water Surplus / Total Water Revenue	>= 0%	92.0%	91.9%	92.3%	92.3%	92.2%
REVENUE MANAGEMENT							
R8	Increase in Billed Income p.a. (R'm)		R 97.3 m	R 98.1 m	R 112.7 m	R 131.8 m	R 153.0 m
R9	% Increase in Billed Income p.a.	CPI	8.2%	7.1%	7.1%	7.2%	7.3%
R12	Operating Revenue Growth %	CPI	6.1%	5.9%	7.6%	7.5%	7.6%
R14	Contribution per Income Source: Equitable Share		7.6%	8.1%	8.6%	8.8%	9.0%

Stellenbosch Local Municipality
 Capital Expenditure Framework

		N.T. NORM	1 2019	3 2021	5 2023	7 2025	9 2027
R15	Contribution per Income Source: Conditional Operating Grants		1.3%	2.1%	1.8%	1.8%	1.7%
R16	Contribution per Income Source: Property Rates		20.1%	19.6%	19.2%	19.0%	19.0%
R17	Contribution per Income Source: Electricity Services		33.8%	34.0%	34.0%	34.1%	34.3%
R18	Contribution per Income Source: Water Services		13.9%	14.4%	14.5%	14.3%	13.9%
R19	Contribution per Income Source: Interest on Investments		2.7%	1.2%	0.9%	1.0%	1.1%
R20	Annual Increase per Income Source: Equitable Share		12.2%	10.4%	10.7%	8.6%	8.8%
R21	Annual Increase per Income Source: Property Rates		5.7%	5.5%	6.5%	7.1%	7.5%
R22	Annual Increase per Income Source: Electricity Services		5.1%	7.1%	7.2%	7.7%	7.9%
R23	Annual Increase per Income Source: Water Services		14.2%	8.2%	6.9%	6.4%	5.9%
R24	Annual Increase per Income Source: Interest on Investments		-21.3%	-40.6%	12.9%	10.5%	13.9%
R47	Cash Generated by Operations / Own Revenue		21.6%	14.0%	14.5%	14.7%	15.0%
R48	Cash Generated by Operations / Total Operating Revenue		19.6%	12.6%	13.0%	13.1%	13.4%
EXPENDITURE MANAGEMENT							
	Creditors Payment Period	30	84	101	99	96	93
R30	Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)	25% - 40%	26.2%	29.7%	29.9%	30.1%	30.5%
	Contribution per Expenditure Item: Contracted Services	2% - 5%	9.9%	9.9%	9.8%	10.3%	10.7%
R31	Contribution per Expenditure Item: Electricity Services		15.2%	17.1%	17.1%	17.2%	17.3%
R32	Contribution per Expenditure Item: Water Services		0.8%	0.9%	0.9%	0.9%	0.9%
R33	Contribution per Expenditure Item: Repairs & Maintenance		4.1%	4.5%	5.6%	5.3%	5.0%
R34	Contribution per Expenditure Item: Depreciation and Asset Impairment		7.9%	8.8%	8.2%	7.7%	7.2%
R35	Contribution per Expenditure Item: External Interest Charged		1.5%	2.0%	2.8%	3.3%	3.5%
R36	Annual Increase per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)		26.8%	7.5%	6.5%	6.7%	7.0%
R37	Annual Increase per Expenditure Item: Electricity Services		8.4%	6.8%	6.1%	6.6%	6.8%
R38	Annual Increase per Expenditure Item: Water Services		11.9%	8.5%	4.8%	6.9%	7.0%
R39	Annual Increase per Expenditure Item: Repairs & Maintenance		111.6%	7.7%	30.2%	2.9%	2.9%
R40	Annual Increase per Expenditure Item: Depreciation		7.2%	5.5%	2.9%	3.0%	3.0%
R41	Annual Increase per Expenditure Item: External Interest Charged		75.3%	12.8%	21.1%	13.5%	9.7%
GRANT DEPENDENCY							
R10	Total Grants / Total Revenue		13.8%	13.3%	13.9%	13.9%	13.9%
R11	Own Source Revenue to Total Operating Revenue		91.1%	89.8%	89.6%	89.5%	89.3%
	Capital Grants to Total Capital Expenditure		17.4%	19.4%	23.1%	24.1%	25.6%
BUDGET IMPLEMENTATION							
R28	Actual Capital Expenditure / Budgeted Capital Expenditure						

6.10 Outcome of the Long Term Financial Model

6.10.1 The socio-economic base and future revenue

- Strong economic base and diversified economy, but rapid increase in migration to the municipal area placing pressure on existing infrastructure;
- However – national conditions also impact on the municipality – with only moderate growth forecast over the forecast period;
- A key structural weakness can now be identified: as economic growth rates slow, which might have a negative on revenue collection to extract additional revenue for ever-growing needs;
- To pursue and sustain progressive / redistributive / pro-poor policies – it is essential that the economic base expands and critically, job creation (especially at entry-level) accelerates; and
- Over the forecast period – we still see scope for tariff increases (broadly aligned with CPI) and for more progressive tariff structures.

6.10.2 Capital investment

- Stellenbosch embarked on an aggressive capex programme since 2014 – largely funded from own resources;
- As the population continues to increase, the municipality needs to deal with normalising historic settlement patterns to accommodate new migrants and improve access to and mobility within the municipal area;
- Although the total budgeted investment returns to the R350 million p.a. level over the MTREF period, we envisage a moderate growth-rate in capex over the forecast period. This is to ensure capital investment keeps pace with population growth and continues to address backlogs;
- We have introduced a conservative borrowing programme which remains well within the prudential limits;
- More spatial and economic modelling is required for a comprehensive perspective on the long-term corridor development and spatial settlement patterns in the municipal area;
- Significant “high-impact projects” can be modelled to determine long-term financial impact of such projects on the financial position of the municipality; and
- Despite continued use of own resources and a depletion of cash reserves, the liquidity metrics remain positive over the forecast period.

6.10.3 Scenario analysis

- The generic scenario analysis forecast reasonable logical outcomes;
- Two aspects worth noting is the modest differences between the scenarios on total capital expenditure (R4.7 b and R3.5 b in the upside and downside scenarios respectively) and on gearing ratio which is 30.1% and 23.5% for the up- and down side scenarios respectively.



6.11 Projected Financial Statements

Figure 59: Projected Financial Statements

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
R thousands											
Municipal Financial Model - Stellenbosch											
Statement of Financial Performance											
Revenue	309,989	327,692	344,938	363,823	384,930	409,858	437,898	469,140	503,652	541,509	582,725
Property rates	862,001	938,822	1,015,185	1,093,245	1,178,283	1,264,292	1,359,447	1,457,873	1,561,470	1,674,024	1,796,978
Service Charges	14,992	17,766	18,831	19,961	21,159	22,940	24,886	27,021	29,370	31,962	34,828
Rental of facilities and equipment	55,110	43,352	39,030	23,172	17,275	19,507	21,574	23,845	26,644	30,349	35,871
Interest earned - external investments	6,849	10,576	11,264	11,996	12,776	15,323	15,098	16,390	17,822	19,422	21,194
Interest earned - outstanding debtors	—	—	—	—	—	—	—	—	—	—	—
Dividends received	114,767	102,132	107,239	112,601	118,231	128,183	139,057	150,988	164,113	178,599	194,613
Fines, penalties and forfeits	6,571	5,092	5,398	5,722	6,065	6,584	7,197	7,905	8,712	9,617	10,620
Licences and permits	2,365	2,690	2,852	3,023	3,204	3,474	3,769	4,092	4,448	4,840	5,274
Agency services	133,057	144,700	176,317	188,974	203,157	223,010	240,805	260,291	281,692	305,275	331,303
Transfers and subsidies (operating)	27,070	34,009	36,050	38,213	40,506	43,915	47,641	51,728	56,225	61,188	66,674
Other revenue	91	—	—	—	—	—	—	—	—	—	—
Gain on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—
Revaluation on investment property gain / (loss)	—	—	—	—	—	—	—	—	—	—	—
Total revenue before Capital Grants	1,532,862	1,626,831	1,757,104	1,860,729	1,985,587	2,137,088	2,297,371	2,469,276	2,654,147	2,856,785	3,080,082
Capital Grants	77,477	91,804	58,980	68,477	80,586	86,238	90,669	95,674	101,332	107,743	115,002
Public & developers contributions	796	—	—	—	—	—	—	—	—	—	—
Total Revenue after Capital Grants	1,611,135	1,718,635	1,816,084	1,929,206	2,066,173	2,223,326	2,388,040	2,564,950	2,755,479	2,964,528	3,195,084
Operating expenditure	444,579	566,808	609,230	655,019	700,661	746,368	795,778	849,481	908,095	972,257	1,042,609
Employee related costs	17,308	18,693	19,814	21,003	22,467	23,708	25,040	26,480	28,042	29,743	31,598
Remuneration of councillors	47,971	123,344	130,735	138,442	146,709	149,862	161,917	174,952	189,133	204,715	221,867
Debt impairment	163,948	175,830	189,268	199,705	205,364	211,352	217,624	224,156	230,941	237,967	245,221
Depreciation and asset impairment	18,775	32,922	40,888	46,137	59,042	71,478	83,343	94,582	105,115	115,294	125,671
Finance charges	329,682	357,921	384,259	410,738	437,334	463,881	494,086	526,721	562,040	600,419	642,231
Bulk purchases	—	31,909	33,488	34,504	35,551	39,249	43,357	47,937	53,054	58,788	65,224
Other Materials	123,010	220,297	216,541	224,717	233,202	252,832	274,280	297,813	323,700	352,273	383,860
Contracted services	6,261	9,102	8,377	8,828	9,303	10,066	10,942	11,881	12,914	14,053	15,314
Transfers and subsidies	85,540	170,316	183,444	186,718	190,752	231,151	242,614	254,911	268,134	282,400	297,823
Other expenditure	—	—	—	—	—	—	—	—	—	—	—
Loss on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure	1,280,280	1,707,142	1,816,044	1,925,810	2,040,383	2,199,968	2,348,982	2,508,914	2,681,167	2,867,910	3,071,417
Suplus/ (Shortfall) for the year	330,856	11,493	40	3,396	25,789	23,358	39,058	56,036	74,312	96,617	123,667



Municipal Financial Model - Stellenbosch
Statement of Financial Position

Model year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Financial year (30 June)											
<i>R thousands</i>											
Non-current assets:											
Property, plant and equipment	5,151,150	5,507,811	5,795,454	5,949,254	6,106,765	6,269,174	6,436,524	6,608,890	6,786,368	6,969,073	7,157,143
Intangible assets	4,710,275	5,062,486	5,340,880	5,493,480	5,650,991	5,813,400	5,980,750	6,153,116	6,330,594	6,513,299	6,701,369
Investment properties	8,368	8,718	8,868	8,968	8,968	8,968	8,968	8,968	8,968	8,968	8,968
Investments	423,252	425,652	434,652	435,652	435,652	435,652	435,652	435,652	435,652	435,652	435,652
Long-term receivables	—	—	—	—	—	—	—	—	—	—	—
Other non-current assets	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158
	7,095	8,795	8,895	8,995	8,995	8,995	8,995	8,995	8,995	8,995	8,995
Current assets:											
Inventories	920,735	821,219	641,061	575,600	602,296	639,664	667,576	700,485	742,521	803,371	876,556
Trade and other receivables	46,991	73,133	78,452	80,003	81,841	97,788	103,420	109,523	116,156	123,389	131,294
Cash & Short term investments	345,064	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594
	528,680	456,491	271,015	204,002	228,860	250,281	272,562	299,367	334,771	388,387	453,688
TOTAL ASSETS	6,071,884	6,329,029	6,436,515	6,524,854	6,709,061	6,908,838	7,104,100	7,309,375	7,528,889	7,772,444	8,033,699
Municipal Funds:											
Housing development fund & Other Cash Backed Reserves	5,194,083	5,205,576	5,205,615	5,209,012	5,234,801	5,258,159	5,297,217	5,353,253	5,427,565	5,524,183	5,647,850
Reserves (Not Cash Backed)	—	(80,944)	(42,349)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)
Accumulated surplus	5,194,083	5,286,520	5,247,964	5,354,464	5,380,253	5,403,611	5,442,669	5,498,705	5,573,017	5,669,635	5,793,302
Non-current liabilities:											
Long-term liabilities (Interest Bearing)	457,152	601,051	688,618	749,681	881,410	1,005,869	1,121,865	1,232,226	1,342,542	1,441,601	1,527,761
Non-current provisions	159,800	284,995	353,652	394,520	504,821	606,606	698,883	783,980	867,785	939,188	996,446
	298,352	316,057	334,966	355,161	376,589	399,263	423,182	448,347	474,757	502,413	531,315
Current liabilities:											
Consumer deposits	420,649	522,402	542,282	566,162	592,851	644,810	685,018	723,896	758,782	806,660	858,088
Provisions	15,674	17,587	20,359	23,336	26,553	29,963	33,621	37,545	41,746	46,263	51,123
Trade and other payables	47,888	50,986	54,270	57,752	61,423	65,285	69,339	73,584	78,021	82,649	87,469
Bank overdraft	342,586	426,571	436,311	445,941	455,176	488,147	507,670	528,171	549,731	572,498	596,568
Current portion of interest bearing liabilities	—	—	—	—	—	—	—	—	—	—	—
	14,502	27,258	31,342	39,133	49,699	61,414	74,387	84,597	89,284	105,249	122,928
TOTAL MUNICIPAL FUNDS AND LIABILITIES	6,071,884	6,329,029	6,436,515	6,524,854	6,709,061	6,908,838	7,104,100	7,309,375	7,528,889	7,772,444	8,033,699



**Municipal Financial Model - Stellenbosch
Statement of Financial Position**

Model year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Financial year (30 June)											
<i>R thousands</i>											
Non-current assets:											
Property, plant and equipment	5,151,150	5,507,811	5,795,454	5,949,254	6,106,765	6,269,174	6,436,524	6,608,890	6,786,368	6,969,073	7,157,143
Intangible assets	4,710,275	5,062,486	5,340,880	5,493,480	5,650,991	5,813,400	5,980,750	6,153,116	6,330,594	6,513,299	6,701,369
Investment properties	8,368	8,718	8,868	8,968	8,968	8,968	8,968	8,968	8,968	8,968	8,968
Investments	423,252	425,652	434,652	435,652	435,652	435,652	435,652	435,652	435,652	435,652	435,652
Long-term receivables	–	–	–	–	–	–	–	–	–	–	–
Other non-current assets	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158
	7,095	8,795	8,895	8,995	8,995	8,995	8,995	8,995	8,995	8,995	8,995
Current assets:											
Inventories	920,735	821,219	641,061	575,600	602,296	639,664	667,576	700,485	742,521	803,371	876,556
Trade and other receivables	48,991	73,133	78,452	80,003	81,841	97,788	103,420	109,523	116,156	123,389	131,294
Cash & Short term investments	345,064	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594
	528,680	466,491	271,015	204,002	228,860	250,281	272,562	299,367	334,771	388,387	453,668
TOTAL ASSETS	6,071,884	6,329,029	6,436,515	6,524,854	6,709,061	6,908,838	7,104,100	7,309,375	7,528,889	7,772,444	8,033,699
Municipal Funds:											
Housing development fund & Other Cash Backed Reserves	5,194,083	5,205,576	5,205,615	5,209,012	5,234,801	5,258,159	5,297,217	5,353,253	5,427,565	5,524,183	5,647,850
Reserves (Not Cash Backed)	–	(80,944)	(42,349)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)
Accumulated surplus	5,194,083	5,286,520	5,247,964	5,354,464	5,380,253	5,403,611	5,442,669	5,498,705	5,573,017	5,669,635	5,793,302
Non-current liabilities:											
Long-term liabilities (Interest Bearing)	457,152	601,051	688,618	749,681	881,410	1,005,869	1,121,865	1,232,226	1,342,542	1,441,601	1,527,761
Non-current provisions	158,800	284,995	353,652	394,520	504,821	606,606	696,683	783,880	867,785	939,188	996,446
	298,352	316,057	334,966	355,161	376,589	399,263	423,182	448,347	474,757	502,413	531,315
Current liabilities:											
Consumer deposits	420,649	522,402	542,282	566,162	592,851	644,810	685,018	723,896	758,782	806,660	858,088
Provisions	15,674	17,587	20,359	23,336	26,553	29,963	33,621	37,545	41,746	46,263	51,123
Trade and other payables	47,888	50,986	54,270	57,752	61,423	65,285	69,339	73,584	78,021	82,649	87,469
Bank overdraft	342,586	426,571	436,311	445,941	455,176	488,147	507,670	528,171	549,731	572,498	596,568
Current portion of interest bearing liabilities	–	–	–	–	–	–	–	–	–	–	–
	14,502	27,258	31,342	39,133	49,699	61,414	74,387	84,597	89,284	105,249	122,928
TOTAL MUNICIPAL FUNDS AND LIABILITIES	6,071,884	6,329,029	6,436,515	6,524,854	6,709,061	6,908,838	7,104,100	7,309,375	7,528,889	7,772,444	8,033,699

Section 7 Affordability Envelope

7 Affordability Envelope

7.1 Contextualisation

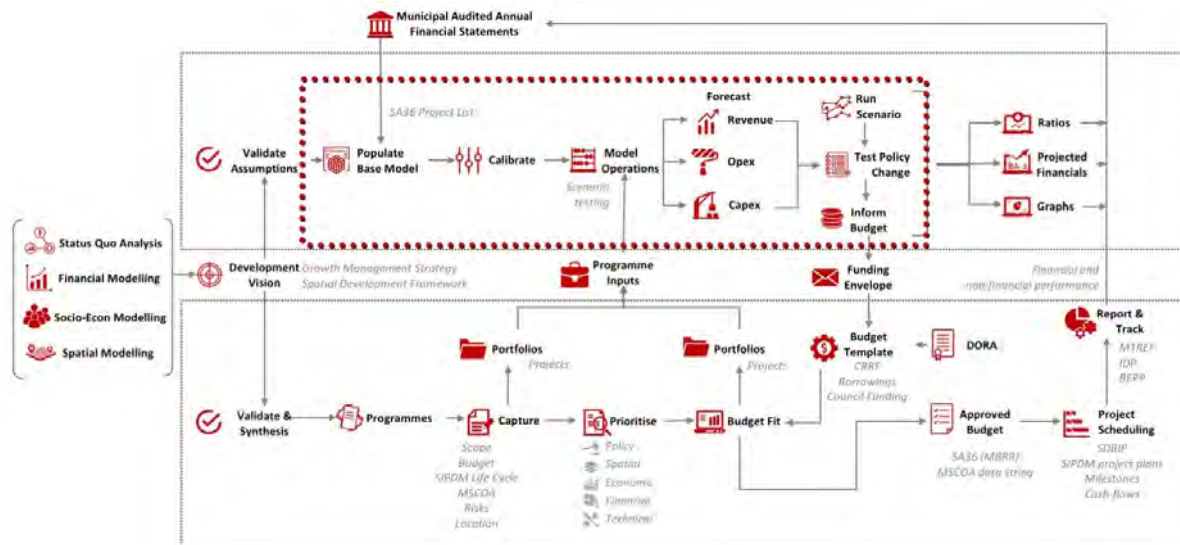


Figure 60: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

The affordability envelope, or otherwise stated, the funding envelope is the result of the Long Term Financial Strategy. The aim of the Long Term Financial Model is to define a set of parameters to which the municipality can roll out capital expenditure projects. The key parameter of interest for the budget fit process to continue is the total capital expenditure that is deemed as affordable per year.

The purpose of this section is therefore to take the results of the Long Term Financial Strategy and to indicate what should be actively used to guide capital investment through the budget fit template – better defined as the total available capital expenditure budget per year.

7.2 A Sustainable Funding Mix

The annual funding mix proposed by the model, given the approved budget and optimal forecast thereafter, is illustrated by the graph below.

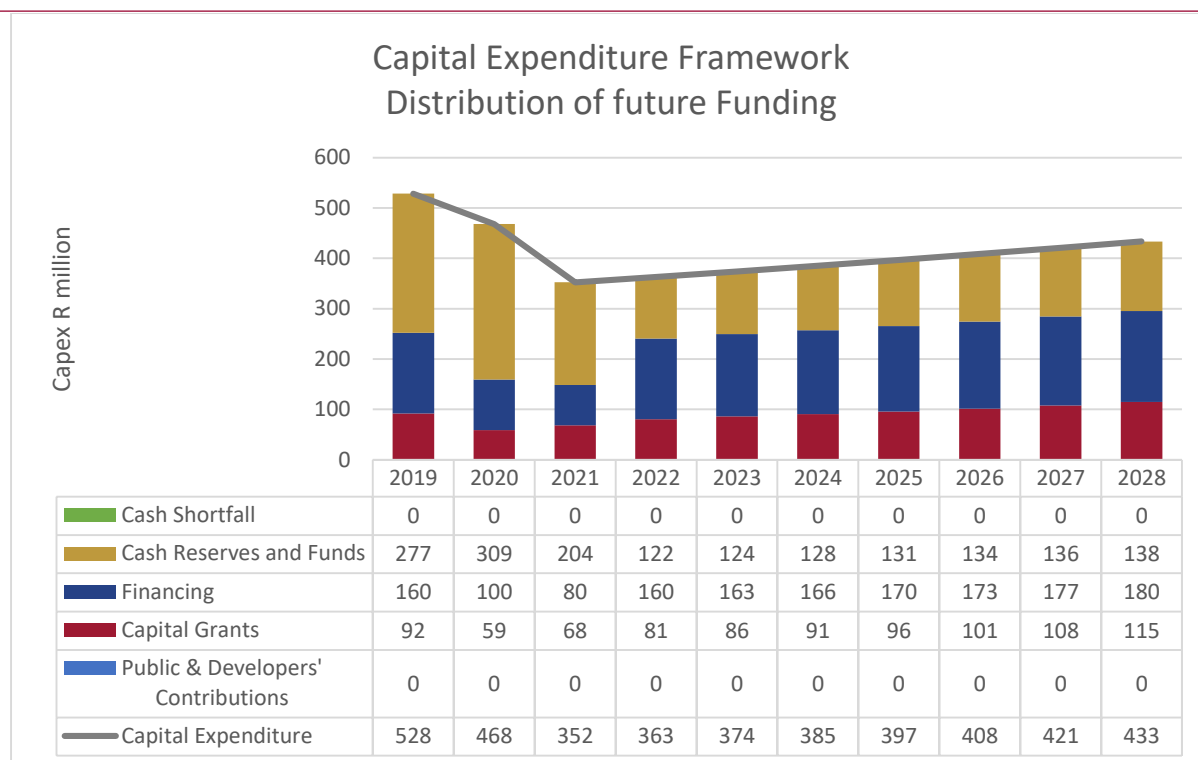


Figure 61: Distribution of Future Funding

7.2.1 Liquidity and Capital Replacement Reserve

For purposes of the projections in this report the minimum required liquidity level caters for unspent conditional grants, reserves, short term provisions, consumer deposits and 1 month's working capital. The municipality exceeds the minimum liquidity requirement over the MTREF-period and throughout the planning period.

Noteworthy though, is the decrease in liquidity over the MTREF period. Sufficient cash remains available to fund capital projects required with further potential for borrowing. The municipal bank balance recovers above the minimum required in later years Capital Expenditure Framework period.

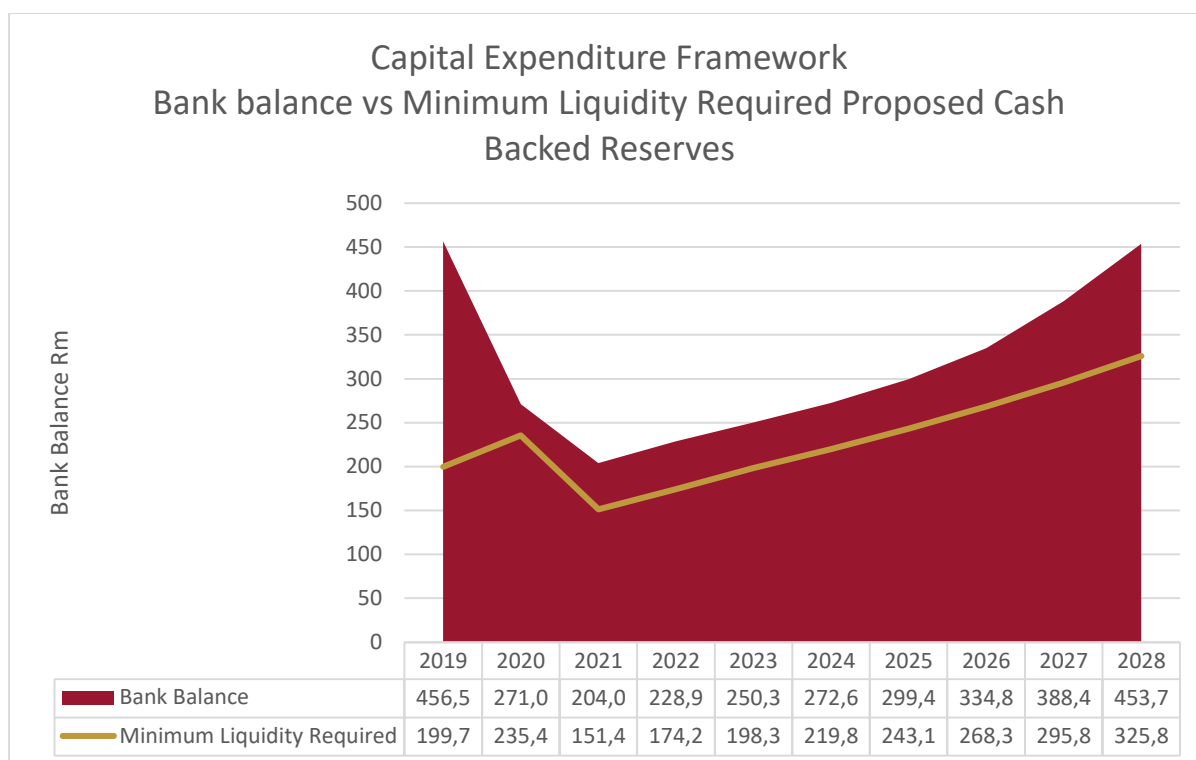


Figure 62: Bank balance vs Minimum Liquidity Required Proposed Cash Backed Reserves

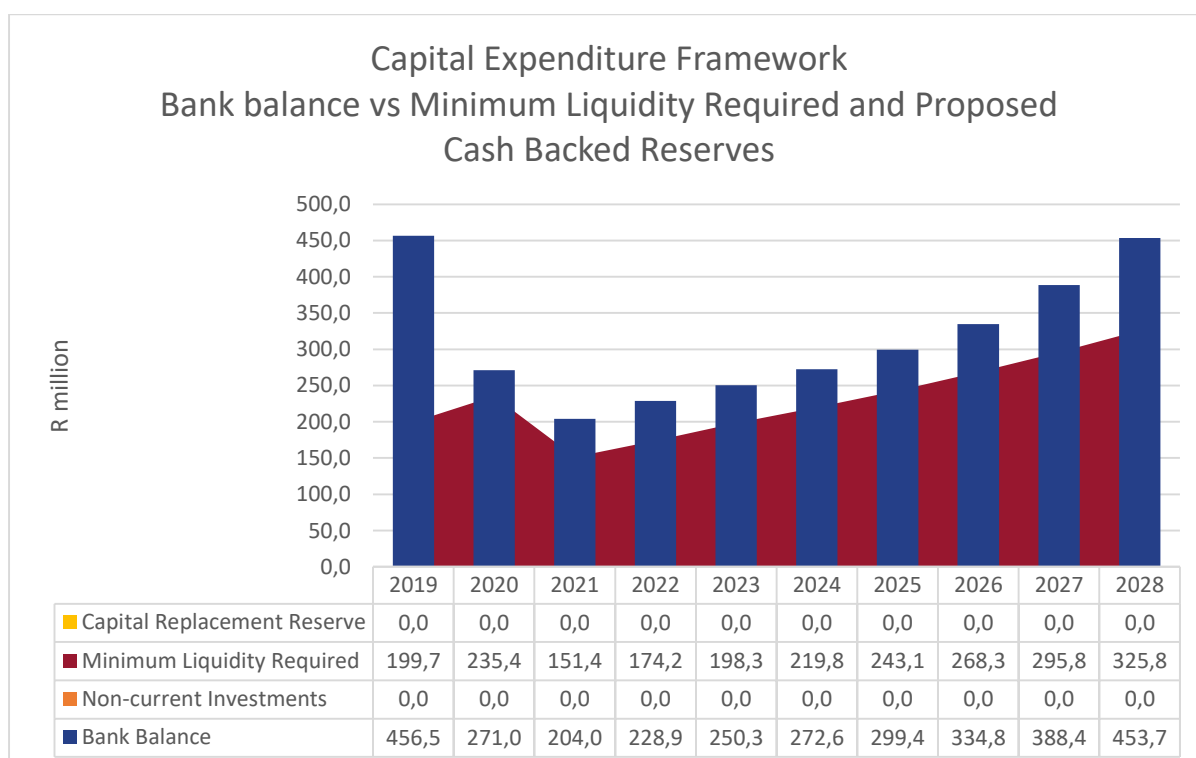


Figure 63: Bank balance vs Minimum Liquidity Required and Proposed Cash Backed Reserves

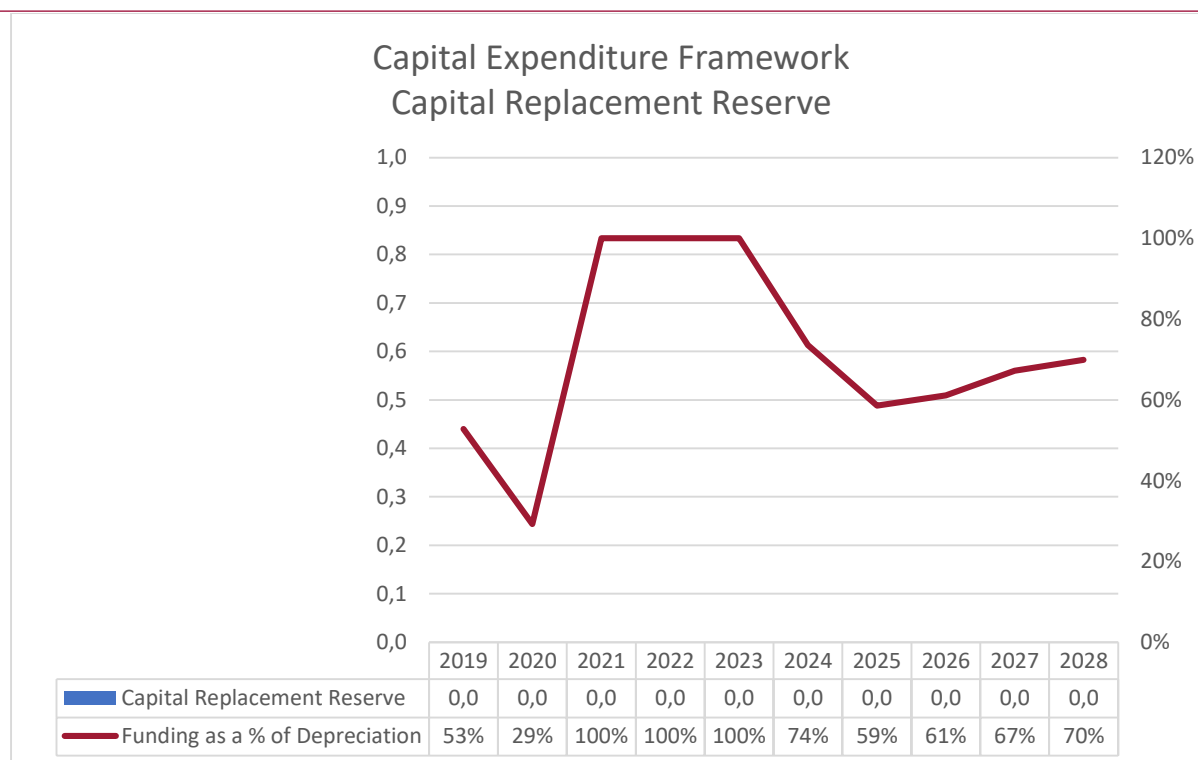


Figure 64: Capital Replacement Reserve

7.2.2 Gearing

The ratio of Long-Term Interest-Bearing Liabilities to Income is illustrated in the graph below.

The Stellenbosch Local Municipality has a debt policy which sets the gearing-level to 35%. The model forecast that gearing increases from 2019 and peaks at 35% during 2028, but never breaches this level. This level of gearing is within both its policy and National Treasury guidelines.

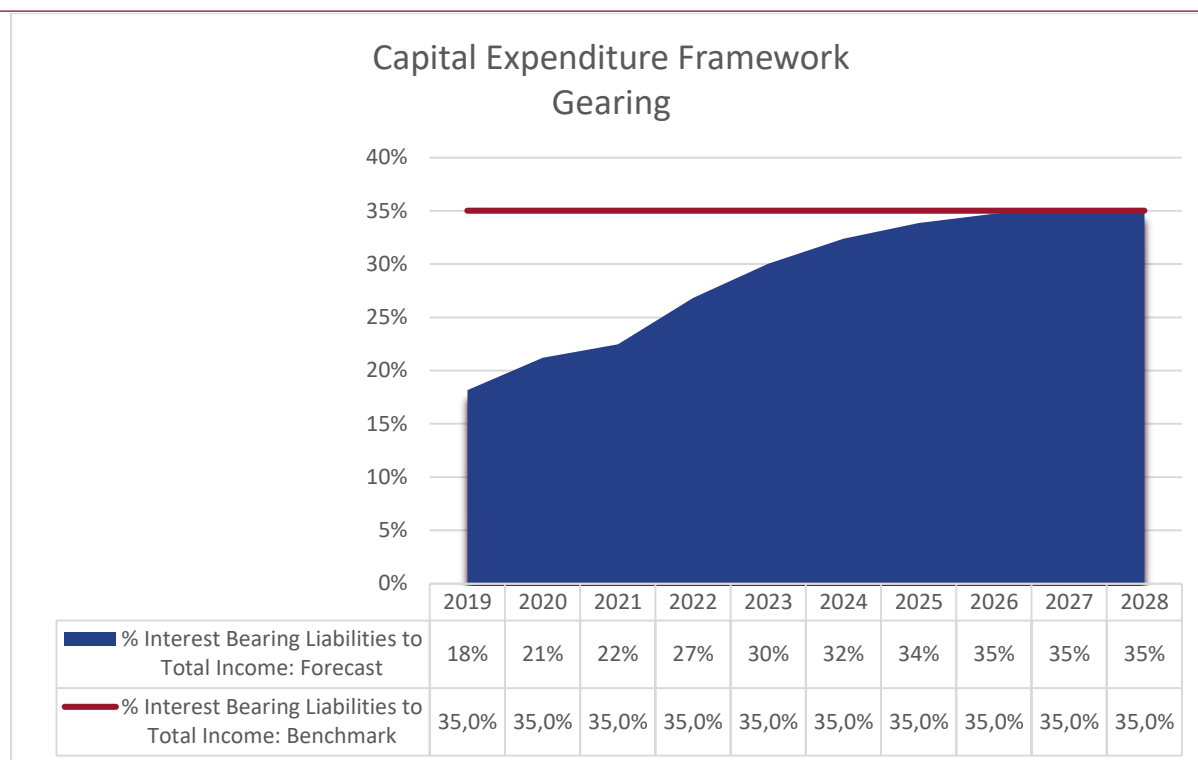


Figure 65: Gearing

Based on the forecast External Financing requirement, the Debt Service to Total Expense Ratio never breaches the 8% benchmark over the planning period.

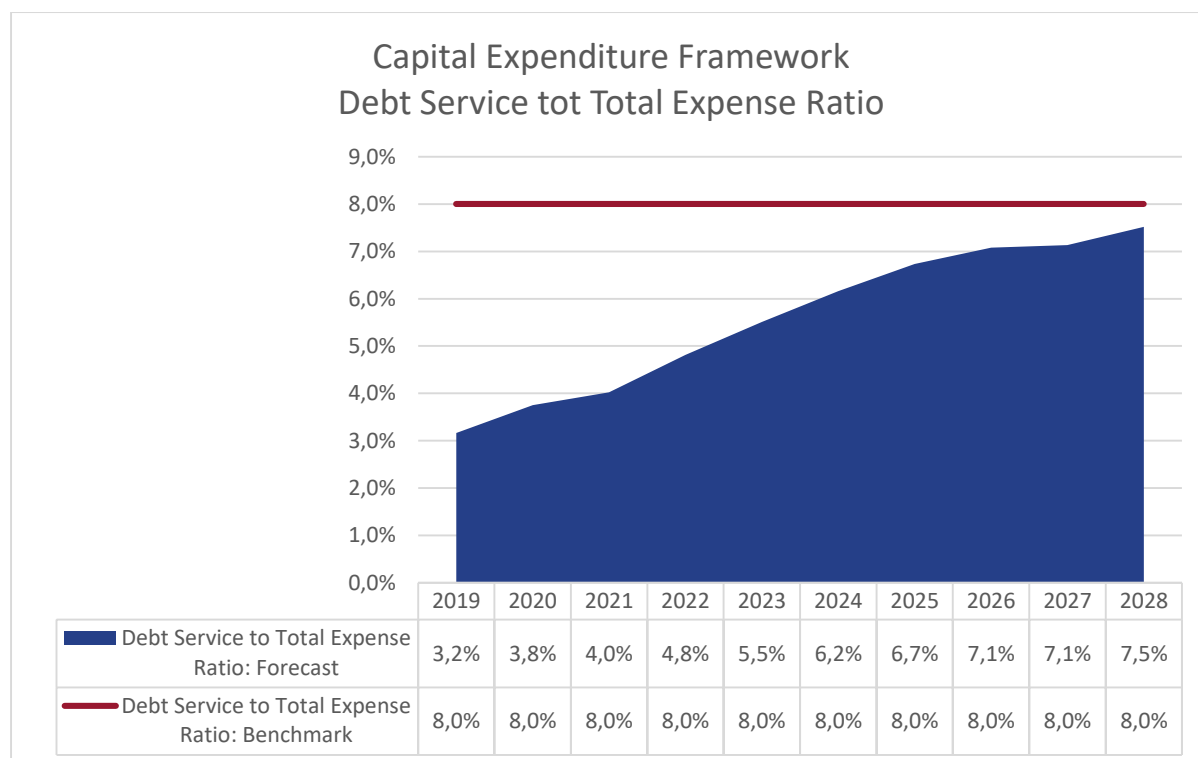


Figure 66: Debt Service tot Total Expense Ratio

The amount of annual external financing is estimated to be distributed as follows:

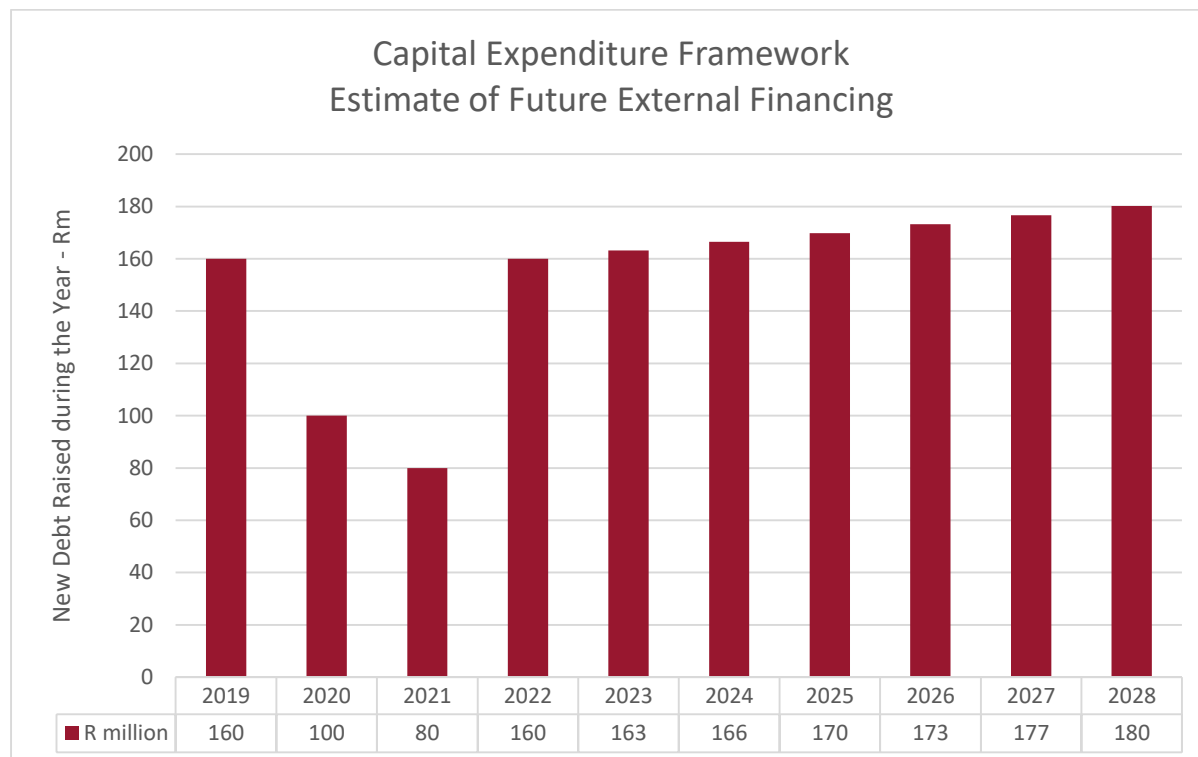


Figure 67: Estimate of Future External Financing

7.2.3 Capital Need and Affordability Envelope by Year

A summary of the capital need and affordability envelope by year is presented in the table below:

Table 68: Capex need

Year	Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Capex Need	R6 339	R1 372	R1 231	R776	R740	R433	R458	R445	R421	R251	R212

The table above includes all capital projects captured by departments projected for the 10 year period of the Capital Expenditure Framework.

What the capital expenditure needs analysis illustrates is that:

- Near future is more predictable than the distant future;
- Insufficient demand captured across the ten year horizon;
- In total, the capital demand is equal to R6.488 billion, subject to what is affordable within the financial envelope available.

It is apparent that whilst good progress has been made to plan ahead over a longer period, more careful upfront planning, extension of master plan periods and upfront capturing of pending and approved projects must bear relevance.

Capital expenditure fluctuates annually in line with the needs identified.

Table 69: Affordability Envelope

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Public & Developers' Contributions	0	14	0	0	0	0	0	0	0	0	0
Capital Grants	92	59	68	81	86	91	96	101	108	115	123
Financing	160	100	80	160	163	166	170	173	177	180	184
Cash Reserves and Funds	277	309	204	122	124	128	131	134	136	138	139
Capital Expenditure	528	468	352	363	374	385	397	408	421	433	446

7.2.4 Proposed Amendments to MTREF Capital Programme and Associated Funding Mix

Whereas the current approved MTREF reflect a decrease in capital expenditure until 2021, the total capital spend over the next 10 years come to R4.1 billion, which is affordable to Stellenbosch LM.

The LTFM indicates that should there be a need for Stellenbosch to accelerate the capital spend over the MTREF, but still within an affordable envelope over the next ten years, such an acceleration would be possible with increased external borrowing. This will increase the capital spend over the next ten years to R4.3 billion. Such a scenario was modelled and is presented as part of Annexure A to this report.

Section 8 Project Prioritisation

8 Project Prioritisation

8.1 Contextualisation

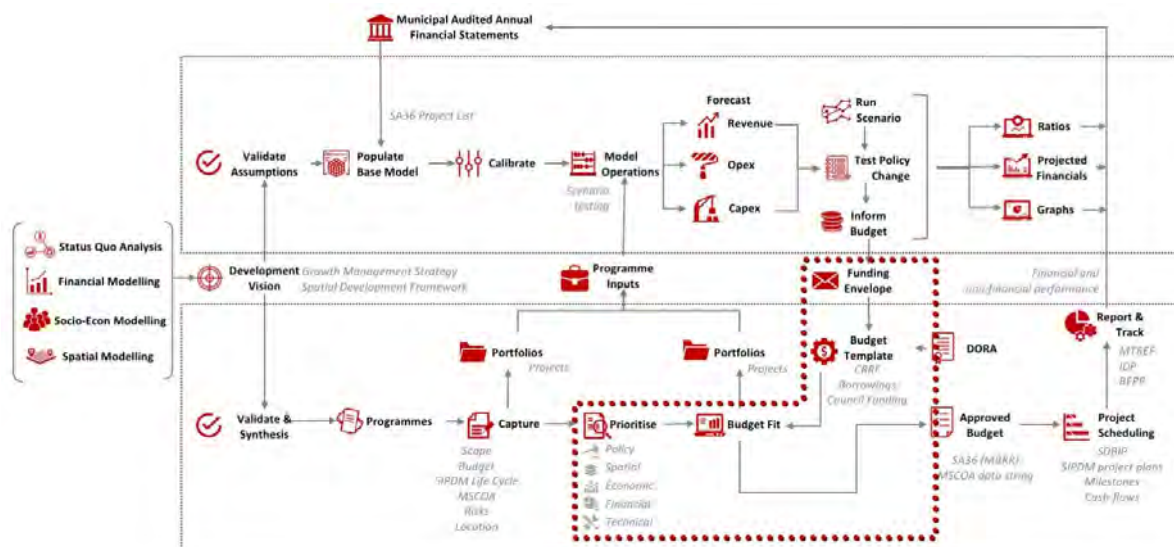


Figure 68: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

The CP3 Capital Prioritisation Model (CP3PM) of the municipality is a systematic and objective methodology that provides a way to sort a diverse set of items / projects into an order of importance based on each project's alignment to the strategic, developmental, social, economic, environmental and financial objectives of the municipality. The CP3PM identifies each project's relative importance by deriving a numerical value representative of the project's priority.

The model provides a means for ranking projects (or project requests) based on criteria that are the most important to focus on first in terms of meeting the Municipality's overarching developmental objectives and strategies. This also assists in promoting co-ordinated and aligned departmental planning and budgeting.

Project prioritisation can therefore be described as a process for assessing a project against a number of variables such as, economic, social, environmental, legislative and financial variables, in order to determine a capital project's alignment with or contribution to such variables. It provides for a systematic and objective assessment of an ongoing or completed project. All the impacts associated with a capital project are identified, and where possible, costs and benefits valued in monetary terms, so as to ensure that project prioritised and selected by government will provide the maximum net benefit to the community, economy and environment – the balancing effect.

8.2 Planning for Priority

In South Africa, the capital expenditure of a municipality should primarily be driven by the IDP. SPLUMA,³⁵ as explained in the introduction of this document, furthermore compels local authorities to formulate a Capital Expenditure Framework (CEF). The meaningful allocation of capital expenditure for municipalities is however a challenging balancing act that must seek to address:

- Infrastructure backlogs;

³⁵ Spatial Planning and Land Use Management Act, Act 16 of 2013 section 21 (n).

- The restoration of human dignity;
- The creation of a safe and secure environment;
- The provision of basic services;
- The maintenance of existing assets;
- The protection of our heritage and environment;
- The creation of sustainable job opportunities;
- The boosting and creation of economic activities/opportunities; and
- Strategically investing into a growing, sustainable, liveable and globally competitive city environment.

A prioritisation methodology is therefore required that will consider qualitative, quantitative and spatial priorities as articulated by municipality's strategic as well as technical leadership, and as enshrined by municipality's various strategic plans. It is recognised that the planning environment is continuously changing in response to new challenges and new dynamics are introduced constantly due to a variety of reasons. The process of prioritisation therefore, must possess of the ability to comprehensively on-board new issues for consideration and easily, and most importantly transparently, bring on board and change to the changing needs of the municipality.

The need for a mechanism to drive the strategic, yet equitable, allocation of capital within the city, stems from the following realities:³⁶

- Urbanisation, immigration and growth: "The State of South African Cities" report produced by Cities Support Network in 2016, report that South African Cities are inundated by rapid urbanisation. A significant number of the population within South African Municipalities has low levels of education resulting in high unemployment, very low incomes and poor living standards. There are not enough job opportunities for unskilled labourers in the economy to address this issue adequately. Because of this urbanisation, Municipalities must deal with a relentless demand for infrastructure and services. Unconstrained urbanization and population growth have resulted in the demand for infrastructure and services outstripping the financial resources of Municipalities. Given the limited resources to address these needs, prioritization of capital expenditure has become a factor of critical importance. Typical prioritisation metrics used in this regard includes the consideration of a project with respect to the Urban Edge.
- The importance of the city and regional economy: One of the main drivers of economic sustainability is the creation of job-opportunities. Affecting economic changes requires a multi-pronged approach involving a range of interventions across a number of industries. From a capital expenditure perspective though, the process of prioritisation can benefit from the sophistication of a complex, macro-economic econometric model. Typical prioritisation metrics used in this regard includes Job creation (opportunities - per R1m capex).
- Increasing maintenance burden: Municipalities are faced with the conundrum of balancing spatial, social and economic transformation, whilst maintaining the existing asset base of the city. Spatial, social and economic transformation is often associated with the provision of new, quality

³⁶ For more information on how the realities are addressed in the prioritisation process, please refer to the annexure that unpacks the prioritisation model.

infrastructure in support of liveable communities either in newly demarcated development areas or as part of upgrading severely marginalized communities, with a poor service provision history and a backlog of service delivery demands. A balanced approach to capital spending, focusing partially on the provision of new infrastructure, whilst maintaining the existing asset base and revenue stream is important. A fundamental consideration of all capital expenditure therefore must include the estimated operating expenditure burden that will result from the capital that is being spent. The operating expenditure burden is inevitable – a situation can however arise whereby the operating expenditure continues to grow to the extent that it starts to impact on the available capital expenditure. Typical prioritisation metrics used in this regard is the lifespan of a specific asset.

- **Coordination and Inter-dependency:** Capital project preparation is often undertaken in a non-integrated way in that the different departments, divisions and agencies plan and budget for capital projects in isolation from each other. This is not necessarily intended, it is simply a consequence of a large, multi-disciplinary organisation. Departments often have their own priorities and their own methods of determining such priorities. These methods vary in terms of sophistication and detail. The provision of municipal infrastructure requires integrated project planning and preparation. Therefore, a decision support system, which facilitates the coordination and integration between planning and infrastructure provision on a project preparation as well as an institutional level is critical.
- **Competing Interests:** Although basic services infrastructure (i.e. water, sanitation, electricity and solid waste management) is often as high on the community delivery agenda as social facilities and amenities (i.e. clinics, libraries, community facilities etc.), these different infrastructure types do not always receive equitable capital allocation. Often, income generating capital expenditure (i.e. capital spent on infrastructure which can yield some form of monetary return) receives larger quantities of capital budget than non-income generating infrastructure. A decision support system, which allows for scenario testing in relation to the ratio of income generating and non-income generating capital expenditure, taking into account the impact that this would have on the city's financial sustainability is required.
- **Spatial transformation agenda:** The spatial vision of South African Municipalities seeks to transform the developmental landscape to become a more inclusive, efficient and equitable. Consequently, capital spending should be earmarked to drive the spatial transformation agenda which in turn will result in a spatially transformed and economically sustainable city structure. A decision support system, which enables capital project prioritisation, reporting and tracking quantitatively, qualitatively and spatially, is required to ensure that capital spending is focused on strategic spatial structuring areas to achieve the desired city spatial form. Typical prioritisation metrics used in this regard is the spatial consideration of the SDF.

The complexity and interdependency of these issues is very challenging, and each year, new considerations and priorities are introduced. The need for a system that assist in the facilitation of such a process, together with additional benefits of record-keeping, tracking and reporting is therefore evident.

The prioritisation process facilitated by a system, should be easy to understand and interpret whilst allowing for accessibility and input by its users on any level of detail required. Given the diverse range of different departments and divisions within the typical South African municipality and the divergent needs stemming from each department, it is essential that the prioritization methodology lends itself towards participation and allows for easy calibration by key decision makers.

In the process of prioritization, the importance of a multitude of considerations must be emphasized. Although it is commonly accepted that the municipality's IDP should be the primary driver of priorities, there are however many other metrics that should be considered in the process. Some of these considerations are briefly highlighted.

The first fundamental to consider is funding that is available for implementation and how this capital is sourced. This informs of the affordability of implementing the list of capital needs. In a municipal environment, capital is sourced from a number of places. Among these sources are bonds and loans. The affordability and the debt thresholds set by the MFMA are important considerations in this process.

Technical inputs stemming from the municipality's asset management system or from other technical reports or processes represent another important aspect to consider in the process of prioritization. These technical inputs often do not align optimally with IDP objectives but are important all the same due to age, wear or other important reasons. Other technical aspects such as the technical interdependence of projects also play an important role. This will have the consequence that projects that appear to be of a lower priority, may be elevated in importance if they are enablers of other, important projects.

The economic, socio-economic and environmental impacts also represent impact lenses that casts an important perspective on project impacts. There are various methods and models to determine these impacts to varying degrees of accuracy. Within a service delivery framework, it is essential that these elements be included in the prioritization process.

Lastly and very importantly, the spatial alignment of a project to a municipality's strategic or political objectives needs to be included in prioritization process. The assumption is often erroneously made that these spatial aspects are adequately captured by the IDP process. The reality is however more complex and dynamic. Spatial priorities are often revealed throughout the IDP cycle by new processes such as the development of Spatial Development Frameworks (SDFs).

8.3 Capital Prioritisation Model Mathematical Framework

The prioritisation process should be easy to understand and interpret whilst allowing for accessibility and input by its users on any level of detail required. Given the diverse range of different departments and divisions within the municipality and the divergent needs stemming from each, it was deemed essential that the methodology lends itself towards participation and allows for easy calibration by key decision makers.

To fully take into account all factors relevant in deciding which projects to receive priority, the utility analysis method is used that takes all the relevant system constraints into account.

"Utility analysis is in effect a semi-quantitative means of 'trading off' the effects of implementing any given scheme, that is, the relative desirability of achieving a given set of goals and objectives and the degree to which this target system is fulfilled, are combined to give a measure of how far each scheme will go in meeting all or any of the goals and objectives, and so provides the answer to the question of effectiveness of the scheme. The distinguishing feature of utility analysis is that it can handle financial, quantitative and qualitative effects simultaneously. Consequently, all of the impacts or effects of a project which can be envisaged can be included in the analysis."

Evaluation of Transportation Projects – Utility Analysis; JV Baxa; January 1981; CSIR

A utility analysis provides a structured input for the decision-maker. It provides an indication to the overall effectiveness with which alternatives will satisfy the complex target system. The process begins

by defining the problem in a structured way. As already mentioned, the problem definition can incorporate diverse inputs which covers quantitative, qualitative and financial factors. Firstly, certain goals that should ultimately be addressed, must be established. For each of these goals, relevant objectives then must be established. Each objective requires a specific input, which will be modelled based on a predetermined method or value function, to provide an output. The following basic steps apply:

- Define the relative preferences for each goal that was set out;
- Define relative preferences for each objective that was set out; and
- Weight each criterion that was set up to reflect their relative importance.

By following these steps, each alternative can be 'scored' to attain a measurement of performance that can be translated into a number of points. The points system with which each criterion is weighted, as indicated on the matrix of utilities, is a number between 0 and 100.

The complexity of the number of issues that had to be taken into account in the model from the municipality's point of view, required that the model methodology had to be adapted to allow for more than one level of "objectives". Importantly, these objectives all contribute towards a fundamental set of goals. These goals possess of the ability to influence the way in which projects will be rated rather dramatically. The benefit of this is that the municipality now has the ability to fix the fundamental considerations on this level, to ensure that it manifests in prudent financial management whilst still ensuring that the transformation as contained in the various municipal strategies, manifests itself at this level.

The figure below shows the basic structure of the model. More about the actual criteria that will be used is discussed later in this document.

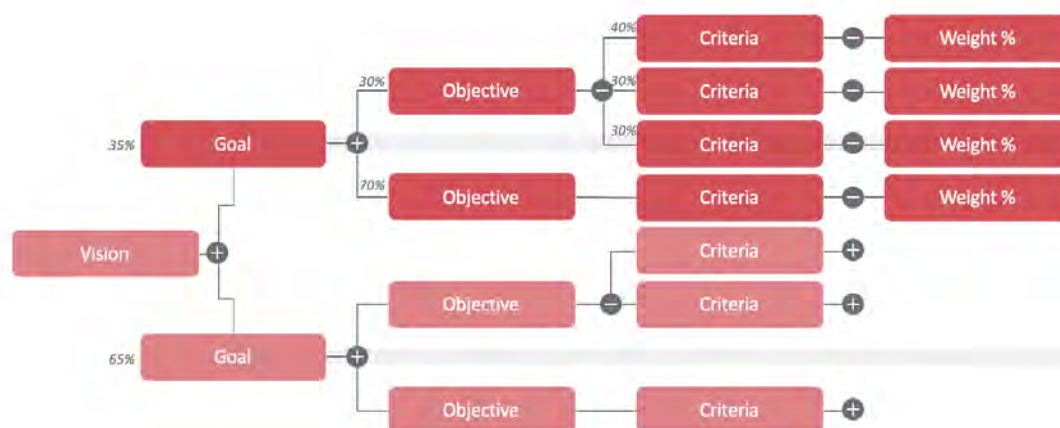


Figure 69: CP3 Capital Prioritisation Model (CP3PM) Mathematical Framework

The application of this methodology in CP3 had to find a balance between complexity and simplicity. This is required to ensure participation in the process by a very broad range of departments and divisions within departments. Not all departments are technically focussed to the same level of

sophistication – as is the case with the infrastructure departments. It is therefore necessary to find criteria and measurements that do not exclude such department.

This approach offers a significant advantage in that the “principles” of prioritisation becomes important debating points, instead of individual merits projects. Projects emanating from different departments do not have “common ground” to enable a meaningful one-to-one comparison. Using this model though, provides a platform where all projects, irrespective of their origin or sophistication, is subjected to the same principles.

8.4 Capital Prioritisation Model High Level Structure

The following part of this document will show how the prioritisation model works. It should be noted that this part of this section will start at the high level model structure, followed by a detailed layout of how each branch of the multi criteria decision making tool is used to evaluate projects.

The following figure displays a typical Prioritisation for Stellenbosch, as developed in CP3.

Figure 70: Screenshot of the prioritisation model that is used.



The CP3PM allows for projects to be ranked or scored between two mutually exclusive branches, namely:

- Model;
- Housing Outside Urban Edge.

The “Model” allows for projects to be ranked or scored between two mutually exclusive branches, namely:

- Spatially Mapped;
- City Wide; or
- Administrative Head Quarters.

These two model branches are mutually exclusive, which means that any project can only pass through one of the two branches and can never be scored on both branches. Projects which have spatial locations (i.e. works and affected areas) are evaluated through the “Spatially Mapped” branch of the model, whereas unmapped projects marked under the MSCOA regional segment as “City Wide” or “Admin HQ” are evaluated through the “City Wide / Admin HQ” branch of the model. This distinction is made so that City Wide and Admin HQ projects are not artificially penalised under the “Spatial” branch of the prioritisation model.

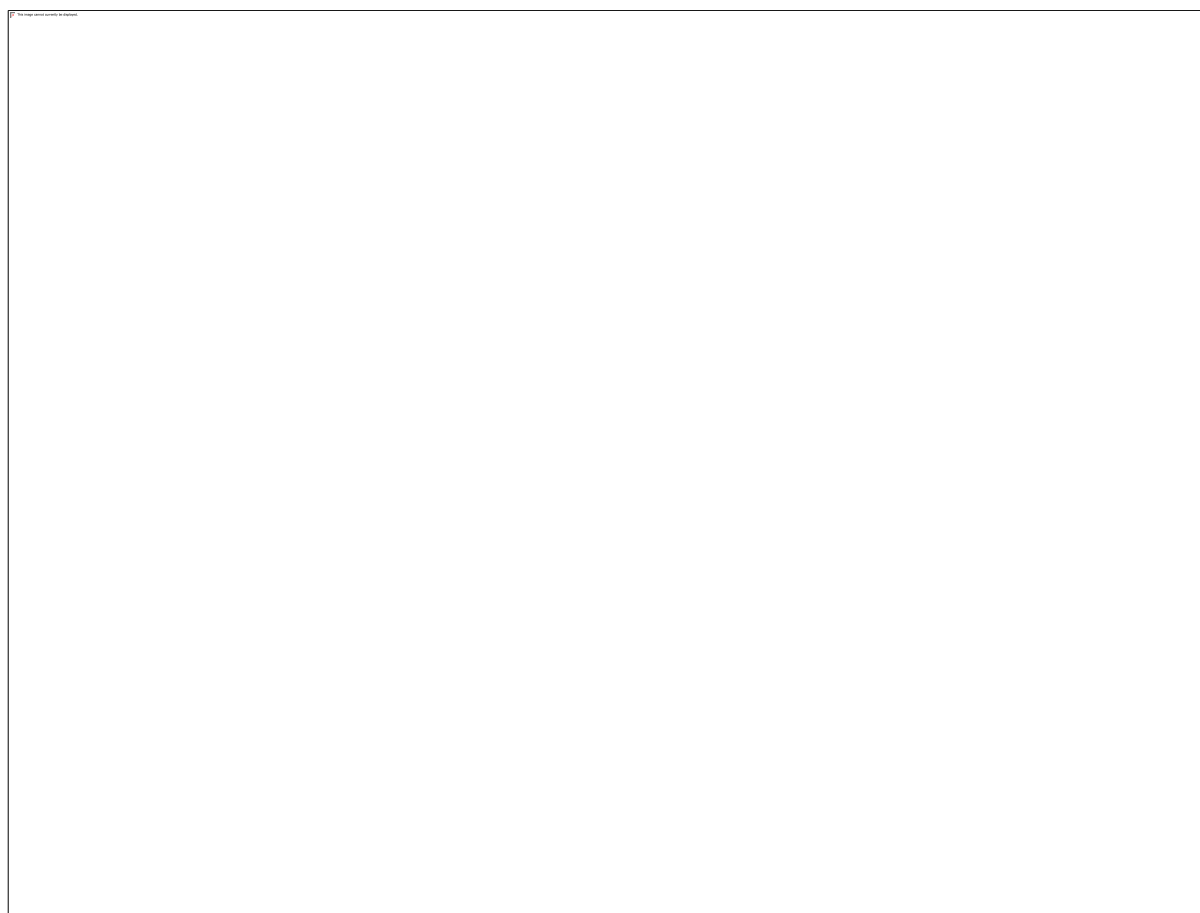


Figure 71: Capital Prioritisation Model High level Structure

Once it has been determined whether a project is **spatially mapped**, the project evaluation takes place according to the following themes or goals:

- Social alignment;
- Strategic alignment;
- Spatial alignment;
- Financial alignment;

- Economic alignment; and
- Technical alignment.

Once it has been determined whether a project is **city wide or Admin HQ**, the project evaluation takes place according to the following themes or goals:

- Social alignment;
- Strategic alignment;
- Financial alignment;
- Economic alignment; and
- Technical alignment.

It is evident from the high-level tree structure above that the “Spatial alignment” theme is only utilised under the “Spatially Mapped” scorecard.

The “Housing Outside Urban Edge” branch excludes all housing projects that are partially or totally outside the Urban Edge of Stellenbosch.

8.5 Capital Prioritisation Model Detailed Criteria

The following sections should be read in conjunction with Annexure 4: Prioritisation model. The annexure provides a more detailed description for each scoring criteria, whereas this section provides an overview of the scoring criteria branches.

The capital prioritisation model criteria will be discussed in more detail under the five (5) themes of the model, namely:

- Strategic alignment;
- Spatial alignment;
- Financial alignment;
- Economic alignment;
- Social alignment; and
- Technical alignment.

8.5.1 Strategic Alignment

The strategic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the organisations developmental objectives as well as strategic outcomes set out in the strategic guiding document of the municipality. The policy alignment score is calculated within five distinct categories³⁷, namely:

- IDP Outcome 1: Valley of Possibility;
- IDP Outcome 2: Dignified Living;
- IDP Outcome 3: Good Governance and Compliance;
- IDP Outcome 4: Green and Sustainable Valley; and
- IDP Outcome 5: Safe Valley.

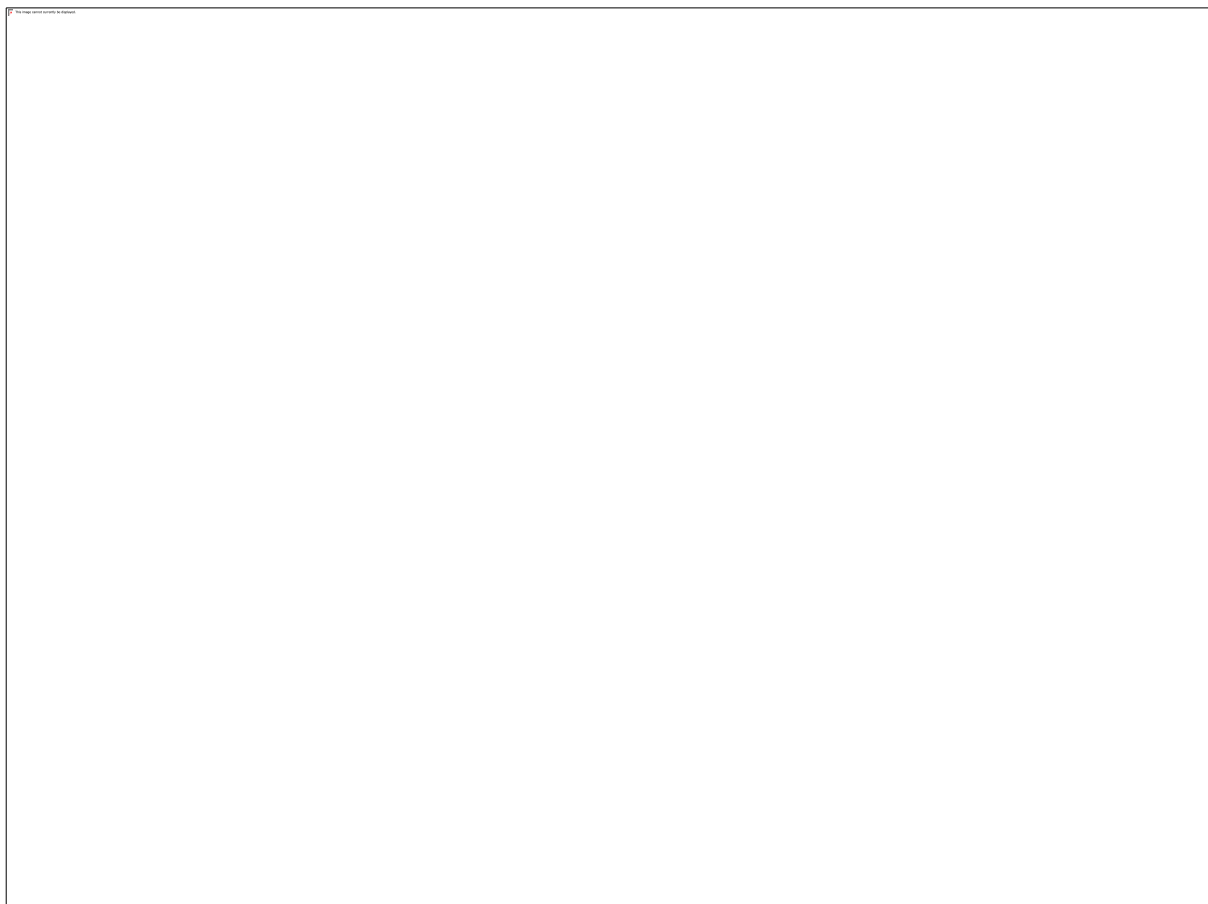


Figure 72: Capital Prioritisation Model: Strategic Alignment

³⁷ These categories are aligned with the IDP Outcomes.

8.5.2 Spatial Alignment

The spatial alignment goal or theme of the prioritisation model evaluates the degree to which projects aligns with the spatial development framework and other spatial targeting objectives set out in various strategic documents of the municipality (i.e. IDP, SDF, CIF etc.). The alignment of projects to the spatial targeting areas of the municipality are scored according to the following criteria:

- Spatial Development Framework; and
- Inside Urban Edge.

These criteria measured under these sub-branches seek to ensure that projects within the municipal budget align with the spatial structure or spatial development objectives of the municipality.

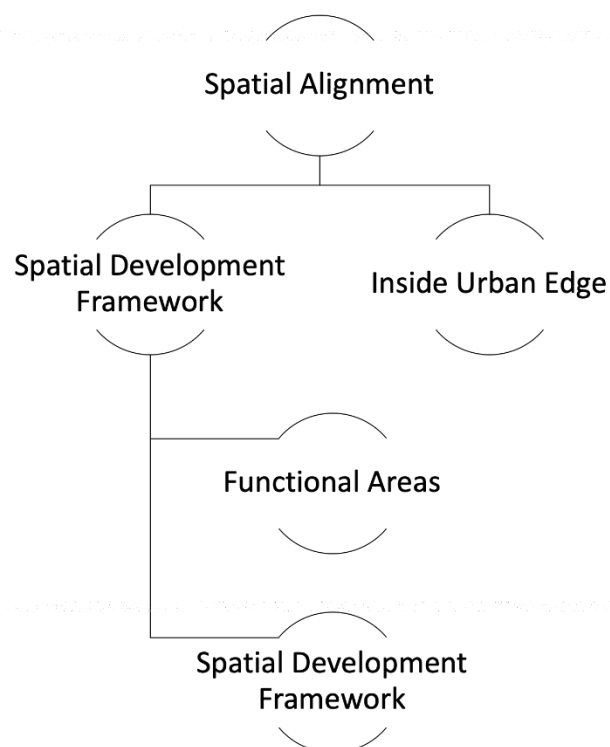


Figure 73: Capital Prioritisation Model: Spatial Alignment

8.5.3 Financial Alignment

The financial alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget are considered to be credible, affordable, funded, applied to expand the rateable asset base and improving the fiscal position of the municipality. The financial alignment score is calculated within six distinct categories, namely:

- Fiscal deficit as % of GDP;
- Affordability;
- Confidence in Cost Estimate;
- Co-Funding;
- Lifespan of asset; and
- Opex Consequence.



Figure 74: Capital Prioritisation Model Financial Alignment

8.5.4 Economic Alignment

The economic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget contributes to the growth of the municipal economy and improves the economic position of the residents within the municipality.

A macro-economic impact model (EIM) was developed for the municipality specifically to make use of the data from the CP3 system. The econometric model is specific for the municipality and draws from a sophisticated range of financial data, regional data, and population data sourced from STATSSA. As such, the EIM generates values for the impact of individual and portfolio capital projects in terms of a set of economic, socio-economic and fiscal indicators – for the City as a whole, as well as a selection of key sub-regions or ‘main places’.

The EIM is based on the outputs of a comprehensive suite of econometric models. The workings of the EIM are dynamic and consider the indirect City-wide impacts of projects and programmes – not only the localised ward-specific impact.

The EIM therefore captures the iterative, dynamic impacts of all of the role-players within the economy – households, business, government, foreign sector, as well as the full economic flow of goods, services, factors and money is accounted for, and an iterative computational process is utilised.

The outputs from the economic model is further augmented spatially by evaluating the alignment of the project’s location and affected area, with geographic areas that were graded across the entire municipal area in terms of its economic impact in a separate economic study that was conducted for this purpose.

The economic alignment score is calculated within two distinct categories, namely:

- Focus on targeted portfolios;
- Focus on impact; and
- Focus on people.

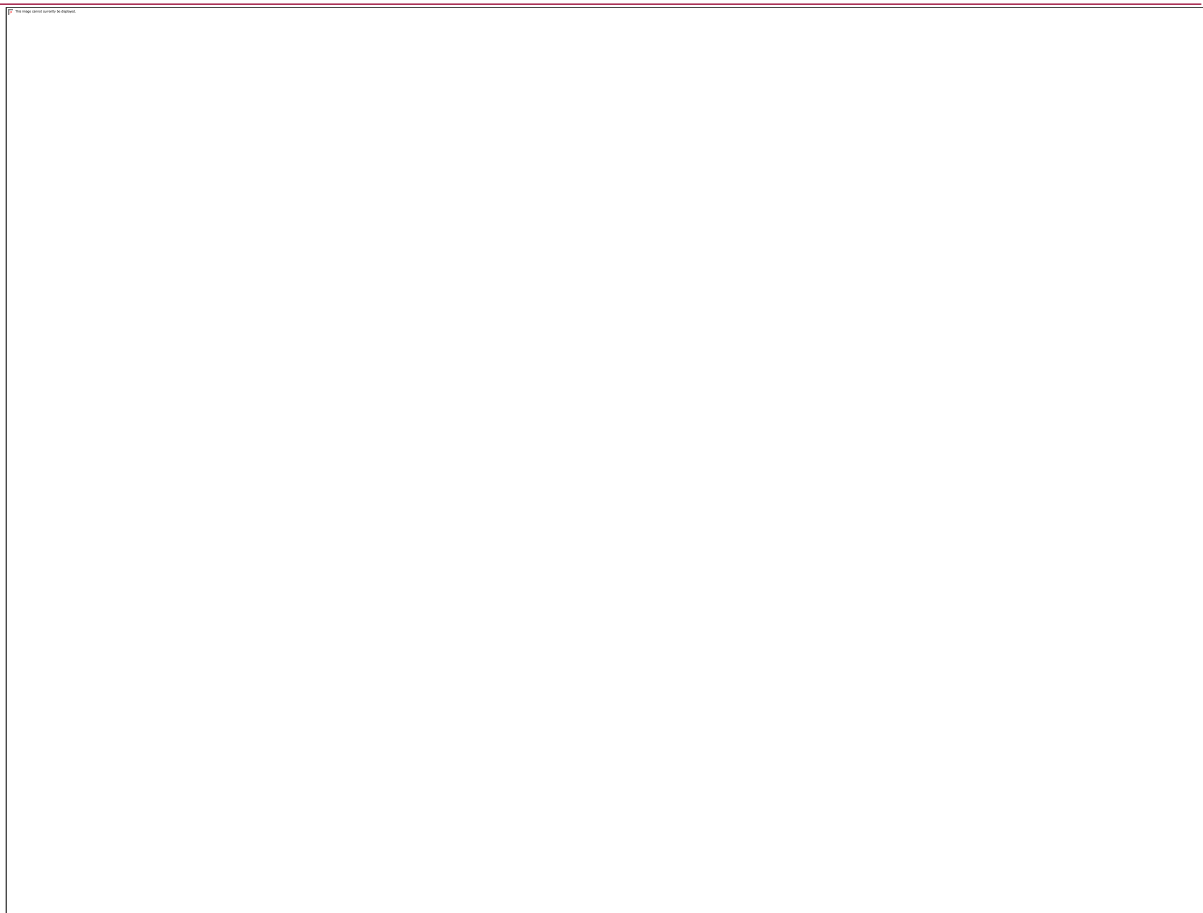


Figure 75: Capital Prioritisation Model: Economic Alignment

8.5.5 Social Alignment

The social alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipality aligns with servicing of areas with the highest demand and where the most vulnerable communities are situated.

The social alignment score is calculated within two distinct categories, namely:

- Services; and
- Deprivation Index.

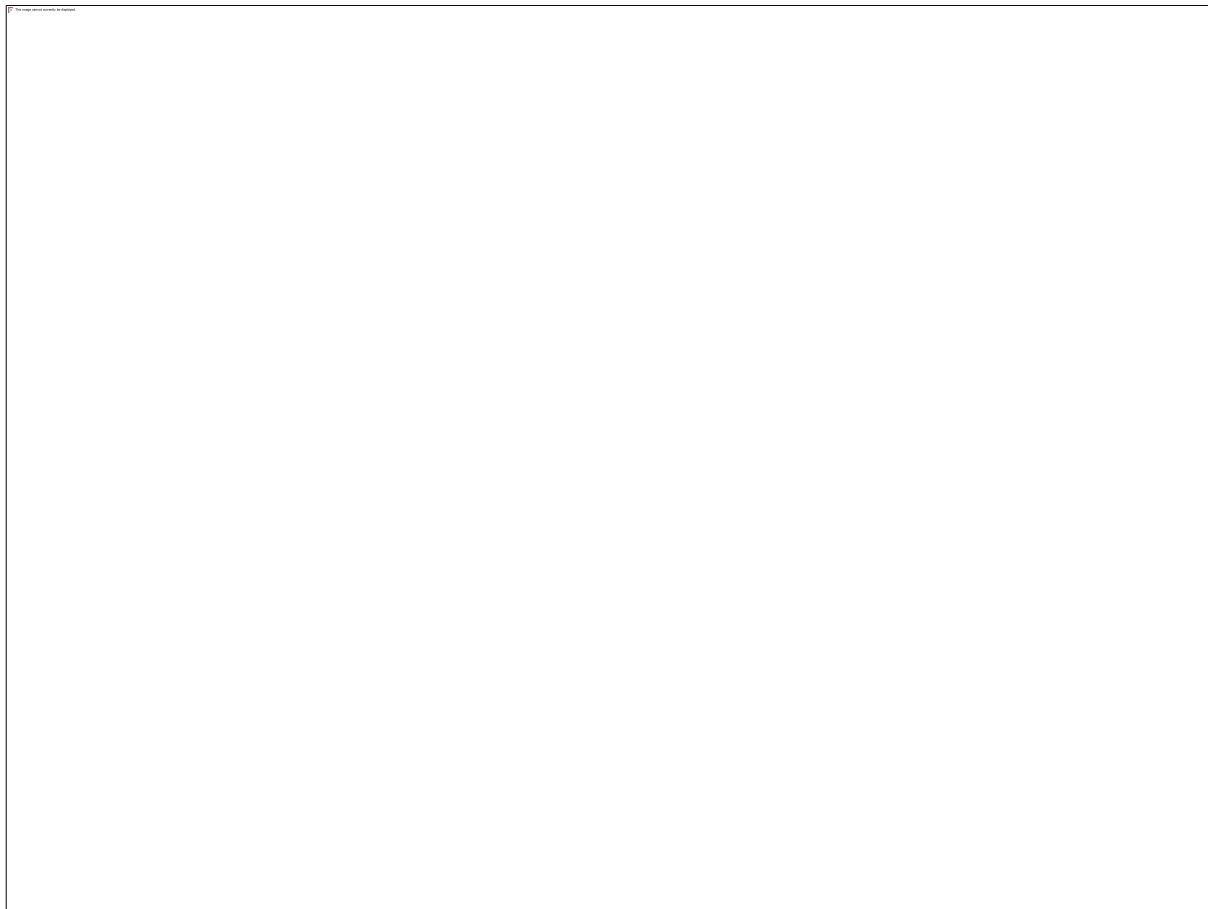


Figure 76: Capital Prioritisation Model: Social Alignment

8.5.6 Technical Alignment

The technical alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the asset management plans, analysis and modelling of the technical or utility services departments as well as the sustainability goals of the municipality, and most importantly, whether the project is ready to be implemented (i.e. all statutory and governance requirements have been met).

The technical alignment score is calculated within four distinct categories, namely:

- Implementation readiness;
- Risk Rating;
- Departmental Rating; and
- Legally Bound.



Figure 77: Capital Prioritisation Model: Technical Alignment

8.6 Capital Prioritisation Model Results

Based on the information captured on CP3, the Capital Prioritisation Model (CP3PM) has been run. The CP3PM's details are as follows:

- Baseline: 2020 2019/2020 Roll-Over (18 February 2019) Planning
- Reporting period: 2019/2020
- Scorecard: 20181206_Stellenbosch_Model_19-20_V4
- Scorecard Version: 2019-03-04 12:38

8.6.1 Scores per Unit

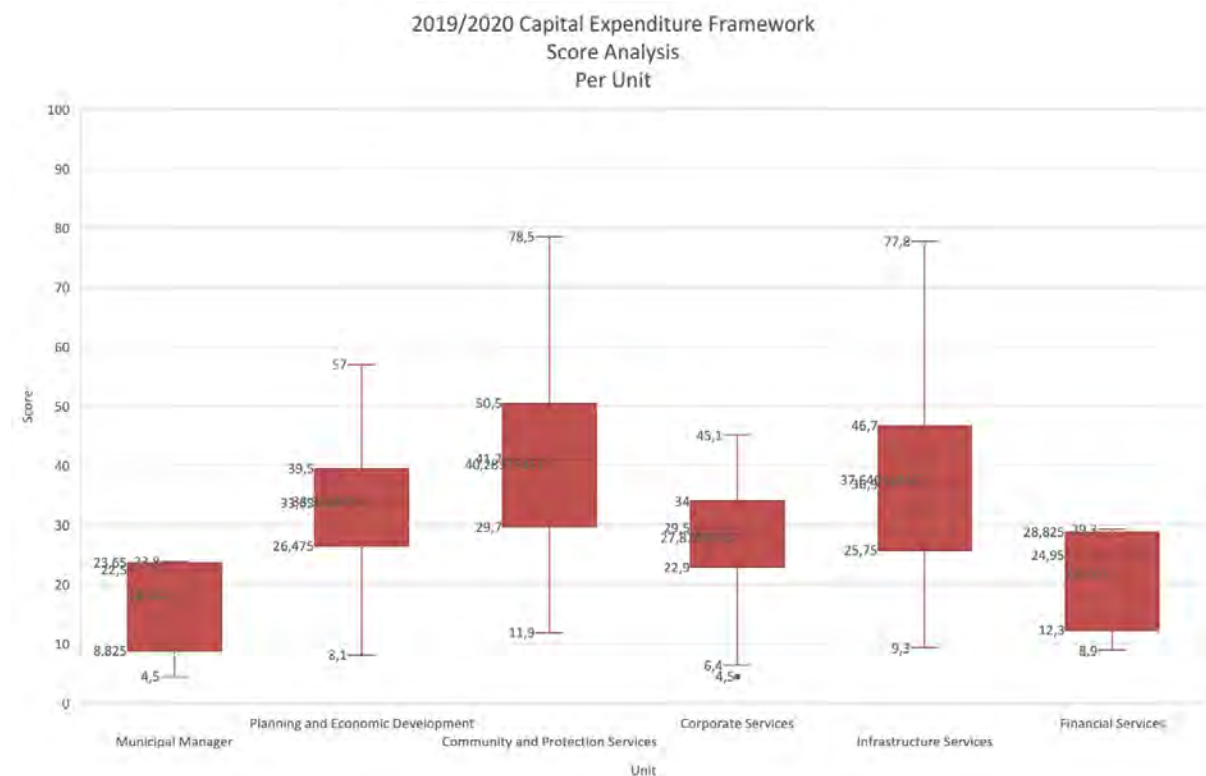


Figure 78: Prioritisation model results – score per unit

A box and whisker diagram is used to summarise a range of results per a unit. The box component of the diagram shows where the projects that scored between the 25th and 75th percentile scored of the specific unit. The average score of the unit is depicted by the “x”. The ends of the whiskers are the maximum and minimum scores. Projects scoring between the minimum value and the 25th percentile are arranged along the bottom whisker, and projects scoring between the maximum value and the 75th percentile are arranged along the top whisker and the box.

The figure above shows that Community and Protection services, and Infrastructure services has the highest variability of project scores for the majority of their projects. The municipal Manager and the Finance service units, scores relatively lower, but most of the projects within the units score close to the maximum value achieved within the department.

Planning and Economic Development, as well as Corporate Services displays the best spread of projects. The project with the best score is situated in the Infrastructure Services unit, whereas the project with the lowest score is situated in Corporate services.

8.6.2 Scores per Department

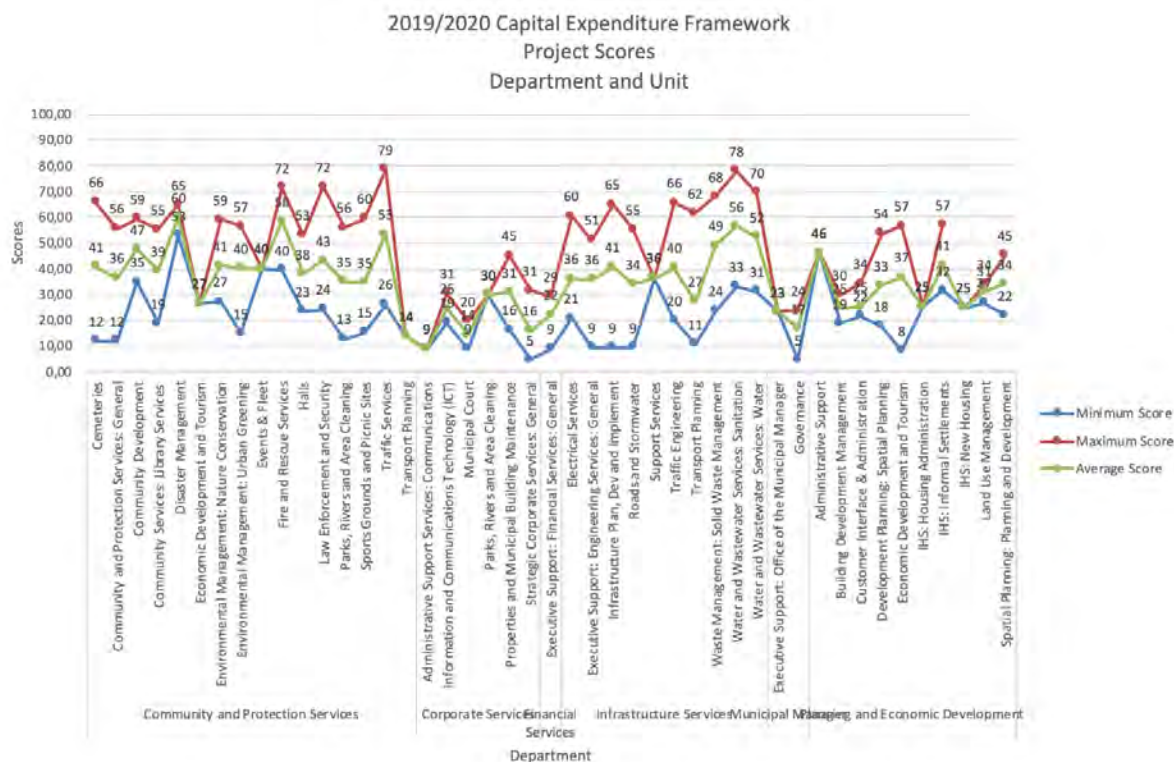


Figure 79: Prioritisation model results – Score per department

Table 70: Prioritisation model results

Unit / Department	Minimum Score	Maximum Score	Average Score
Community and Protection Services	11,90	78,50	40,17
Cemeteries	11,90	65,90	40,68
Community and Protection Services: General	11,90	55,60	36,42
Community Development	34,80	59,30	47,43
Community Services: Library Services	18,70	55,20	39,10
Disaster Management	52,90	64,70	59,90
Economic Development and Tourism	26,50	26,50	26,50
Environmental Management: Nature Conservation	27,20	59,00	40,99
Environmental Management: Urban Greening	14,80	56,50	40,10
Events & Fleet	40,00	40,00	40,00
Fire and Rescue Services	39,50	71,50	58,37
Halls	23,40	53,10	37,91
Law Enforcement and Security	24,30	71,70	42,97
Parks, Rivers and Area Cleaning	12,70	56,00	35,05
Sports Grounds and Picnic Sites	15,30	59,50	34,74
Traffic Services	26,20	78,50	53,40
Transport Planning	13,80	13,80	13,80

Unit / Department	Minimum Score	Maximum Score	Average Score
Corporate Services	4,50	45,10	27,88
Administrative Support Services: Communications	8,90	8,90	8,90
Information and Communications Technology (ICT)	19,20	30,50	24,57
Municipal Court	8,90	19,70	14,30
Parks, Rivers and Area Cleaning	29,80	29,80	29,80
Properties and Municipal Building Maintenance	16,20	45,10	30,80
Strategic Corporate Services: General	4,50	31,40	16,01
Financial Services	8,90	29,30	22,03
Executive Support: Financial Services: General	8,90	29,30	22,03
Infrastructure Services	9,30	77,80	37,53
Electrical Services	20,70	60,40	36,08
Executive Support: Engineering Services: General	9,30	51,20	35,79
Infrastructure Plan, Dev and Implement	9,30	64,90	40,54
Roads and Stormwater	9,30	55,10	34,04
Support Services	36,40	36,40	36,40
Traffic Engineering	19,90	65,50	40,23
Transport Planning	10,70	61,60	27,24
Waste Management: Solid Waste Management	23,60	67,90	48,89
Water and Wastewater Services: Sanitation	33,00	77,80	56,43
Water and Wastewater Services: Water	31,20	69,50	52,28
Municipal Manager	4,50	23,80	18,33
Executive Support: Office of the Municipal Manager	23,20	23,20	23,20
Governance	4,50	23,80	16,70
Planning and Economic Development	8,10	57,00	33,97
Administrative Support	46,10	46,10	46,10
Building Development Management	18,60	29,80	24,80
Customer Interface & Administration	21,60	34,20	25,17
Development Planning: Spatial Planning	17,70	53,70	33,40
Economic Development and Tourism	8,10	56,60	36,77
IHS: Housing Administration	25,20	25,20	25,20
IHS: Informal Settlements	31,50	57,00	41,20
IHS: New Housing	24,90	24,90	24,90
Land Use Management	26,80	33,90	31,37
Spatial Planning: Planning and Development	21,90	45,30	34,10
Grand Total	4,50	78,50	36,73

8.6.3 Scores Distribution

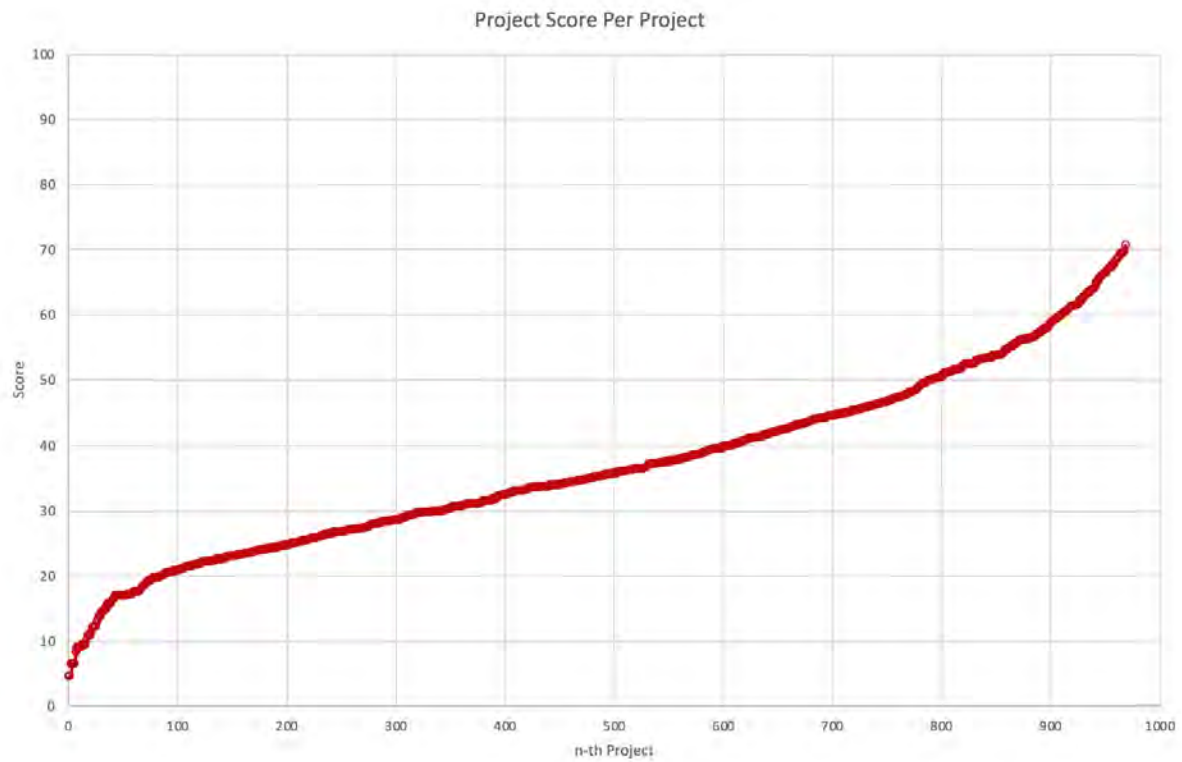
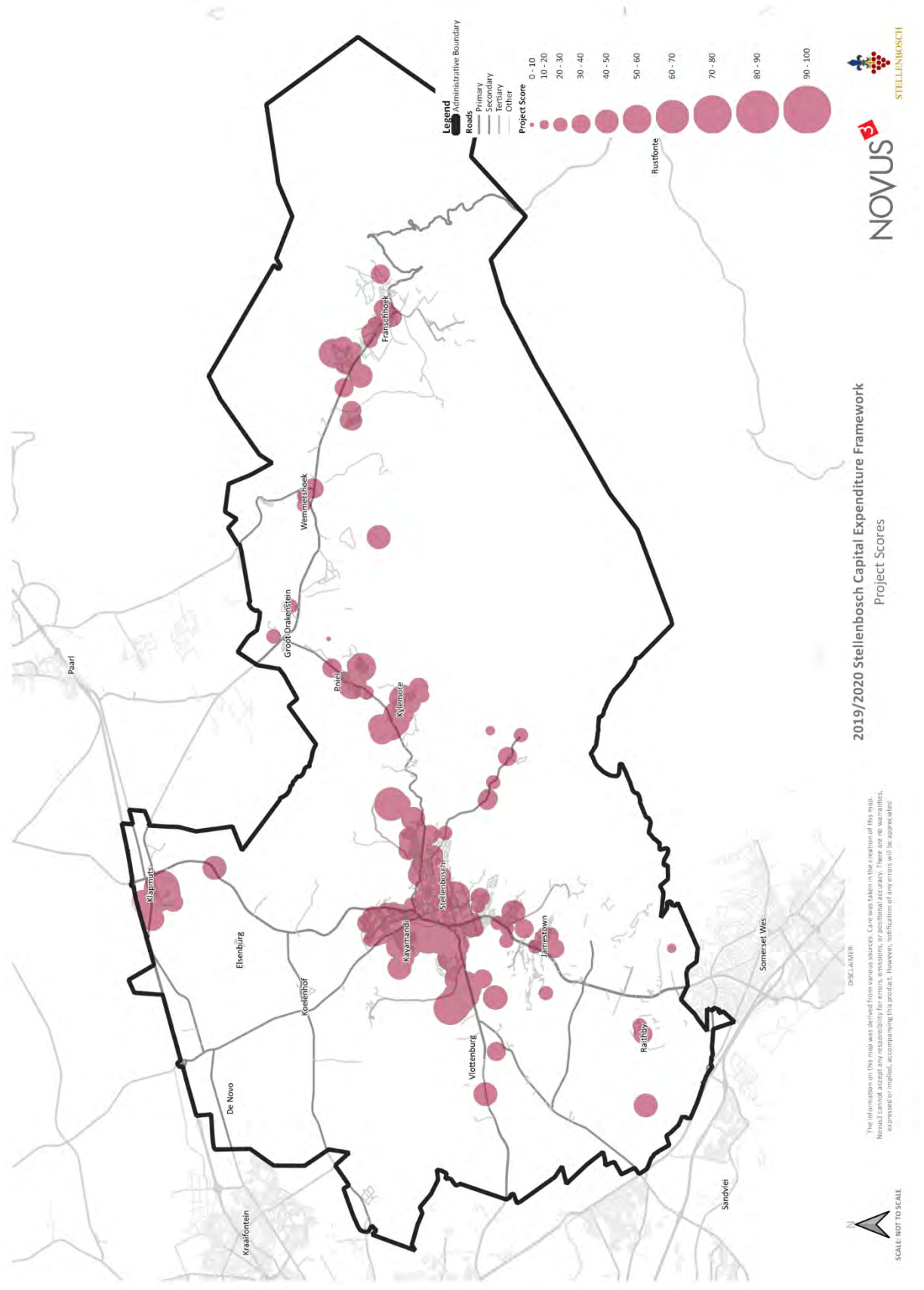


Figure 80: Project Score Distribution

From the project score distribution it is clear that projects has been ranked in line with a normal distribution model. This indicates two things, firstly, that the prioritisation model is not bias towards any project and evaluates projects on a scientific basis, and secondly, that the data captured per projects is sufficient and allows for successful Prioritisation.

8.6.4 Scores Distribution: Spatial



Map 27: Project Prioritisation Results - Spatial

One of the key benefits of the prioritisation model is that it enables alphanumeric and spatial data analytics, which means that spatial inputs are used to prioritise projects. This enables true spatial targeting. Considering the spatial parameters set in the prioritisation model, it is not surprising to see that projects within the functional areas, and priority Development Areas has scored higher than projects in the farm based areas.

The project scores depicted above relates to all Stellenbosch Local Municipality's projects that are requesting budget. The next step would be to apply the budget fit methodology described in the section below in order to compile a draft MTREF budget.

Please take note that projects' work locations are captured on CP3 as either one of the following geometries:

- Points;
- Lines; or
- Polygons.

The map above has been reduced to the centroid of each project location. Project locations as depicted above are therefore representative of a project, and not absolute.

Section 9 Budget Fit

9 Budget Fit

9.1 Contextualisation

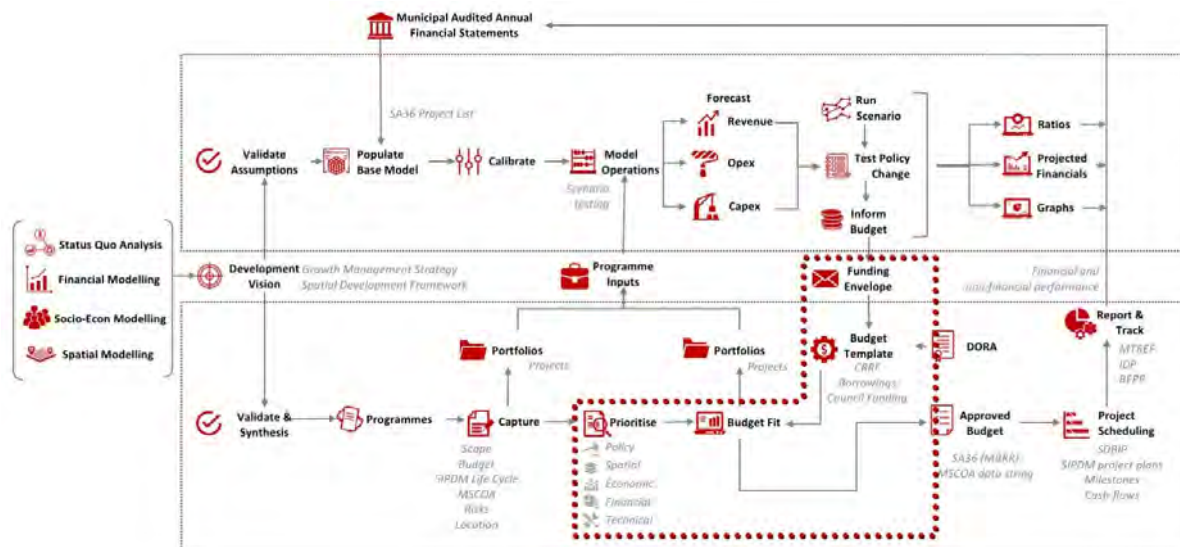


Figure 81: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

“Improved processes for municipal planning and budgeting empower a municipality to make more informed decisions and are fundamental to sustainable and efficient service provision. - The generic municipal budget cycle is set out in the MFMA and described in MFMA circular 19.”

National Treasury Local Government Budget and Expenditure Review: 2006/07 – 2012/13

The previous section explained the purpose of the CP³ Capital Prioritisation Model (CP³PM) as a systematic and objective methodology that provides a way to rank a diverse set of projects into an order of importance based on each project’s alignment to the strategic, spatial, social, economic, and financial objectives of the municipality. However, this process alone does not result in a capital budget for the municipality. The ranking of projects is but one input into the budget fit methodology.

The purpose of this section of the Capital Expenditure Framework is to discuss the methodology, rule set and criteria used during the budget fit process as well as to demonstrate how different choices regarding the budget fit strategies will result in different capital budget results.

The budget fit methodology can be summarised in a schematic diagram shown in the figure below. Essentially the budget fit methodology is a systematic application of a set of rules and parameters which will result in a project either being added to the draft budget or rejected from the draft budget portfolio.

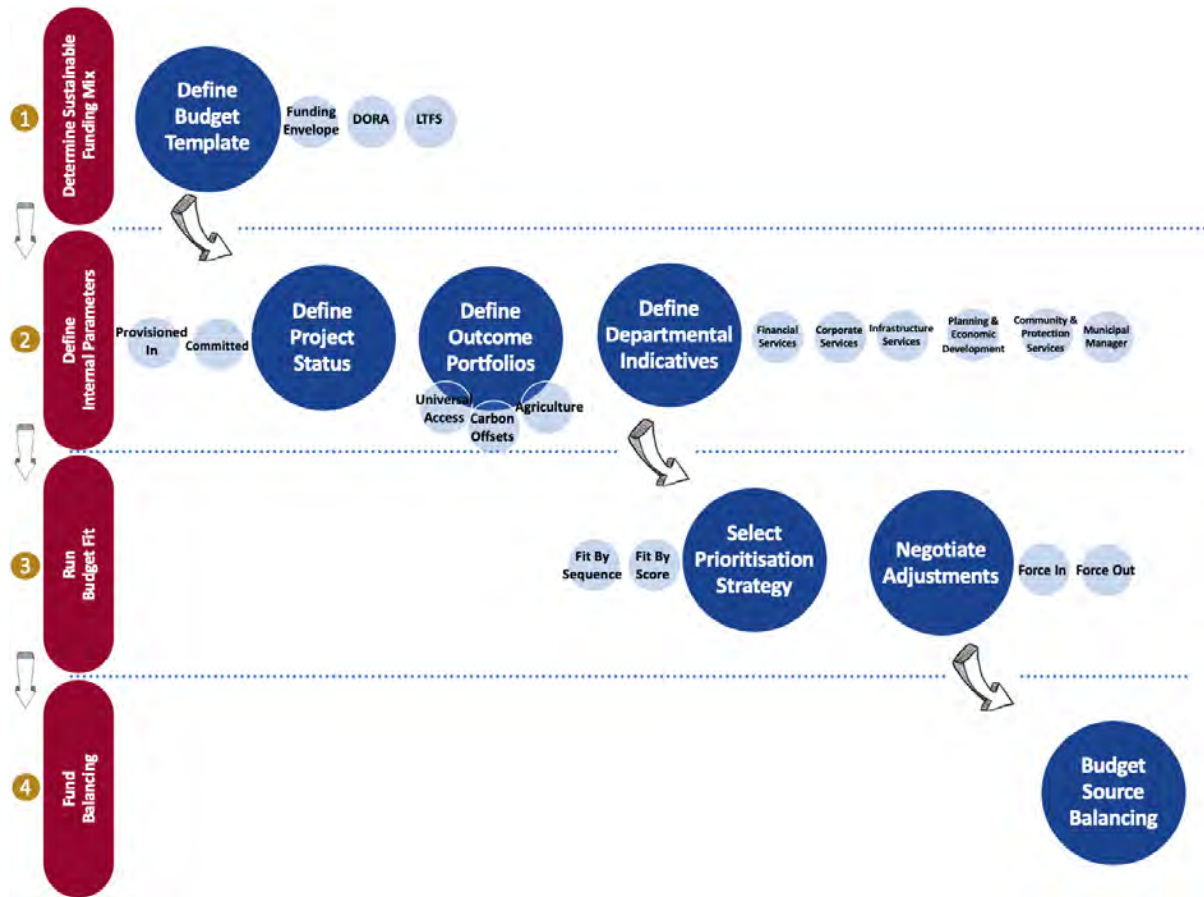


Figure 82: Budget Fit Methodology

9.2 Budget Fit Parameters

The following parameters all take part within the budget fit process:

9.2.1 Affordability Envelope

The affordability envelope as defined in a previous section of this document³⁸, is the sustainable and financially tested total budget that should be maintained by the municipality. If the capital budget exceeds this total, the municipality could encounter some unforeseen circumstances in future that will compromise its financial sustainability.

The parameters of the affordability envelope determine the strategy used for budget fit. It is possible to express the affordability envelope in terms of:

- Portfolios;
- Stages;
- Departments; and
- Total budget per year.

³⁸ Section 7 – Affordability Envelope

In each of the above-mentioned strategies, the total budget available are determined by either a Portfolio, Stage, or Department, or a combination of the different strategies. The sequence in which these strategies are organised, also determine the outcome of the budget fit process. If no strategy applies, or if a strategy's budget is depleted, the total budget parameter per year is utilised. Once the total budget parameter per year has been depleted, projects will obtain a "No Fit" status.

9.2.2 Project Score

Project scores has been determined as described in a previous section in this document.³⁹ The purpose of a project score is to determine a relative ranking between all the projects with a capital demand. Projects with the highest score has the first opportunity to be allocated budget.

9.2.3 Project Status

Within the budget fit, projects can be allocated a specific status based on the previous MTREF. These statuses are:

- **Committed** - Committed projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, and which are contractually committed as assets under construction. Termination of any committed projects will result in either legal or financial liability for the municipality. Given commitments made on these projects by the municipality, the budget fit methodology regards these projects as non-negotiable, irrespective of their CP3PM project score. Furthermore, projects that fall under this category will be fitted to the capital budget in the financial year in which they request money (no delays may be applied) and they may exceed the municipal, portfolio or departmental cap which have been applied in the template.
- **Provisioned In** - Provisioned projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, but which are not contractually committed as assets under construction. Termination of any provisioned projects will not result in either legal or financial liability for the municipality. The budget fit methodology regards these projects as having a higher priority than normal projects in the list (given their status received during previous MTREF budget publications) however their implementation timeframes are negotiable to an extent. Projects that fall under this category will be fitted to the capital budget in the financial year in which they request money only if there is sufficient capital budget available in the capital budget template and they may not exceed the municipal, portfolio or departmental cap which have been applied in the template. If the capital budget requests exceed the municipal capital budget template either at a municipal, portfolio or departmental indicative level, then provisioned projects may be fitted with delay to a financial year where there is sufficient municipal capital budget cap available.

9.2.4 Year of Budget Request

Projects has a specific budget request in a specific year, or a specific budget request over a period of years. The unique combination of budget request versus budget year is considered in the budget fit process.

³⁹ Section 8 – Project Prioritisation

9.2.5 Project Budget Request

The project budget request is used to compile a MTREF budget, and is captured across the total lifecycle of the project.

9.3 Budget Fit Process

The following process explains how the above-mentioned parameters interact in order to compile a budget.

9.3.1 Step 1: Define a DORA MTREF Budget Template

The first step of the budget fit process is a mandatory step required to determine the municipal capital budget cap or total amount of available capital funding for the Medium-Term Revenue and Expenditure Framework (MTREF). This is usually informed by a number of sources:

9.3.1.1 Division of Revenue Act (DORA)

The Division of Revenue Act is published on an annual basis with the distinct purpose to document the equitable share and grant allocations to municipalities. The exact publication dates of the DORA may differ from year to year. The DORA publication will therefore set out all the external available capital funding for the municipality emanating from the national and provincial budgets. Typical funding sources for the municipal capital budget emanating from the DORA publication include:

- Public Transport Infrastructure Systems Grant (PTIS);
- Neighbourhood Development Partnership Grant (NDPG);
- Urban Settlements Development Grant (USDG);
- Integrated National Electrification Programme (INEP);
- Community Library Services (CLS);
- Social Infrastructure Grant (SIG);
- LG SETA Discretionary Allocation;
- Integrated City Development Grant (ICDG); and
- Housing Delft Grant.

9.3.1.2 Stellenbosch Long Term Financial Strategy

All internally generated capital budget funding is determined through financial modelling undertaken by the Stellenbosch Local Municipality as part of their submissions to National Treasury on the Municipal Budget Reporting Regulations templates. Internal capital budget funding typically comprises the following funding sources:

- Own Municipal Funding: Funding generated from municipality revenue (i.e. rates and taxes).
- Public Contributions and Donations: Donations and bulk services contributions for capital expenditure to provide additional bulk capacity to service new developmental demand.

- Capital Replacement Reserves (CRR): Savings by the municipality for deferred capital expenditure to maintain the existing municipal asset base.
- Borrowings: External loans from the financial markets or bonds issued by the municipality to the financial markets.

It is important to note that not all projects are eligible to utilise all funding sources. For example, the PTIS grant is only applicable to infrastructure directly supportive of public transport and the INEP grant is only applicable to electrification programmes and projects. Therefore, although the budget template cap for the municipality is equal to the sum of the DORA publication and all internal capital funding sources, a funding source balancing exercise should be undertaken prior to publishing the final budget in order to ensure that only projects eligible for certain grants are funded by those grants.

The Stellenbosch Long Term Financial Modelling also results in a Long Term Financial Strategy which evaluates amongst others the Stellenbosch Local Municipality financial position and calculate what the optimal funding mix should be per annum, in order to maintain a desirable financial situation.

9.3.2 Step 2: Define project Committed or Provisional Status

The next step in the budget fit process is regarded as an optional step, given that the municipality may decide to prepare a budget which either includes or excludes the budget fit impact of multi-year capital project commitments. In reality, no budget preparation process is undertaken in isolation and the effect or commitments published in the previous financial year's approved capital budget (Annexure A) or the mid-year adjusted budget (Annexure B), will have an effect on the availability of capital funding for new projects to enter the budget list.

The municipality's CP3 system allows for two different project statuses during budget fit in order to account for the multi-year budget effect of projects which were previously published as part of either the approved or adjusted municipal capital budget:

- Committed Projects

Committed projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, and which are contractually committed as assets under construction. Termination of any committed projects will result in either legal or financial liability for the municipality. Given commitments made on these projects by the municipality, the budget fit methodology regards these projects as non-negotiable, irrespective of their CP3PM project score. Furthermore, projects that fall under this category will be fitted to the capital budget in the financial year in which they request money (no delays may be applied) and they may exceed the municipal, portfolio or departmental CP3 which have been applied in the template.

- Provisioned Projects

Provisioned projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, but which are not contractually committed as assets under construction. Termination of any provisioned projects will not result in either legal or financial liability for the municipality. The budget fit methodology regards these projects as having a higher priority than normal projects in the list (given their status received during previous MTREF budget publications) however their implementation timeframes are negotiable to an extent. Projects that fall under this category will be fitted to the capital budget in the financial year in which they request money only if there is sufficient

capital budget available in the capital budget template and they may not exceed the municipal, portfolio or departmental CP3 which have been applied in the template. If the capital budget requests exceed the municipal capital budget template either at a municipal, portfolio or departmental indicative level, then provisioned projects may be fitted with delay to a financial year where there is sufficient municipal capital budget cap available.

From the above it is evident that the classification of committed and provisioned status of projects may have a profound impact on the content of the capital project budget list. For example, if the entire adjusted budget capital project list of the municipality is regarded as committed, then the only discretionary expenditure available to the municipality will be the difference between the adjustment budget bottom line for year 2 and year 3 of the MTREF and the available capital budget sources, as well as the total budget cap for year 3 of the MTREF, given that the adjusted budget publication does not extend to the third year of the new MTREF budget.

9.3.3 Step 3: Define Outcome Portfolios

The budget template which is the primary input to the budget fit also allows the municipality to define capital budget amounts for key portfolios. The definition of portfolios and setting up budget cap amounts per portfolio is also an optional step in the budget fit process. These budget amounts will be ring-fenced for these portfolios and only projects which are earmarked to form part of those portfolios may compete for those budget amounts. For example, suppose the municipality executives decide that 15% of the total municipal budget must be ring-fenced for repairs and maintenance of existing assets. The budget template could be used to ring-fence 15% of the total capital budget for a portfolio called “Repairs and Maintenance”.

During the budget preparation period, projects would be classified as contributing to the “Repairs and Maintenance” portfolio by virtue of their MSCOA project segment classification. When the budget fit is executed, projects which belong to the “Repairs and Maintenance” portfolio will be fitted to the budget in order of highest CP3PM score to lowest CP3PM score until the budget cap of the “Repairs and Maintenance” portfolio has been reached.

This does not mean that no other repairs and maintenance projects will be fitted to the capital budget. It simply means that their preferential treatment during the budget fit process has been depleted and that the remaining repairs and maintenance projects will have to compete on an even basis with other capital requests based on their CP3PM score.

Setting up of various portfolio budget CP3 based on the outcome which is achieved by each of the portfolios is one mechanism by which a municipal capital budget could be generated based on the desired outcomes which the municipality advocates in their strategic documents.

9.3.4 Step 4: Define Departmental Indicatives

The fourth step in preparing the budget fit template allows for the municipality to set departmental budget CP3 or indicatives. The setting of budget cap amounts per department is also an optional step in the budget fit process. Departmental CP3 can be set for all departments or only for some departments. For example, some projects have difficulty competing effectively for budget owing to their nature. Capital investments in the form of library books may struggle to compete on a CP3PM score basis with utility services projects such as water and sanitation or electricity.

Setting of departmental indicatives or departmental budget CP3 could be an alternative strategy to provide a minimum budget threshold amount for departments who struggle to compete effectively for capital budget based on the CP3PM project score. The budget fit mechanism for departmental

indicatives or departmental CP3 works on much the same basis as the portfolio CP3. The departmental budget amounts will be ring-fenced per department and only projects which are earmarked to form part of those departments may compete for those budget amounts. When the budget fit is executed, projects which belong to the ring-fenced departments will be fitted to the departmental budget cap in order of highest CP3PM score to lowest CP3PM score until the budget cap of that department has been reached.

9.3.5 Step 5: Select Prioritisation Model Run / Results

The prioritisation model (including the Economic Impact Model) must be run prior to undertaking any form of budget fit. Therefore, the selection of a prioritisation model and its associated results is a mandatory step in any budget fit process.

When the budget fit is executed, as a rule, projects will be in order of highest CP3PM score to lowest CP3PM score until the municipal, portfolio or departmental budget CP3 has been reached, depending on the budget template which has been specified.

A visualisation of the budget fit result is shown below. This shows the ranking of projects from highest CP3PM priority (on the right) to lowest CP3PM priority (on the left). Each project is shown as a stacked bar in bar graph format, where the sum of the MTREF financial year capital requests for the projects (total MTREF capital budget) is shown as the height of the bar.

40

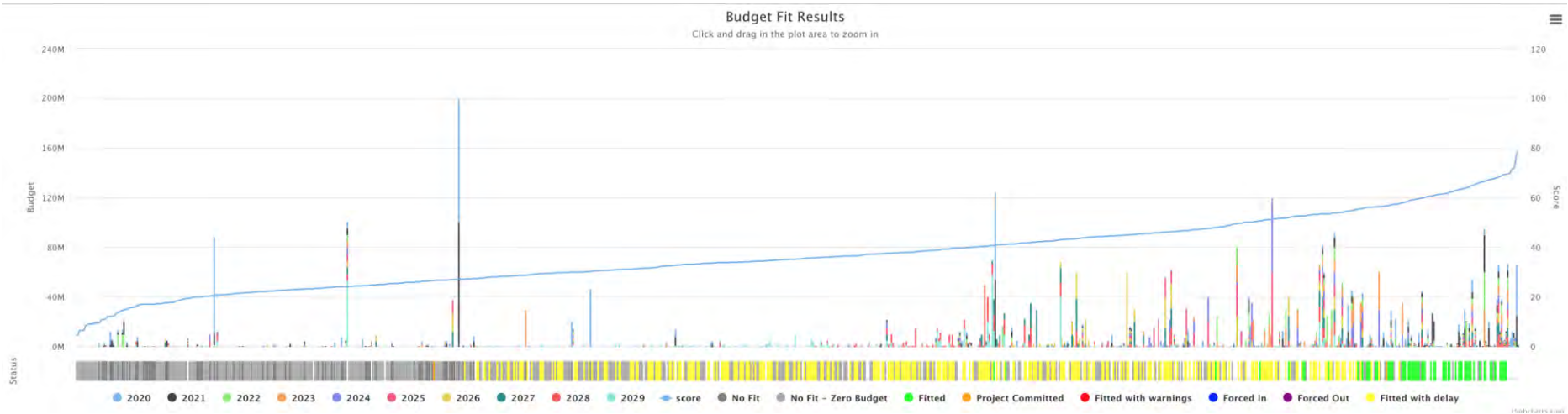


Figure 83: Budget Fit results

⁴⁰ The budget fit results graph is an interactive graph that can be accessed via the CP3 system used by the City.

The budget fit status of each project, after executing of the budget fit routine, is shown below the bar graph in colours. Each colour represents a different status. In the example provided, the orange projects represent committed projects, which means they were fitted irrespective of their CP3PM project score in the financial year in which they requested budget.

Green projects represent projects which were fitted based on their CP3PM project score in the year which they requested funding, given that there was available capital budget available in that financial year. The yellow projects represent projects that were fitted with delay. These projects received high scores on the CP3PM but there was not sufficient budget available in the financial year in which they requested capital funding, therefore the budget fit routine fitted them to a financial year later than they requested budget, where sufficient available capital budget was available in the budget template.

Eligible status include:

- **Committed:** Committed projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, and which are contractually committed as assets under construction. Termination of any committed projects will result in either legal or financial liability for the municipality.
- **Provisioned-In:** Provisioned projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, but which are not contractually committed as assets under construction. Termination of any provisioned projects will not result in either legal or financial liability for the municipality.
- **Provisioned-in with delay:** Provisioned projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, but which are not contractually committed as assets under construction. Termination of any provisioned projects will not result in either legal or financial liability for the municipality and are therefore delayed in the budget fit process. A project will then be delayed to a financial year where the budget cap total has not been exceeded.
- **Fit:** Projects that enjoy the status “fit” are projects that scores highest in relation to the remaining projects to be fit, with the provision that the budget cap total has not been exceeded.
- **Fit with Delay:** Projects that enjoy the status “fit with delay” are projects that scores highest in relation to the remaining projects to be fit, with the exception that the budget cap total for the year in which the project requests budget has been exceeded. A project will then be delayed to a financial year where the budget cap total has not been exceeded.
- **No Fit:** This status is assigned to projects that were not able to qualify for budget.
- **No Fit – Zero Budget:** This status is assigned to projects that do not request budget.

9.3.6 Step 6: Negotiated adjustments (Force-in / Force-out)

Once a draft capital budget has been developed using the budget fit process, the portfolio of projects which make up the draft capital budget needs to undergo a number of municipal approvals.

It is inconceivable that any portfolio of capital projects which has been prepared in a complex multi-disciplinary collaborative framework will meet all the expectations. Therefore, a negotiated adjustment process is accommodated in the budget fit process whereby projects can be added or

removed from the portfolio of capital projects based on motivations and representations made during budget forums.

9.3.7 Step 7: Budget Source Balancing

The last step in the budget fit process is to ensure that all available funding sources documented in the Budget Fit Template have been utilised in full and that none of the funding sources are over-subscribed. The funding source balancing is also the last check to ensure that all projects which are linked to grant funding are eligible according to the funding definitions and rules as set out in the Division of Revenue Act (DORA).

9.4 Budget Fit Results Analysis

9.4.1 Budget Demand

Overall capital need was estimated at R 7 499 million over the planning period, subsequent to the second capital demand capturing cycle. This, although already in excess of the affordable capital expenditure forecasted, represents only those capital needs which are captured in the CP3 system. The annual capital need can be distributed as follows:

Table 71: Capex Need and Affordable Capital Expenditure

Year	Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Capex Need (R mil)	R7 499	R1 372	R1 231	R776	R740	R433	R458	R445	R421	R251	R1 372

This capital need should be considered in light of an affordable capital programme of R 4 129 million, as forecast by the Long Term Financial Model taking into account the latest approved MTREF of Stellenbosch, over the next 10 years. Based on the results of the independent financial assessment Stellenbosch has more space to take up external borrowing to fund capital expenditure over the 10 of the Capital Expenditure Framework.

For a detailed summary on the budget demand, please refer to the section dealing with the Integrated Infrastructure Investment Framework. This section deals with the Stellenbosch Municipality's Capital expenditure projects. As a reference point to the results of the budget fit, please refer to the table below depicting the total ten year capital demand as captured on CP3 per Department, on a project level.

Stellenbosch Local Municipality
 Capital Expenditure Framework

Unit / Department	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Community and Protection Services	R139 679 000	R81 867 000	R21 690 000	R28 130 000	R22 795 000	R21 550 000	R18 290 000	R22 890 000	R9 790 001	R8 760 000	R2 480 000	R-
Cemeteries	R2 700 000	R11 500 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Community and Protection Services: General	R28 000 000	R20 000 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Community Development	R585 000	R92 000	R50 000	R560 000	R55 000	R60 000	R550 000	R50 000	R60 000	R570 000	R-	R-
Community Services: Library Services	R5 885 000	R3 435 000	R250 000	R2 960 000	R-	R550 000	R200 000	R250 000	R50 000	R370 000	R-	R-
Disaster Management	R-	R1 400 000	R1 500 000	R-	R-	R-	R-	R-	R-	R-	R-	R-
Economic Development and Tourism	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Environmental Management: Nature Conservation	R16 410 000	R10 500 000	R5 100 000	R6 500 000	R-	R-	R-	R1 500 000	R2 000 000	R-	R-	R-
Environmental Management: Urban Greening	R3 735 000	R250 000	R100 000	R-	R-	R-	R-	R-	R-	R680 000	R600 000	R-
Events & Fleet	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Fire and Rescue Services	R25 300 000	R5 300 000	R100 000	R1 000 000	R5 500 000	R2 850 000	R1 000 000	R6 000 000	R100 000	R-	R-	R-
Halls	R2 150 000	R850 000	R750 000	R1 300 000	R1 000 000	R1 000 000	R500 000	R500 000	R1 500 000	R-	R-	R-
Law Enforcement and Security	R4 700 000	R6 850 000	R3 950 000	R4 650 000	R4 650 000	R4 800 000	R4 800 000	R4 950 000	R5 600 001	R5 700 000	R-	R-
Parks, Rivers and Area Cleaning	R23 550 000	R10 980 000	R8 350 000	R9 120 000	R11 590 000	R9 290 000	R11 190 000	R9 640 000	R480 000	R1 440 000	R1 880 000	R-
Sports Grounds and Picnic Sites	R25 080 000	R7 000 000	R1 500 000	R2 000 000	R-	R3 000 000	R-	R-	R-	R-	R-	R-
Traffic Services	R1 584 000	R3 710 000	R40 000	R40 000	R-	R-	R-	R-	R-	R-	R-	R-
Transport Planning	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Corporate Services	R139 980 000	R99 020 000	R125 840 000	R111 640 000	R38 240 000	R18 440 000	R18 690 000	R15 740 000	R20 840 000	R64 040 000	R2 600 000	R-
Administrative Support Services: Communications	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Information and Communications Technology (ICT)	R6 600 000	R6 500 000	R6 600 000	R6 600 000	R6 800 000	R6 800 000	R6 900 000	R6 900 000	R7 000 000	R53 000 000	R-	R-
Municipal Court	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Parks, Rivers and Area Cleaning	R10 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Properties and Municipal Building Maintenance	R128 870 000	R88 120 000	R119 240 000	R105 040 000	R31 440 000	R11 640 000	R11 790 000	R8 840 000	R13 840 000	R11 040 000	R2 600 000	R-
Strategic Corporate Services: General	R4 500 000	R4 400 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Financial Services	R150 000	R150 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Executive Support: Financial Services: General	R150 000	R150 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Infrastructure Services	R922 867 103	R911 786 528	R602 198 900	R572 197 754	R343 935 619	R404 274 756	R393 123 130	R368 552 630	R216 355 908	R135 133 462	R115 522 370	R28 600 000
Electrical Services	R168 555 644	R104 250 000	R30 550 000	R116 300 000	R3 000 000	R28 000 000	R28 000 000	R28 000 000	R14 000 000	R14 000 000	R11 000 000	R-
Executive Support: Engineering Services: General	R61 820 000	R61 660 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Infrastructure Plan, Dev and Implement	R53 952 028	R65 696 528	R78 603 900	R66 442 754	R49 510 619	R85 414 756	R62 273 130	R134 982 630	R114 505 908	R100 033 462	R84 922 370	R8 000 000
Roads and Stormwater	R146 650 000	R122 950 000	R93 450 000	R21 800 000	R29 850 000	R32 350 000	R14 600 000	R21 100 000	R16 600 000	R21 100 000	R17 600 000	R20 600 000
Support Services	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Traffic Engineering	R20 900 000	R14 200 000	R3 300 000	R-	R-	R-	R500 000	R-	R-	R-	R-	R-
Transport Planning	R71 570 000	R66 085 000	R83 550 000	R138 660 000	R138 660 000	R138 660 000	R194 000 000	R86 820 000	R-	R-	R2 000 000	R-
Waste Management: Solid Waste Management	R36 585 000	R46 745 000	R21 745 000	R16 895 000	R12 065 000	R15 900 000	R5 750 000	R23 150 000	R14 700 000	R-	R-	R-
Water and Wastewater Services: Sanitation	R191 884 431	R211 100 000	R84 900 000	R73 450 000	R70 950 000	R47 550 000	R16 050 000	R18 300 000	R19 350 000	R-	R-	R-
Water and Wastewater Services: Water	R170 950 000	R219 100 000	R206 100 000	R138 650 000	R39 900 000	R56 400 000	R71 950 000	R56 200 000	R37 200 000	R-	R-	R-
Municipal Manager	R35 000	R40 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Executive Support: Office of the Municipal Manager	R35 000	R40 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Governance	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Planning and Economic Development	R168 988 600	R138 238 900	R25 840 200	R28 050 000	R28 049 000	R14 049 500	R15 055 000	R14 055 000	R4 060 000	R4 000 000	R-	R-
Administrative Support	R1 000 000	R10 000 000	R20 000 000	R15 000 000	R15 000 000	R1 000 000	R2 000 000	R1 000 000	R1 000 000	R1 000 000	R-	R-
Building Development Management	R160 000	R35 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Customer Interface & Administration	R100 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Development Planning: Spatial Planning	R902 000	R800 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Economic Development and Tourism	R33 050 000	R20 035 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
IHS: Housing Administration	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
IHS: Informal Settlements	R9 020 000	R6 000 000	R3 020 000	R3 025 000	R3 025 000	R3 025 000	R3 030 000	R3 030 000	R3 030 000	R3 000 000	R-	R-
IHS: New Housing	R20 000	R20 000	R25 000	R25 000	R24 000	R24 500	R25 000	R25 000	R30 000	R-	R-	R-
Land Use Management	R515 000	R155 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Spatial Planning: Planning and Development	R124 221 600	R101 193 900	R2 795 200	R10 000 000	R10 000 000	R10 000 000	R10 000 000	R10 000 000	R-	R-	R-	R-
Grand Total	R1 371 699 703	R1 231 102 428	R775 569 100	R740 017 754	R433 019 619	R458 314 256	R445 158 130	R421 237 630	R251 045 909	R211 933 462	R120 602 370	R28 600 000

Table 72: Capital Expenditure demand per project, summarised per Directorate and Department

9.4.2 Fit Results

9.4.2.1 Fit Status

Table 73: Fit Status

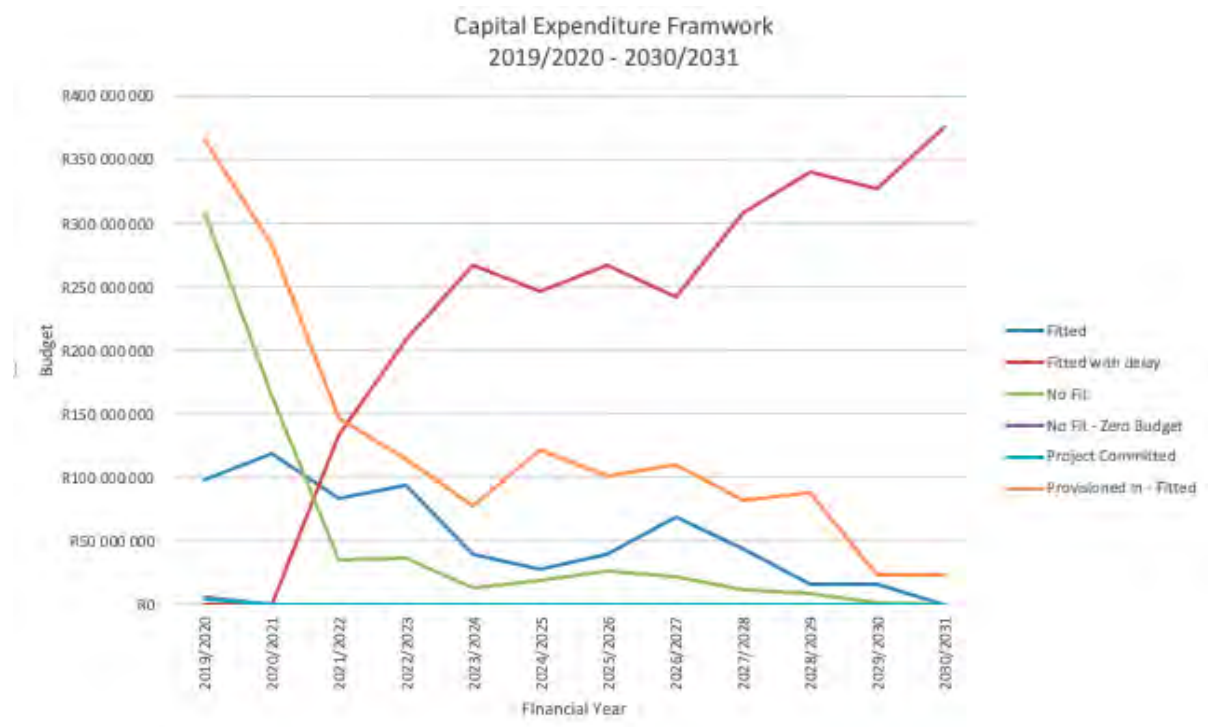
Fit Status	Total	Total (%)
Fitted	R645 183 829	12%
Fitted with delay	R2 717 344 044	49%
No Fit	R649 175 000	12%
No Fit - Zero Budget	R6 000 000	0%
Project Committed	R4 557 000	0%
Provisioned In - Fitted	R1 538 660 488	28%
Grand Total	R5 560 920 361	100%

The table above depicts the capital budget's demand after the budget fit process has been applied. It shows that 12% of the capital demand has been assigned in the same year as it requests. 28% of the capital demand however is Provisioned in, which means it is projects with a higher priority than other projects and so were firstly eligible to the funding envelope. This means that the funding envelope were significantly smaller for other capital projects. It is because of the previously mentioned fact that the majority of the capital has been fit, but with a delay.

Only 12% of capital demand has not been fit over the 10 years. It is important to notice, that the following scenario would have realised if the funding envelope was bigger:

- the bigger the funding envelop, the less projects will be fit with delay, which means that capital demand will roll out as capital assets sooner, rather than later.
- The bigger the funding envelope, the less projects will not fit to the Capital Expenditure Framework at all.
- The bigger the funding envelope, the more projects will be fit to the Capital Expenditure Framework.

Figure 84: Budget fit Status over time



The figure above represents the fit results as per the budget fit strategy applied. It can be interpreted as follows:

- **Committed:** In the first year, projects that are currently under construction, still have contractual commitments and cannot be fit at any other stage without having a negative impact on the municipality. These projects therefore are allocated budget in the first year, and not over the 10 year period.
- **Provisioned in:** These projects receive the most budget in the first years as they are already declared on the MTREF. As time continues, these commitments decrease, and so does the capital requirement of these projects over time.
- **Fitted:** Between the first and second financial year there is a sharp increase in capital demand fitted. This is because of the finalisation of projects with a committed status. Once the commitments have been served, the funding envelope opens up capacity to fit new projects.
- **Fitted with delay:** In the first financial years almost no capital expenditure is allocated to projects with delay. That is because there is no capacity in the first year, and a Fit with Delay status can only be assigned to projects that are delayed. Fit with Delay budget gradually increases as the funding envelope opens up, and then decreases as the capital demand decreases.
- **No Fit:** Projects that do not fit are projects with the lowest score. This means that projects with a higher score were fitted with delay. Once the funding envelope has been depleted, these projects – the no fit projects – are not included in the budget fit. It has a high proportion of the Capital demand in the first year, as the low scoring projects in this year compete with high capital demand assigned to statuses such as committed and provisioned in. It decreases sharply as more capital is fitted with delay.
- **No Fit – Zero Budget:** Even though these projects do not ask for any Capital Demand, they have been conceptualised and will reach a point of maturity in the next ten years where they will have

a Capital Demand. It is therefore important to have sight of these projects on one single platform, together with the rest of the project pipeline.

From the figure above it can be seen that the spatial investment paradigm has realised through the Prioritisation and budget fit methodology:

- Klapmuts: Most projects in this area either has no budget requested or are fit with delay. This highlight the fact that this future expansion node of Stellenbosch will enjoy capital expenditure, but the majority thereof will realise later on.
- Koelenhof: The Koelenhof node development is still in concept phase. One this area has a clear spatial vision, the municipality can respond with capital projects required to facilitate such expansion.
- Vlottenburg: The potential that boasts within this area is unprecedented. It is for that reason that most of the capital projects within the Vlottenburg area has been fit as per the budget fit module of CP3.
- Stellenbosch Central: It is clear from the figure above that Stellenbosch central is house of a variety of projects, and so a variety of fit statuses is assigned to this part of the municipality.
- Franschoek: Small capital projects within the Franschoek area has been fitted to the Capital Expenditure Framework. The majority has been fitted with delay which means that other projects across the municipality has been prioritised and fitted to the budget first.



Stellenbosch Local Municipality
Capital Expenditure Framework

Unit/Department	2019/2020	20120/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Community and Protection Services	R72 019 000	R35 585 000	R25 317 000	R16 565 000	R44 925 000	R40 530 000	R30 440 000	R25 740 000	R19 500 001	R22 320 000	R10 590 000	R4 940 000
Cemeteries	R2 700 000	R6 500 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Community and Protection Services: General	R-	R-	R-	R-	R20 000 000	R20 000 000	R-	R-	R-	R-	R-	R-
Community Development	R585 000	R35 000	R107 000	R560 000	R55 000	R60 000	R550 000	R50 000	R60 000	R570 000	R-	R-
Community Services: Library Services	R1 060 000	R1 040 000	R835 000	R375 000	R3 630 000	R730 000	R-	R800 000	R50 000	R3 460 000	R100 000	R-
Disaster Management	R-	R800 000	R2 100 000	R-	R-	R-	R-	R-	R-	R-	R-	R-
Economic Development and Tourism	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Environmental Management: Nature Conservation	R4 760 000	R5 000 000	R3 600 000	R3 500 000	R100 000	R-	R-	R2 000 000	R8 500 000	R5 550 000	R4 000 000	R1 500 000
Environmental Management: Urban Greening	R185 000	R150 000	R450 000	R100 000	R450 000	R-	R2 200 000	R50 000	R500 000	R-	R-	R-
Events & Fleet	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Fire and Rescue Services	R24 300 000	R5 300 000	R1 100 000	R-	R5 500 000	R3 850 000	R-	R6 000 000	R1 100 000	R-	R-	R-
Halls	R-	R-	R700 000	R500 000	R750 000	R1 300 000	R1 000 000	R500 000	R1 000 000	R850 000	R1 850 000	R-
Law Enforcement and Security	R4 200 000	R6 850 000	R3 950 000	R4 650 000	R5 150 000	R4 800 000	R4 850 000	R4 950 000	R5 600 001	R5 700 000	R-	R-
Parks, Rivers and Area Cleaning	R13 750 000	R1 950 000	R10 600 000	R6 840 000	R9 290 000	R9 790 000	R13 340 000	R10 890 000	R3 190 000	R3 440 000	R1 890 000	R2 940 000
Sports Grounds and Picnic Sites	R18 930 000	R4 250 000	R1 800 000	R-	R-	R-	R8 500 000	R-	R2 750 000	R2 750 000	R2 750 000	R500 000
Traffic Services	R1 549 000	R3 710 000	R75 000	R40 000	R-	R-	R-	R-	R-	R-	R-	R-
Transport Planning	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Corporate Services	R33 650 000	R25 100 000	R9 350 000	R8 650 000	R9 410 000	R11 550 000	R21 150 000	R19 150 000	R21 500 000	R103 600 000	R66 140 000	R96 740 000
Administrative Support Services: Communications	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Information and Communications Technology (ICT)	R5 900 000	R5 800 000	R5 900 000	R5 900 000	R6 100 000	R6 100 000	R6 200 000	R6 200 000	R6 300 000	R53 700 000	R700 000	R700 000
Municipal Court	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Parks, Rivers and Area Cleaning	R-	R-	R-	R-	R10 000	R-	R-	R-	R-	R-	R-	R-
Properties and Municipal Building Maintenance	R27 750 000	R19 300 000	R3 450 000	R2 750 000	R3 300 000	R5 450 000	R14 950 000	R12 950 000	R15 200 000	R49 900 000	R65 440 000	R96 040 000
Strategic Corporate Services: General	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Financial Services	R150 000	R150 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Executive Support: Financial Services: General	R150 000	R150 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Infrastructure Services	R355 311 459	R336 111 528	R318 598 900	R383 867 754	R323 965 619	R333 119 556	R327 157 630	R358 827 630	R363 340 908	R297 694 306	R285 552 870	R293 760 000
Electrical Services	R25 980 000	R26 550 000	R23 650 000	R18 800 000	R3 200 000	R3 200 000	R72 000 000	R26 000 000	R97 200 000	R3 575 644	R4 700 000	R3 800 000
Executive Support: Engineering Services: General	R310 000	R400 000	R-	R-	R60 010 000	R60 010 000	R-	R-	R1 000 000	R1 400 000	R350 000	R-
Infrastructure Plan, Dev and Implement	R32 202 028	R25 766 528	R34 603 900	R38 022 754	R31 640 619	R40 159 556	R62 682 630	R99 682 630	R80 855 908	R70 868 662	R89 832 870	R60 650 000
Roads and Stormwater	R13 300 000	R11 300 000	R20 300 000	R10 300 000	R34 400 000	R50 400 000	R15 400 000	R58 400 000	R32 850 000	R51 100 000	R54 850 000	R65 050 000
Support Services	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Traffic Engineering	R7 800 000	R4 250 000	R2 400 000	R2 000 000	R-	R-	R3 100 000	R2 200 000	R4 500 000	R6 400 000	R750 000	R-
Transport Planning	R6 600 000	R5 200 000	R21 450 000	R6 000 000	R-	R-	R16 775 000	R17 645 000	R34 735 000	R120 150 000	R107 720 000	R138 660 000
Waste Management: Solid Waste Management	R25 635 000	R42 345 000	R9 845 000	R7 645 000	R16 865 000	R18 400 000	R7 200 000	R36 400 000	R19 650 000	R1 800 000	R1 850 000	R600 000
Water and Wastewater Services: Sanitation	R160 884 431	R151 700 000	R92 400 000	R98 450 000	R32 450 000	R65 050 000	R31 050 000	R23 300 000	R33 850 000	R4 400 000	R20 000 000	R20 000 000
Water and Wastewater Services: Water	R82 600 000	R68 600 000	R113 950 000	R202 650 000	R145 400 000	R95 900 000	R118 950 000	R95 200 000	R58 700 000	R4 000 000	R5 500 000	R5 000 000
Municipal Manager	R35 000	R40 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Executive Support: Office of the Municipal Manager	R35 000	R40 000	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Governance	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
Planning and Economic Development	R12 827 000	R5 340 000	R8 525 000	R6 525 000	R6 299 000	R12 069 500	R29 244 000	R17 300 000	R28 652 600	R22 303 900	R5 185 200	R3 280 000
Administrative Support	R-	R-	R-	R-	R1 000 000	R10 000 000	R20 000 000	R15 000 000	R15 000 000	R1 000 000	R2 000 000	R1 000 000
Building Development Management	R-	R-	R-	R-	R-	R-	R-	R-	R-	R80 000	R35 000	R-
Customer Interface & Administration	R-	R-	R-	R-	R-	R-	R-	R-	R-	R100 000	R-	R-
Development Planning: Spatial Planning	R57 000	R-	R-	R-	R255 000	R45 000	R-	R-	R-	R965 000	R380 000	R-
Economic Development and Tourism	R4 695 000	R285 000	R6 500 000	R4 500 000	R3 000 000	R-	R6 880 000	R-	R8 250 000	R14 370 000	R120 000	R-
IHS: Housing Administration	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-	R-
IHS: Informal Settlements	R8 000 000	R5 000 000	R2 000 000	R2 000 000	R2 020 000	R2 000 000	R2 270 000	R2 275 000	R2 525 000	R3 025 000	R1 030 000	R1 030 000
IHS: New Housing	R20 000	R20 000	R25 000	R25 000	R24 000	R24 500	R25 000	R25 000	R24 000	R30 000	R-	R-
Land Use Management	R-	R-	R-	R-	R-	R-	R-	R-	R-	R355 000	R75 000	R-
Spatial Planning: Planning and Development	R55 000	R35 000	R-	R-	R-	R-	R69 000	R-	R2 847 600	R2 408 900	R1 545 200	R1 250 000
Grand Total	R473 992 459	R402 326 528	R361 790 900	R415 607 754	R384 599 619	R397 269 056	R407 991 630	R421 017 630	R432 993 509	R445 918 206	R367 468 070	R398 720 000

Table 74: Capital Expenditure Framework – Budget Fit Results

Section 10 Programme per Functional Area

10 Programme per Priority Development Area

10.1 Contextualisation

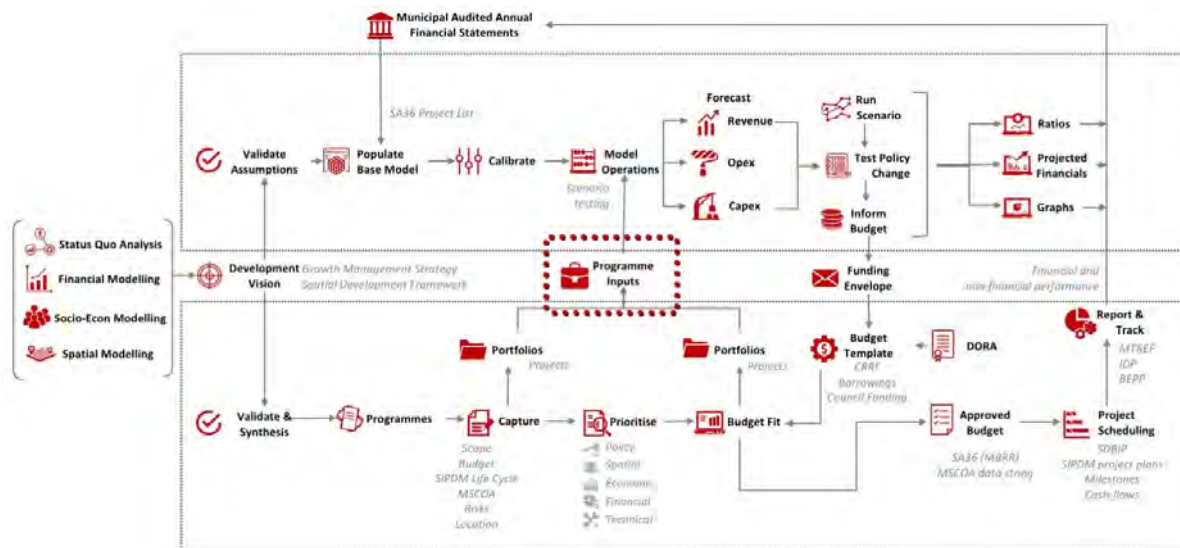


Figure 86: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

The policies, plans and programmes of any Organ of State are part of a basic methodology developed in Public Administration for the rational performance of governmental functions entrusted by law to the Government. The policies, plans and programmes stand in a tiered or hierarchical relationship with one another.

- At the first level in this hierarchy lies the formulation of a governmental policy, which in essence identifies the desired outcome or goal of the governmental functions in question which the particular Organ of State is entrusted with;
- The second level in this hierarchy consists of the development of a plan, setting out the preferred strategy or pathway by means whereof the desired outcome or goal of the governmental functions in question will be pursued; in other words, the plan at this level manifests a strategic choice at a high level between the various options available for realising the adopted policy, inter alia taking into account the availability of resources; and
- At the third level in this hierarchy then follows the identification of programmes, each of which details how various aspects of the approved plan will be implemented so that the desired outcomes or goals of the governmental functions in question can be achieved and the objectives of the adopted policy can be realised.

Within the context of this methodology, these three instruments (policies, plans and programmes) operate on a higher level of strategic assessment and decision-making. At the next level different projects are the implementation agents of programmes. Given the focus by government policy such as the National Development Plan, the Integrated Urban Development Framework and the Spatial Development Framework on spatial targeting, spatial justice, and spatial transformation projects are allocated to area based programmes to ensure an integrated view of project roll out and true integrated spatial development. To take a disciplinary based view of programmes revert planning methodology back to a per-line-function mentality within the municipality and so move away from the integrational effort of the IUDF and CEF, and toward the historic silo based planning style.

10.2 Investment paradigm

The investment paradigm of Stellenbosch Local Municipality is at its core rooted in the following:

- The Spatial Planning and Land Use Management Act; and
- The Spatial Development Framework.

It is necessary to consider all three of these guiding foundational elements of the Investment paradigm when evaluating the programmes per Priority Development Area.

10.2.1 SPLUMA Principles

The investment paradigm of Stellenbosch Local Municipality is informed by the principles of Spatial Planning and land Use Management Act (SPLUMA), and by the Integrated Urban Development Framework. The Spatial Planning and land Use Management Act set out the following principles to be applied in any organ of state that invest in space:

- Spatial Justice;
- Spatial Sustainability;
- Efficiency;
- Spatial Resilience; and
- Good Administration.

Stellenbosch adhered to the above mentioned principles by defining the investment paradigm as follow:

- **Spatial Justice:** To guide capital expenditure related to maintenance and renewal in settled areas within the municipality's jurisdiction but are not contributing to the desired urban structure of the municipality.
- **Spatial Sustainability:** Allocate capital expenditure in defined areas to realise integrated and compact urban form.
- **Efficiency:** Adhere to parameters set out in the Long-Term Financial Strategy in order to ensure capital expenditure that is in line with good financial practices and optimal usage.
- **Spatial Resilience:** Align capital expenditure at the hand of the Spatial Development Framework, which is developed with the intention to cope with any spatially based disturbance to the desired urban form.
- **Good Administration:** By implementing a municipal wide Capital Project Prioritisation and Performance platform, it is possible to track the implementation of the Capital Expenditure Framework.

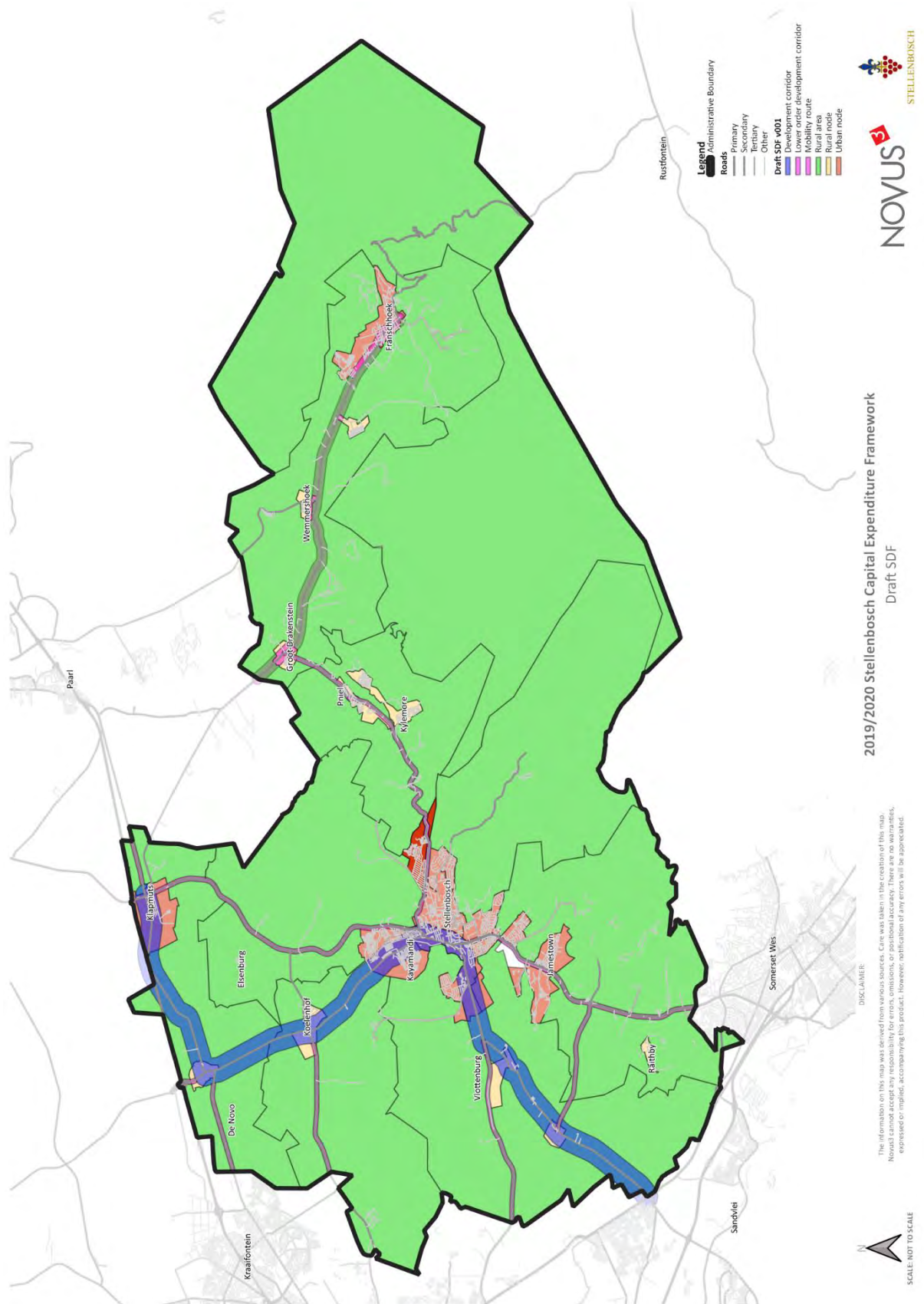
10.2.2 Draft Spatial Development Framework Narrative

The investment paradigm of Stellenbosch is also informed and based on a spatial vision⁴¹, namely the Draft Spatial Development Framework.

The key spatial structuring elements of the draft Spatial Development Framework includes:

- **Urban nodes:** The primary urban nodes, firstly includes Klapmuts as this is the identified area of expansion – based on development potential and the larger regional framework. Secondly is Stellenbosch central as this is the core of Stellenbosch and is deemed the area of compaction. Thirdly, is Franschoek – which is a major role player in terms of the current space economy in the region. Stellenbosch cannot disregard this area and so prioritise maintenance investment in this area.
- **Rural nodes:** Rural nodes on their own are deemed as areas which should only enjoy maintenance expenditure in order to preserve the character of these areas. However, in the event where such a rural node is effected by the Adam Tas corridor, the investment paradigm shifts from a maintenance oriented approach to an investment oriented approach, in order to stimulate a specific need for compaction and densification.
- **Rural Area:** The rural areas represent the agricultural and tourism sector that plays a major role in the financial sustainability of Stellenbosch. Capital demand in these areas are usually of low intensity.
- **Adam Tas Corridor:** Capital Investment in the Adam Tas Corridor is vital in terms of the IUDF and the aims identified therein. The Corridor is deemed as a catalytic spatial structuring element that not only serves a local function, but also a regional function and, if enforced, will capture a critical mass with the potential to attract incredible potential for economic development spatial reform. Please refer to the Draft SDF form more information regarding the potential and rationale of the Adam Tas Corridor.

⁴¹ The spatial development framework is in draft form, awaiting approval.



Map 28: Draft Spatial Development Framework

10.3 Functional Area Budget Split

For this part of this section, the draft 2019/2020 Capital budget has been expressed in terms of the Functional Areas.

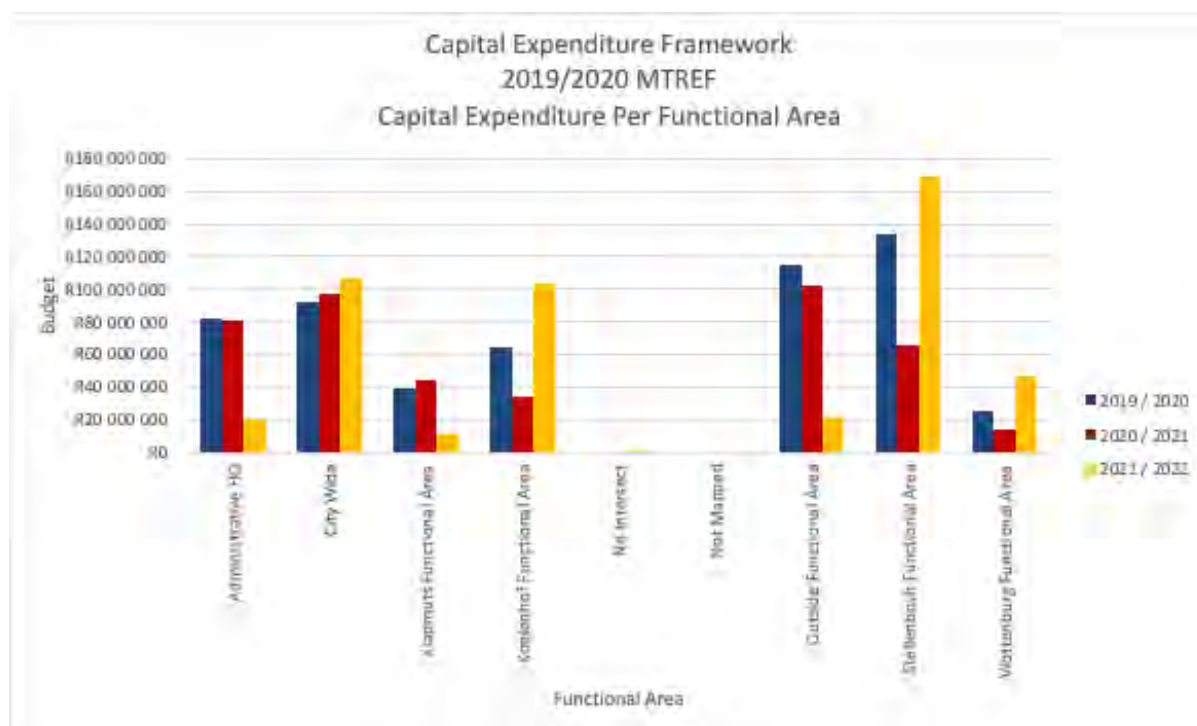


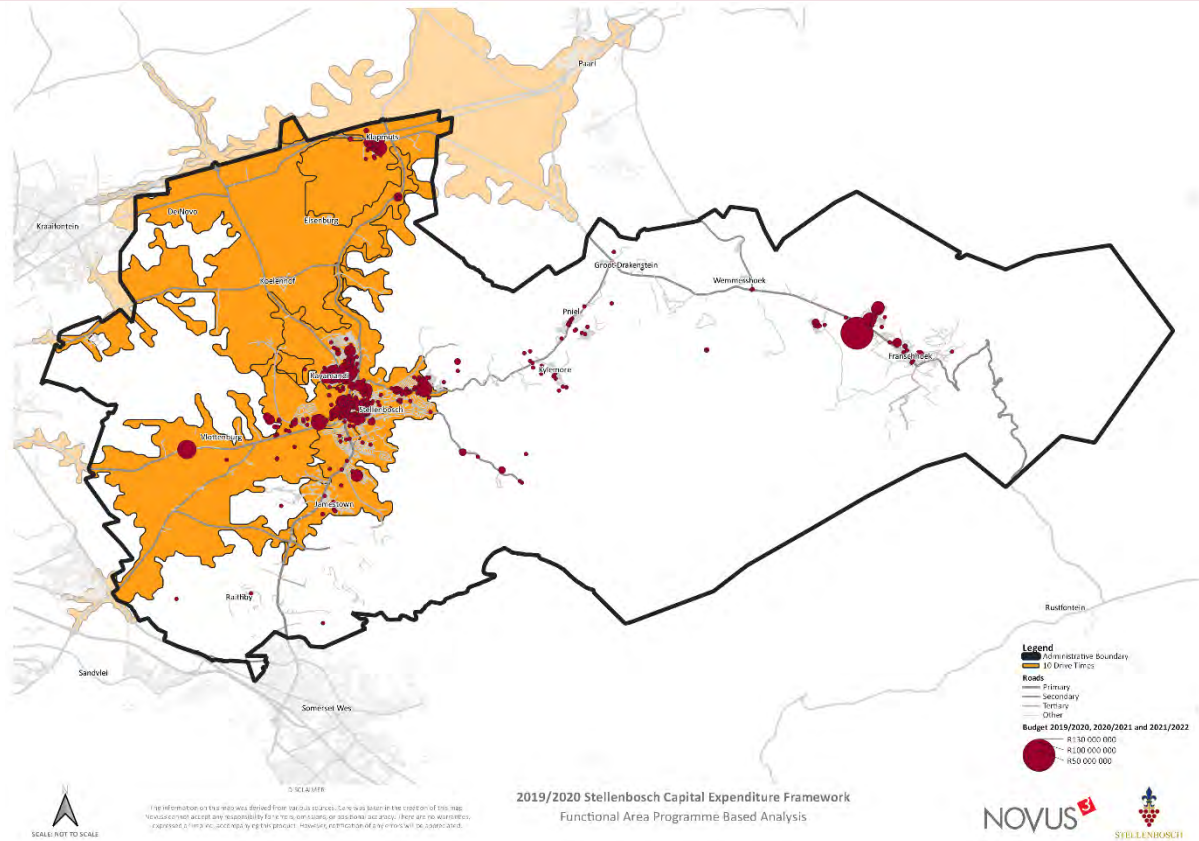
Figure 87: Programme totals per Functional Area

Functional Areas	2019 / 2020	2020 / 2021	2021 / 2022	MTREF Total	%
Administrative HQ	R 81 930 000	R 81 055 000	R 21 135 000	R 184 120 000	13%
City Wide	R 91 699 000	R 97 390 000	R 107 370 900	R 296 459 900	20%
Klapmuts Functional Area	R 40 029 240	R 44 083 605	R 11 410 190	R 95 523 035	6%
Koelenhof Functional Area	R 64 177 422	R 33 869 908	R 104 059 273	R 202 106 604	14%
No Intersect	R 0	R 0	R 17 720	R 17 720	0%
Not Mapped	R -	R -	R -	R -	0%
Outside Functional Area	R 114 464 226	R 102 259 799	R 21 652 150	R 238 376 174	16%
Stellenbosch Functional Area	R 133 158 275	R 65 765 991	R 169 599 438	R 368 523 703	25%
Vlotterburg Functional Area	R 26 127 509	R 13 823 159	R 47 180 031	R 87 130 699	6%
Grand Total	R 551 585 673	R 438 247 462	R 482 424 701	R 1 472 257 836	100%

Table 75: Programme totals per Functional Area

Please note the following:

- Duplication of a project's budget is possible as the functional area, based on a 10 minute drive time overlap between most of the identified functional areas.
- No intersect refers to a portion of projects that falls outside the municipality's jurisdiction.
- Not Mapped refers to projects that that do not have geo-spatial data.



Map 29: Functional Area Programme based analysis

Considering the Investment paradigm of Stellenbosch, it is evident that Capital expenditure has been guided by the Prioritisation and budget fit mechanisms towards the desired urban form. Almost 25% Of capital expenditure in the first financial year is situated within the Stellenbosch proper area. The remaining functional areas, which also covers the Adam Tas corridor, enjoys 28%. 16% of Capital Expenditure are assigned to projects outside the functional areas, which aligns with the principle of spatial justice. The remaining budget are assigned to project that are either city wide, or related to Administrative HQ expenditure.⁴²

⁴² Please note that every spatially based summary is available in a per-project level report.

10.4 Priority Development Areas Budget Split

For this part of this section, the draft 2019/2020 Capital budget has been expressed in terms of the Priority Development Areas.

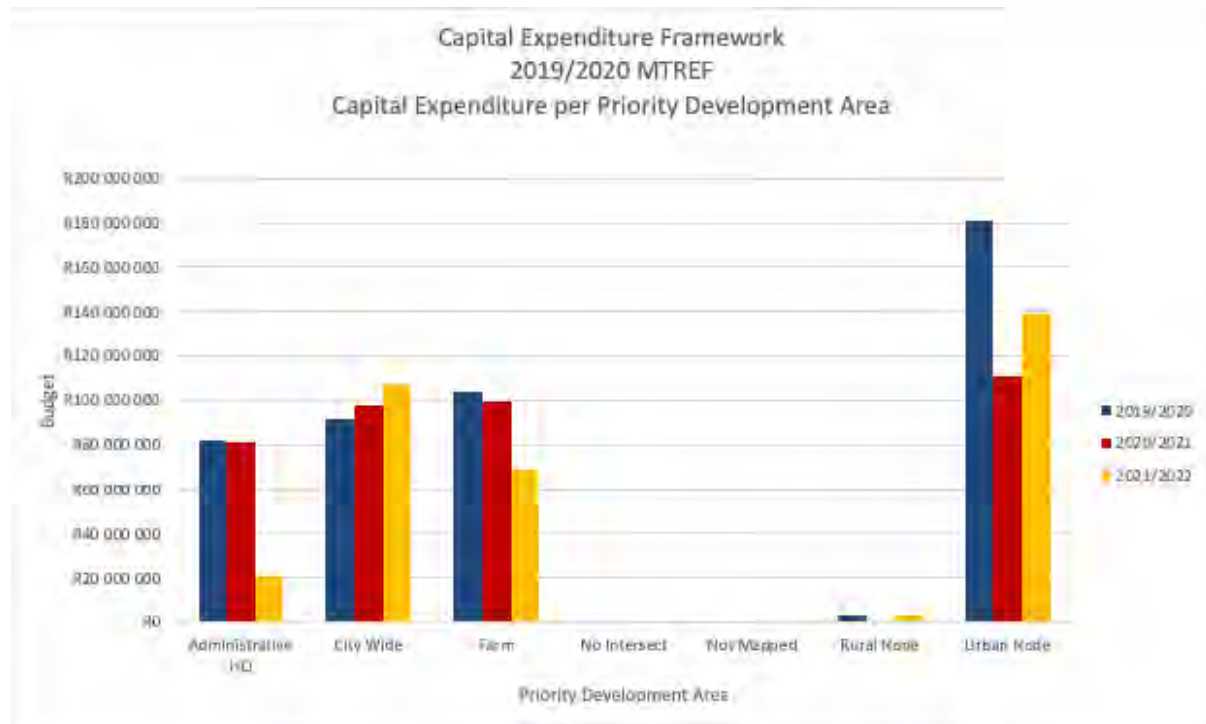


Figure 88: Programme totals per Priority Development Area

Priority Development Areas	2019/2020	2020/2021	2021/2022	MTREF Total	%
Administrative HQ	R81 930 000	R81 055 000	R21 135 000	R184 120 000	15%
City Wide	R91 699 000	R97 390 000	R107 370 900	R296 459 900	25%
Farm	R103 798 979	R99 978 629	R69 317 704	R273 095 313	23%
No Intersect	R32 353	R485 288	R202 829	R720 470	0%
Not Mapped	R-	R-	R-	R-	0%
Rural Node	R3 065 503	R669 441	R3 004 687	R6 739 632	1%
Urban Node	R180 755 096	R111 016 642	R138 959 779	R430 731 517	36%
Grand Total	R461 280 931	R390 595 000	R339 990 900	R1 191 866 831	100%

Table 76: Programme total per Priority Development Areas

10.5 Discipline based Budget Split

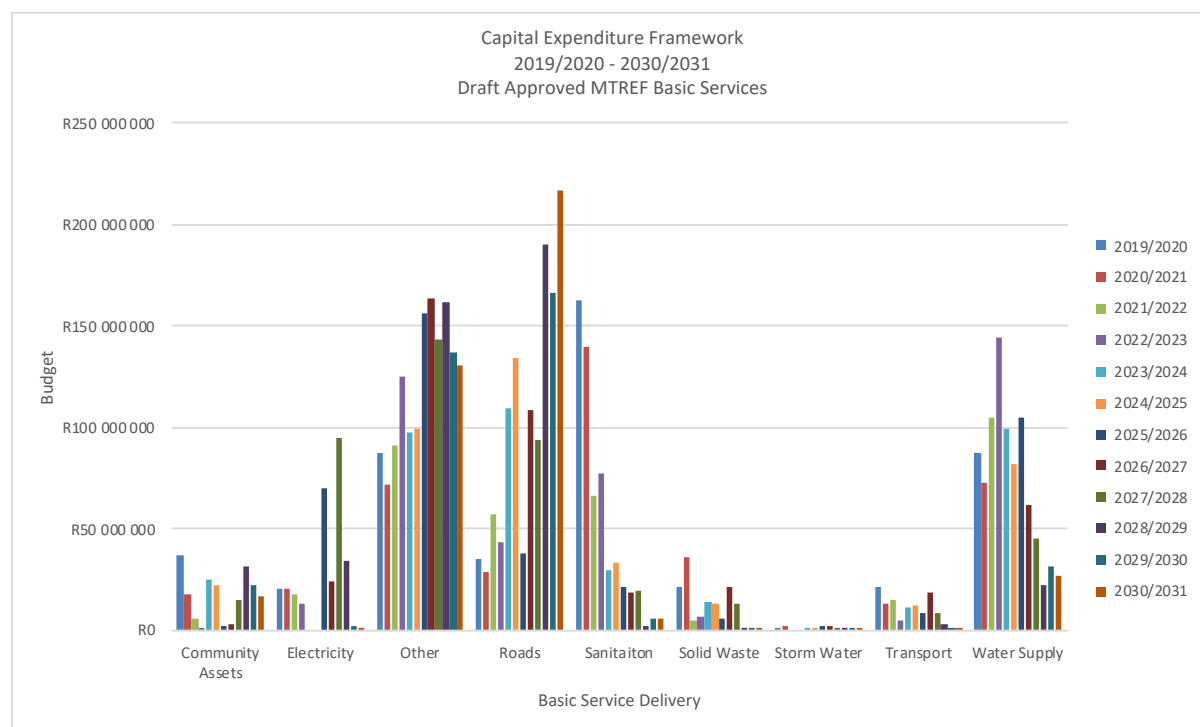


Figure 89: 2019/2020 MTREF Capital budget focussed on basic service delivery

Table 77: 2019/2020 MTREF Capital Budget focussed on basic service delivery

Basic Services	2019/2020	2020/2021	2021/2022	Total MTREF	%
Community Assets	R37 425 000	R17 495 000	R5 585 000	R60 505 000	5%
Electricity	R20 230 000	R20 750 000	R17 700 000	R58 680 000	5%
Other	R87 481 500	R71 815 000	R91 525 000	R250 821 500	20%
Roads	R35 300 000	R28 800 000	R56 850 000	R120 950 000	10%
Sanitation	R162 584 431	R139 400 000	R66 250 000	R368 234 431	30%
Solid Waste	R21 150 000	R36 100 000	R5 000 000	R62 250 000	5%
Storm Water	R1 000 000	R2 000 000	R-	R3 000 000	0%
Transport	R21 470 000	R13 250 000	R15 000 000	R49 720 000	4%
Water Supply	R87 351 528	R72 716 528	R105 080 900	R265 148 956	21%
Grand Total	R473 992 459	R402 326 528	R362 990 900	R1 239 309 887	100%

The discipline based budget split has been compiled based on the MSCOA project segment category per project. Please refer to the table below:

Basic Services	MSCOA - Type Category
Community Assets	Community Assets
Community Assets	Libraries
Electricity	Electrical Infrastructure
Roads	Roads Infrastructure
Sanitation	Sanitation Infrastructure

Basic Services	MSCOA - Type Category
Solid Waste	Solid Waste Infrastructure
Storm Water	Storm water Infrastructure
Transport	Transport Assets
Water Supply	Water Supply Infrastructure
Other	Biological or Cultivated Assets
Other	Computer Equipment
Other	Expanded Public Works Programme
Other	Furniture and Office Equipment
Other	Heritage Assets
Other	Indigent and Cultural Management and Services
Other	Information and Communication Infrastructure
Other	Intangible Assets
Other	Investment Properties
Other	Machinery and Equipment
Other	Other Assets
Other	Spatial Planning
Other	Strategic Management and Governance
Other	(blank)

Section 11 Capital Expenditure Implementation Framework

11 Capital Expenditure Implementation Framework

11.1 Contextualisation

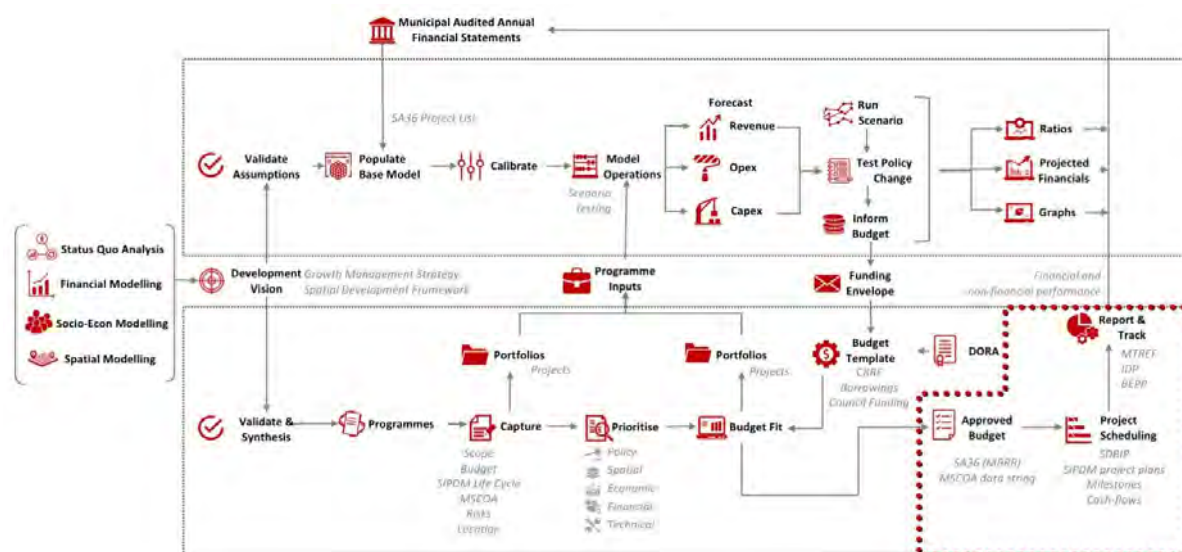


Figure 90: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

Once the ten year Capital Expenditure Framework has been set up as a result of the prioritisation and budget fit process, a three year Capital Expenditure Implementation follows. In order to manage Capital Expenditure Implementation, National Government, through the MFMA has established the Medium Term Revenue and Expenditure Framework (MTREF). The MTREF is a rolling three-year expenditure planning tool and defines the expenditure priorities for a period of three years.

This section depicts the first three years of implementation. It show an estimation of the following implementation frameworks, however, one must take cognisance of the fact that the municipal planning and implementation process is ongoing and that the implementation framework will be adjusted as new capital demand is introduced to the Capital Expenditure Framework.

It is important to note that the Capital Expenditure Framework process must be aligned with the municipal budgeting process. It is for that reason, that this document reflects the draft MTREF. Upon final submission of the approved MTREF, this document will be updated.

11.2 2019/2020 – 2021/22 Budget Analysis

The budget analysis will be done in terms of the total Capital Expenditure Framework. In some instance capital expenditure in the MTREF might seem without goal, but understanding that the budget is drafted with a ten year Capital Expenditure Framework in mind, it will be easier to rationalise several findings.

Given that the whole budgeting process up to this point has been done with the assistance of the CP3 platform, it is now possible to analyse the budget not only in terms of the total Capital Expenditure Framework, but also in terms of key project related information. It is therefore essential to plan on a project level – this enables to grouping and analysis of several project attributes.

11.2.1 2019/2020 Budget demand vs Budget fit results

Please refer to the section related to the budget fit results for more detail.

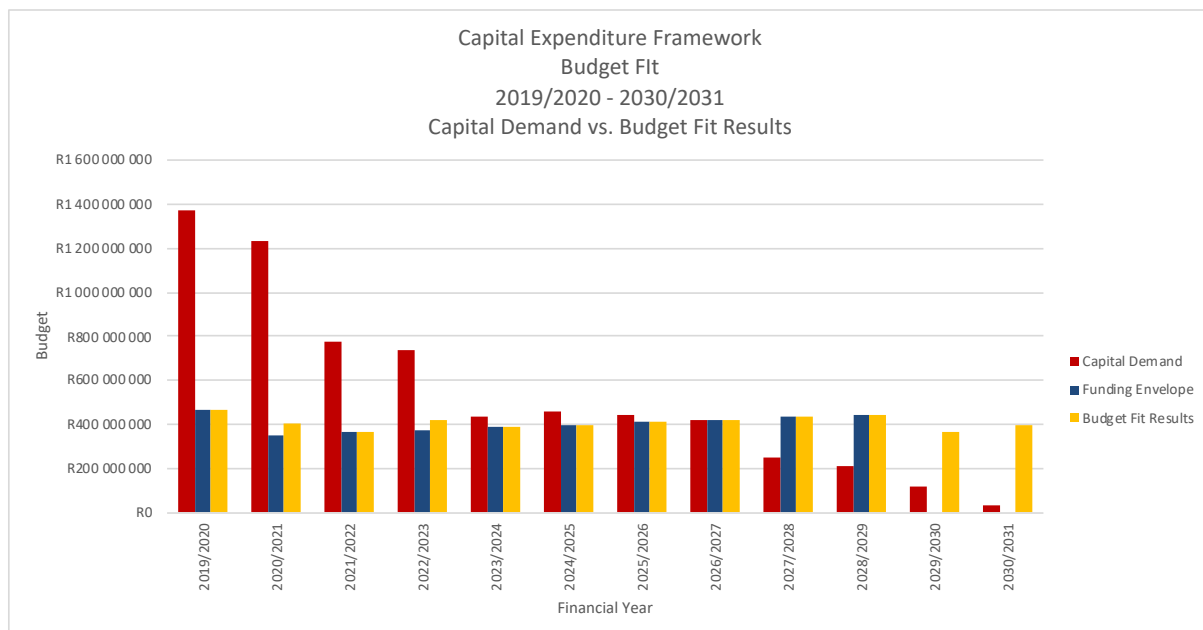


Figure 91: Capital demand vs Budget fit results

Table 78: Capital demand vs Budget fit results

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Capital Demand	R1 371 699 703	R1 231 102 428	R775 569 100	R740 017 754	R433 019 619	R458 314 256
Funding Envelope	R468 000 000	R352 000 000	R363 000 000	R374 000 000	R385 000 000	R397 000 000
Budget Fit Results	R467 992 459	R402 326 528	R361 790 900	R415 607 754	R384 599 619	R397 269 056
	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Capital Demand	R445 158 130	R421 237 630	R251 045 909	R211 933 462	R120 602 370	R28 600 000
Funding Envelope	R408 000 000	R421 000 000	R433 000 000	R446 000 000	R-	R-
Budget Fit Results	R407 991 630	R421 017 630	R432 993 509	R445 918 206	R367 468 070	R398 720 000

From the graph above the following findings can be made:

- Capital demand exceeded the desired funding envelope up to 2027/2028 after which the available capital exceeded the demand. The first four years have the highest proportion between capital demand and the funding envelope. This is because of the nature of forward planning and project budget estimation – project managers have more clarity and certainty on how much a project will cost in the near future versus a period further than that.
- In 2019/2020 the funding envelope is fitted to 100%. This means that the funding envelope is achieved.
- In 2020/2021 the funding envelope is exceeded by the budget that is fitted. This is due to some projects that enjoy committed statuses and have a low first year capital demand, but increase in capital demand in the outer two years. These “trojan horses” should be reviewed as they place immense pressure on outer year budgets.

- The last two years, 2029/2030 and 2030/2031 are allocated budget. This might seem as an anomaly since there is no funding envelope. This is because of two realities. Firstly, the fit with delay effect. If a project does not receive capital in the year it asks, it will be delayed until it has available budget. This has a rolling effect and can be seen in the last three years. The second reality that effects this, is that projects are being fitted based on their capital budget request, for every year it requests budget. This means that if a project is fit in 2028/2029, it will have at least a three year impact on the budget.

11.2.2 2019/2020 MTREF Capital Budget by mSCOA Expenditure Type

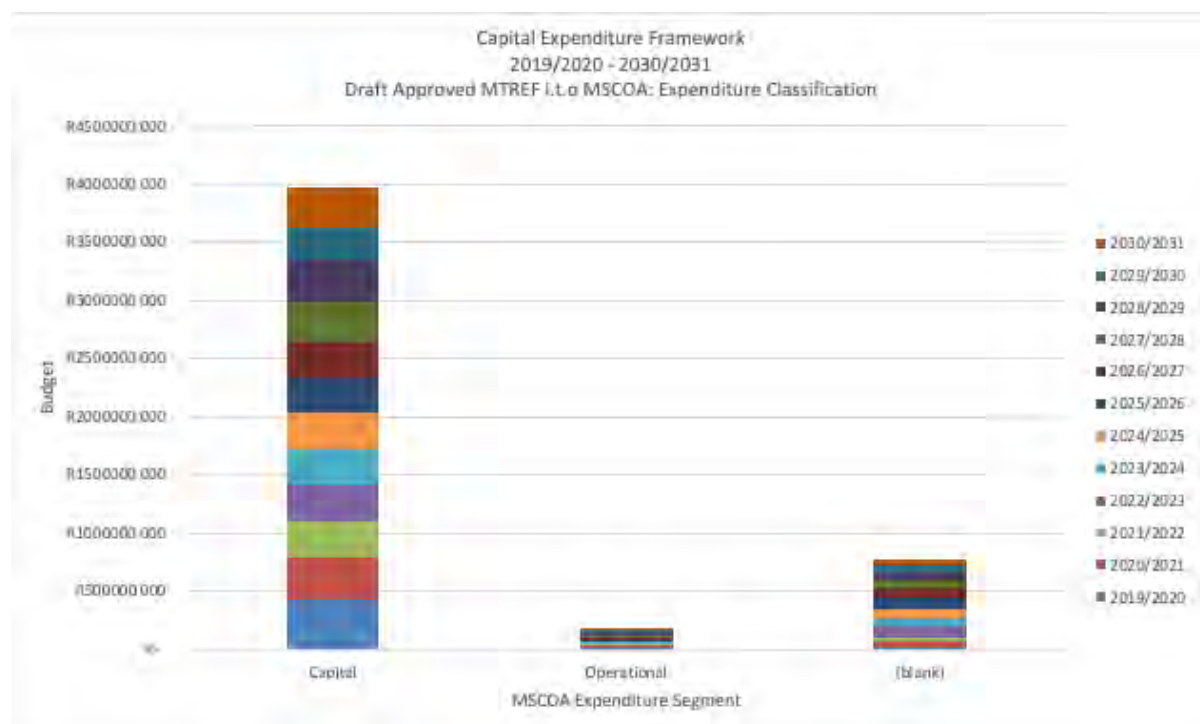


Figure 92: mSCOA Expenditure Type

The figure above brings together the core elements of the capital budget and summarises the capital programme in terms of Capital, Operational and Default Transactions as per the mSCOA expenditure classification.

Across the total analysis period, only 4% of capital expenditure is assigned to operational expenditure. 87% is assigned to Capital expenditure and 9% has no classification.

Table 79: MSCOA – Expenditure Category

MSCOA - Expenditure Category	2019/2020	2020/2021	2021/2022	Total MTREF	%
Capital	R417 833 028	R392 996 528	R314 163 000	R1 124 992 556	87%
Operational	R19 000 000	R17 750 000	R12 000 000	R48 750 000	4%
(blank)	R31 160 000	R45 400 000	R36 835 000	R113 395 000	9%
Grand Total	R467 993 028	R456 146 528	R362 998 000	R1 287 137 556	100%

11.2.3 2019/2020 MTREF Capital Budget by mSCOA Action Segment

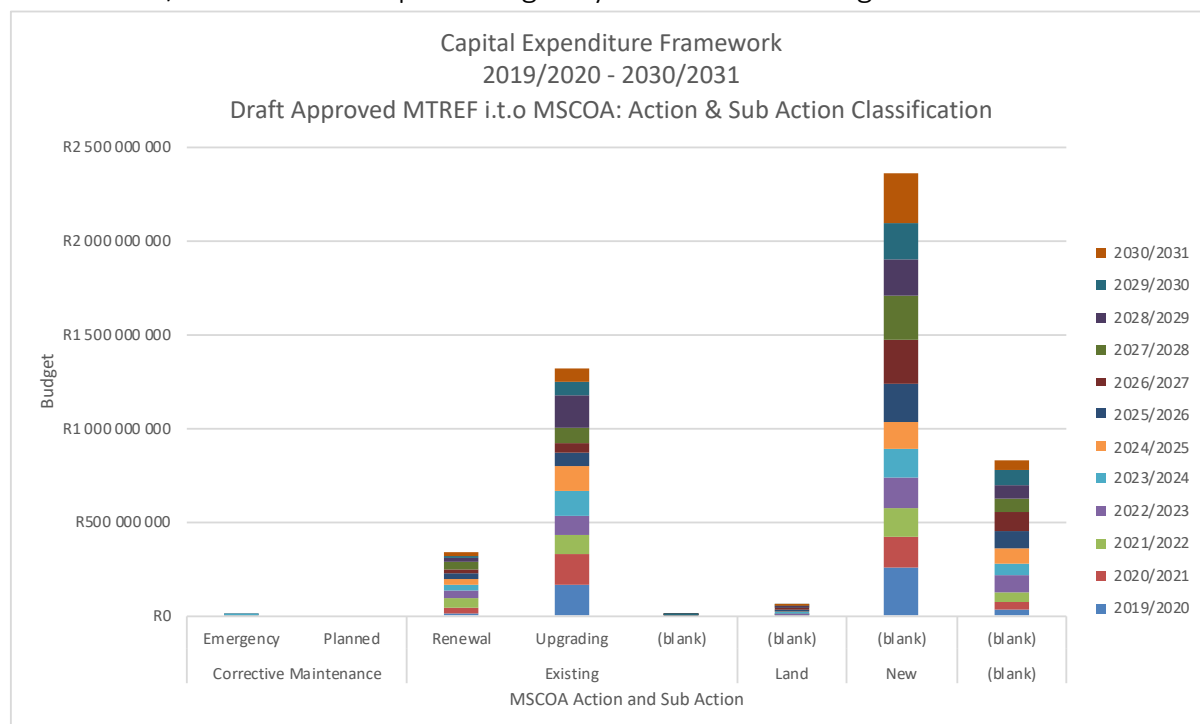


Figure 93: mSCOA Action and Sub Action Classification

The mSCOA action section aims to distinguish project based on existing or new assets. From the figure above, it is clear that the majority of capital expenditure across the analysis period relates into new assets. A Significant component of the budget is assigned to existing assets, of which upgrading related expenditure is the most as opposed to renewals.

Table 80: MSCOA Action and Sub Action Segment

MSCOA - Action and Sub Action	2019/2020	2020/2021	2021/2022	Total MTREF	%
Corrective Maintenance	R3 850 000	R4 000 000	R4 500 000	R12 350 000	1%
Emergency	R3 850 000	R4 000 000	R4 500 000	R12 350 000	1%
Planned	R-	R-	R-	R-	0%
Existing	R165 720 000	R188 420 000	R197 835 000	R551 975 000	43%
Renewal	R18 350 000	R24 450 000	R40 610 000	R83 410 000	6%
Upgrading	R147 100 000	R163 950 000	R157 200 000	R468 250 000	36%
(blank)	R270 000	R20 000	R25 000	R315 000	0%
Land	R57 000	R-	R2 400 000	R2 457 000	0%
(blank)	R57 000	R-	R2 400 000	R2 457 000	0%
New	R254 135 528	R209 576 528	R120 363 000	R584 075 056	45%
(blank)	R254 135 528	R209 576 528	R120 363 000	R584 075 056	45%
(blank)	R44 230 500	R54 150 000	R37 900 000	R136 280 500	11%
(blank)	R44 230 500	R54 150 000	R37 900 000	R136 280 500	11%
Grand Total	R467 993 028	R456 146 528	R362 998 000	R1 287 137 556	100%

11.2.4 2019/2020 MTREF Capital Budget by mSCOA Type Segment

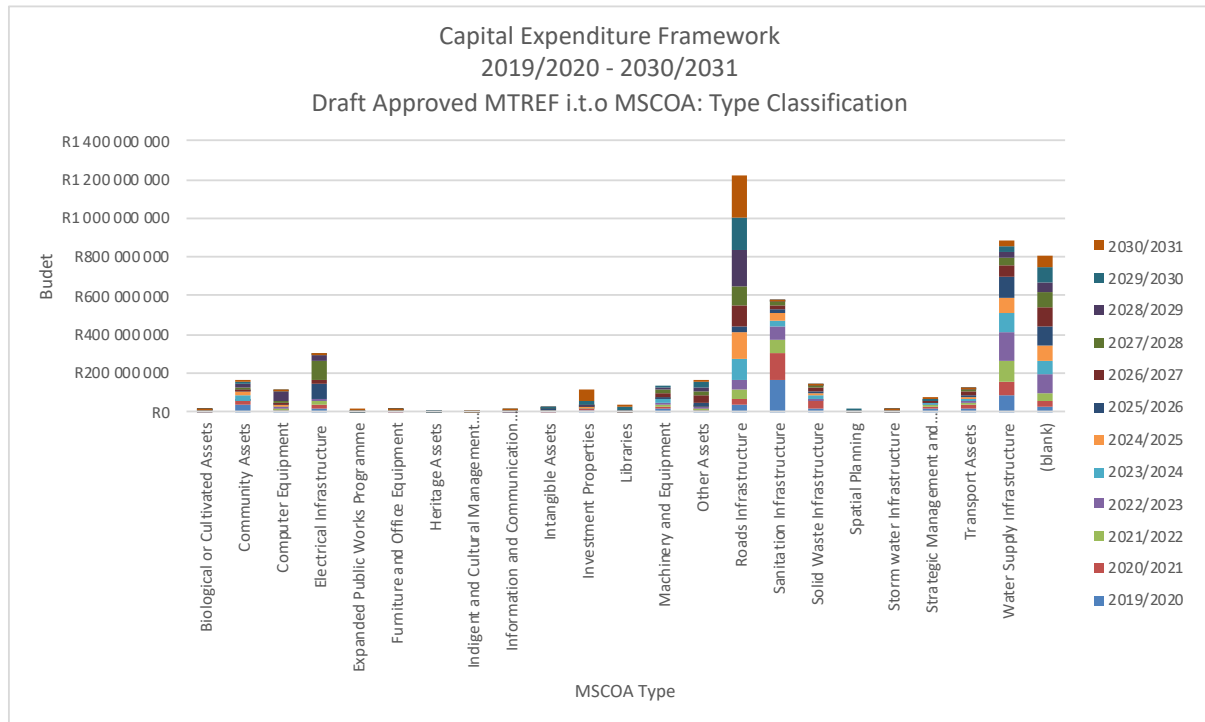


Figure 94: mCOA Type Classification

The mSCOA type segment classify projects in terms of the scope of projects and according to which typical programme it relates. Roads infrastructure are assigned the most capital expenditure across the analysis period. Sanitation infrastructure, water supply infrastructure and solid water infrastructure and electrical infrastructure follows.

Table 81: MSCOA -Type Classification

MSCOA - Type Category	2019/2020	2020/2021	2021/2022	Total MTREF	%
Biological or Cultivated Assets	R2 000 000	R1 000 000	R250 000	R3 250 000	0%
Community Assets	R28 675 000	R20 735 000	R7 335 000	R56 745 000	4%
Computer Equipment	R5 900 000	R5 800 000	R5 900 000	R17 600 000	1%
Electrical Infrastructure	R20 230 000	R20 750 000	R12 200 000	R53 180 000	4%
Expanded Public Works Programme	R-	R-	R-	R-	0%
Furniture and Office Equipment	R1 999 000	R1 800 000	R488 000	R4 287 000	0%
Heritage Assets	R200 000	R200 000	R200 000	R600 000	0%
Indigent and Cultural Management and Services	R-	R-	R-	R-	0%
Information and Communication Infrastructure	R1 000 000	R1 000 000	R500 000	R2 500 000	0%
Intangible Assets	R1 900 000	R2 000 000	R1 510 000	R5 410 000	0%
Investment Properties	R12 500 000	R3 500 000	R3 500 000	R19 500 000	2%
Libraries	R550 000	R460 000	R-	R1 010 000	0%
Machinery and Equipment	R26 850 000	R13 150 000	R7 790 000	R47 790 000	4%
Other Assets	R5 960 000	R980 000	R14 300 000	R21 240 000	2%
Roads Infrastructure	R56 200 000	R30 300 000	R89 000 000	R175 500 000	14%
Sanitation Infrastructure	R140 400 000	R147 900 000	R42 750 000	R331 050 000	26%
Solid Waste Infrastructure	R21 150 000	R36 100 000	R4 500 000	R61 750 000	5%
Spatial Planning	R-	R-	R-	R-	0%
Storm water Infrastructure	R1 000 000	R2 000 000	R-	R3 000 000	0%
Strategic Management and Governance	R13 650 000	R12 250 000	R6 000 000	R31 900 000	2%
Transport Assets	R19 020 000	R11 250 000	R10 350 000	R40 620 000	3%
Water Supply Infrastructure	R76 901 528	R103 051 528	R122 100 000	R302 053 056	23%
(blank)	R31 907 500	R41 920 000	R34 325 000	R108 152 500	8%
Grand Total	R467 993 028	R456 146 528	R362 998 000	R1 287 137 556	100%

11.2.5 2019/2020 MTREF Capital Budget by Unit

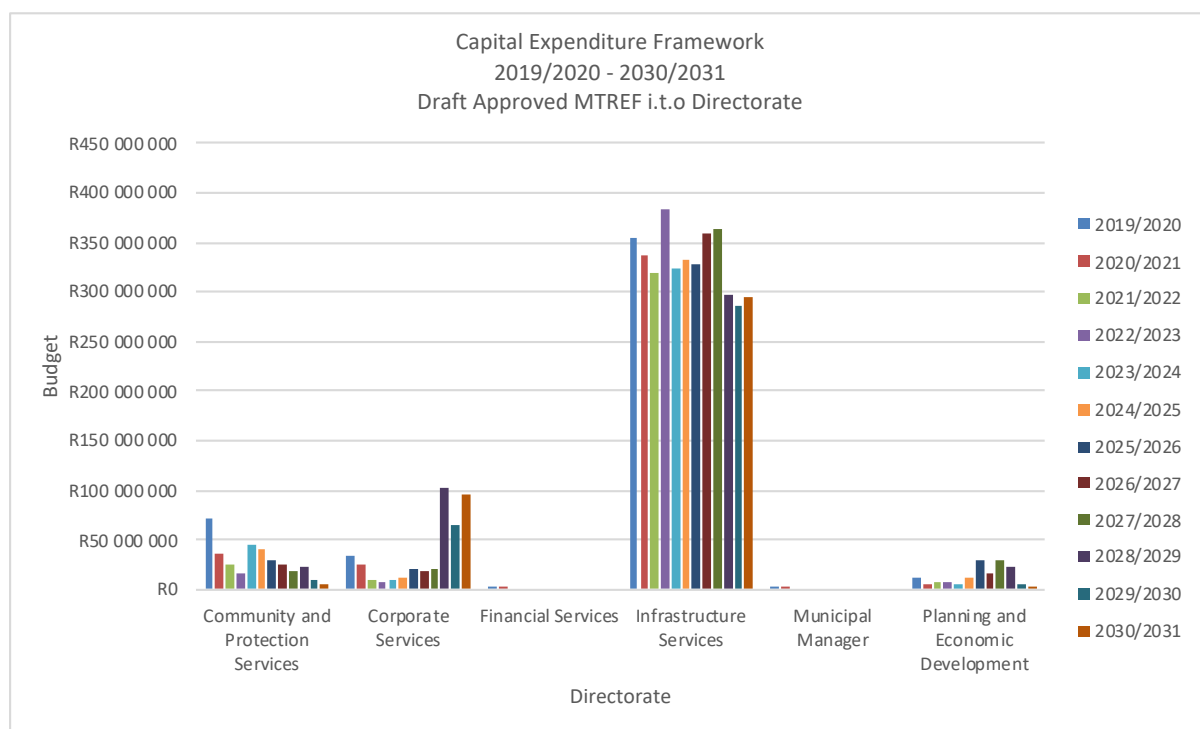
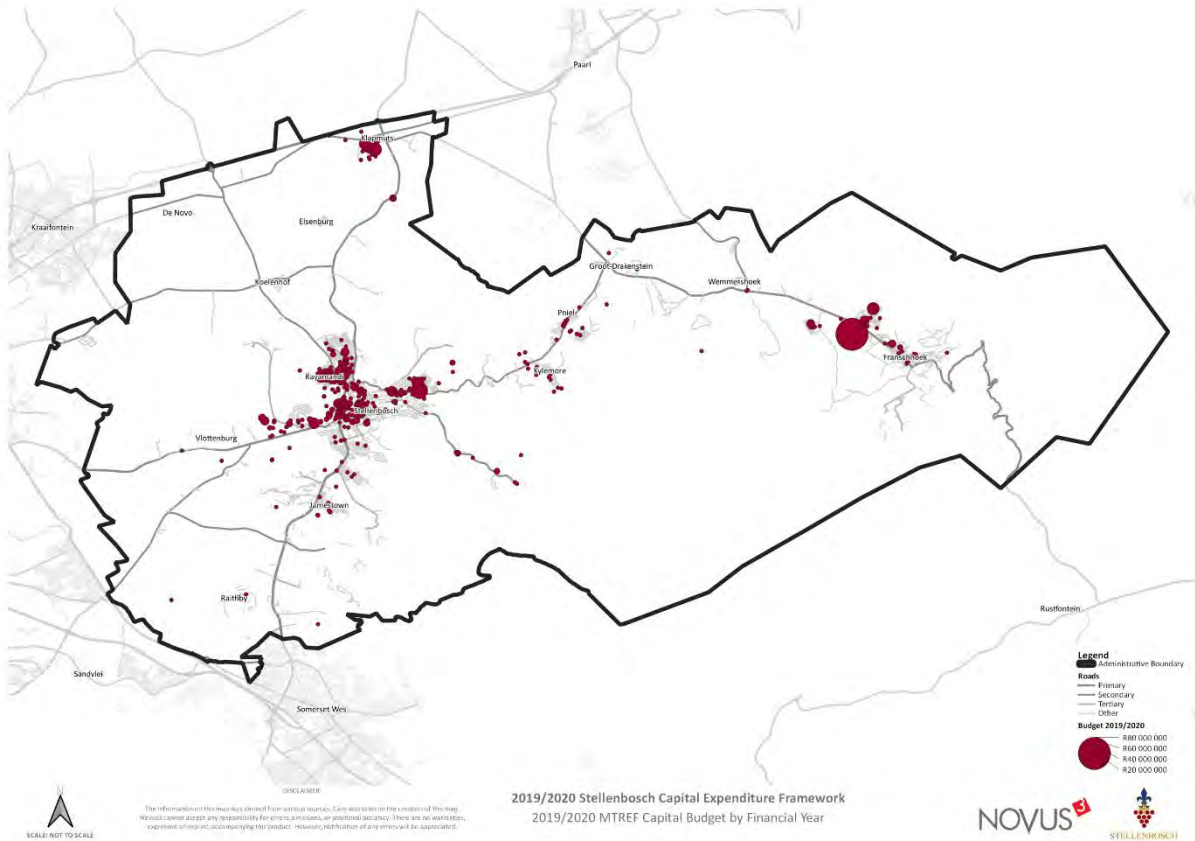


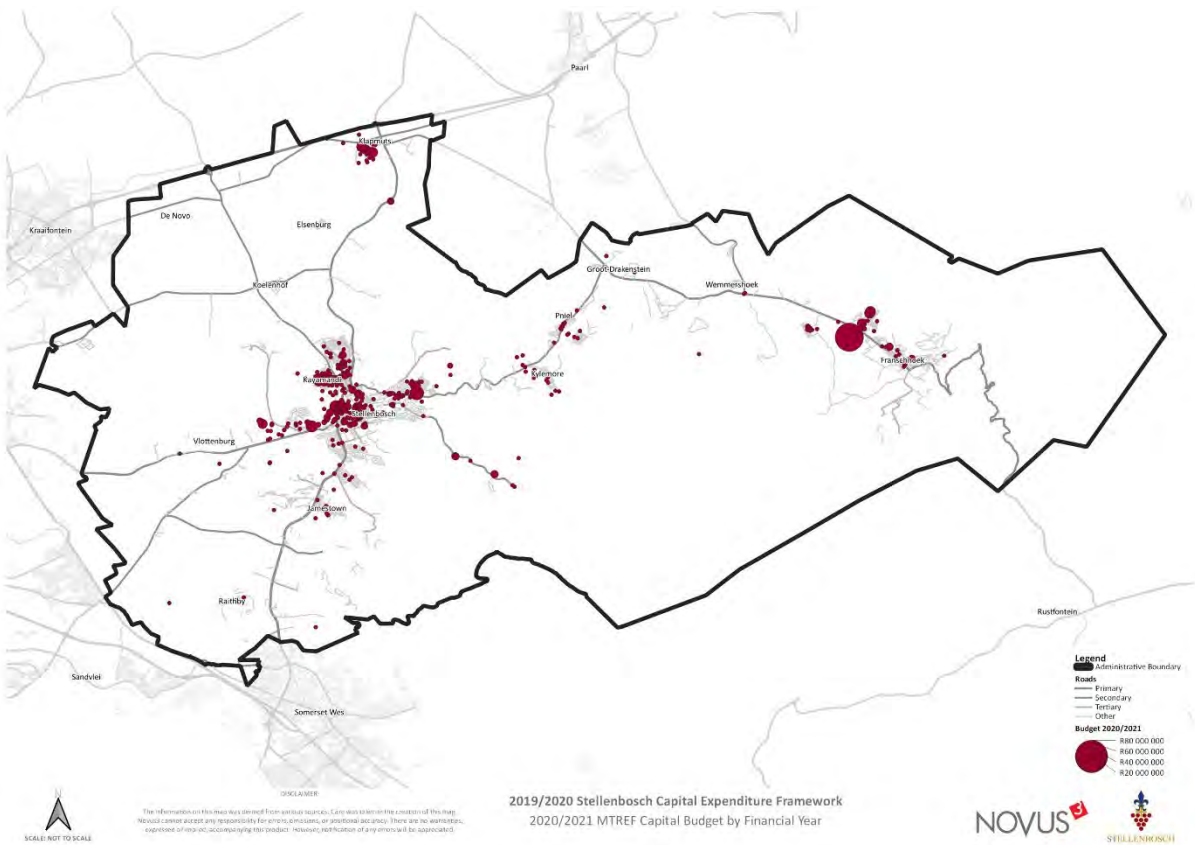
Figure 95: 2019/2020 MTREF Capital budget per directorate

Expenditure By Directorate	2019/2020	2020/2021	2021/2022	Total MTREF	%
Community and Protection Services	R72 019 000	R35 585 000	R26 117 000	R133 721 000	11%
Corporate Services	R33 650 000	R25 100 000	R9 350 000	R68 100 000	5%
Financial Services	R150 000	R150 000	R-	R300 000	0%
Infrastructure Services	R355 311 459	R336 111 528	R318 998 900	R1 010 421 887	82%
Municipal Manager	R35 000	R40 000	R-	R75 000	0%
Planning and Economic Development	R12 827 000	R5 340 000	R8 525 000	R26 692 000	2%
Grand Total	R473 992 459	R402 326 528	R362 990 900	R1 239 309 887	100%

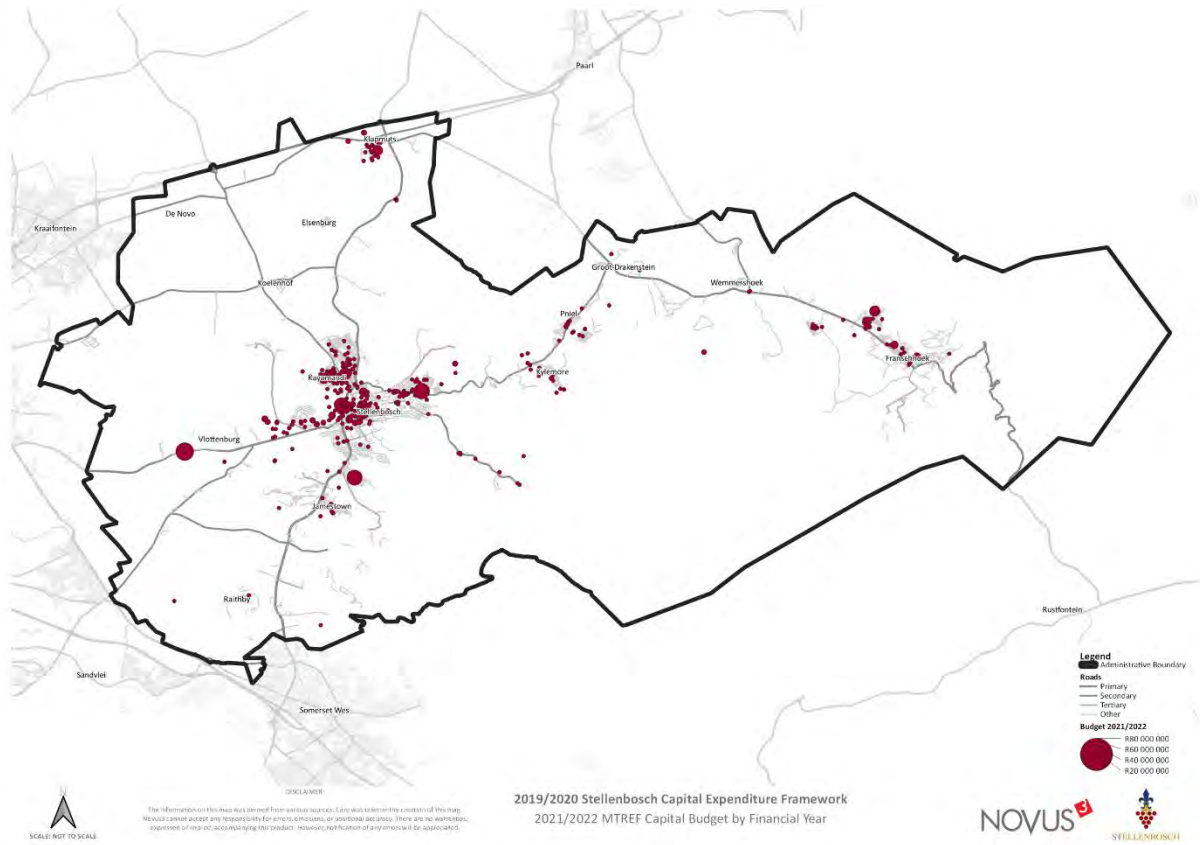
11.2.6 2019/2020 MTREF Capital Budget by Financial year



Map 30: 2019/2020 MTREF Capital Budget by Financial year – 2019/2020



Map 31: 2019/2020 MTREF Capital Budget by Financial year – 2020/2021



Map 32: 2019/2020 MTREF Capital Budget by Financial year – 2021/2022

11.3 2019/2020 – 2021/2022 Draft MTREF Project List

Table 82: 2019/2020 – 2021/2022 Draft MTREF Project list

Draft MTREF Project List	2019/2020	2020/2021	2021/2022
Community and Protection Services	R 66 019 000	R 35 585 000	R 26 117 000
Cemeteries	R 2 700 000	R 6 500 000	R -
Extension of Cemetery Infrastructure	R 1 500 000	R 1 500 000	R -
New Cemetery: Klapmuts	R 500 000	R 5 000 000	R -
Purchase of Equipment	R 200 000	R -	R -
Purchase of Vehicles/ Fleet	R 500 000	R -	R -
Community Development	R 585 000	R 35 000	R 107 000
Furniture Tools and Equipment	R 35 000	R 35 000	R 50 000
Sound Equipment for Outreaches	R -	R -	R 57 000
SRD Vehicle	R 550 000	R -	R -
Community Services: Library Services	R 1 060 000	R 1 040 000	R 835 000
Adopt a School Project	R 100 000	R -	R -
Cloetesville: Furniture, Tools and Equipment	R 45 000	R 50 000	R -
Franschhoek: Furniture Tools and Equipment	R 65 000	R 65 000	R -
Groendal Library: Furniture Tools and Equipment	R 65 000	R 75 000	R -
Idas Valley: Furniture, Tools and Equipment	R 55 000	R 55 000	R -
Kayamandi: Furniture, Tools and Equipment	R 45 000	R -	R -
Libraries: CCTV	R 400 000	R 300 000	R -
Libraries: Small Capital	R 75 000	R 85 000	R -
Library Books	R 150 000	R 160 000	R -
Mobile Libraries	R -	R -	R 450 000
Plein Street: Furniture, Tools and Equipment	R 60 000	R -	R -
Pniel: Furniture, Tools and Equipment	R -	R -	R 35 000
Replacement of geysers	R -	R -	R 100 000
Upgrading: Kayamandi Library	R -	R 250 000	R -
Vehicles	R -	R -	R 250 000
Disaster Management	R -	R 800 000	R 2 100 000
Disaster management incident command vehicle	R -	R -	R 1 500 000
Double cab vehicle	R -	R -	R 600 000
Rescue Vehicle	R -	R 800 000	R -
Environmental Management: Nature Conservation	R 4 760 000	R 5 000 000	R 4 400 000
4x4 bakkie	R -	R -	R 400 000
Air and Noise Control: FTE	R 10 000	R -	R -
Hiking Trails in Nature Areas	R 2 000 000	R 2 000 000	R 2 000 000
Nature Conservation: Fleet (Truck)	R -	R -	R 1 100 000
Papegaaiberg Nature Reserve	R 2 000 000	R 1 000 000	R -
Upgrading of Jonkershoek Office Complex and Hatchery	R 750 000	R 2 000 000	R -
Workshop : FTE	R -	R -	R 100 000
Workshop: Community Services Tractors	R -	R -	R 800 000
Environmental Management: Urban Greening	R 185 000	R 150 000	R 450 000
Irrigation Systems	R -	R -	R 100 000
Storage Containers: Fertilisers & Pesticides.	R 35 000	R -	R -
Urban Forestry: Bakkie	R -	R -	R 350 000
Urban Greening: Beautification: Main Routes and Tourist Routes	R 150 000	R 150 000	R -
Fire and Rescue Services	R 24 300 000	R 5 300 000	R 1 100 000
Furniture, tools & equipment	R -	R -	R 100 000
Hydraulic platform	R 12 000 000	R -	R -
Major Fire Pumper	R 4 500 000	R 5 000 000	R -
Rapid Response Vehicle	R 2 500 000	R -	R -
Replacement of fleet vehicles	R -	R -	R 1 000 000
Rescue equipment	R 300 000	R 300 000	R -
Upgrading of Stellenbosch Fire Station	R 5 000 000	R -	R -
Halls	R -	R -	R 700 000
Furniture Tools & Equipment	R -	R -	R 200 000
Upgrading of Halls	R -	R -	R 250 000
Vehicle Fleet	R -	R -	R 250 000
Law Enforcement and Security	R 4 200 000	R 6 850 000	R 3 950 000
Furniture Tools and Equipment	R 350 000	R 300 000	R 300 000
Install and Upgrade CCTV/ LPR Cameras In WC024	R 1 000 000	R 1 500 000	R 1 500 000
Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings	R 800 000	R 950 000	R 950 000
Law Enforcement Tools and Equipment	R 350 000	R 350 000	R 350 000
Law Enforcement: Vehicle Fleet	R 500 000	R 3 500 000	R 600 000
Pound Upgrade	R 1 000 000	R -	R -
Security Upgrades	R 200 000	R 250 000	R 250 000
Parks, Rivers and Area Cleaning	R 13 750 000	R 1 950 000	R 10 600 000
4 Ton Trucks	R -	R -	R 1 800 000
Artificial grass on parks and gardens	R -	R -	R 300 000
Fencing on Various Parks and Gardens	R -	R -	R 200 000
Furniture, Tools and Equipment	R 50 000	R 50 000	R -
Grab/crane truck	R -	R -	R 800 000
Landscaping of Circles in Stellenbosch	R -	R -	R 150 000
Pathways on Parks & gardens	R -	R -	R 100 000
Purchase of Specialised Equipment	R 100 000	R -	R -
Purchase of Specialised Vehicles	R 6 250 000	R 250 000	R -
River development	R -	R -	R 250 000
SMART Parks Development	R 5 000 000	R -	R 5 000 000

Draft MTREF Project List	2019/2020	2020/2021	2021/2022
Spray/Water Parks	R -	R -	R 1 000 000
Upgrading of Parks	R 2 350 000	R 1 650 000	R -
Vehicle Fleet, Tractors, Trucks and Bakkies	R -	R -	R 1 000 000
Sports Grounds and Picnic Sites	R 12 930 000	R 4 250 000	R 1 800 000
Borehole: Rural Sportsgrounds	R 550 000	R -	R -
Construction of swimming pool: Pniel and Kylemore	R 2 000 000	R -	R -
Fencing: Sport Grounds (WC024)	R 1 000 000	R 1 000 000	R 1 000 000
Furniture, Tools and Equipment	R 100 000	R -	R -
Recreational Equipment Sport	R 80 000	R -	R -
Sight Screens/Pitch Covers Sports Grounds	R 200 000	R -	R -
Sport: Community Services Special Equipment	R 200 000	R -	R -
Upgrade of Irrigation System	R -	R -	R 200 000
Upgrade of Sport Facilities	R 8 000 000	R 3 000 000	R -
Upgrading of Lanquedoc Sports Grounds	R -	R -	R 600 000
Upgrading of Tennis Courts: Idas Valley & Cloeteville	R 550 000	R -	R -
Vehicle Fleet	R 250 000	R 250 000	R -
Traffic Services	R 1 549 000	R 3 710 000	R 75 000
Alcohol Screeners	R 30 000	R 30 000	R 40 000
Body Cams	R 75 000	R -	R -
Furniture, Tools & Equipment	R 200 000	R 180 000	R -
Junior Training Centre	R -	R -	R 35 000
Mascot for Junior Training Centre	R 14 000	R -	R -
Mobile Radios	R 300 000	R 300 000	R -
PLANING OF CONSTRUCTION OF A GRADE A DRIVING LICENCE TESTING CENTER	R -	R 2 000 000	R -
Replacement of Patrol Vehicles	R 920 000	R 1 200 000	R -
Sound Equipment	R 5 000	R -	R -
TV/LED Screen	R 5 000	R -	R -
Corporate Services	R 33 650 000	R 25 100 000	R 9 350 000
Information and Communications Technology (ICT)	R 5 900 000	R 5 800 000	R 5 900 000
Purchase and Replacement of Computer/software and Peripheral devices	R 500 000	R 500 000	R 600 000
Upgrade and Expansion of IT Infrastructure Platforms	R 5 400 000	R 5 300 000	R 5 300 000
Properties and Municipal Building Maintenance	R 27 750 000	R 19 300 000	R 3 450 000
Flats: Cloeteville Fencing	R -	R -	R 300 000
Flats: Interior Upgrading: Cloeteville	R 3 000 000	R 2 000 000	R -
Furniture Tools and Equipment: Property Management	R 250 000	R 500 000	R 250 000
Kayamandi Police Station	R 500 000	R -	R -
New Community Hall Klampmuts	R 1 000 000	R -	R -
Rebuild: Kleine Libertas Theatre	R 6 000 000	R 7 000 000	R 700 000
Structural Improvement: General	R 1 500 000	R 1 500 000	R 1 500 000
Structural improvements at the Van der Stel Sport grounds	R 2 000 000	R 2 000 000	R -
Structural Upgrade: Heritage Building	R 500 000	R 500 000	R 200 000
Structural Upgrading: Community Hall Lamotte	R 2 500 000	R 300 000	R -
Upgrading Fencing	R 500 000	R 500 000	R 500 000
Upgrading of Eike Town Town Hall	R 1 000 000	R 2 000 000	R -
Upgrading of Franschoek Municipal Offices	R 500 000	R -	R -
Upgrading of Pniel Municipal Offices	R 1 500 000	R -	R -
Upgrading of Traffic Offices: Stellenbosch	R 7 000 000	R 3 000 000	R -
Financial Services	R 150 000	R 150 000	R -
Executive Support: Financial Services: General	R 150 000	R 150 000	R -
Furniture, Tools & Equipment	R 150 000	R 150 000	R -
Infrastructure Services	R 355 311 459	R 336 111 528	R 318 998 900
Electrical Services	R 25 980 000	R 26 550 000	R 23 650 000
Ad-Hoc Provision of Streetlighting	R 950 000	R 750 000	R 350 000
Automatic Meter Reader	R 400 000	R 400 000	R 400 000
Buildings & Facilities Electrical Supply - Stellenbosch	R 500 000	R 500 000	R 100 000
DSM Geyser Control	R 500 000	R 100 000	R 100 000
Electrification INEP	R 4 000 000	R 4 000 000	R 4 000 000
Energy Balancing Between Metering and Mini-Substations	R 500 000	R 500 000	R 500 000
Energy Efficiency and Demand Side Management	R 2 000 000	R 2 000 000	R -
General System Improvements - Franschoek	R 2 000 000	R 2 000 000	R 2 000 000
General Systems Improvements - Stellenbosch	R 4 000 000	R 3 000 000	R 3 000 000
Infrastructure Improvement - Franschoek	R 1 500 000	R 1 500 000	R 2 000 000
Integrated National Electrification Programme (Enkanini)	R 4 480 000	R 6 400 000	R -
Kwarentyn Sub cables: 11kV 3 core 185mm ² PILC(Table19) copper cabling, 3.8km	R -	R -	R 5 500 000
Lighting on Public Places	R -	R -	R 350 000
Meter Panels	R 400 000	R 500 000	R 500 000
Network Cable Replace 11 Kv	R 3 000 000	R 3 000 000	R 3 000 000
Replace Ineffective Meters & Energy Balance of mini-substations	R 500 000	R 600 000	R -
Small Capital: Fte Electrical Engineering Services	R 250 000	R 300 000	R 350 000
System Control Centre & Upgrade Telemetry	R 1 000 000	R 1 000 000	R 500 000
Vehicle Fleet	R -	R -	R 1 000 000
Executive Support: Engineering Services: General	R 310 000	R 400 000	R -
Furniture, Tools & Equipment	R 110 000	R 100 000	R -
Update of Engineering Infrastructure GIS Data	R 200 000	R 300 000	R -
Infrastructure Plan, Dev and Implement	R 32 202 028	R 25 766 528	R 34 603 900
Access to Basic Services (ABS) - All Wards	R 250 000	R 265 000	R 280 900
Basic Improvements: Langrug	R 4 300 000	R 5 500 000	R 5 500 000
Cloeteville IRDP	R 260 000	R 280 000	R 14 000 000
Computer - Hardware/Equipment: Human Settlements & Property	R -	R -	R 50 000
Enkanini ABS	R 250 000	R 250 000	R 250 000
Enkanini Planning and Implementation (Roads and Basic Services)	R -	R -	R 5 000 000
Furniture, Tools and Equipment: Human Settlements and Property	R 20 000	R 20 000	R 23 000
Idas Valley mixed housing project IRDP / FLISP	R 8 500 000	R 5 000 000	R -
ISSP Kayamandi Enkanini (1300 sites)	R 1 000 000	R -	R -
ISSP Kayamandi Enkanini (Interim Services)	R 1 920 500	R -	R -
Kayamandi Town Centre - Civil Infrastructure	R 2 000 000	R 3 000 000	R 5 000 000

Draft MTREF Project List		2019/2020	2020/2021	2021/2022
Kayamandi: Watergang and Zone O	R	3 650 000	R 5 000 000	R 4 000 000
Klapmuts: Erf 2181 (298 serviced sites)	R	6 451 528	R 6 451 528	R -
Langrug Dam	R	3 500 000	R -	R -
Mountainview - Installation of water and sewer services - Jamestown	R	100 000	R -	R -
Northern Extension: Feasibility	R	-	R -	R 500 000
Roads and Stormwater	R	13 300 000	R 11 300 000	R 20 300 000
Adhoc Reconstruction Of Roads (WC024)	R	4 000 000	R 8 000 000	R 10 000 000
Furniture, Tools and Equipment : Tr&Stw	R	300 000	R 300 000	R 300 000
Lanquedoc Access road and Bridge	R	2 000 000	R -	R -
R44/Alexander/Polkadraai Interchange	R	5 000 000	R -	R -
Reseal Roads - Jamestown & Technopark	R	-	R -	R 2 750 000
Reseal Roads - Kayamandi & Surrounding	R	-	R -	R 3 000 000
Reseal Roads - Lacoline, Tennantville, Plankenburg	R	-	R -	R 1 500 000
Reseal Roads - Mostertsdrif & Surrounding	R	-	R -	R 2 750 000
Reseal Roads - Stellenbosch CBD	R	1 000 000	R 1 000 000	R -
Upgrade Stormwater Water Conveyance System	R	1 000 000	R 2 000 000	R -
Traffic Engineering	R	7 800 000	R 4 250 000	R 2 400 000
Accident Information System	R	750 000	R 250 000	R 250 000
Asset Management: Traffic Signaling Systems	R	-	R -	R 700 000
Directional Information Signage	R	200 000	R 200 000	R -
Furniture, Tools and Equipment : Traffic Engineering	R	100 000	R 100 000	R -
Main Road Intersection Improvements: Franschhoek	R	1 700 000	R -	R -
Main Road Intersection Improvements: R44 / Merriman Street	R	2 000 000	R -	R -
Main Road Intersection Improvements:Pniel / Kylemore	R	-	R -	R 400 000
Pedestrian Crossing Implementation	R	1 000 000	R 100 000	R -
Road Transport Safety Master Plan - WC024	R	250 000	R 250 000	R -
Signalisation implementation	R	200 000	R 250 000	R -
Specialised Equipment: Roadmarking Machine + Trailer	R	-	R -	R 300 000
Specialized Vehicle	R	-	R -	R 500 000
Traffic Calming Projects: Implementation	R	500 000	R 2 000 000	R -
Traffic Management Improvement Programme	R	500 000	R 500 000	R -
Traffic Signal Control: Installation and Upgrading of Traffic Signals and Associated Components	R	500 000	R 500 000	R -
Universal Access Implementation	R	100 000	R 100 000	R -
Vehicles	R	-	R -	R 250 000
Transport Planning	R	6 600 000	R 5 200 000	R 21 450 000
Annual OLS Revision	R	200 000	R 200 000	R -
Bicycle Lockup Facilities	R	-	R -	R 200 000
Bus and Taxi Shelters	R	-	R -	R 250 000
Comprehensive Integrated Transport Master Plan	R	900 000	R 1 000 000	R -
Khayamandi Pedestrian Crossing (R304, River and Railway Line)	R	500 000	R 500 000	R -
NMT routes along all major arterials	R	-	R -	R 1 000 000
Non-Motorised Transport Implementation	R	5 000 000	R 2 000 000	R -
Northern Extension: Public Transport Network	R	-	R -	R 20 000 000
Update Roads Master Plan for WC024	R	-	R 1 500 000	R -
Waste Management: Solid Waste Management	R	25 635 000	R 42 345 000	R 9 845 000
Expansion of the landfill site (New cells)	R	3 000 000	R 4 000 000	R 500 000
Formalize skip areas in Franschhoek and Kayamandi	R	500 000	R -	R -
Furniture, Tools and Equipment : Solid Waste	R	35 000	R 45 000	R 45 000
Integrated Waste Management Plan	R	-	R -	R 100 000
Landfill Gas To Energy	R	-	R -	R 500 000
Major Drop-offs : Construction - Klapmuts	R	7 000 000	R 3 000 000	R -
Mini Waste drop-off facilities at inf. Settlements	R	100 000	R 100 000	R -
Skips (5,5kl)	R	200 000	R 200 000	R 200 000
Stellenbosch WC024 (MRF) - Construct	R	6 000 000	R -	R -
Street Refuse Bins	R	300 000	R 2 000 000	R 2 000 000
Transfer Station: Stellenbosch Planning and Design	R	1 000 000	R 24 000 000	R -
Upgrade Refuse disposal site (Existing Cell)- Rehab	R	1 000 000	R 2 000 000	R 1 000 000
Vehicles	R	4 250 000	R 6 000 000	R 4 000 000
Waste Biofuels	R	-	R -	R 300 000
Waste Management Software	R	-	R -	R 200 000
Waste to Energy - Implementation	R	2 000 000	R 1 000 000	R 1 000 000
Waste to Energy - Planning	R	250 000	R -	R -
Water and Wastewater Services: Sanitation	R	160 884 431	R 151 700 000	R 92 400 000
100 New Development Bulk Sewer Supply WC024	R	2 000 000	R 3 000 000	R 4 000 000
110 Bulk Sewer Outfall: Jamestown	R	41 000 000	R 25 000 000	R -
111 Sewerpipe Replacement: Dorp Straat	R	-	R -	R 9 000 000
112 New Plankenburg Main Outfall Sewer	R	7 000 000	R -	R -
113 Sewer Pumpstation & Telemetry Upgrade	R	1 000 000	R 1 000 000	R 1 000 000
114 Sewerpipe Replacement	R	5 000 000	R 6 000 000	R 6 000 000
115 Idas Valley Merriman Outfall Sewer	R	17 000 000	R -	R -
120 Specialized vehicle: Jet Machine	R	4 000 000	R -	R 4 000 000
122 Furniture, Tools and Equipment : Sanitation	R	200 000	R 200 000	R -
131 Update Sewer Masterplan and IMQS	R	1 500 000	R 1 500 000	R -
150 Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek	R	70 684 431	R 54 000 000	R -
151 Upgrade of WWTW: Klapmuts	R	-	R -	R 500 000
152 Upgrade of WWTW Wemmershoek	R	5 000 000	R 15 000 000	R -
160 Furniture, Tools and Equipment	R	200 000	R 200 000	R 250 000
160 Furniture, Tools and Equipment : Sanitation	R	200 000	R 200 000	R -
162 Upgrade Auto-Samplers	R	100 000	R 100 000	R 150 000
Dorp Street Bulk Sewer Upgrade	R	-	R -	R 500 000
Effluent Recycling of Waste Water 10Ml per day	R	5 000 000	R 30 000 000	R 30 000 000
Industrial Effluent Monitoring	R	-	R -	R 500 000
Kayamandi Bulk Sewer	R	-	R 500 000	R 15 000 000
Klapmuts Bulk Sewer Upgrade	R	1 000 000	R 15 000 000	R 5 000 000
Northern Extension: Phase 2 Sanitation Infrastructure	R	-	R -	R 15 000 000

Draft MTREF Project List	2019/2020	2020/2021	2021/2022
Update Sewer Masterplan	R -	R -	R 500 000
Vehicles	R -	R -	R 1 000 000
Water and Wastewater Services: Water	R 82 600 000	R 68 600 000	R 114 350 000
101 Bulk water Supply Pipe Line & Pumpstations: Franschhoek	R 6 000 000	R 12 000 000	R -
102.5 Bulk water Supply Pipe : Cloetesville/ Idas Valley	R -	R -	R 1 000 000
103 Bulk Water Supply Pipeline & Reservoir - Jamestown	R 22 000 000	R 12 000 000	R -
104 Bulk water supply pipe and Reservoir: Kayamandi	R 15 000 000	R -	R 7 500 000
105 Bulk water supply Klapmuts	R 15 000 000	R 15 000 000	R -
107 Bulk Water Supply Pipe: Idas Valley/Papegaaiberg and Network Upgrades	R -	R -	R 1 000 000
108 Water Treatment Works: Idasvalley	R 2 000 000	R 11 000 000	R 15 000 000
109 Water Treatment Works: Paradykskloof and Associated works	R -	R -	R 14 000 000
116 Chlorination Installation: Upgrade	R 500 000	R 500 000	R 500 000
117 Water Conservation & Demand Management	R 10 000 000	R 5 000 000	R 5 000 000
118 Reservoirs and Dam Safety	R 1 500 000	R 1 500 000	R 1 500 000
119 New Developments Bulk Water Supply WC024	R 2 000 000	R 2 000 000	R 8 000 000
120 Waterpipe Replacement	R 5 000 000	R 6 000 000	R 10 000 000
121 Water Telemetry Upgrade	R 1 000 000	R 1 000 000	R 1 000 000
122 Furniture, Tools and Equipment : Reticulation	R 100 000	R 100 000	R 100 000
123 Upgrade and Replace Water Meters	R -	R -	R 1 500 000
124 Vehicles	R 1 000 000	R 1 000 000	R 1 000 000
125 Update Water Masterplan and IMQS	R 1 500 000	R 1 500 000	R 1 500 000
Dwarsriver Bulk Supply Augmentation and Network Upgrades	R -	R -	R 1 000 000
Longlands Vlotenburg: Infrastructure - Reservoir	R -	R -	R 2 500 000
New Reservoir & Pipeline: Vlotenburg	R -	R -	R 20 000 000
New Reservoir Rosendal	R -	R -	R 1 000 000
Northern Extension: Phase 2 Water Infrastructure	R -	R -	R 15 000 000
Specialized vehicle: Jet Machine	R -	R -	R 3 850 000
Upgrade of Franschhoek Reservoirs and Pipelines	R -	R -	R 1 000 000
Upgrading of Koelenhof Water Scheme	R -	R -	R 1 000 000
WSDP (tri-annually)	R -	R -	R 400 000
Municipal Manager	R 35 000	R 40 000	R -
Executive Support: Office of the Municipal Manager	R 35 000	R 40 000	R -
Furniture, Tools and Equipment	R 35 000	R 40 000	R -
Planning and Economic Development	R 12 827 000	R 5 340 000	R 8 525 000
Development Planning: Spatial Planning	R 57 000	R -	R -
Purchase of Land- Cemeteries	R 57 000	R -	R -
Economic Development and Tourism	R 4 695 000	R 285 000	R 6 500 000
Development of 4-Passes Mountain Bike trail	R -	R -	R 2 000 000
Establishment of Informal Trading Sites: George Blake Street	R 4 500 000	R -	R -
Furniture Tools and Equipment	R 45 000	R 35 000	R -
Local Economic Development Hub Kayamandi	R -	R -	R 4 500 000
Upgrading of the Kayamandi Economic Tourism Corridor	R 150 000	R 250 000	R -
IHS: Informal Settlements	R 8 000 000	R 5 000 000	R 2 000 000
Langrug UISP (1899)	R 8 000 000	R 5 000 000	R 2 000 000
IHS: New Housing	R 20 000	R 20 000	R 25 000
Furniture, Tools and Equipment	R 20 000	R 20 000	R 25 000
Spatial Planning: Planning and Development	R 55 000	R 35 000	R -
Furniture, Tools and Equipment	R 55 000	R 35 000	R -
Grand Total	R 467 992 459	R 402 326 528	R 362 990 900

Section 12 Performance Indicators

12 Performance Indicators

12.1 Contextualisation

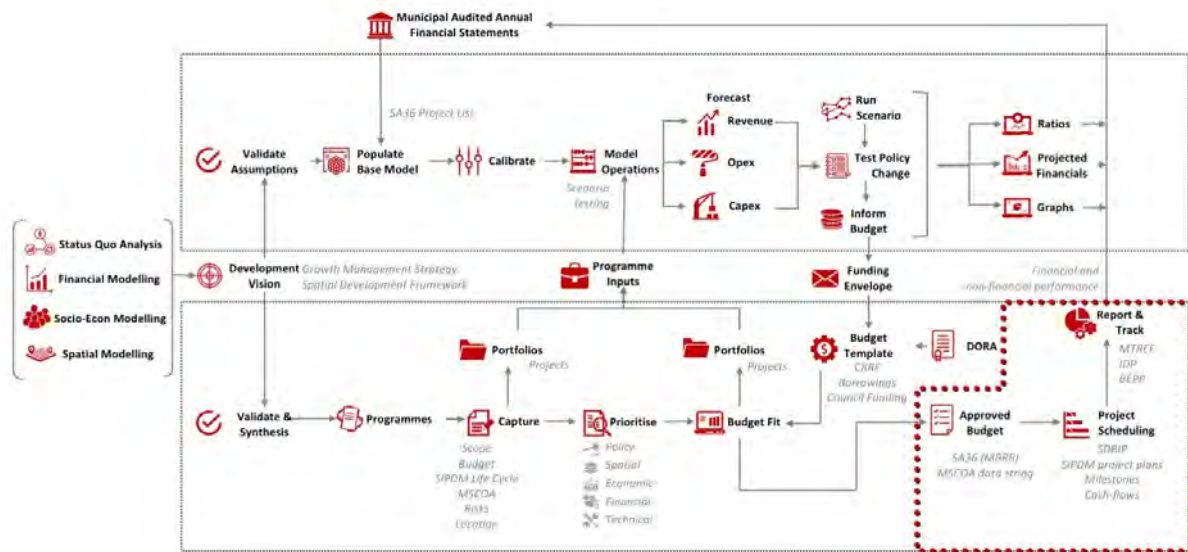


Figure 96: Institutional Arrangement – Collaborative Planning Prioritisation and Performance process

Reporting and tracking is one of the most important components of the total process. It enables a municipality, and other spheres of government to track the impact of capital investment. Performance indicators aims to assist in understanding the performance of a municipality in order to ensure that the municipality are strategically aligned with legislative, planning and budgeting requirements.

The CP3 system not only allows for project identification and implementation based on certain spatial targeted areas, but it continues to evaluate and track implementation. It provides a platform for reporting and evaluation and in doing so provides more credibility to the municipality's prioritisation process. Specific elements to which the said system can report include:

- Specific spatial impact of projects;
- Capital expenditure versus a multitude of spatial filters;
- Capital expenditure in terms of strategic direction of various tiers of government;
- CIDMS Phasing of projects; and
- Requested expenditure versus Planned expenditure versus Actual expenditure.

As this is the first reporting period of the IUDF programme, the maturity of the CEF process within different municipalities varies which means that the ability to respond to specific performance indicators varies. Based on the maturity and ability of the different municipalities, the performance indicators will evolve to enable uniform tracking of progress. Performance indicators are therefore used as a beta reporting attempt – pending further clarity on performance indicator requirements.

This section aims to shed a light on the performance indicators as required by the IUDF guidelines, with specific focus on a performance bonus available within the IUDF grant, and to show the expenditure of the City in terms of the various spheres of governments' outcomes.

12.2 Indicators for Performance based funding allocation

Each indicator will be discussed based on the following format:

- Target: outlines the factors (data) required in order to calculate each of the Indicators.
- Source data: outlines the datasets that have been collected for purposes of the calculation method as well as the corresponding source of each dataset.
- Data Integrity and comments: outlines a summarised data audit of the datasets collected as well as limitation factors that need to be taken into account during the calculation process.
- Assumptions: outlines assumptions made to conform to the criteria as set out by National Treasury. Calculating the Performance Indicator – outlines the methodology process used to calculate the indicator.
- Results: outlines the results from the methodology followed within the reporting format as set out by National Treasury.
- Proposed Methodology and Data Improvements: outlines solutions to the limitation factors described within the data audit process as well as factors that need to be taken into account for future calculation of the indicators.

For the indicators that could not be calculated a proposed methodology has been included for implementation once the outstanding/adequate datasets have been collected.

12.2.1 Indicator 1: Own funded capital expenditure (internally generated funds + borrowing) as a percentage of total capital expenditure

12.2.1.1 Target

The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings, as indication of the Municipality's level of Grant Dependency in funding its capital programme. No norm is proposed at this time, but a lower result will indicate lower level of grant dependency, which indicates a stronger ability by the municipality to be financially sustainable in the longer term. It is critical that the funding mix of capital expenditure is undertaken in such a manner that affordable borrowing is directed towards addressing service delivery needs and that there is also opportunity for increased capacity on internally generated funding to attain an improved balance of the funding sources.

12.2.1.2 Source Data

Statement of Financial Position, Budget, Annual Financial Status Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports

12.2.1.3 Data integrity and comments

Unqualified audited annual financial statements of the municipality proves the most reliable source. In-year reports can be relied on for the purposes of ongoing and interim monitoring end reporting

12.2.1.4 Calculating the indicator

$$\text{Indicator 1} = \frac{\text{Own funded Capital Expenditure}_{\text{Internally Generated funds+Borrowings}}}{\text{Total Capital Expenditure}} \times 100$$

12.2.1.5 Results

Based on the 2018 audited annual financial statements of Stellenbosch a result of 82.13% was achieved, which indicates a low level of grant dependency to fund its capital expenditure.

12.2.1.6 Proposed Methodology and Data Improvements

The methodology followed are as proposed by National Treasury.

12.2.2 indicator 2: Total maintenance expenditure as percentage of carrying value of PPE and investment property

12.2.2.1 Target

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services. A ratio result of 8% is recommended by National Treasury as an industry norm. A ratio below the norm may be a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets. An increasing expenditure trend may be indicative of high asset-usage levels, which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicate that the Municipality is experiencing cash flow problems and therefore unable to spend at appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

12.2.2.2 Source Data

Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports.

12.2.2.3 Data integrity and comments

Unqualified audited annual financial statements of the municipality proves the most reliable source. The repairs and maintenance expense can be obtained from Table SA1 and SA34c in the latest approved MTREF budget and supporting schedules. In-year reports can be relied on for the purposes of ongoing and interim monitoring end reporting. Due to the nature of carrying value of PPE and the impact that Stellenbosch's accelerated capital investment in recent years may have had, this ratio should be seen as a guideline of average spend which need to be achieved over the longer term, considering average ageing of infrastructure on the entire asset register. Allocating repairs and maintenance correctly within mSCOA classification requirements is of essence in the calculation of this ratio.

12.2.2.4 Calculating the indicator

$$\text{Indicator 2} = \frac{\text{Total Repairs and Maintenance Expenditure}}{\text{Property, Plant and Equipment and Investment Property}_{\text{Carrying Value}}} \times 100$$

12.2.2.5 Results

Based on the 2018 audited annual financial statements of Stellenbosch a result of 0.8% was achieved, which indicates a very low level of repairs and maintenance to PPE. This may be due to lack of data integrity and availability, but may also indicate likelihood of possible impairments of PPE in future due to lack of proper maintenance. This may also result in increased spend on replacement assets as part of its annual capital programme. Over the longer term Stellenbosch should aim to improve this result to more acceptable levels.

12.2.2.6 Proposed Methodology and Data Improvements

The reasons for this low result should be investigated by the municipality. This result may be due to incomplete repairs and maintenance expense disclosure in its schedules to its latest approved budget (the repairs and maintenance expense appears to omit repairs and maintenance cost included under employee related costs, other materials and contracted services).

12.2.3 Indicator 3: Asset management plan is in place, has been approved by Municipality and has been updated in last 3 years

12.2.3.1 Target

Asset management plans is vital in the context of capital expenditure as they provide the roadmap for achieving value from physical assets by optimising cost, risk and performance across the asset lifecycle. They define the implementation activities necessary to realise the municipality asset management objectives.

This indicator therefore aims to understand how the municipality is tracking previous capital expenditure, and how well current infrastructure is being monitored.

12.2.3.2 Source Data

Directorate, Infrastructure Services.

12.2.3.3 Data integrity and comments

Asset management plans listed here are the asset management plans that are in use by the municipality currently.

12.2.3.4 Calculating the indicator

The following steps were taken to determine this indicator:

- Identify if an asset management plan in place (if yes, proceed to next step, if no, score zero);
- Identify if they have been approved by municipality (if yes, proceed to next step, if no, score zero);
- Determine when last the asset management plan has been update (if equal to or less than three years, score 100%, if more than 3 years, score zero).

12.2.3.5 Results

Table 83: Indicator 3: Asset management plan is in place, has been approved by Municipality and has been updated in last 3 years- Results

Department	Asset Management Plan in Place	Approved by Municipality	Approval Date	Update Within last 3 Years (2018 FY)
Electricity	Yes	Yes	2016	Yes
Water	Yes	Yes	2017	Yes
Waste Water	Yes	Yes	2017	Yes
Solid Waste	Yes	Yes	2017	Yes
Roads, Stormwater	Yes	Yes	2015	Yes
Transport	Yes	Yes	2016	Yes
Result	1	1	1	1
Final Result				100%

12.2.3.6 Proposed Methodology and Data Improvements

The Boolean test implied in the formation of this indicator has been followed. This indicator should however consider asset registers as opposed to asset management plans.

12.2.4 Indicator 4: Number of land use applications processed in priority areas identified in the spatial development framework as a percentage of the total number of land use applications submitted municipality-wide.

NB: As per the IUDG description document, this indicator is dormant for 2019/20.

12.2.4.1 Target

This indicator aims to identify whether private development pressure are within the priority development areas and whether private development occurs outside the Priority Development Areas.

12.2.4.2 Source Data

The data is provided via the database of the internal system dealing with land use applications.

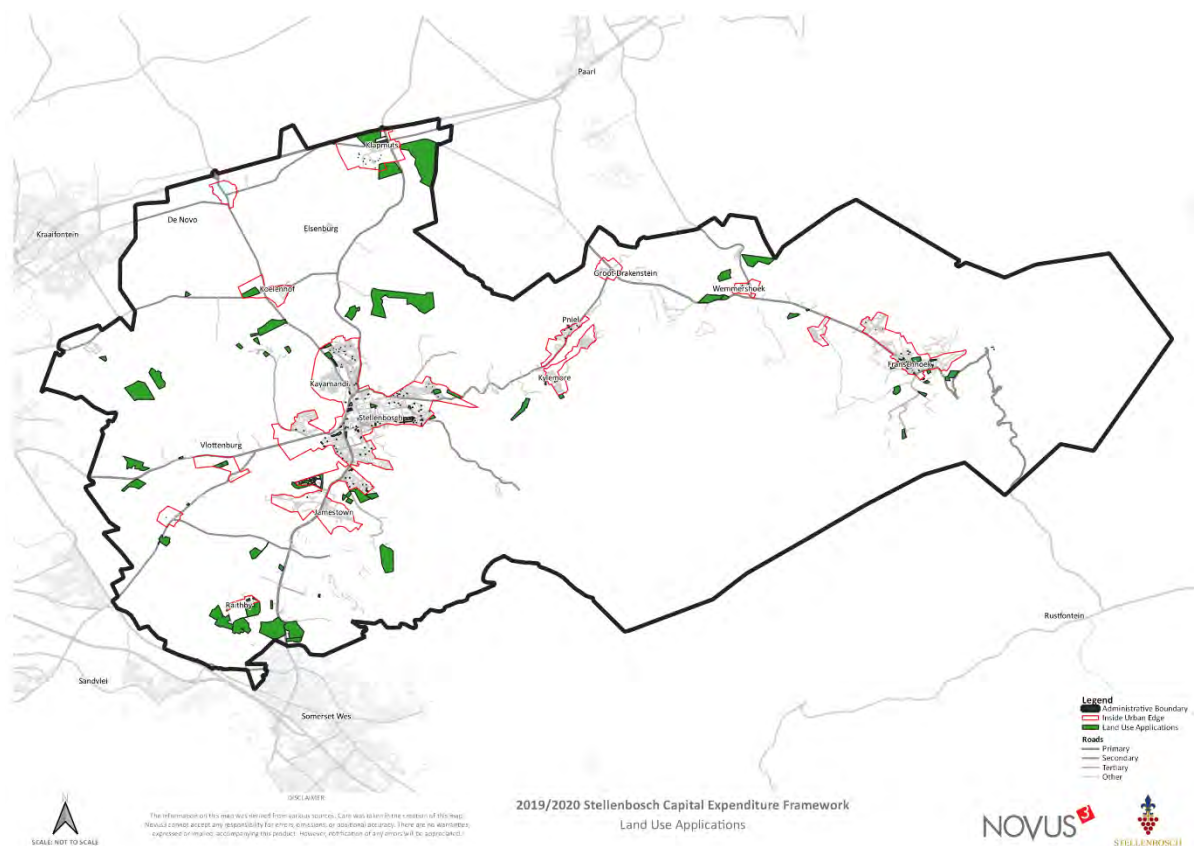
12.2.4.3 Data integrity and comments

Number of land use applications does not necessarily reflect development pressure. A land use application for a block of flats has a major impact on number of households and so on infrastructure, where a consent use for a creche does not.

12.2.4.4 Calculating the indicator

- Step 1: Collect data ranging from 2018-01-01 to 2018-12-31.
- Step 2: Clean data in order to link to the Cadastre of Stellenbosch local municipality.
- Step 3: Join the data spatially.
- Step 4: Identify Spatial Development Priority Development Areas.
- Step 5: Intersect the Cadastre and Priority Development Areas.
- Step 6: Calculate results.

12.2.4.5 Results



Map 33: Indicator 4: Number of land use applications processed in priority areas identified in the spatial development framework as a percentage of the total number of land use applications submitted municipality-wide: Results

Table 84: Indicator 4: Number of land use applications processed in priority areas identified in the spatial development framework as a percentage of the total number of land use applications submitted municipality-wide: Results

	Count	As a % of total number of land use applications	As a % of total number of land use applications joined
Total number of land use applications	376	100%	
Total number of land use applications joined	288	77%	100%
Total number of land use applications within urban edge	241	64%	84%

12.2.4.6 Proposed Methodology and Data Improvements

Municipality is in process to establish a land use application platform on an ESRI platform which will enable 100% accuracy in this indicator.

12.2.5 Indicator 5: Number of building plan applications processed in priority areas identified in the spatial development framework as a percentage of the total number of building plan applications submitted municipality-wide.

NB: As per the IUDG description document, this indicator is dormant for 2019/20.

12.2.5.1 Target

This indicator aims to identify whether development is being allowed outside the priority development areas. It aims to evaluate whether the municipality is aligning private development and infrastructure provision.

12.2.5.2 Source Data

The data is provided via the database of the internal system dealing with building plan applications.

12.2.5.3 Data integrity and comments

Given the fact that the data was provided from an online platform means that the data enjoys a high level of confidence, and will enjoy it even more so when the ESRI platform has been fully implemented within the Municipality.

12.2.5.4 Calculating the indicator

- Step 1: Collect data ranging from 2018-01-01 to 2018-12-31.
- Step 2: Clean data in order to link to the Cadastre of Stellenbosch local municipality.
- Step 3: Join the data spatially.
- Step 4: Identify Spatial Development Priority Development Areas.
- Step 5: Intersect the Cadastre and Priority Development Areas.
- Step 6: Calculate results.

12.2.5.5 Results

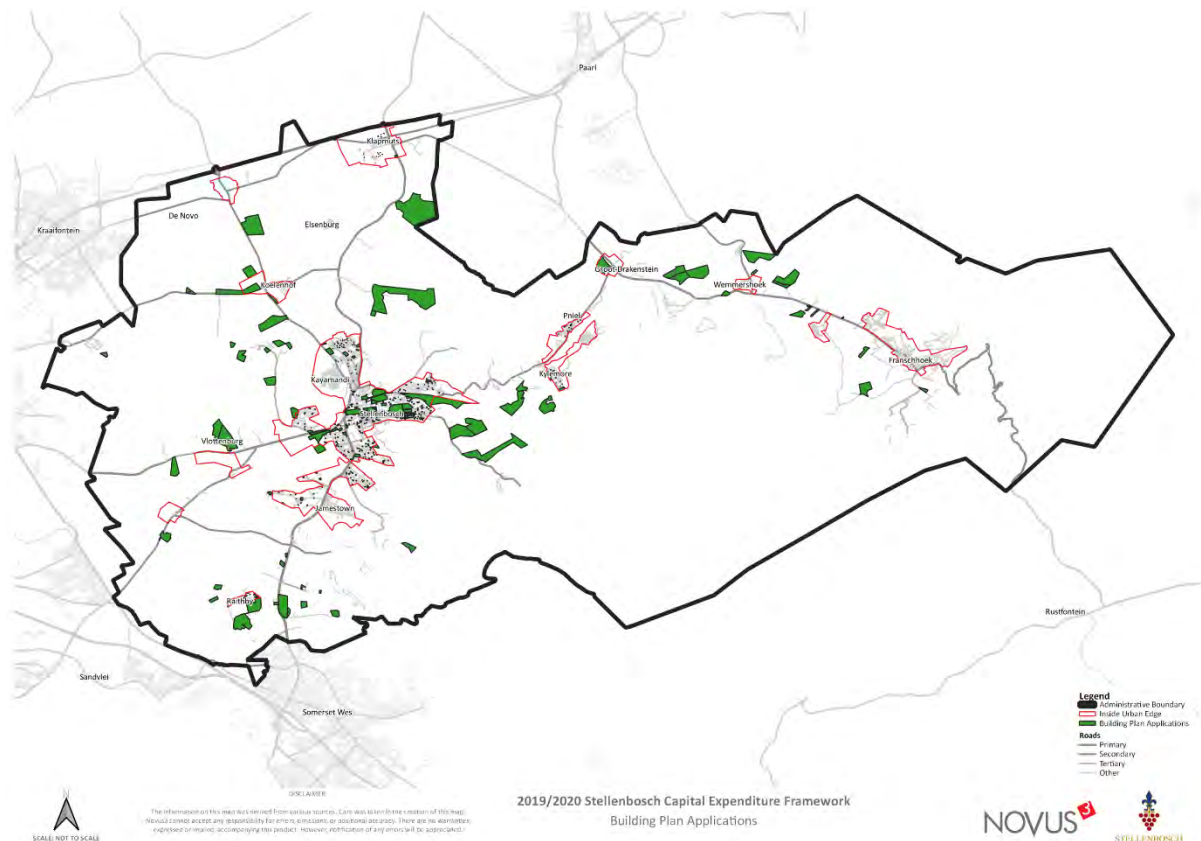
Table 85: Indicator 5: Number of building plan applications processed in priority areas identified in the spatial development framework as a percentage of the total number of building plan applications submitted municipality-wide - Results

	Count	As a % of total number of building plan applications	As a % of total number of building plan applications joined
Total number of building plan applications	1 471		
Total number of building plan applications joined ⁴³	552	38%	100%
Total number of la building plan applications within urban edge	488	33%	88%

⁴³ 341 of building plan applications do not have erf related information to join.

12.2.5.6 Proposed Methodology and Data Improvements

The Stellenbosch Local Municipality has approved the development and integration of a GIS based management system. This system will be integrated to the. Whole municipality, and will have a spatial engine which enables spatial reporting. This institutional arrangement will ease the calculation of this performance indicator, and enable the calculation of other potential indicators.



Map 34: Indicator 5: Number of building plan applications processed in priority areas identified in the spatial development framework as a percentage of the total number of building plan applications submitted municipality-wide - Results

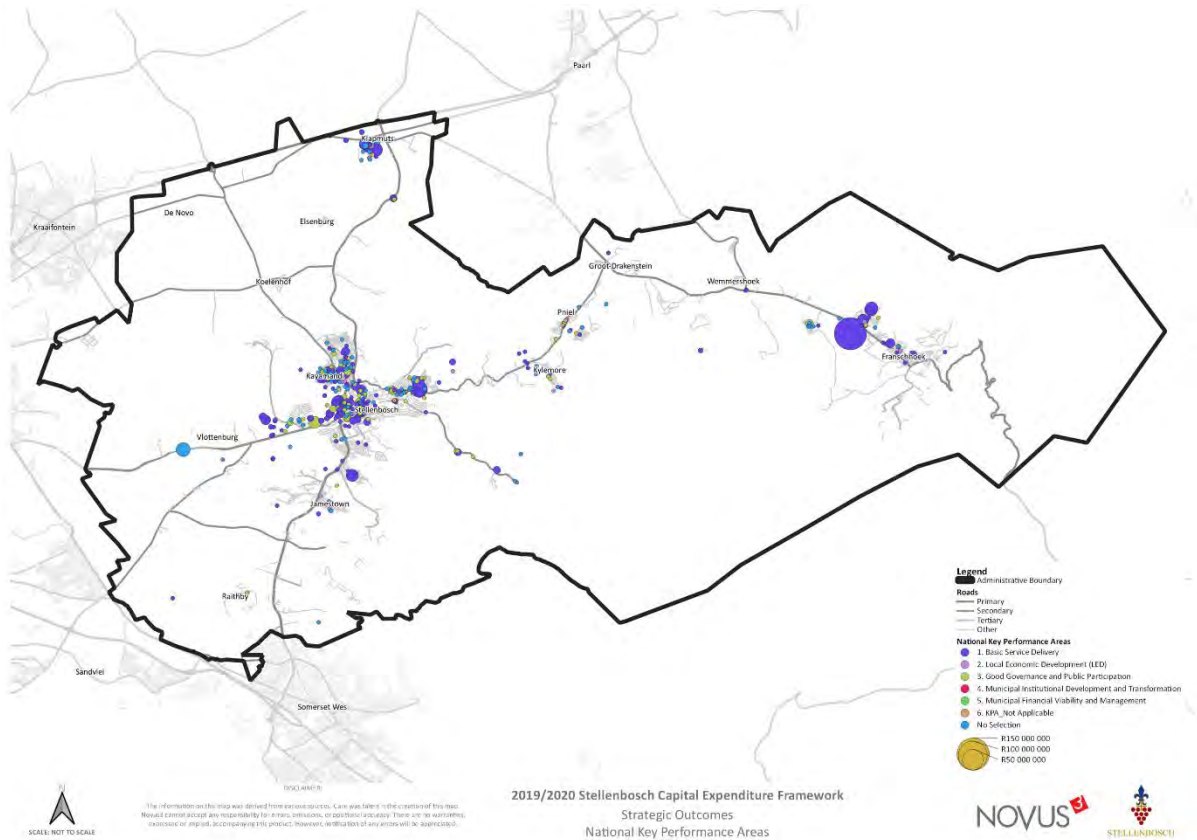
12.2.6 Summary

Table 86: Performance Indicators Summary

Performance Measure	Definition	Score Parameters	Result	Score (Unweighted)	Weight	Score (Weighted)
Indicator 1: Own funded capital expenditure (internally generated funds + borrowing) as a percentage of total capital expenditure.	Own funded capital expenditure (internally generated funds + borrowing) as a percentage of total capital expenditure	Score of 1 if 70% or higher	82%	100%	40	40,0%
		Score of 0 if 30% or lower				
		Linear scale in between				
Indicator 2: Total maintenance expenditure as percentage of carrying value of PPE and investment property.	Total maintenance expenditure as percentage of carrying value of PPE and investment property	Score of 1 if 8% or higher	0,8%	0%	30	0,0%
		Score of 0 if 2% or lower				
		Linear scale in between				
Indicator 3: Asset management plan is in place, has been approved by Municipality and has been updated in last 3 years.	Asset management plan is in place, has been approved by Municipality and has been updated in last 3 years	Score 1 if yes for all three conditions	Yes for all three	100%	30	30,0%
		Score 0 if no for any of the three conditions				
Indicator 4: Number of land use applications processed in priority areas identified in the spatial development framework as a percentage of the total number of land use applications submitted municipality-wide.	Number of land use applications processed in priority areas identified in the spatial development framework as a percentage of the total number of land use applications submitted municipality-wide.	Score of 1 if 50% or higher	84%	100%	0	Not Applicable
		Score of 0 if 10% or lower				
		Linear scale in between				
Indicator 5: Number of building plan applications processed in priority areas identified in the spatial development framework as a percentage of the total number of building plan applications submitted municipality-wide.	Number of building plan applications processed in priority areas identified in the spatial development framework as a percentage of the total number of building plan applications submitted municipality-wide.	Score of 1 if 50% or higher	88%	100%	0	Not Applicable
		Score of 0 if 10% or lower				
		Linear scale in between				
Total				67%	100	70%

12.3 Strategic Alignment

12.3.1 National Key Performance Areas



Map 35: Strategic Alignment – National Key Performance Areas (Map)

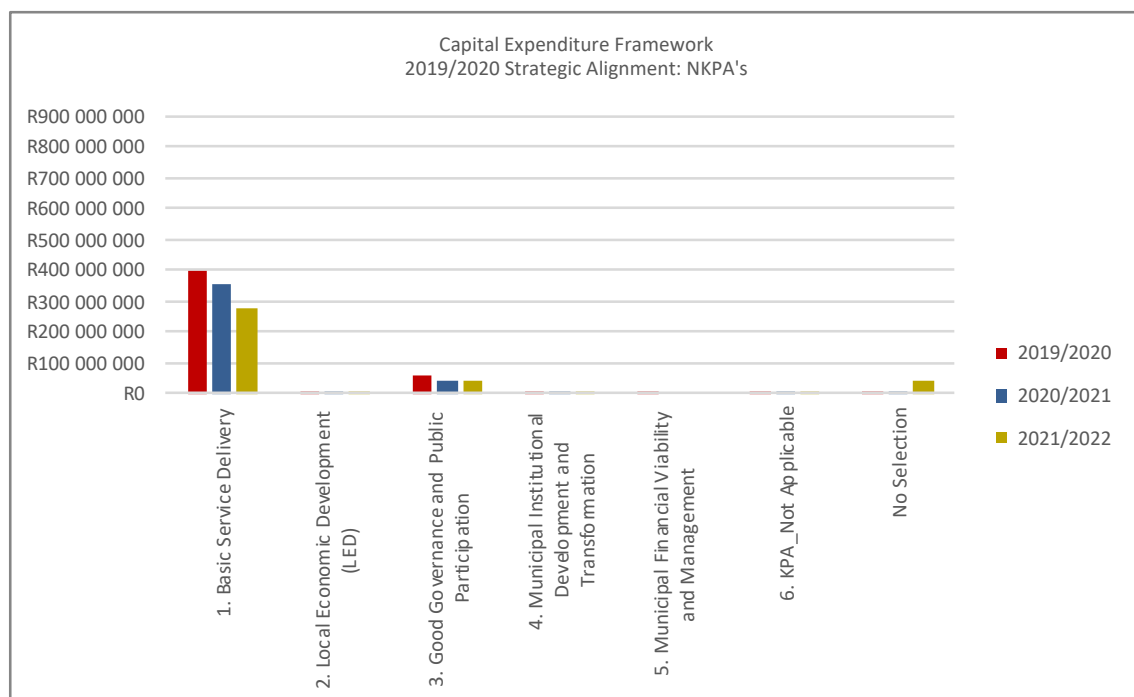


Figure 97: Strategic Alignment – National Key Performance Areas (Graph)

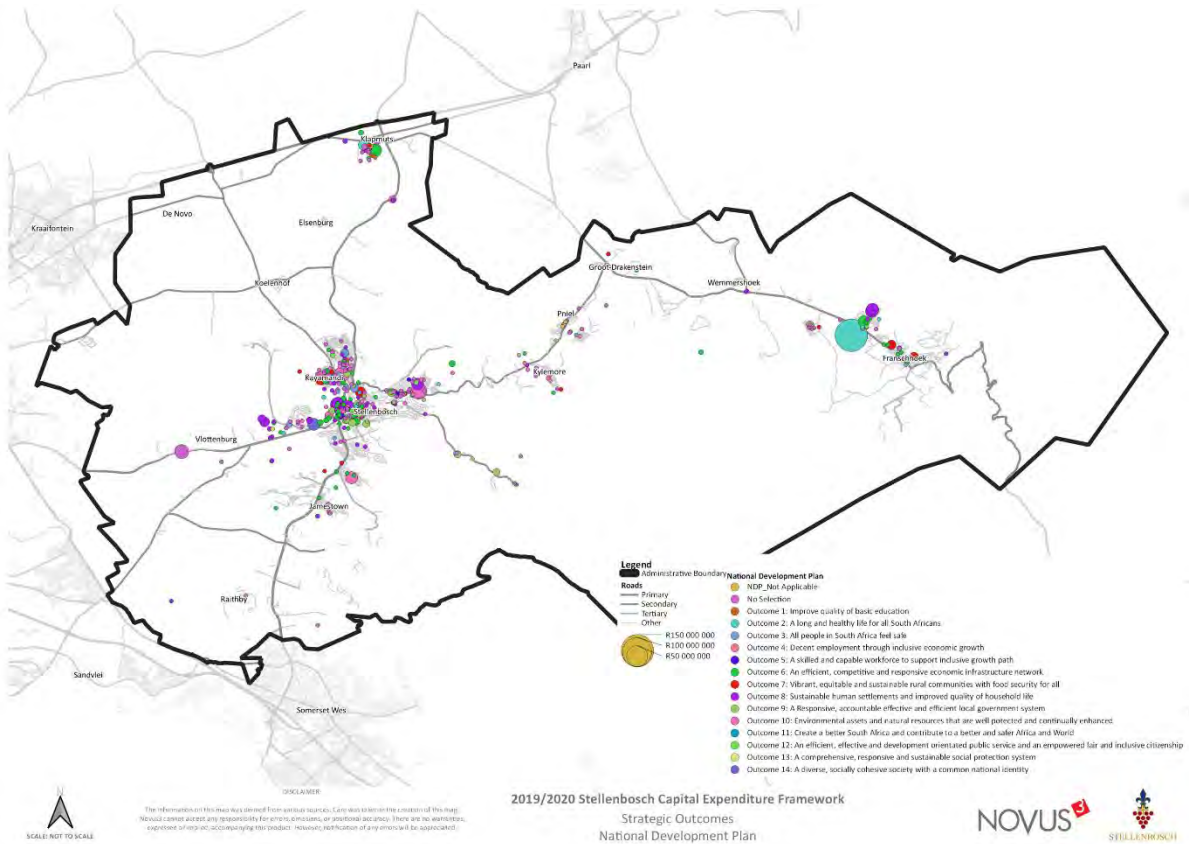
Table 87: Strategic Alignment – National Key Performance Areas

National Key Performance Areas	2019/2020	2020/2021	2021/2022	Total	%
1. Basic Service Delivery	R399 299 959	R352 586 528	R278 545 000	R1 030 431 487	84%
2. Local Economic Development (LED)	R7 600 000	R3 000 000	R7 850 000	R18 450 000	1%
3. Good Governance and Public Participation	R54 082 000	R39 695 000	R37 815 000	R131 592 000	11%
4. Municipal Institutional Development and Transformation	R1 500 000	R1 500 000	R1 850 000	R4 850 000	0%
5. Municipal Financial Viability and Management	R500 000	R-	R-	R500 000	0%
6. KPA_Not Applicable	R1 600 000	R5 265 000	R730 900	R7 595 900	1%
No Selection	R3 410 500	R280 000	R36 200 000	R39 890 500	3%
Grand Total	R467 992 459	R402 326 528	R362 990 900	R1 233 309 887	100%

Strategic alignment is facilitated on the Capital Planning, Prioritisation and Performance platform. It plays a critical role in Prioritisation of projects and enables Stellenbosch Local Municipality to start investigating whether or not capital expenditure is in line with the strategic priorities of other spheres of government. Please note that No Selection in the table above refers to projects that do not have data captured in this regard.

Basic service delivery is one of the most important targets of all spheres of government. From the graph above, it is clear that Stellenbosch Local Municipality is aligned with national governments vision. The majority of capital expenditure in the MTREF relates to basic service delivery, soaring at 84%. The success of Stellenbosch Local Municipality can also be assigned to how serious it deems public participation. Good governance and public participation enjoys the second most capital expenditure in the MTREF, with 11% of the total budget.

12.3.2 National Development Plan



Map 36: Strategic Alignment – National Development Plan (Map)

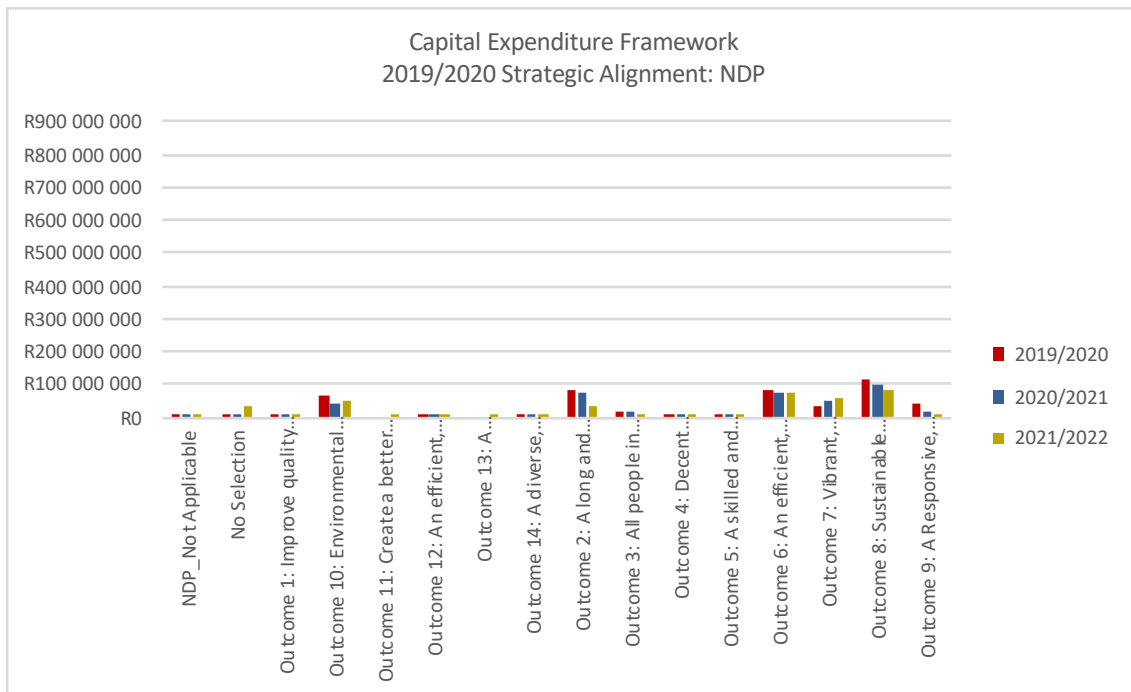


Figure 98: Strategic Alignment – National Development Plan (Graph)

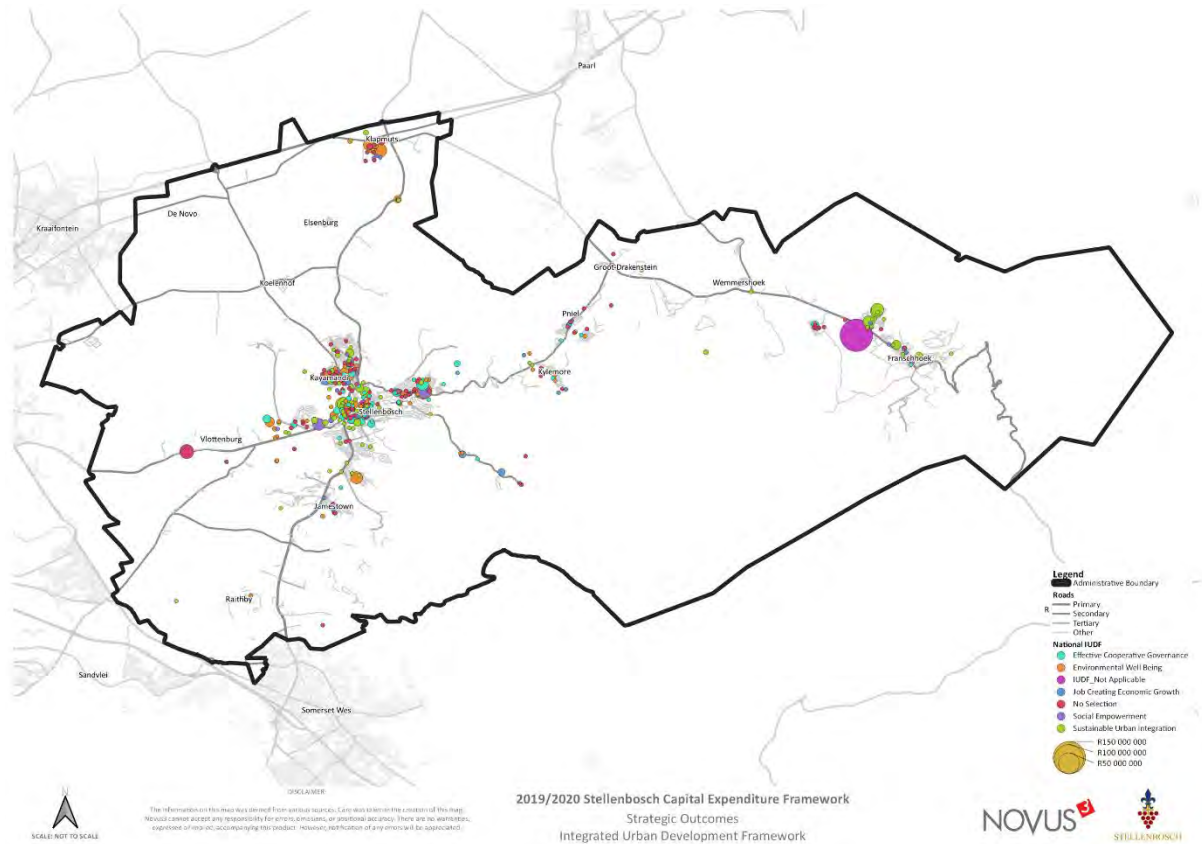
Table 88: Strategic Alignment – National Development Plan

National Development Plan	2019/2020	2020/2021	2021/2022	Total	Total %
NDP_Not Applicable	R8 150 000	R8 000 000	R2 600 000	R18 750 000	2%
No Selection	R3 610 500	R480 000	R37 250 000	R41 340 500	3%
Outcome 1: Improve quality of basic education	R1 370 000	R985 000	R510 000	R2 865 000	0%
Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced	R66 784 000	R39 450 000	R50 235 000	R156 469 000	13%
Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World	R-	R-	R307 000	R307 000	0%
Outcome 12: An efficient, effective and development orientated public service and an empowered fair and inclusive citizenship	R650 000	R100 000	R1 000 000	R1 750 000	0%
Outcome 13: A comprehensive, responsive and sustainable social protection system	R-	R-	R100 000	R100 000	0%
Outcome 14: A diverse, socially cohesive society with a common national identity	R6 000 000	R7 000 000	R700 000	R13 700 000	1%
Outcome 2: A long and healthy life for all South Africans	R80 774 431	R74 830 000	R30 040 000	R185 644 431	15%
Outcome 3: All people in South Africa feel safe	R15 401 528	R14 501 528	R8 050 000	R37 953 056	3%
Outcome 4: Decent employment through inclusive economic growth	R2 000 000	R1 000 000	R800 000	R3 800 000	0%
Outcome 5: A skilled and capable workforce to support inclusive growth path	R11 200 000	R6 070 000	R6 050 000	R23 320 000	2%
Outcome 6: An efficient, competitive and responsive economic infrastructure network	R81 540 000	R76 725 000	R74 650 000	R232 915 000	19%
Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all	R35 800 000	R50 250 000	R55 750 000	R141 800 000	11%
Outcome 8: Sustainable human settlements and improved quality of household life	R116 742 000	R102 785 000	R86 098 900	R305 625 900	25%
Outcome 9: A Responsive, accountable effective and efficient local government system	R37 970 000	R20 150 000	R8 850 000	R66 970 000	5%
Grand Total	R467 992 459	R402 326 528	R362 990 900	R1 233 309 887	100%

Strategic alignment is facilitated on the Capital Planning, Prioritisation and Performance platform. It plays a critical role in Prioritisation of projects and enables Stellenbosch Local Municipality to start investigating whether or not capital expenditure is in line with the strategic priorities of other spheres of government. Please note that No Selection in the table above refers to projects that do not have data captured in this regard.

In terms of the National Development Plan, Stellenbosch is aligning its budget primarily to sustainable human settlement – 25% in the total MTREF.

12.3.3 Integrated Urban Development Framework



Map 37: Strategic Alignment – Integrated Urban Development Framework (Map)

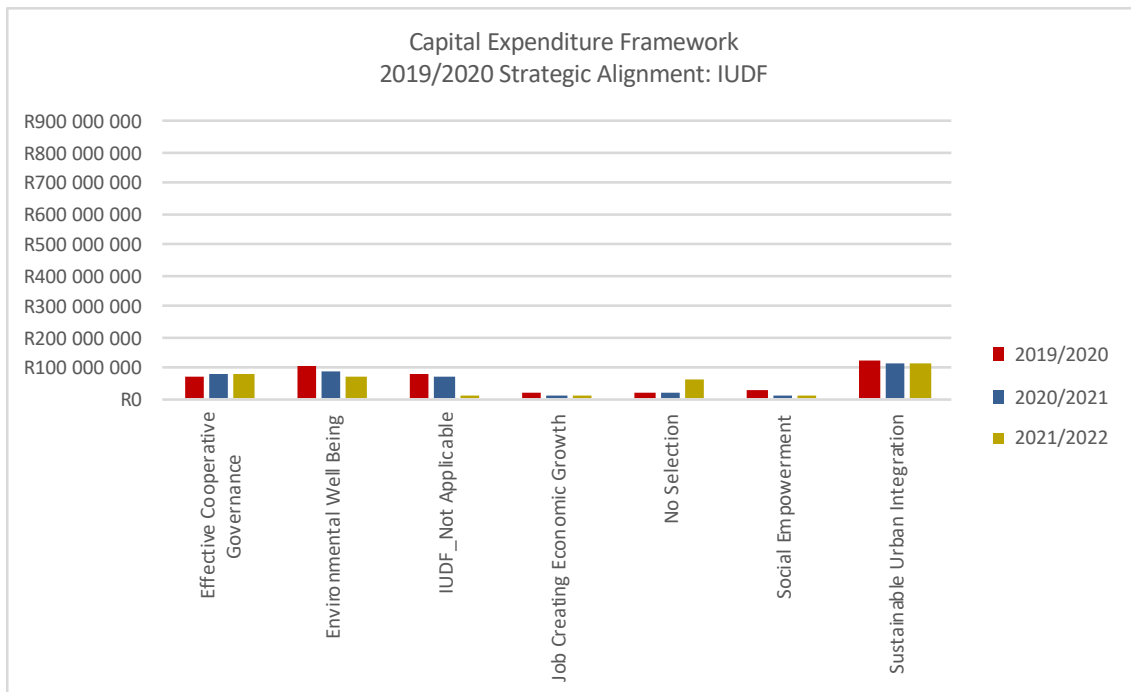


Figure 99: Strategic Alignment – Integrated Urban Development Framework (Graph)

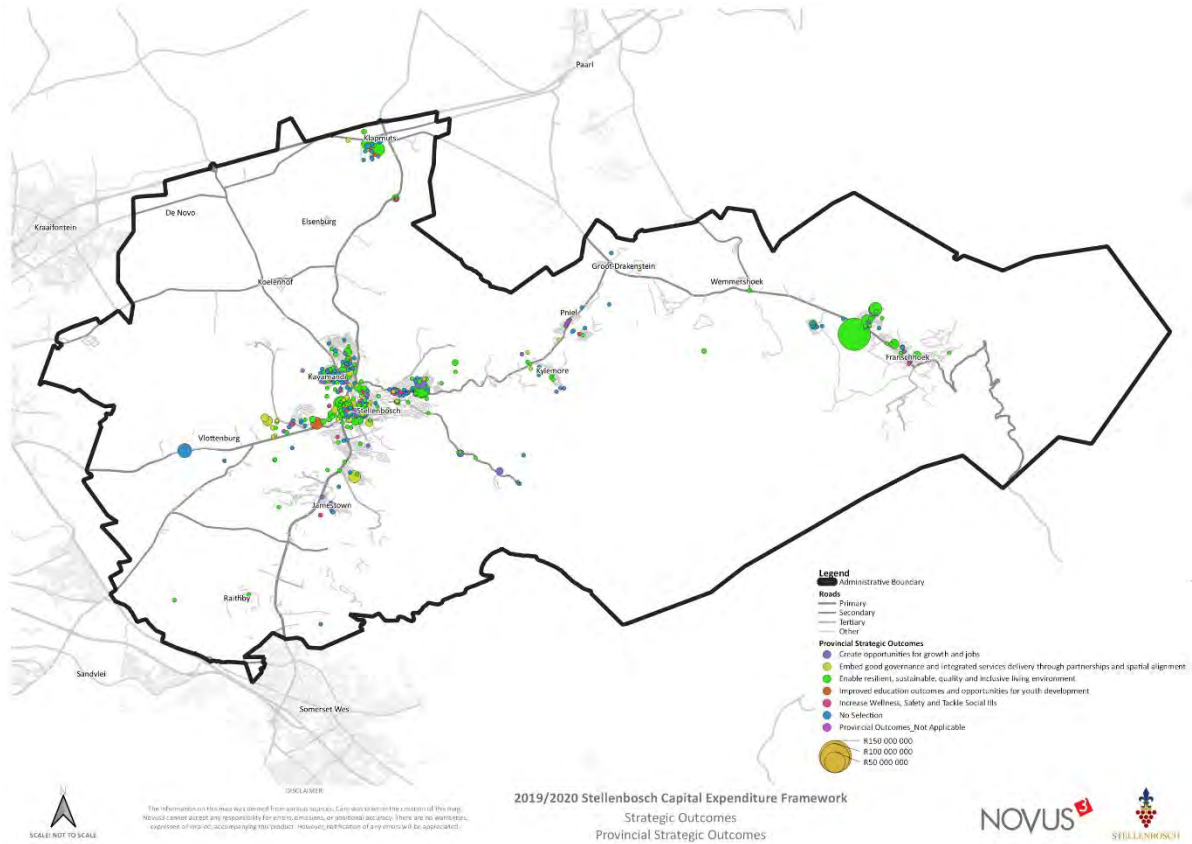
Integrated Urban Development Framework	2019/2020	2020/2021	2021/2022	Total	%
Effective Cooperative Governance	R76 955 000	R78 940 000	R82 050 000	R237 945 000	19%
Environmental Well Being	R110 031 528	R88 196 528	R73 045 000	R271 273 056	22%
IUDF_Not Applicable	R84 284 431	R73 500 000	R3 500 000	R161 284 431	13%
Job Creating Economic Growth	R21 050 000	R7 250 000	R8 500 000	R36 800 000	3%
No Selection	R20 160 500	R23 230 000	R69 250 000	R112 640 500	9%
Social Empowerment	R27 209 000	R13 360 000	R7 092 000	R47 661 000	4%
Sustainable Urban Integration	R128 302 000	R117 850 000	R119 553 900	R365 705 900	30%
Grand Total	R467 992 459	R402 326 528	R362 990 900	R1 233 309 887	100%

Table 89: Strategic Alignment – Integrated Urban Development Framework

Strategic alignment is facilitated on the Capital Planning, Prioritisation and Performance platform. It plays a critical role in Prioritisation of projects and enables Stellenbosch Local Municipality to start investigating whether or not capital expenditure is in line with the strategic priorities of other spheres of government. Please note that No Selection in the table above refers to projects that do not have data captured in this regard.

When considering the Stellenbosch MTREF in terms of the Integrated Urban Development Framework objectives, it is clear that Stellenbosch is aligning capital expenditure with the IUDF objectives. 30% of the MTREF is aligned to sustainable Urban Integration – the principle that most would argue is the foundation of the Integrated Urban Development Framework. 19% of the Stellenbosch MTREF is assigned to Effective Corporate Governance and Environmental Well Being collectively, with the remainder allocated to social empowerment and job creation.

12.3.4 Provincial Strategic Outcomes



Map 38: Strategic Alignment – Provincial Outcomes (Map)

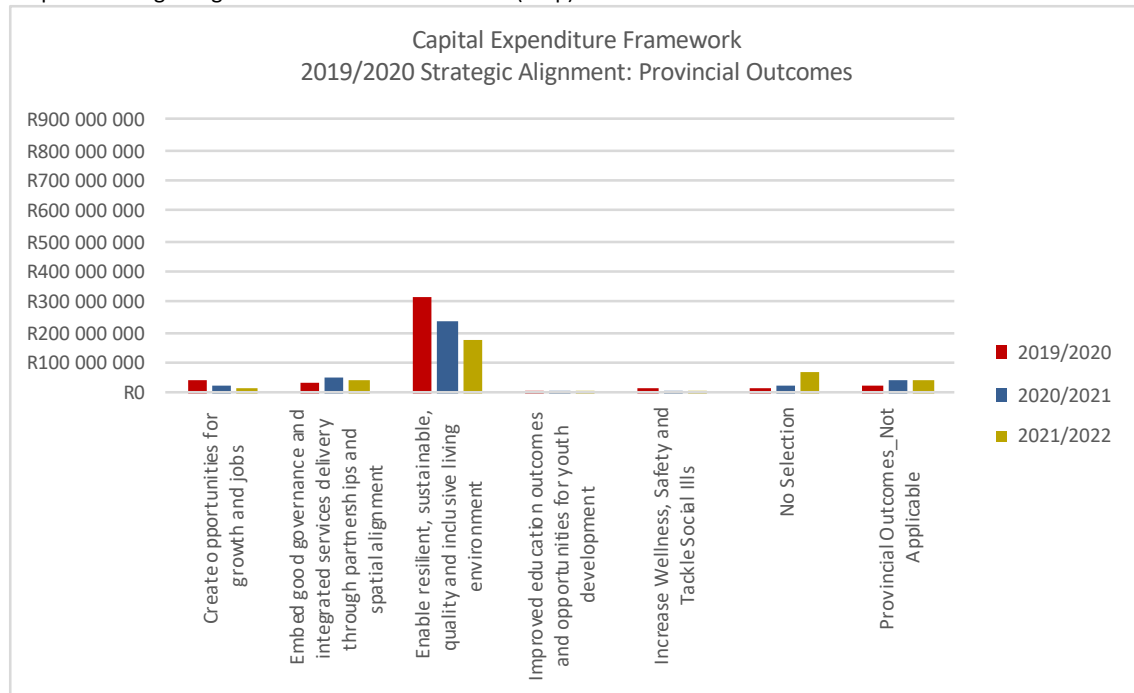


Figure 100: Strategic Alignment – Provincial Outcomes (Graph)

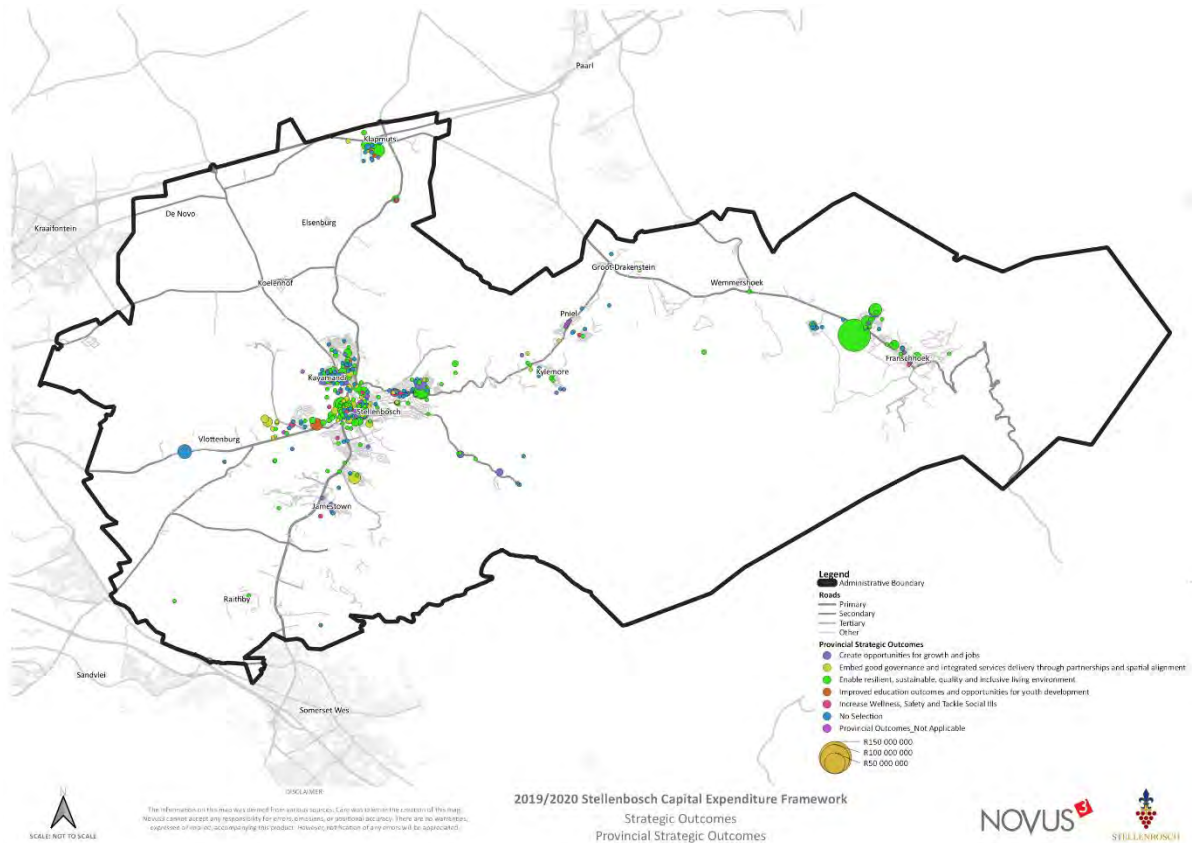
Provincial Strategic Outcomes	2019/2020	2020/2021	2021/2022	Total	Total %
Create opportunities for growth and jobs	R44 106 528	R27 256 528	R20 075 000	R91 438 056	7%
Embed good governance and integrated services delivery through partnerships and spatial alignment	R37 235 000	R54 830 000	R45 775 900	R137 840 900	11%
Enable resilient, sustainable, quality and inclusive living environment	R317 459 431	R235 365 000	R173 615 000	R726 439 431	59%
Improved education outcomes and opportunities for youth development	R6 315 000	R7 340 000	R4 100 000	R17 755 000	1%
Increase Wellness, Safety and Tackle Social Ills	R16 107 000	R9 000 000	R5 700 000	R30 807 000	2%
No Selection	R20 289 500	R23 260 000	R69 825 000	R113 374 500	9%
Provincial Outcomes_Not Applicable	R26 480 000	R45 275 000	R43 900 000	R115 655 000	9%
Grand Total	R467 992 459	R402 326 528	R362 990 900	R1 233 309 887	100%

Table 90: Strategic Alignment – Provincial Outcomes

Strategic alignment is facilitated on the Capital Planning, Prioritisation and Performance platform. It plays a critical role in Prioritisation of projects and enables Stellenbosch Local Municipality to start investigating whether or not capital expenditure is in line with the strategic priorities of other spheres of government. Please note that No Selection in the table above refers to projects that do not have data captured in this regard.

In terms of the provincial outcomes, capital expenditure is best aligned with resilient sustainable quality and inclusive living environments with a 59% of the MTREF allocated to this outcome.

12.3.5 Provincial Strategic Objectives



Map 39: Strategic Alignment – Provincial Objectives (Map)

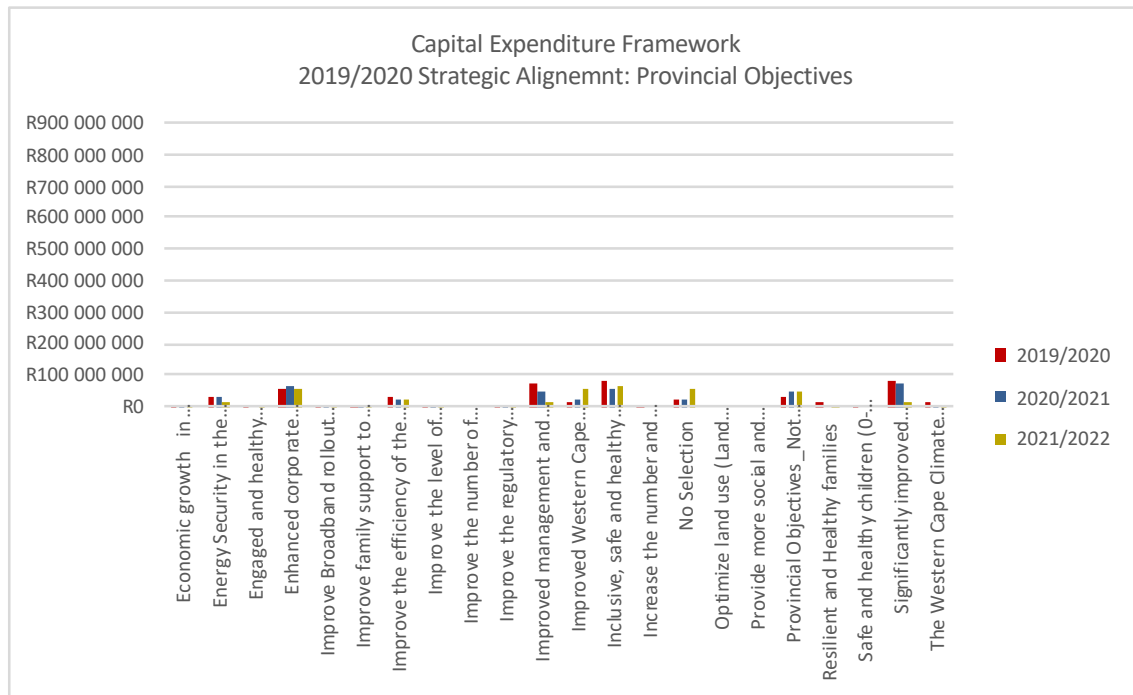


Figure 101: Strategic Alignment – Provincial Objectives (Graph)



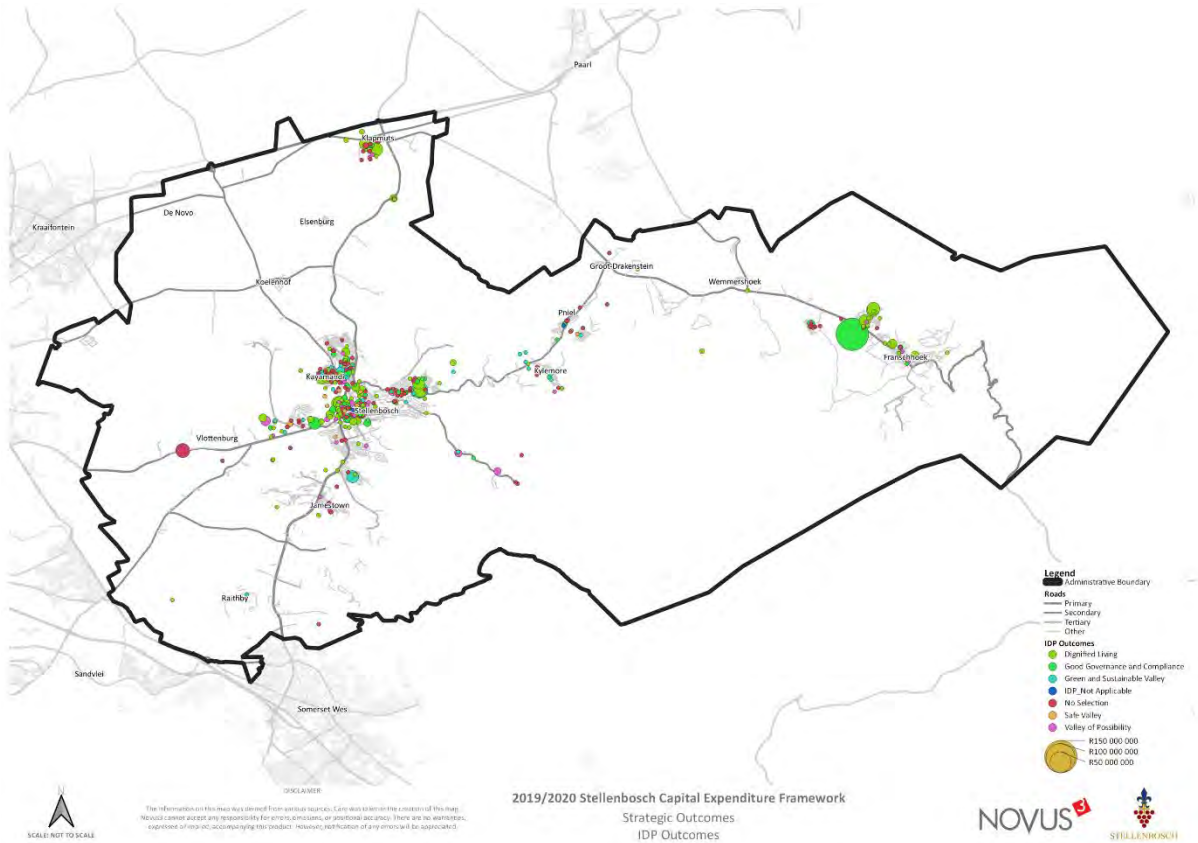
Provincial Strategic Objectives	2019/2020	2020/2021	2021/2022	Total	%
Economic growth in Strategic Sectors – tourism, agric- processing and oil & gas services	R4 650 000	R250 000	R4 500 000	R9 400 000	1%
Energy Security in the Western Cape	R25 980 000	R26 550 000	R17 150 000	R69 680 000	6%
Engaged and healthy youth (15 – 25 years of age)	R5 000 000	R-	R5 000 000	R10 000 000	1%
Enhanced corporate governance maturity in the Western Cape Government and municipalities	R53 085 000	R63 815 000	R57 195 000	R174 095 000	14%
Improve Broadband rollout for the economy	R200 000	R300 000	R50 000	R550 000	0%
Improve family support to children and youth, and facilitate development	R7 061 528	R7 366 528	R57 000	R14 485 056	1%
Improve the efficiency of the region’s transport system	R33 750 000	R20 050 000	R23 200 000	R77 000 000	6%
Improve the level of language and mathematics in all schools	R3 650 000	R5 000 000	R4 700 000	R13 350 000	1%
Improve the number of artisan and technical skills	R-	R-	R-	R-	0%
Improve the regulatory environment to enhance the ease of doing business	R1 520 000	R5 225 000	R500 000	R7 245 000	1%
Improved management and maintenance of the ecological and agricultural resource base	R74 885 000	R47 350 000	R10 900 000	R133 135 000	11%
Improved Western Cape settlement delivery and functionality	R16 630 000	R22 565 000	R59 305 900	R98 500 900	8%
Inclusive, safe and healthy communities	R81 445 000	R55 105 000	R63 708 000	R200 258 000	16%
Increase the number and quality of passes in the National Senior Certificate	R550 000	R-	R-	R550 000	0%
No Selection	R20 289 500	R22 760 000	R56 125 000	R99 174 500	8%
Optimize land use (Land Reform)	R-	R-	R-	R-	0%
Provide more social and economic opportunities for youth	R-	R-	R-	R-	0%
Provincial Objectives_Not Applicable	R32 062 000	R47 990 000	R42 850 000	R122 902 000	10%
Resilient and Healthy families	R17 000 000	R-	R1 000 000	R18 000 000	1%
Safe and healthy children (0-14 years of age)	R550 000	R-	R-	R550 000	0%
Significantly improved stakeholder satisfaction with Western Cape Government services (Inclusive Society)	R78 184 431	R71 500 000	R10 250 000	R159 934 431	13%
The Western Cape Climate Change Response Strategy	R11 500 000	R6 500 000	R6 500 000	R24 500 000	2%
Grand Total	R467 992 459	R402 326 528	R362 990 900	R1 233 309 887	100%

Table 91: Strategic Alignment – Provincial Objectives

Strategic alignment is facilitated on the Capital Planning, Prioritisation and Performance platform. It plays a critical role in Prioritisation of projects and enables Stellenbosch Local Municipality to start investigating whether or not capital expenditure is in line with the strategic priorities of other spheres of government. Please note that No Selection in the table above refers to projects that do not have data captured in this regard.

When viewing the Stellenbosch MTREF in the context of Provincial objectives, it can be seen that capital expenditure is aligned towards good governance, safety, maintenance and human settlements.

12.3.6 IDP Outcomes



Map 40: Strategic Alignment – IDP Outcome (Map)

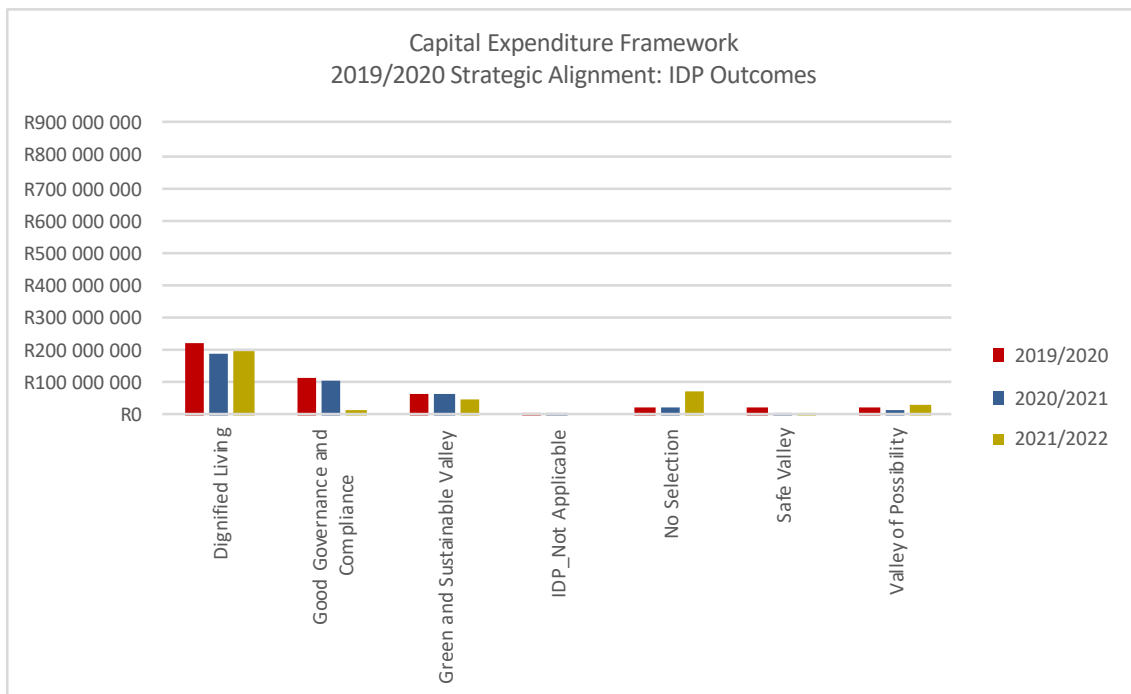


Figure 102: Strategic Alignment – IDP Outcome (Graph)



IDP Outcomes	2019/2020	2020/2021	2021/2022	Total	Total %
Dignified Living	R220 513 528	R187 771 528	R192 287 900	R600 572 956	49%
Good Governance and Compliance	R115 509 431	R102 950 000	R17 533 000	R235 992 431	19%
Green and Sustainable Valley	R64 270 000	R65 245 000	R47 195 000	R176 710 000	14%
IDP_Not Applicable	R7 100 000	R3 000 000	R-	R10 100 000	1%
No Selection	R20 289 500	R23 260 000	R71 625 000	R115 174 500	9%
Safe Valley	R19 060 000	R7 950 000	R4 550 000	R31 560 000	3%
Valley of Possibility	R21 250 000	R12 150 000	R29 800 000	R63 200 000	5%
Grand Total	R467 992 459	R402 326 528	R362 990 900	R1 233 309 887	100%

Table 92: Strategic Alignment – IDP Outcome

Strategic alignment is facilitated on the Capital Planning, Prioritisation and Performance platform. It plays a critical role in Prioritisation of projects and enables Stellenbosch Local Municipality to start investigating whether or not capital expenditure is in line with the strategic priorities of other spheres of government. Please note that No Selection in the table above refers to projects that do not have data captured in this regard.

The majority of Capital expenditure is assigned to dignified living in terms of the Stellenbosch IDP outcomes. Almost 49% of the Capital Budget in the MTREF will be assigned to Dignified Living, with only 3% to safe Valley.

Section 13 Annexures

13 Annexures

13.1 Annexure 1: Profile of Stellenbosch Nodal Points

Annexure 1: Profile of Stellenbosch Nodal Points

	Node name	Total for municipality	Rural nodes										Urban nodes		
			La Motte	Wemmershoek	Langquedoc	Pniel	Groot Drakenstein	Raithby	Lynedoch	Vlottenburg	Koelenhof	Muldersvlei Cross Road	Stellenbosch	Franschhoek	Klapmuts
Population	Area (ha)	84 879	69	66	184	119	98	45	78	153	182	105	2 868	485	450
	Pop96	104 354	906	190	1 483	1 983	102	262	35	98	150	50	54 466	5 692	1 576
	Pop01	118 976	50	554	3 527	2 412	71	34	50	99	118	98	56 725	7 909	4 176
	Pop11	155 711	1 606	859	7 233	1 725	118	440	164	334	448	72	78 638	14 521	7814
	Pop/ha96	1.23	13.13	2.88	8.06	16.66	1.04	5.82	0.45	0.64	0.82	0.48	18.99	11.74	3.50
	Pop/ha01	1.40	0.72	8.39	19.17	20.27	0.72	0.76	0.64	0.65	0.65	0.93	19.78	16.31	9.28
	Pop/ha11	1.83	23.28	13.02	39.31	14.50	1.20	9.78	2.10	2.18	2.46	0.69	27.42	29.94	17.36
Households	Hh96	26 155	154	38	286	434	19	72	11	24	39	14	14 310	1 322	341
	Hh01	29 121	10	104	687	566	14	8	12	23	28	24	14 598	1 928	972
	Hh11	43 328	397	202	1 645	428	27	105	36	86	97	17	23 744	4 785	1966
	Hh/ha96	0.31	2.23	0.58	1.55	3.65	0.19	1.60	0.14	0.16	0.21	0.13	4.99	2.73	0.76
	Hh/ha01	0.34	0.14	1.58	3.73	4.76	0.14	0.18	0.15	0.15	0.15	0.23	5.09	3.98	2.16
	Hh/ha11	0.51	5.75	3.06	8.94	3.60	0.28	2.33	0.46	0.56	0.53	0.16	8.28	9.87	4.37
	Hhsize96	3.99	5.88	5.00	5.19	4.57	5.37	3.64	3.18	4.08	3.85	3.57	3.81	4.31	4.62
	Hhsize01	4.09	5.00	5.33	5.13	4.26	5.07	4.25	4.17	4.30	4.21	4.08	3.89	4.10	4.30
Hhsize11	3.59	4.05	4.25	4.40	4.03	4.37	4.19	4.56	3.88	4.62	4.24	3.31	3.03	3.97	
Dwelling frame - Number of structures	DF18Dwell	42 892	394	198	1 910	696	86	131	36	162	36	43	24 672	5 443	2 071
	DF18Bus	905	4	0	3	2	7	0	0	8	10	12	499	66	26
	DF18SDI	3 426	1	1	0	1	0	0	1	0	0	0	3 075	106	1
	DF18SU	209	1	1	6	2	1	1	2	0	1	2	90	15	21
	DF18RU	68	0	0	8	1	0	5	0	0	0	0	34	9	3

	Node name	Total for municipality	Rural nodes									Urban nodes				
			La Motte	Wemmershoek	Langedoc	Pniel	Groot Drakenstein	Raitby	Lynedoch	Vlottenburg	Koelenhof	Muldersvlei Cross Road	Stellenbosch	Franschhoek	Klapmuts	
Land cover 1990 (urban) - ha	Forests & Plantations	3 010.11	2.75			8.94						3.35	42.91	1.06		
	Mining	61.63									17.06					
	Urban built-up	24.06		0.15							0.69				1.63	
	Urban commercial	339.57						0.23		1.62			277.28	7.94	1.27	
	Urban industrial	484.27		4.16			9.57		3.47	11.29	3.58		158.47	4.60	3.24	
	Urban residential	990.39		13.33			2.00	18.61		1.39			789.48	88.56	25.69	
	Urban townships	393.13	11.06		58.88	62.40				6.18			87.20	36.58	2.43	
	Urban informal	1.27											1.27			
	Rural villages															
	Urban sports and golf	290.37		4.72									192.73	4.16		
	School and sports grounds	132.96		1.52	3.96				2.77	6.93		3.94	65.75	19.74	0.69	
Small holdings	187.48							2.38				37.03	4.74			
Land cover 2014 (urban) - ha	Urban built-up	37.63		0.02	0.01						0.23		15.66		3.81	
	Urban commercial	349.73						0.45		0.82			300.32	5.26	0.54	
	Urban industrial	431.75		2.09			6.53		1.63	8.46	2.09		139.41	3.83	1.82	
	Urban residential	955.06		11.53			0.98	14.69		0.43	1.27		749.63	99.34	18.73	
	Urban townships	481.13	23.58		75.60	58.88				2.74			123.40	54.68	40.03	
	Urban informal	51.53											35.16	12.45		
	Rural villages															
	Urban sports and golf	392.42		3.47									268.24	5.31	3.12	
	School and sports grounds	102.58		0.92	3.35				1.50	4.85		2.43	49.46	16.86	0.35	
Small holdings	419.60							12.84				65.59	3.81			
Roads (km)	National	22.96	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Arterial	118.72	0.21	0.77	0	0.35	1.8	0	1	1.05	2.79	1.96	11	0.83	3.37	

Node name	Total for municipality	Rural nodes							Urban nodes					
		La Motte	Wemmershoek	Lanquedoc	Pniel	Groot Drakenstein	Raitby	Lynedoch	Vlottenburg	Koelenhof	Muldersvlei Cross Road	Stellenbosch	Franschhoek	Klapmuts
Secondary	37.35	1	0	0	0	0	0	0.24	0	0.2	0	0	0.04	0.39
Tertiary	555.81	1.79	0.12	4.14	1.78	4.24	0.55	0.61	3.2	2.42	0.57	12.75	3.41	6.48
Main (Urban)	54.33	0	0	0	1.15	0	0	0	0	0	0	25.14	2.31	1.01
Streets (Urban)	229.63	0	0	0	0	0	0	0	0	0	0.36	165.1	31.64	0
Total roads	1018.8	3	0.89	4.14	3.28	6.04	0.55	1.85	4.25	5.41	2.89	213.99	38.23	11.25

13.2 Annexure 2: Classification of service access data from the census

Annexure 2: Classification of service access data from the census

This annexure shows how census data was classified by MapAble® in order to be represented as access to different access categories used in national service delivery policies.

▪ Water services

Census 1996		Census 2001		Census 2011	
Piped water in dwelling	Full	Piped water inside dwelling	Full	Piped (tap) water inside dwelling/institution	Full
Piped water on site	Intermediate	Piped water inside yard	Intermediate	Piped (tap) water inside yard	Intermediate
Public tap	Basic	Piped water on community stand distance < 200m from dwelling	Basic	Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Basic
Water-carrier/tanker	Below basic	Piped water on community stand distance > 200m from dwelling	Below basic	Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Below basic
Borehole/rainwater tank/well	Below basic	Borehole	Below basic	Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Below basic
Dam/river/stream/spring	None	Spring	Below basic	Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	Below basic
Other	None	Rain-water tank	Below basic	No access to piped (tap) water	None
Unspecified/Dummy	None	Dam/pool/stagnant water	None	Unspecified	None
		River/stream	None	Not applicable	None
		Water vendor	Basic		
		Other	None		

▪ Sanitation services

Census 1996		Census 2001		Census 2011	
Flush or chemical toilet	Full	Flush toilet (connected to sewerage system)	Full	Flush toilet (connected to sewerage system)	Full
Pit latrine	Below basic	Flush toilet (with septic tank)	Full	Flush toilet (with septic tank)	Full
Bucket latrine	Below basic	Chemical toilet	Intermediate	Chemical toilet	Intermediate
None of the above	None	Pit latrine with ventilation (VIP)	Basic	Pit toilet with ventilation (VIP)	Basic
Unspecified/Dummy	None	Pit latrine without ventilation	Below basic	Pit toilet without ventilation	Below basic
		Bucket latrine	Below basic	Bucket toilet	Below basic
		None	None	Other	Below basic
				Unspecified	None
				Not applicable	None
				None	None

▪ Electricity services

Census 1996		Census 2001		Census 2011	
Electricity direct from authority	Full	Electricity	Full	Electricity	Full

Electricity from other source	Full	Gas	None	Gas	None
Gas	None	Paraffin	None	Paraffin	None
Paraffin	None	Candles	None	Candles (not a valid option)	None
Candles	None	Solar	Full	Solar	Full
Other	None	Other	None	None	None
Unspecified/ Dummy	None			Unspecified	None
				Not applicable	None

▪ Refuse removal services

	Census 1996		Census 2001		Census 2011
Removed by local authority at least weekly	Full	Removed by local authority at least once a week	Full	Removed by local authority/private company at least once a week	Full
Removed by local authority less often	Intermediate	Removed by local authority less often	Intermediate	Removed by local authority/private company less often	Intermediate
Communal refuse dump	Basic	Communal refuse dump	Basic	Communal refuse dump	Basic
Own refuse dump	Below basic	Own refuse dump	Below basic	Own refuse dump	Below basic
No rubbish disposal	None	No rubbish disposal	None	No rubbish disposal	None
Other	None			Other	None
Unspecified/ Dummy	None			Unspecified	None
				Not applicable	None

13.4 Annexure 4: Prioritisation Model

Annexure 4: Prioritisation Model

The capital prioritisation model criteria will be discussed in more detail under the five (5) themes of the model, namely:

- Strategic alignment;
- Spatial alignment;
- Financial alignment;
- Economic alignment;
- Social alignment; and
- Technical alignment.

13.4.1 Strategic Alignment

The strategic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the organisations developmental objectives as well as strategic outcomes set out in the strategic guiding document of the municipality. The policy alignment score is calculated within five distinct categories⁴⁴, namely:

- IDP Outcome 1: Valley of Possibility;
- IDP Outcome 2: Dignified Living;
- IDP Outcome 3: Good Governance and Compliance;
- IDP Outcome 4: Green and Sustainable Valley; and
- IDP Outcome 5: Safe Valley.

⁴⁴ These categories are aligned with the IDP Outcomes.

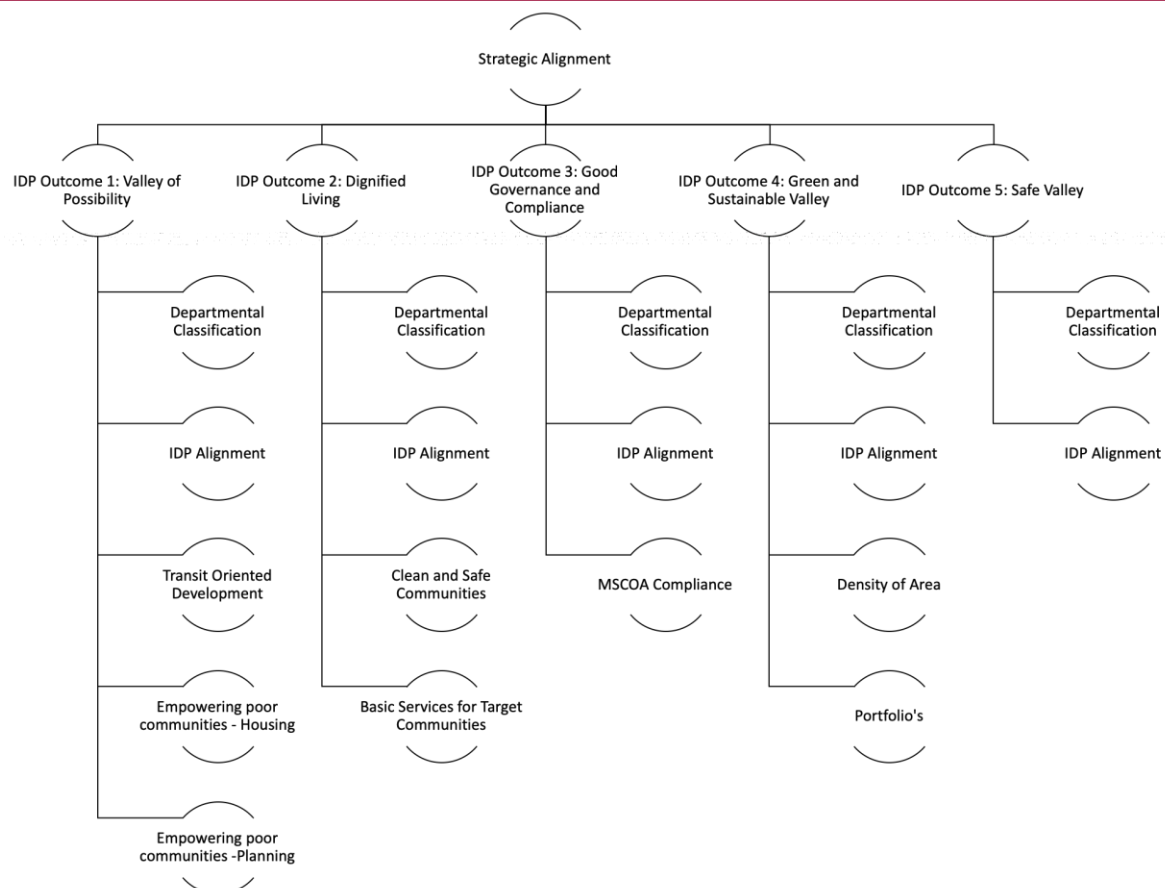


Figure 103: Capital Prioritisation Model: Strategic Alignment

13.4.1.1 IDP Outcome 1: Valley of Possibility

Table 93: Scoring Criteria - Departmental Classification

Category	Description
Definition	Specific departments’ mandate is to deliver specific services. Those services correlates with the definition of this IDP outcome.
Branch Weight	20
Input Variable	The department by which the project is owned.
Process	=if(x in ("Community and Protection Services","Infrastructure Services","Planning and Economic Development"),100,0)
Mathematical Operator	Value achieved by the project is passed through to the parent scoring branch.

Table 94: IDP Alignment

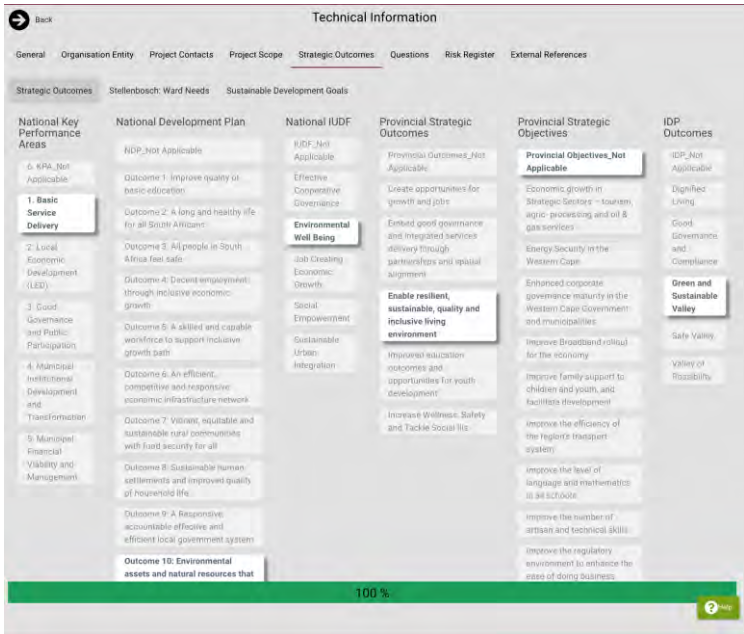
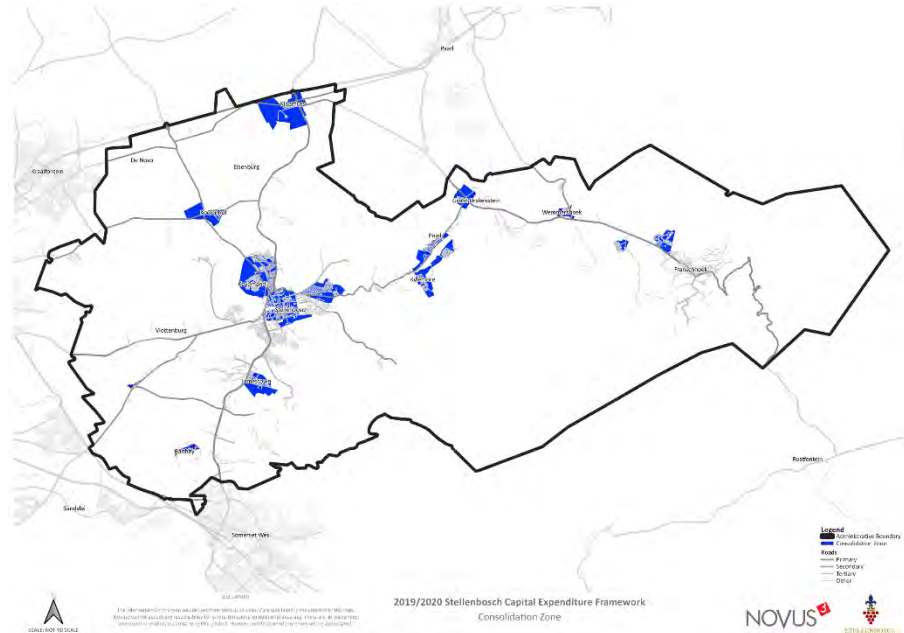
Category	Description
Definition	IDP alignment measures the alignment of a project with respect to the different IDP outcomes.
Branch Weight	10
Input Variable	
Process	If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

Table 95: Scoring Criteria - Transit Oriented Development

Category	Description
Definition	Transit Oriented Development (TOD) aims to identify a hierarchy of Investment priority areas towards deification and mixed-use investments.
Branch Weight	The different TOD zones have been weighted differently, as they contribute differently to the priority of the municipality: TOD Consent ration Zones: 100% TOD Promotion Zones: 75%

Category	Description
	TOD Supportive Zones: 50%

Input Variable

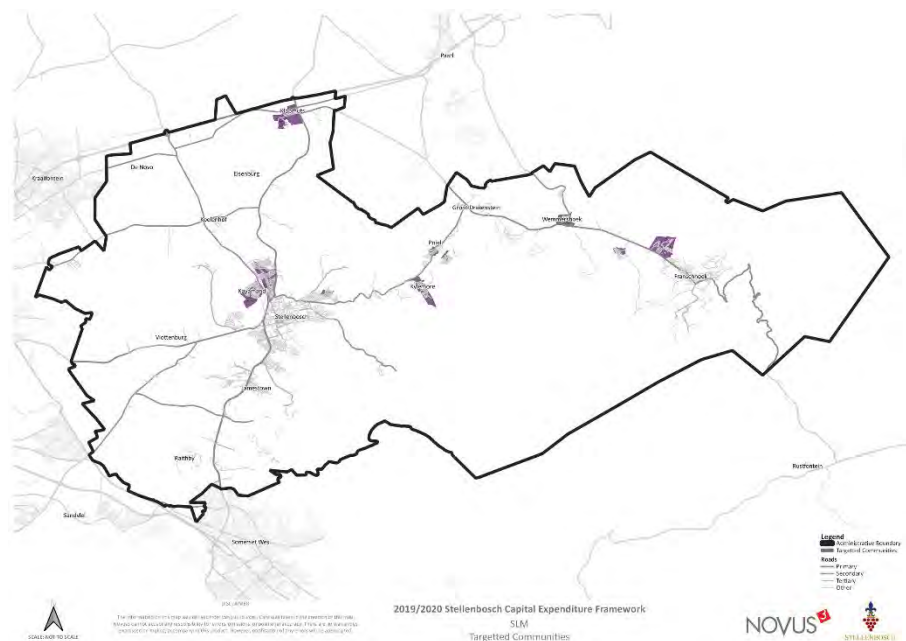


Process	If the spatial intersect returns a result where a project intersect with the TOD zone, the maximum possible score is returned and passed through to the parent branch.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

Table 96: Scoring Criteria - Empowering Poor Communities - Housing

Category	Description
Definition	The provision of quality housing across a range of housing typologies and tenure options is a key focus for the municipality. Therefore, given the focus on providing housing stock, the relevant departments are given additional priority based on the fact that they are responsible for meeting the housing stock mandate of the municipality.
Branch Weight	40
Input Variable	The following departments are pre-filtered during this scoring test, so that only the relevant projects are elevated: IHS: New Housing

Category	Description
	IHS: Informal Settlement
	Community Services: Library Service
	Sports Grounds and Picnic Sites
	Land Use Management
	Community Development
	Economic Development and Tourism
	Environmental Management: Urban Greening
	A further spatial test is conducted, to see if the said departments' projects are within targeted communities.



Process	All housing and human settlements project receive additional score based on their alignment with the municipality's mandate of housing stock provision.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.1.2 IDP Outcome 2: Dignified Living

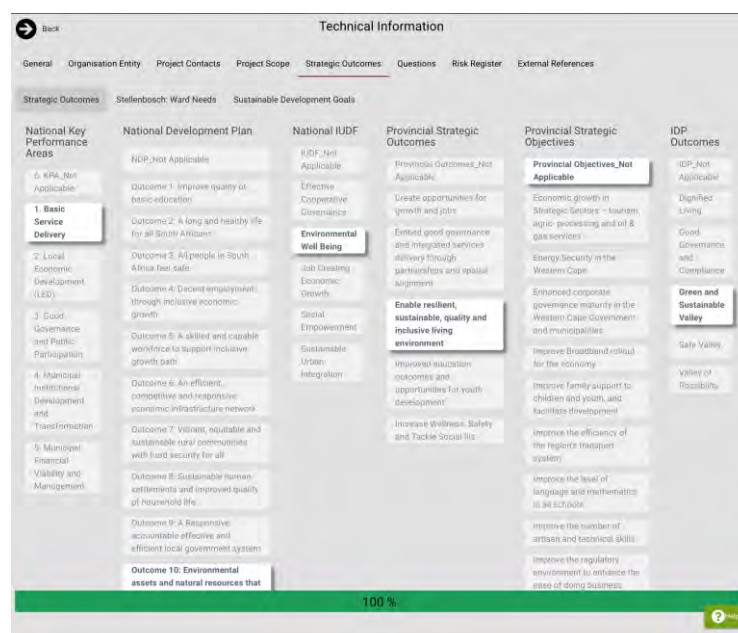
Table 98: Scoring Criteria - Departmental Classification

Category	Description
Definition	Specific departments' mandate is to deliver specific services. Those services correlate with the definition of this IDP outcome.
Branch Weight	20
Input Variable	The department by which the project is owned.
Process	=if (x in ("Infrastructure Services","Community and Protection Services"),100,0)
Mathematical Operator	Value achieved by the project is passed through to the parent scoring branch.

Table 99: Scoring Criteria - IDP Alignment

Category	Description
Definition	IDP alignment measures the alignment of a project with respect to the different IDP outcomes.
Branch Weight	10

Input Variable



The screenshot displays a 'Technical Information' dashboard with the following structure:

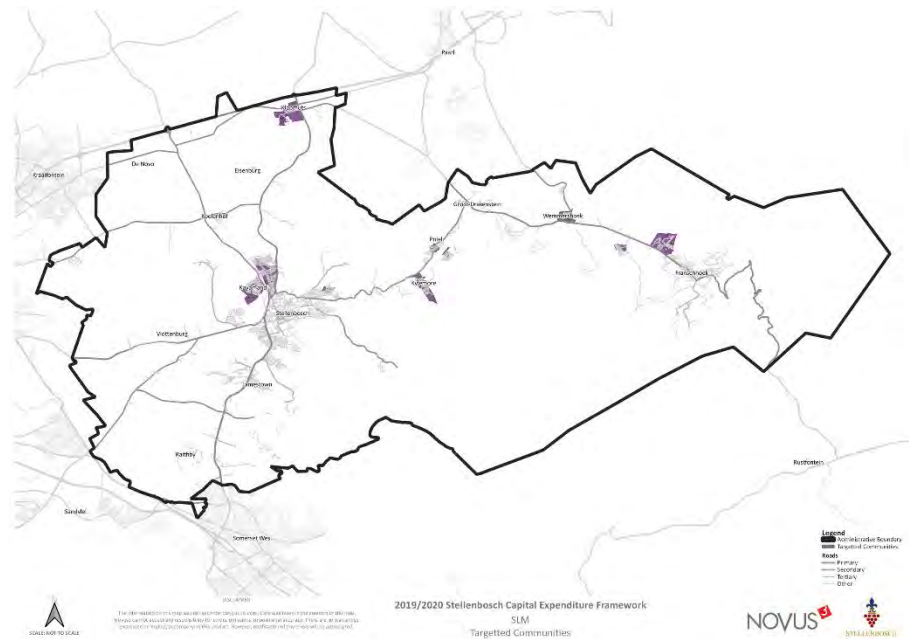
- Navigation:** Back, General, Organisation Entity, Project Contacts, Project Scope, Strategic Outcomes (selected), Questions, Risk Register, External References.
- Context:** Strategic Outcomes, Stellenbosch Ward Needs, Sustainable Development Goals.
- Columns:**
 - National Key Performance Areas:** Lists areas like '1. Basic Service Delivery' and '2. Local Economic Development (LED)'.
 - National Development Plan:** Lists outcomes such as 'Outcome 1: Improve quality of basic education' and 'Outcome 2: A long and healthy life for all South Africans'.
 - National IDUF:** Lists areas like 'Environmental Well Being', 'Job Creating Economic Growth', and 'Social Empowerment'.
 - Provincial Strategic Outcomes:** Lists outcomes like 'Provincial Outcomes Not Applicable', 'Create opportunities for growth and jobs', and 'Enable resilient, sustainable, quality and inclusive living environment'.
 - Provincial Strategic Objectives:** Lists objectives like 'Provincial Objectives Not Applicable', 'Economic growth in Strategic Sectors', and 'Enhanced corporate governance'.
 - IDP Outcomes:** Lists outcomes like 'IDP Not Applicable', 'Dignified Living', 'Good Governance and Compliance', and 'Green and Sustainable Valley'.
- Progress:** A green bar at the bottom indicates 100% completion.

Category	Description
Process	If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

Table 100: Scoring Criteria - Clean and safe target communities

Category	Description
Definition	A component of being able to live in a dignified manner, is providing one of man's most basic need – safety. By prioritising specific departments responsible for safety and cleanliness, within specific areas, a clean and safe community will be achieved.
Branch Weight	50
Input Variable	<p>The following departments, with projects within the area depicted below are eligible to score on this branch:</p> <p>Traffic Engineering</p> <p>Waste Management: Solid Waste Management</p> <p>Parks, Rivers and Area Cleaning</p> <p>Fire and Rescue Services</p> <p>Law Enforcement and Security</p>

Category	Description
----------	-------------



Process	The following departments receive additional score based on their mandate and their works location.
---------	---

Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.
-----------------------	---

Table 101: Scoring Criteria - Basic Services for target communities

Category	Description
----------	-------------

Definition	Basic service delivery is one of the most important targets of the municipality, as well as national government.
------------	--

Branch Weight	50
---------------	----

Input Variable	The following units enjoys the opportunity to score on this branch: Infrastructure Services Planning and Economic Development
----------------	---

The said units' projects must be within these areas:

Table 103: Scoring Criteria - IDP Alignment

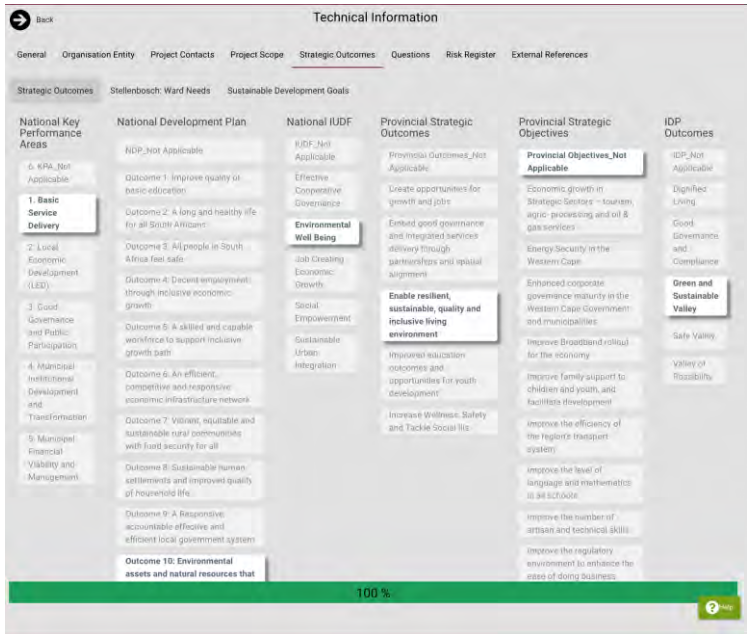
Category	Description
Definition	IDP alignment measures the alignment of a project with respect to the different IDP outcomes.
Branch Weight	10
Input Variable	
Process	If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

Table 104: Scoring Criteria - MSCOA Compliance

Category	Description
Definition	mSCOA is an institutional arrangement set out by national Treasury intended for amongst other to instil good governance practices within the municipality. It represents a business process focus, that standardises all municipal accounting practices and reporting across the country. In order to be mSCOA compliant, a project must contain several segments of information.
Branch Weight	60

Category	Description
Input Variable	Functional Segment (20) Item Segment (20) Project Segment (20) Regional Segment (20) Cost Segment (20)
Process	If a project contains the lowest level GUID information on the following segments, it will be eligible to score.
Mathematical Operator	The sum of all the values achieved by the project is passed through to the parent scoring branch.

13.4.1.4 IDP Outcome 4: Green and Sustainable Valley

Table 105: Scoring Criteria - Departmental Classification

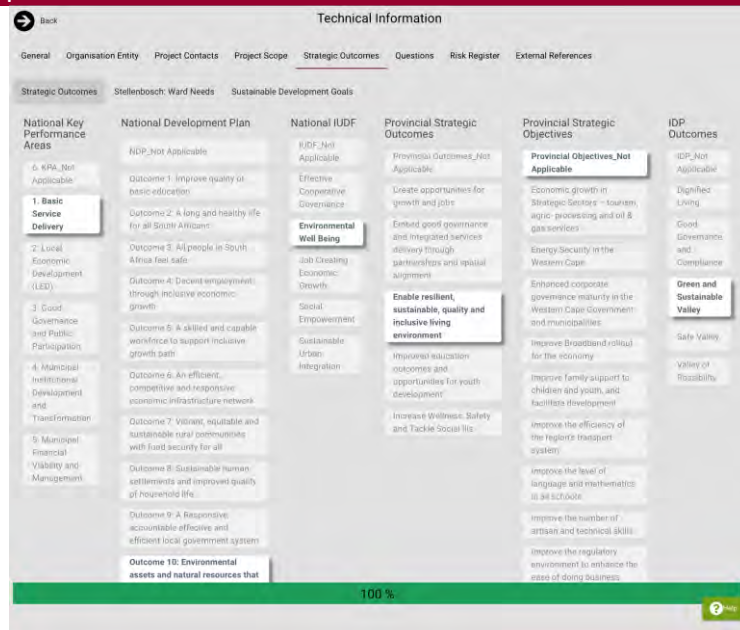
Category	Description
Definition	Specific departments' mandate is to deliver specific services. Those services correlate with the definition of this IDP outcome.
Branch Weight	20
Input Variable	The department by which the project is owned.
Process	=if(x in ("Environmental Management: Urban Greening","Environmental Management: Nature Conservation","Disaster Management","Parks, Rivers and Area Cleaning"),100,0)
Mathematical Operator	Value achieved by the project is passed through to the parent scoring branch.

Table 106: Scoring Criteria - IDP Alignment

Category	Description
Definition	IDP alignment measures the alignment of a project with respect to the different IDP outcomes.
Branch Weight	20

Category **Description**

Input Variable



Process If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch.

Mathematical Operator Maximum value achieved by the project is passed through to the parent scoring branch.

Table 107: Scoring Criteria - Density of Area

Category **Description**

Definition The density of the area is a function of number of people per delineated area, usually expressed as dwelling units per hectare.

Branch Weight 60

Input Variable The location of a project is evaluated at the hand of three key spatial filters, each with a variation of importance. These include:

Future Development Areas (80)

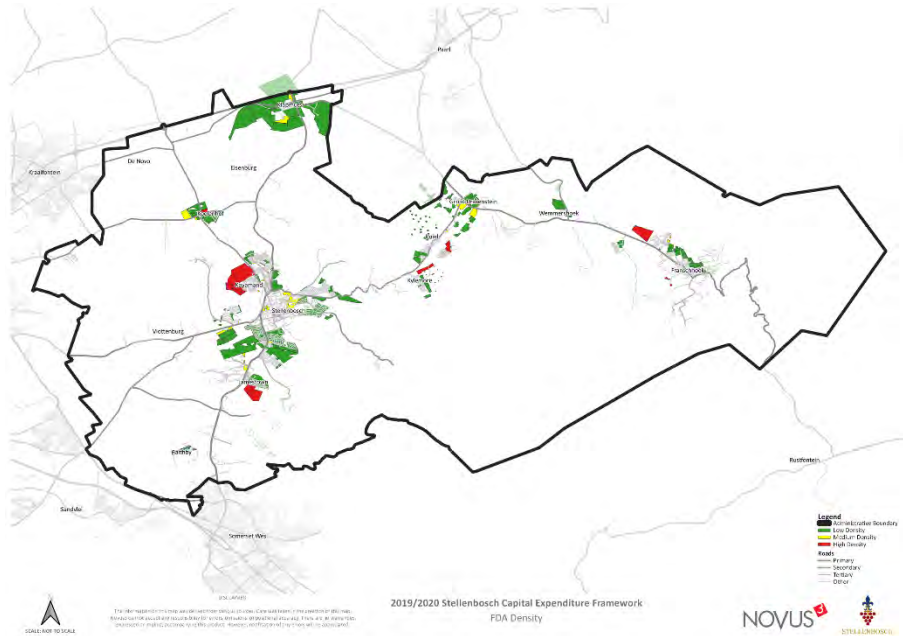
High (100)

Medium (75)

Category

Description

Low (50)



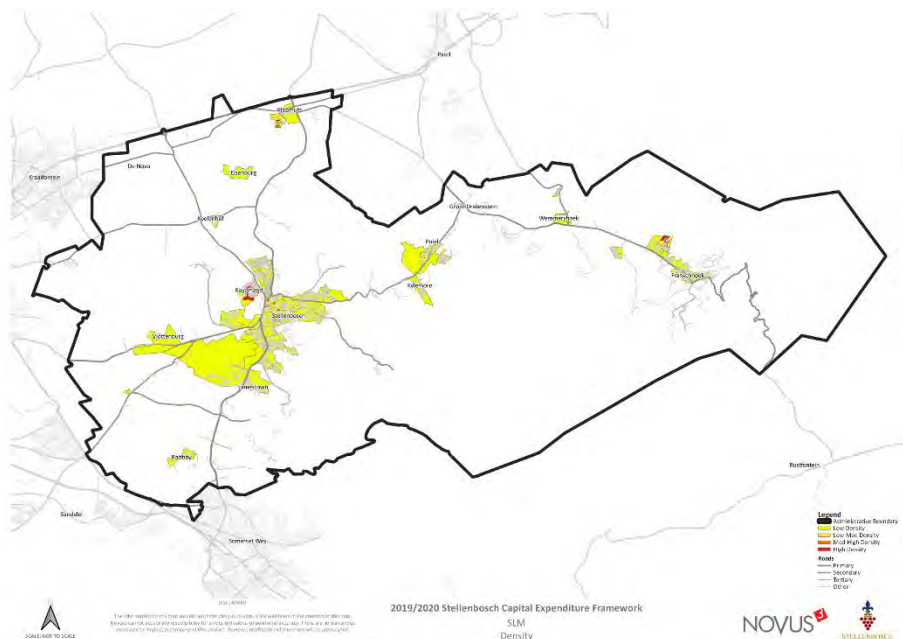
Current Density Map (100)

High Density (>80 units/ha) (100)

Medium to High Density (>60 & <80 units/Ha) (80)

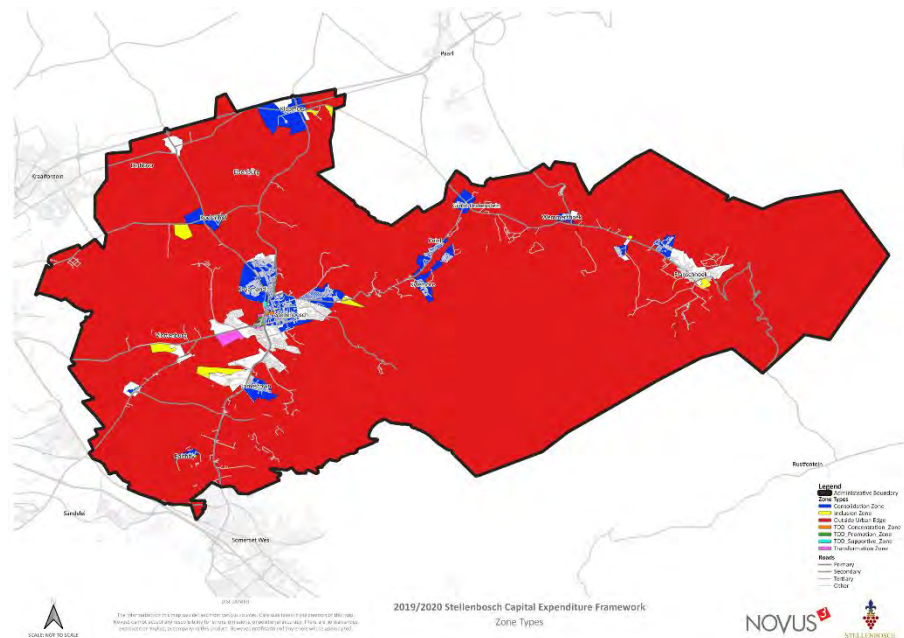
Low to Medium Density (>40 & <60 units/Ha) (60)

Low Density (<40 units/Ha) (40)



TOD (100)

Category	Description
	Concentration Zone (100)
	Promotion Zone (75)
	Supportive Zone (50)



Process	If a projects' work location are within the above mentioned areas, it will score and be eligible to score.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

Table 108: Scoring Criteria - Portfolio

Category	Description
Definition	A portfolio of projects is a specific grouping of projects all aligned with a similar characteristic or mandate. In this case, four portfolios are used to test this branch of the prioritisation model.
Branch Weight	30
Input Variable	Projects belonging the following portfolios are eligible to score on this branch. Public Transport Portfolio (100) NMT Portfolio (100)

Category	Description
	Renewable energy Portfolio (100)
	Carbon Offset Portfolio (100)
Process	If a project is part of a specific portfolio, it is eligible to score on this branch.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.1.5 IDP Outcome 5: Safe Valley

Table 109: Scoring Criteria - Departmental Classification

Category	Description
Definition	Specific departments' mandate is to deliver specific services. Those services correlates with the definition of this IDP outcome.
Branch Weight	65
Input Variable	The department by which the project is owned.
Process	=if(x in ("Community and Protection Services"),100,0)
Mathematical Operator	Value achieved by the project is passed through to the parent scoring branch.

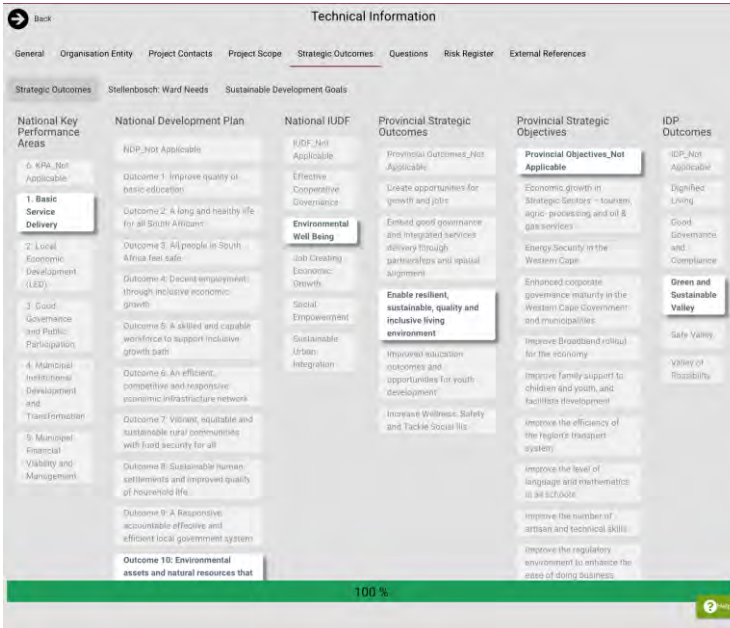
Table 110: Scoring Criteria - IDP Alignment

Category	Description
Definition	IDP alignment measures the alignment of a project with respect to the different IDP outcomes.
Branch Weight	65

Category

Description

Input Variable



The screenshot displays a 'Technical Information' interface with a navigation bar at the top including 'General', 'Organisation Entity', 'Project Contacts', 'Project Scope', 'Strategic Outcomes', 'Questions', 'Risk Register', and 'External References'. Below the navigation bar, there are tabs for 'Strategic Outcomes', 'Stellenbosch Ward Needs', and 'Sustainable Development Goals'. The main content area is a grid with columns for 'National Key Performance Areas', 'National Development Plan', 'National IJDF', 'Provincial Strategic Outcomes', 'Provincial Strategic Objectives', and 'IDP Outcomes'. The 'IDP Outcomes' column shows a score of 100% at the bottom. The grid contains various outcomes and objectives, such as 'Basic Service Delivery', 'Local Economic Development (LED)', 'Good Governance and Public Participation', 'Municipal Institutional Development and Transformation', 'Municipal Financial Viability and Management', 'National Development Plan', 'National IJDF', 'Provincial Strategic Outcomes', 'Provincial Strategic Objectives', and 'IDP Outcomes'. A green bar at the bottom of the grid indicates a score of 100%.

Process

If a project aligns in terms of this specific IDP outcome, it scores 100% on this branch, if not, it scores 0 on this branch.

Mathematical
Operator

Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.2 Spatial Alignment

The spatial alignment goal or theme of the prioritisation model evaluates the degree to which projects aligns with the spatial development framework and other spatial targeting objectives set out in various strategic documents of the municipality (i.e. IDP, SDF, CIF etc.). The alignment of projects to the spatial targeting areas of the municipality are scored according to the following criteria:

- Spatial Development Framework; and
- Inside Urban Edge.

These criteria measured under these sub-branches seek to ensure that projects within the municipal budget align with the spatial structure or spatial development objectives of the municipality.

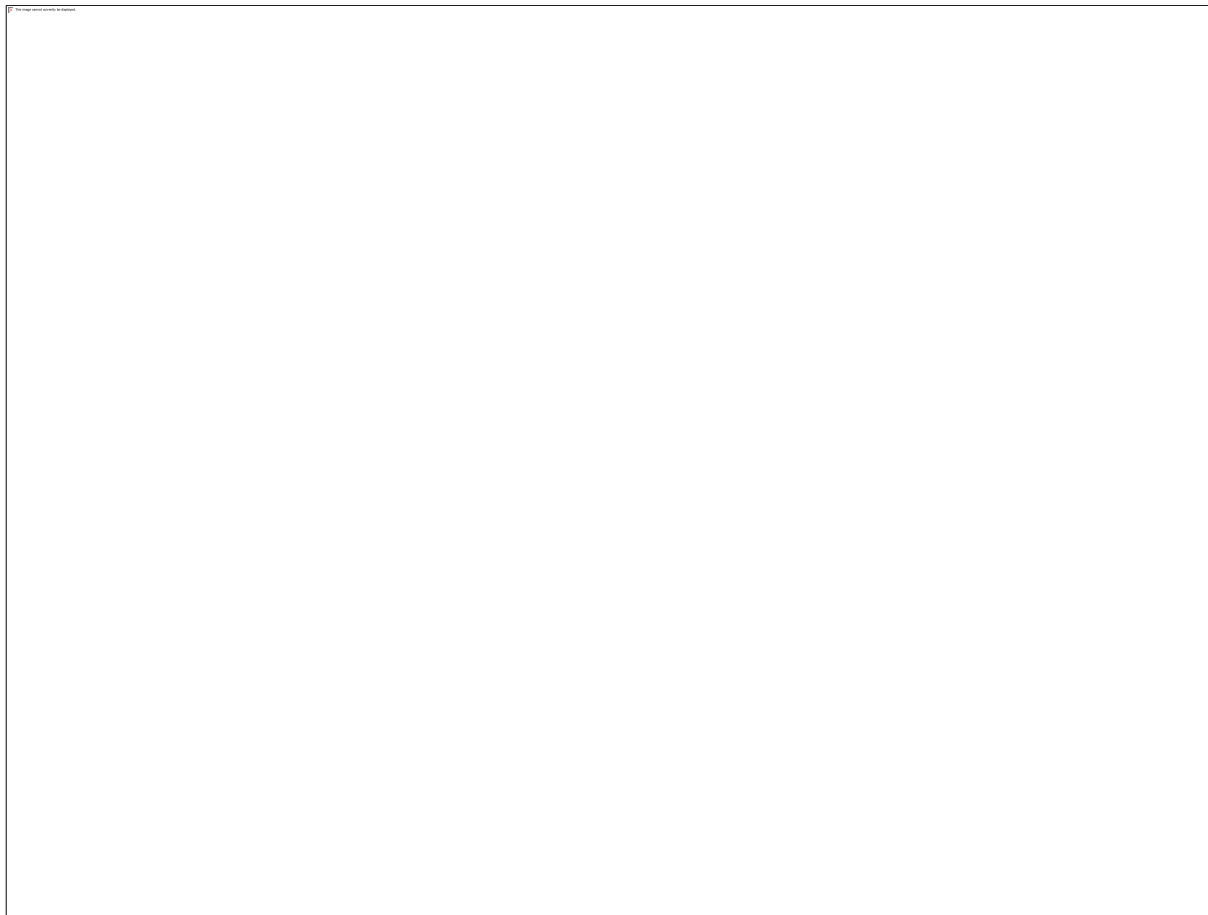


Figure 104: Capital Prioritisation Model: Spatial Alignment

13.4.2.1 Spatial Development Framework

Table 111: Scoring Criteria - Functional Areas

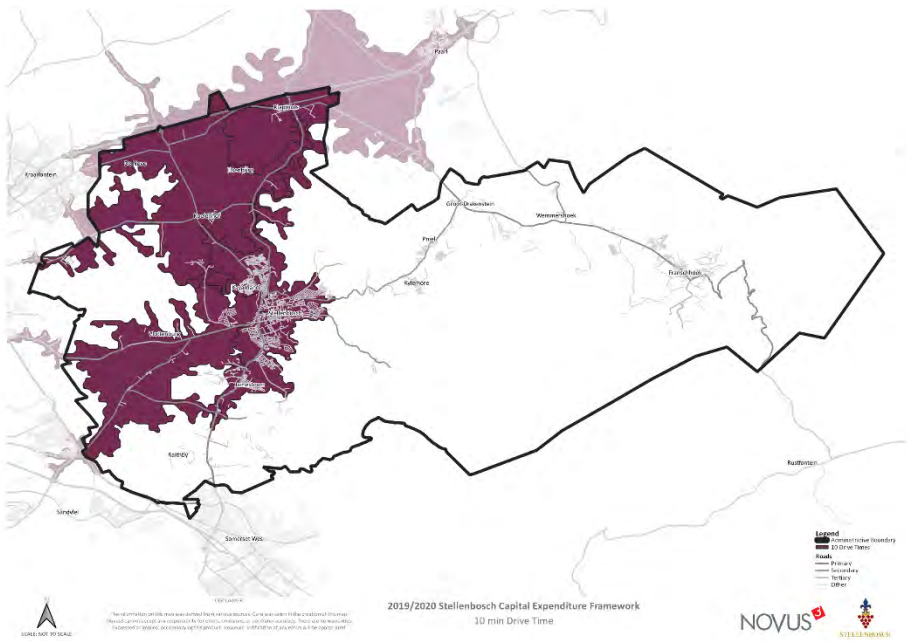
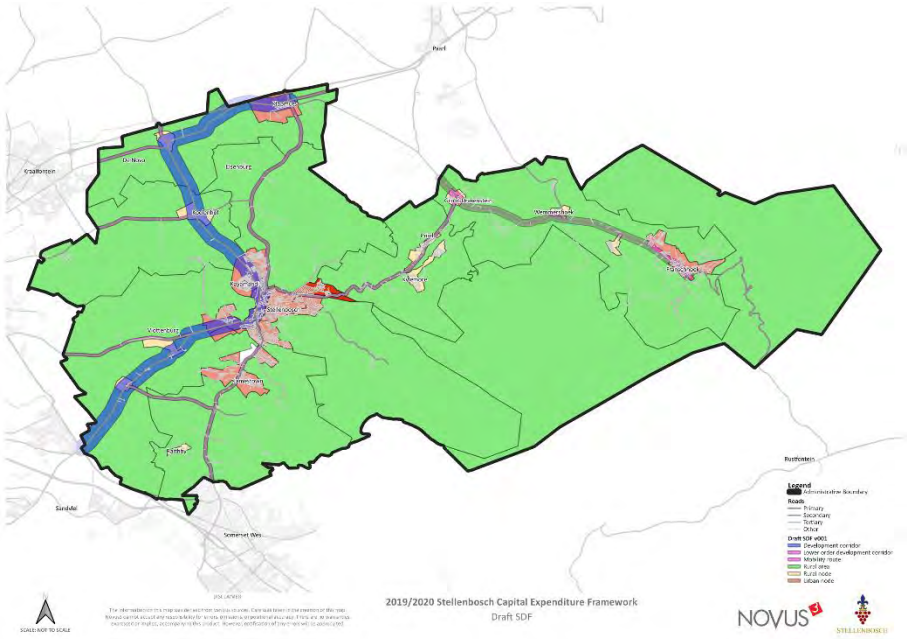
Category	Description
Definition	The IUDF requires specific focus on functional areas within the municipality. These boundaries are determined not by the jurisdictional boundary of the municipality, but rather the economic effect of a certain node within the municipality.
Branch Weight	60
Input Variable	<p>The four Functional areas have been defined as:</p> <p>Klapmuts (50)</p> <p>Koelenhof (50)</p> <p>Vlottenburg (50)</p> <p>Stellenbosch Central (50)</p>
	
Process	If a project's works location is within one of the functional areas it will be partially elevated on this branch. If it is within more than one, it will be elevated in totality.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

Table 112: Scoring Criteria - Spatial Development Framework

Category	Description
Definition	The spatial Development Framework is the strategic guiding document of the municipality. A hierarchy of nodes has been defined in which development must be promoted in order to control urban sprawl, and to ensure effective and efficient investment.
Branch Weight	40
Input Variable	 <p>The map illustrates the Spatial Development Framework for Stellenbosch. It shows a central urban area with a 'Development corridor' (red) and 'Local nodes' (orange) within it. Surrounding these are 'Rural nodes' (green) and 'Rural areas' (light green). The map also shows 'Development corridors' (blue) and 'Local nodes' (orange) extending from the urban area. A legend in the bottom right corner identifies the different zones and nodes. The map is titled '2019/2020 Stellenbosch Capital Expenditure Framework Draft SDF'.</p>
Process	If a project is within the identified areas, it will enjoy a relative elevation of its score on this branch.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.2.2 Inside Urban Edge

Table 113: Scoring Criteria - Urban Edge

Category	Description
Definition	Urban sprawl is a real issue in South African municipalities and should be managed in such a way that development correlates with the strategic vision of the city; in a sustainable, yet integrated fashion.

13.4.3 Financial Alignment

The financial alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget are considered to be credible, affordable, funded, applied to expand the rateable asset base and improving the fiscal position of the municipality. The financial alignment score is calculated within six distinct categories, namely:

- Fiscal deficit as % of GDP;
- Affordability;
- Confidence in Cost Estimate;
- Co-Funding;
- Lifespan of asset; and
- Opex Consequence.

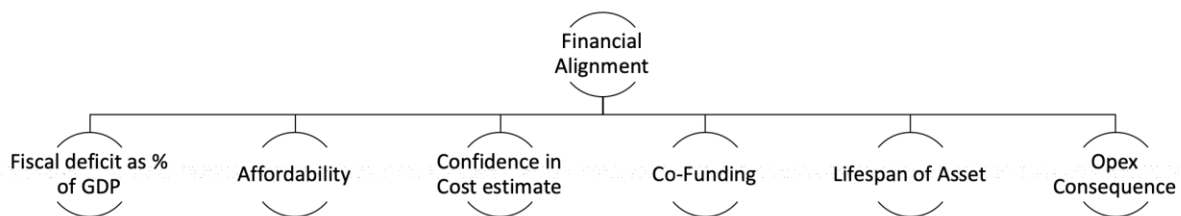
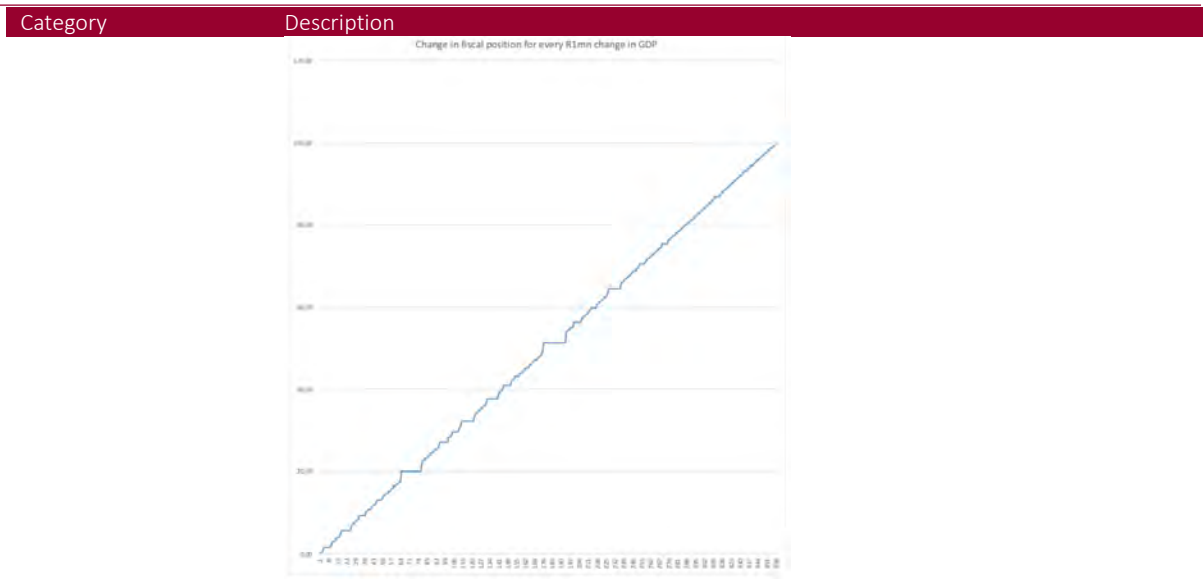


Figure 105: Capital Prioritisation Model Financial Alignment

13.4.3.1 Fiscal deficit as % of GDP

Table 114: Scoring Criteria - Change in fiscal position for every R1m change in GDP Ranking

Category	Description
Definition	<p>The 'fiscal deficit to GDP ratio'-indicator measures changes in the deficit position of the City/Province relative to changes in economic activity, which again is a result of the project/programme/portfolio of projects. The indicator number will always be very small, but need to be interpreted as the % improvement (if positive) or deterioration (if negative) of the deficit relative to GDP.</p> <p>The indicator is expressed as the change in fiscal deficit position (measured in terms of R'000) for every R1m change in GDP. Example: a number of 0.00001 need to be interpreted as a R10000 improvement in the fiscal position, i.e. a R10000 decline in the deficit of the City/Province per R1m GDP gains. Therefore, in the case where a project results in R50 mil additional GDP, the deficit should decline with R500 000.</p> <p>However, the primary value of the fiscal indicator is (1) to determine whether the project/programme will have a POSITIVE impact on the fiscal position, i.e. result in a decline in the deficit, and (2) to compare various projects in terms of their impact on the City's (Province's) financial position.</p>
Branch Weight	10
Input Variable	Economic Impact Model Outputs
Process	<p>The indicator calculated by the EIM is normalised by multiplying the calculated EIM value (percentage points) with a common denominator namely a million. This normalises the indicator to Rand per R1mil GDP increase. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below. The project with the highest score, scores 100 and the project with the lowest score, scores 0. The rest of the projects scores proportional to their rank.</p>



Mathematical Operator Ranked value achieved by the project is passed through to the parent scoring branch.

13.4.3.2 Affordability

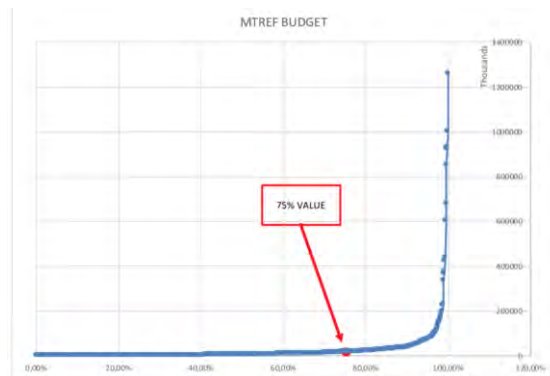
Table 115: Scoring Criteria - Affordability (75th Percentile Test)

Category	Description
Definition	<p>With “Affordability”, all the project budget demands summed over the MTREF period is plotted from smallest to largest. The 75th percentile value is calculated across this range of values. This value is used as an approximation of what may be considered as the turning point in the budget range beyond which project can be considered to become increasingly expensive. The term “expensive” is used with great circumspection and should not be used beyond the context of this model. It simply is an indicator representative of the specific range of budget values that were requested over the MTREF for this specific budget cycle.</p> <p>Projects that are “cheaper” than the 75th percentile does not have a great variance in requested budgets and can all be drawn in a relatively flat curve on a graph as shown on the graph below. Projects that are more expensive than the 75th percentile, increases in budget exponentially and rapidly has the “crowding out” effect. “Crowding out” means that a single “expensive” project budget may “crowd out” numerous smaller project budgets. In terms of service delivery, having more projects visibly being implemented often has a greater impact than one “mega project”. There are of course many exceptions to this assumption. This criterion simply penalises – from a purely financial budgeting perspective – projects that are excessively expensive.</p>

Category

Description

It must be kept in mind that this is simply one criteria out of many in the model, and does not have an overriding effect. Contextually though, when looking at the financial planning aspects of a municipality purely, without consideration of anything else, the “expensiveness” of a project is a fundamental consideration.



Branch Weight

30

Input Variable

The input values for this criterion is the total capital budget requested over the MTREF, the 75th percentile of all capital budget requests over the MTREF and the maximum capital budget request over the MTREF.

Process

Score = 100 if calculated value <= 75th percentile of MTREF
The score decays from 100 to zero using linear regression for any MTREF budget that is more expensive than the 75th percentile MTREF budget (over the entire range of budgets for all projects).



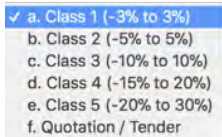
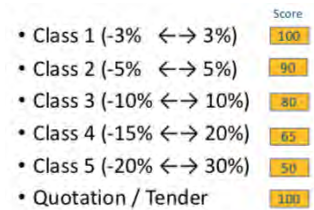
$$y = \left(\frac{1}{75th - Maximum} \right) x - \left(\frac{1}{75th - Maximum} \right) Maximum$$

Mathematical Operator

Calculated value achieved by the project is passed through to the parent scoring branch.

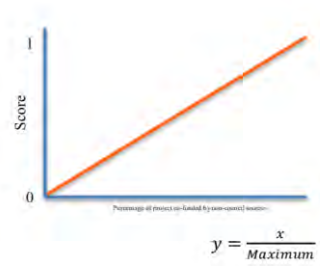
13.4.3.3 Confidence in Cost Estimate

Table 116: Scoring Criteria - Confidence in Cost Estimate

Category	Description
Definition	<p>The “Credibility” of the budget that is being asked for, is measured in by testing the credibility or accuracy of the cost estimate as well as the estimated lifespan of the asset for which funding is requested. The scale provided for the evaluation of budget estimate accuracy, is the scale provided by National Treasury in terms of their CIDMS guidelines. Better accuracy is awarded as well as a longer estimated lifespan of the asset under evaluation.</p> <p>The project owner needs to indicate the accuracy of the budget estimate based on the following scale:</p> 
Branch Weight	30
Input Variable	The input variables are taken from the predetermined drop-down list representing the National Treasury prescribed ranges as contained in their CIDMS guidelines.
Process	<p>The scoring mechanism takes the form of a stepping function with each option carrying a representative score.</p> 
Mathematical Operator	Ranked value achieved by the project is passed through to the parent scoring branch.

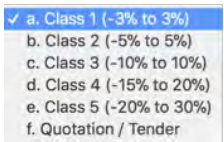
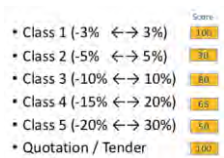
13.4.3.4 Co-Funding

Table 117: Scoring Criteria - Co-funding

Category	Description
Definition	<p>The “Co-Funding” criterion appraises how much of the requested capital is funded by sources other than the municipality’s own funds. The more co-funding by other sources, the more the project will score under this criterion. The logic behind this is two-fold. Firstly, the more external funding is used, the lesser is the burden on municipality’s own ability to fund the project. Secondly, some of the co-funding sources within a municipal environment is conditional and there are often time-limitations or conditions to these external sources.</p> <p>Therefore, if the funding is not utilised, the opportunity or availability of the funding expires or lapses. Form a budgeting and planning perspective, a project that may be slightly lower down the ranks of priorities, but that has other sources of funding, may be prioritised more in order to gain the benefit from its implementation and the availability of funding to do so.</p>
Branch Weight	10
Input Variable	The input values for this criterion is the total capital budget requested over the MTREF and the percentage of co-funding over the MTREF.
Process	 <p style="text-align: center;">$y = \frac{x}{Maximum}$</p> <p>A maximum score of 100 is achieved under this criterion of the project is 100% co-funded by other sources. The more co-funding, the better the score here.</p>
Mathematical Operator	Calculated value achieved by the project is passed through to the parent scoring branch.

13.4.3.5 Lifespan of asset

Table 118: Scoring Criteria - Lifespan of Asset

Category	Description
Definition	The “Credibility” of the budget that is being asked for, is measured in by testing the credibility or accuracy of the cost estimate as well as the estimated lifespan of the asset for which funding is requested. The scale provided for the evaluation of budget estimate accuracy, is the scale provided by National Treasury in terms of their CIDMS guidelines. Better accuracy is awarded as well as a longer estimated lifespan of the asset under evaluation.
Branch Weight	10
Input Variable	The input variables are taken from the predetermined drop-down list representing the National Treasury prescribed ranges as contained in their CIDMS guidelines. 
Process	The scoring mechanism takes the form of a stepping function with each option carrying a representative score. 
Mathematical Operator	Ranked value achieved by the project is passed through to the parent scoring branch.

13.4.3.6 Opex Consequence

Table 119: Scoring Criteria - OpEx Consequence

Category	Description
Definition	Municipalities are faced with the conundrum of balancing spatial, social and economic transformation, whilst maintaining the existing asset base of the city. Spatial, social and economic transformation is often associated with the provision of new, quality infrastructure in support of liveable communities either in newly demarcated development areas or as part of upgrading severely marginalized

Category	Description
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communities, with a poor service provision history and a backlog of service delivery demands.

A balanced approach to capital spending, focusing partially on the provision of new infrastructure, whilst maintaining the existing asset base and revenue stream is important. A fundamental consideration of all capital expenditure therefore must include the estimated OpEx burden that will result from the capital that is being spent. The OpEx burden is inevitable – a situation can however arise whereby the OpEx continues to grow to the extent that it starts to impact on the available CapEx.

Branch
Weight 10

Input Variable The input variables are taken from the predetermined drop-down list on CP3.



The screenshot shows a form with the following fields and a dropdown menu:

- What is the estimated annual operating cost of this project, once implemented? No Selection
- Project Risk Not applicable
- Opex Classification 0 - R10,000
- Moveable Asset / Operational capital R10,001 - R100,000
- R100,001 - R500,000
- R500,001 - R1,000,000
- R1,000,001 - R5,000,000
- > R5,000,000

Process

Mathematical Operator The highest score value on this branch that is achieved is passed through.

13.4.4 Economic Alignment

The economic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget contributes to the growth of the municipal economy and improves the economic position of the residents within the municipality.

A macro-economic impact model (EIM) was developed for the municipality specifically to make use of the data from the CP3 system. The econometric model is specific for the municipality and draws from a sophisticated range of financial data, regional data, and population data sourced from STATSSA. As such, the EIM generates values for the impact of individual and portfolio capital projects in terms of a set of economic, socio-economic and fiscal indicators – for the City as a whole, as well as a selection of key sub-regions or ‘main places’.

The EIM is based on the outputs of a comprehensive suite of econometric models. The workings of the EIM are dynamic and consider the indirect City-wide impacts of projects and programmes – not only the localised ward-specific impact.

The EIM therefore captures the iterative, dynamic impacts of all of the role-players within the economy – households, business, government, foreign sector, as well as the full economic flow of goods, services, factors and money is accounted for, and an iterative computational process is utilised.

The outputs from the economic model is further augmented spatially by evaluating the alignment of the project’s location and affected area, with geographic areas that were graded across the entire municipal area in terms of its economic impact in a separate economic study that was conducted for this purpose.

The economic alignment score is calculated within two distinct categories, namely:

- Focus on targeted portfolios;
- Focus on impact; and
- Focus on people.

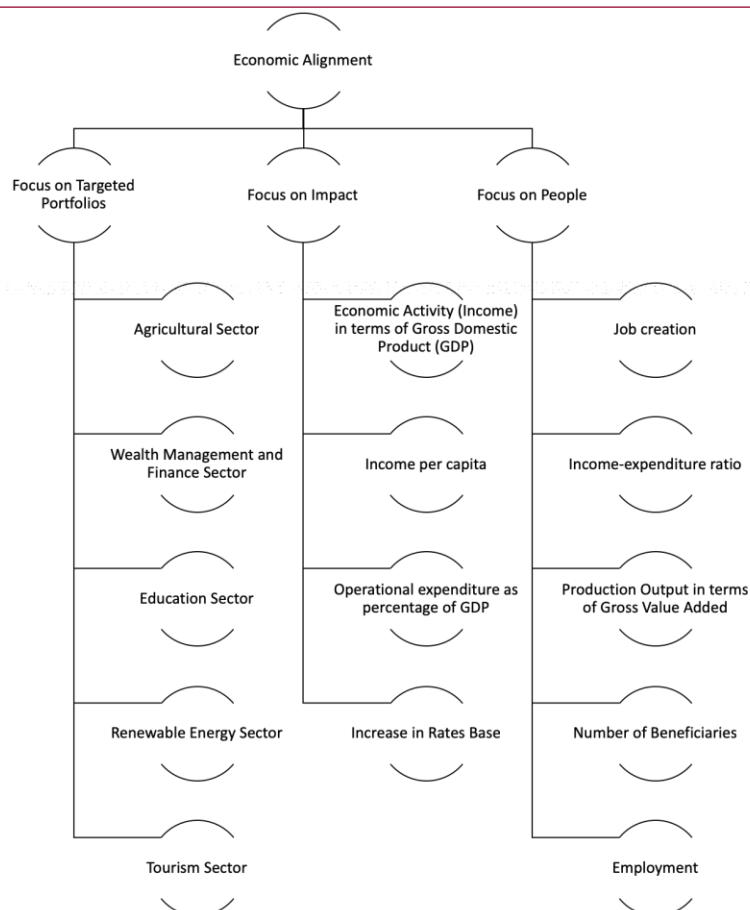


Figure 106: Capital Prioritisation Model: Economic Alignment

13.4.4.1 Focus on targeted portfolios

Table 120: Scoring Criteria - Targeted Portfolios

Category	Description
Definition	A portfolio of projects is a specific grouping of projects all aligned with a similar characteristic or mandate. In this case, four portfolios are used to test this branch of the prioritisation model.
Branch Weight	10
Input Variable	Projects belonging to the following portfolios are eligible to score: Agriculture Sector Wealth Management and Finance Sector Education Sector Renewable Energy Sector Tourism Sector

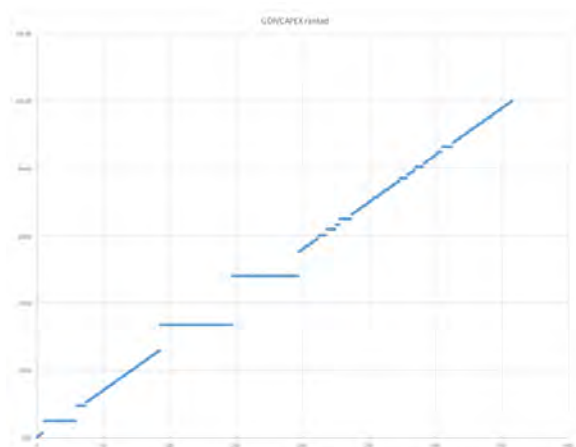
Category	Description
Process	If a project is part of a specific portfolio, it is eligible to score on this branch.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.4.2 Focus on impact

Table 121: Scoring Criteria - Economic Activity (Income) in terms of Gross Domestic Product (GDP)

Category	Description
Definition	<p>GDP measures/represents the value of economic activity (income) that has been generated across ALL industries as a result of the project/programme/portfolio of projects. It takes into account the value of taxes and subsidies on both production and consumption goods/services. As such, the GDP figure is presented at 'market price' value. It is measured in nominal Rand, i.e. at current prices. The number represents the TOTAL, NET impact of the project, i.e. taking into account the 'winners' and 'losers' in the economy; the benefits and costs associated with the project.</p> <p>The number is not 'time'-bound, in the sense that the GDP figure represents the full impact, once the project investment/spending has had time to 'mature', i.e. the investment/spending impact has filtered ('rippled') through the economy and the feedback have stabilised. As such, the number is an indicating of the net POTENTIAL income impact of the project/programme, assuming no other interventions/interruptions, etc.</p> <p>The GDP indicator is valuable in comparing the relative impact of different projects/programmes or portfolios of projects, in terms of the additional economic activity that they 'unlock' for every Rand invested and/or spent over the project implementation time-line. The GDP-indicator also provides a measure of the 'net tax revenue' available to government, but also the 'net tax burden' on producers and consumers.</p>
Branch Weight	25
Input Variable	Economic Impact Model Outputs
Process	The indicator calculated by the EIM is normalised by dividing the calculated EIM value with a common denominator namely the capital requested over the MTREF. This is done as a necessary step to establish comparability between projects and wards. The last step in the process is to rank the actual

Category	Description
	outcomes linearly from most positive to least positive. This results in the typical graph shown below.



Mathematical Operator	Ranked value achieved by the project is passed through to the parent scoring branch.
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Table 122: Scoring Criteria - Income per capita

Category	Description
Definition	The "Income per Capita" indicator measures the Rand value of income (through GDP) per member of the population. It links the changes in economic activity (on the back of 'matured' implementation of the project spending on the GDP to household income and therefore presents a measure for income distribution as well as the effectiveness of the project in achieving socio-economic gains.
Branch Weight	25
Input Variable	Economic Impact Model Outputs
Process	The indicator calculated by the EIM is normalised by dividing the calculated EIM value with a common denominator namely the capital requested over the MTREF. This normalises the indicator to Rand per R1bn capital spending. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below.

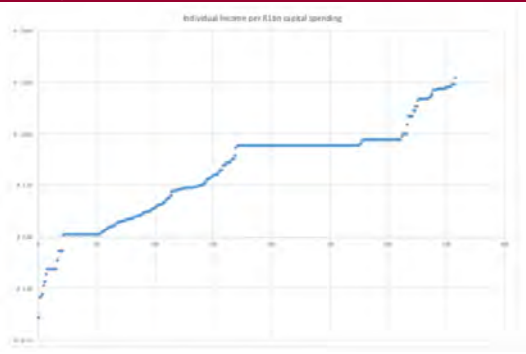
Category	Description
	
Mathematical Operator	Ranked value achieved by the project is passed through to the parent scoring branch.

Table 123: Scoring Criteria - Operational expenditure as percentage of GDP

Category	Description
Definition	<p>The 'operational expenditure to GDP'-indicator measures the impact of the project/programme/portfolio of projects on the operational expenditure of the City/Province, which include the wage bill impact of the project(s).</p> <p>Again, the indicator number will be very small, and also need to be interpreted as the % increase (if positive) in government expenditure relative to the project's income gains. The indicator is expressed in terms of a R'000 (thousand rand) increase in operational expenditure for every R1m change in GDP associated with the project(s). Therefore, a number of 0.00002 need to be interpreted as a R20000 increase in operational expenditure per R1m project income (GDP gains). In the case of a R50 mil additional GDP, the operational expenditure is expected to increase with R100 000.</p> <p>However, this number need to be interpreted along with the previous fiscal-indicator. The fiscal indicator ALREADY incorporates the changes in operational expenditure. Therefore, in the case where the fiscal deficit-indicator is positive (i.e. a decline in deficit), while the operational indicator is also positive (i.e. increase in expenses), the implication is that the income and potential revenue gains for the City/Province is larger than the increased and associated operational expense.</p> <p>This indicator is therefore valuable in (1) planning with respect to operational expenditure, (2) making the business case for high- impact investment projects, which over time (maturity) generate sufficient income to cover the associated increased operational expenditure, and (3) compare project(s)</p>

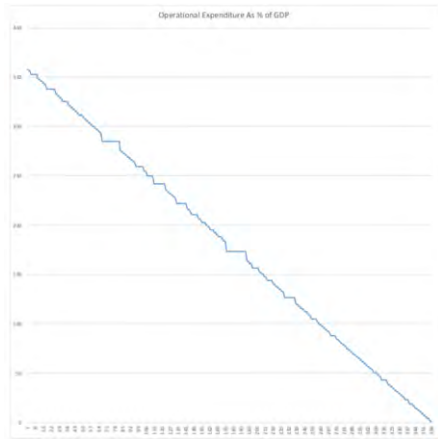
Category	Description
	with respect to their relative impact on the City's (Province's) financial position.
Branch Weight	25
Input Variable	Economic Impact Model Outputs
Process	It is not necessary to normalise this indicator as is the case with the other Economic Impact Model indicators. The indicator value is already reflected as a percentage of GDP. The values for the database is normally ranked as depicted below.
	
Mathematical Operator	Ranked value achieved by the project is passed through to the parent scoring branch.

Table 124: Scoring Criteria - Increase in Rates Base

Category	Description
Definition	<p>The "Increase in rates base" evaluates whether a project's implementation will contribute towards rates and taxes directly or not. From a purely financial perspective, if a project's implementation will directly lead to increased rates and taxes that would be collected by the municipality, this will be beneficial.</p> <p>In order to determine whether a project will contribute to rates and taxes, it has to be ascertained whether the project represents a service (e.g. the provision of electricity) that can be levied from the end-user. Here, the benefit of the data that can be harvested from the MSCOA classification process is evident. The MSCOA classification assists to determine whether the funding applied for is for new infrastructure or for the upgrading of existing infrastructure in order to improve capacities.</p>

Category	Description
Branch Weight	25
Input Variable	<p>A two-tier test is applied to determine to what extent the existing rates base or asset base is protected and expanded. The first test which is applied is based on the MSCOA project action and sub-action relating to the MSCOA Project Segment. The following categories are tested:</p> <p>New rateable infrastructure: MSCOA project action = “New”</p> <p>Upgrading of existing rateable infrastructure: MSCOA project sub- action = “Upgrading”</p> <p>Maintenance of rateable infrastructure: MSCOA project sub-action = “Renewal”</p> <p>The following category weights are applied:</p> <p>New rateable infrastructure = 100</p> <p>Upgrading of existing rateable infrastructure = 75</p> <p>Maintenance of rateable infrastructure = 50</p> <p>Once the projects have been pre-filtered for new, upgrading or renewal actions, a second test is performed to ascertain whether the project is from one of the following departments:</p> <p>Energy</p> <p>Water</p> <p>Sanitation</p>
Process	<p>If a project is requesting capital and it emanates from one of the departments that provides infrastructure that directly leads towards an increase in the rates and taxes that can be collected, the project will score fully under this criterion.</p>
Mathematical Operator	<p>Scored value achieved by the project is passed through to the parent scoring branch.</p>

13.4.4.3 Focus on people

Table 125: Scoring Criteria - Job creation

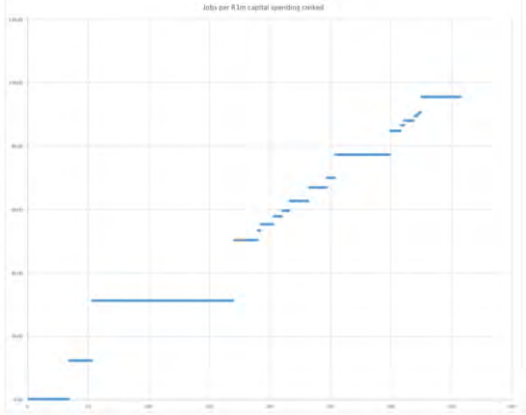
Category	Description
Definition	The “Job Creation” indicator represents the number of people that may become employed across all industries as a result of the project. It distinguishes between “job-opportunities” and “job-absorption” – these are distinctly different. Job opportunities measures the total number of potential jobs that may be generated across all industries on the back of matured implementation. Job absorption is the number of jobs that may be occupied across all industries. The job absorption figure adjusts (lowers) the job opportunities figure for structural unemployment, i.e. the percentage of the labour force that are unemployable for reasons of lack of skills, socio-economic impediments, etc.
Branch Weight	20
Input Variable	Economic Impact Model Outputs
Process	The indicator calculated by the EIM is normalised by dividing the calculated EIM value with a common denominator namely the capital requested over the MTREF. This is done as a necessary step to establish comparability between projects and wards. The result is presented as jobs created per R1m capital spent. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below.
	
Mathematical Operator	Ranked value achieved by the project is passed through to the parent scoring branch.

Table 126: Scoring Criteria - Income-expenditure ratio

Category	Description
Definition	The “Income to expenditure ratio” indicator is an indicator of surplus income of potential savings per household. This is a direct “wealth measure”. It

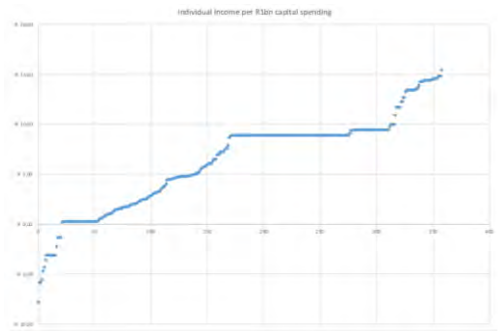
Category	Description
	expresses the potential income gains relative to the higher spending behaviour on the back of changes in economic activity. This indicator therefore measures the impact/effectiveness of the investment/spending portfolio in increasing households' propensity to save. As such, the indicator is also a measure of 'wealth' improvement associated with the project.
Branch Weight	20
Input Variable	Economic Impact Model Outputs
Process	The indicator calculated by the EIM is normalised by multiplying the calculated EIM value with a common denominator namely the GDP value. This normalises the indicator to Rand per R1bn GDP increase. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below.
	
Mathematical Operator	Ranked value achieved by the project is passed through to the parent scoring branch.

Table 127: Scoring Criteria - Production Output in terms of Gross Value Added (GVA at basic prices)

Category	Description
Definition	<p>Gross Value Addition (GVA) measures/represents the value of economic activity (income) that has been generated across ALL industries as a result of the project/programme/portfolio of projects. It does not take into account the value of taxes and subsidies on both production and consumption goods/services. As such, the GVA figure is presented at 'market price' value. It is measured in nominal Rand, i.e. at current prices.</p> <p>The number represents the TOTAL, NET impact of the project, i.e. taking into account the 'winners' and 'losers' in the economy; the benefits and costs associated with the project. The number is not 'time'-bound, in the sense that the GVA figure represents the full impact, once the project investment/spending has had time to 'mature', i.e. the investment/spending impact has filtered ('rippled') through the economy and the feedback have stabilised. As such, the number is an</p>

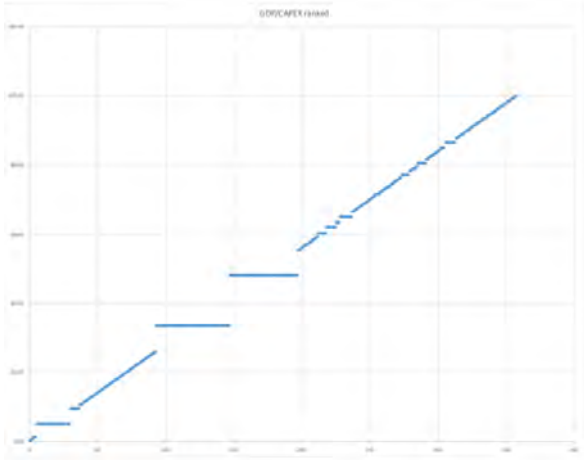
Category	Description
	<p>indicating of the net POTENTIAL income impact of the project/programme, assuming no other interventions/interruptions, etc.</p> <p>The GVA indicator is valuable in comparing the relative impact of different projects/programmes or portfolios of projects, in terms of the additional economic activity that they 'unlock' for every Rand invested and/or spent over the project implementation time-line.</p>
Branch Weight	20
Input Variable	Economic Impact Model Outputs.
Process	<p>The indicator calculated by the EIM is normalised by dividing the calculated EIM value with a common denominator namely the capital requested over the MTREF. This is done as a necessary step to establish comparability between projects and wards. The last step in the process is to rank the actual outcomes linearly from most positive to least positive. This results in the typical graph shown below.</p>
	
Mathematical Operator	Ranked value achieved by the project is passed through to the parent scoring branch.

Table 128: Scoring Criteria - Number of Beneficiaries

Category	Description
Definition	<p>The spatial analysis capability of the CP3 system, in combination with the affected area that is drawn for each project, is used to automatically deduct the number of beneficiaries that will be impacted or benefitted by the project. From an economic perspective, the more people that are affected by an investment, the larger the impact should be on the economy.</p>

Category	Description
Branch Weight	20
Input Variable	Project affected area
Process	<p>The number of beneficiaries of the Statistics South Africa Census 2011 is loaded onto the CP3 system at small area level. The proportional spatial intersect of the project's affected area and the Census 2011 small area layer is calculated. The sum of the population in the intersected Census 2011 small area layer is divided by the maximum population affected by any project in the CP3 database in order to create a beneficiary population index. Projects are therefore ranked from highest number of beneficiaries impacted to the lowest number of beneficiaries impacted. The above calculation is expressed by the following mathematical equation:</p> $Y = (x / \text{Max Affected Area Population}) * 100$
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.5 Social Alignment

The social alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipality aligns with servicing of areas with the highest demand and where the most vulnerable communities are situated.

The social alignment score is calculated within two distinct categories, namely:

- Services; and
- Deprivation Index.

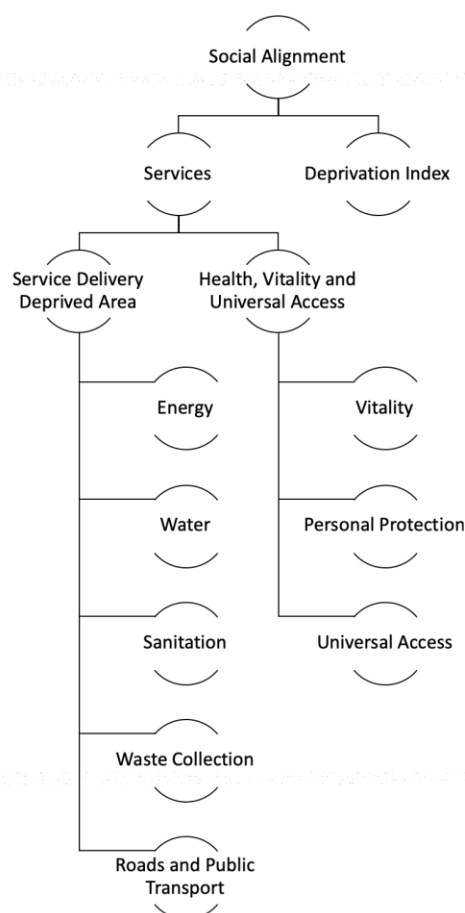


Figure 107: Capital Prioritisation Model: Social Alignment

13.4.5.1 Services

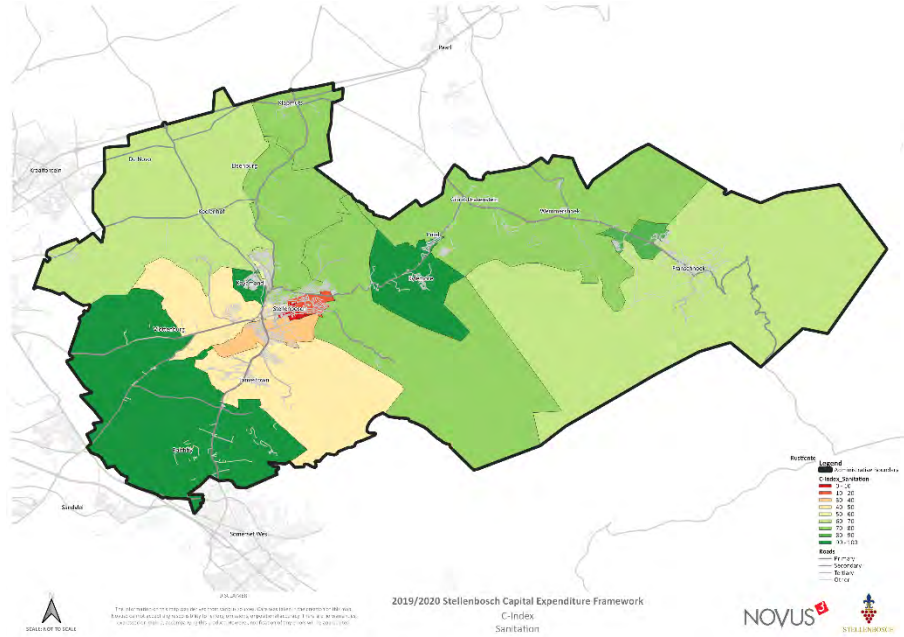
Table 129: Scoring Criteria - Service Delivery Deprived Areas

Category	Description
Definition	Basic Service delivery is one of the most important priorities of local government. Basic services such as Energy, Water, Sanitation, Waste Collection, Roads and Public transport is key in establishing a desired social environment.

Category **Description**

Branch Weight 100

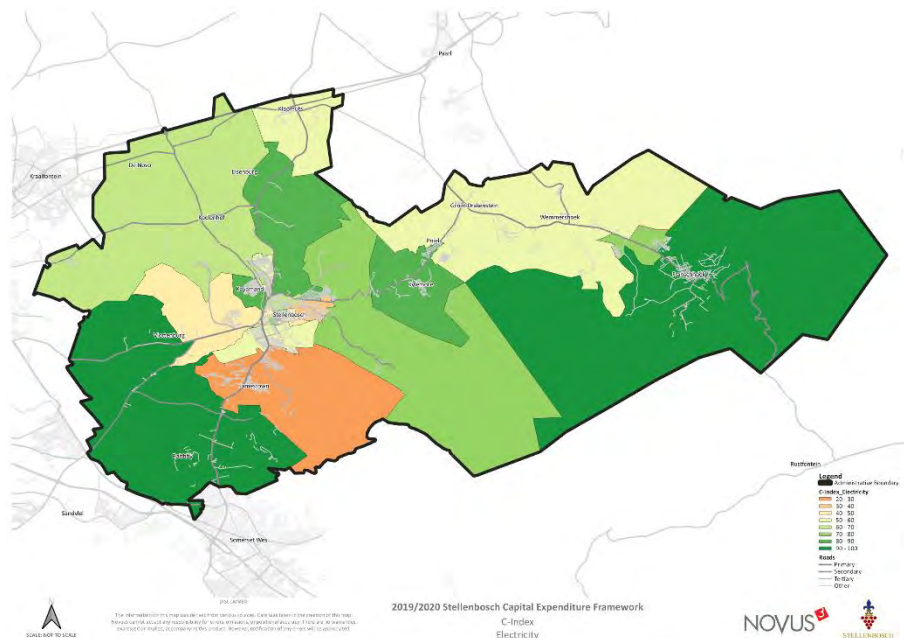
Input Variable



Services within deprived areas are prioritised on this branch.

A combination of Department and service deprived area are used to calculate the score of projects with respect to this branch. The combinations include:

Department of Electrical services + Works location within deprived areas

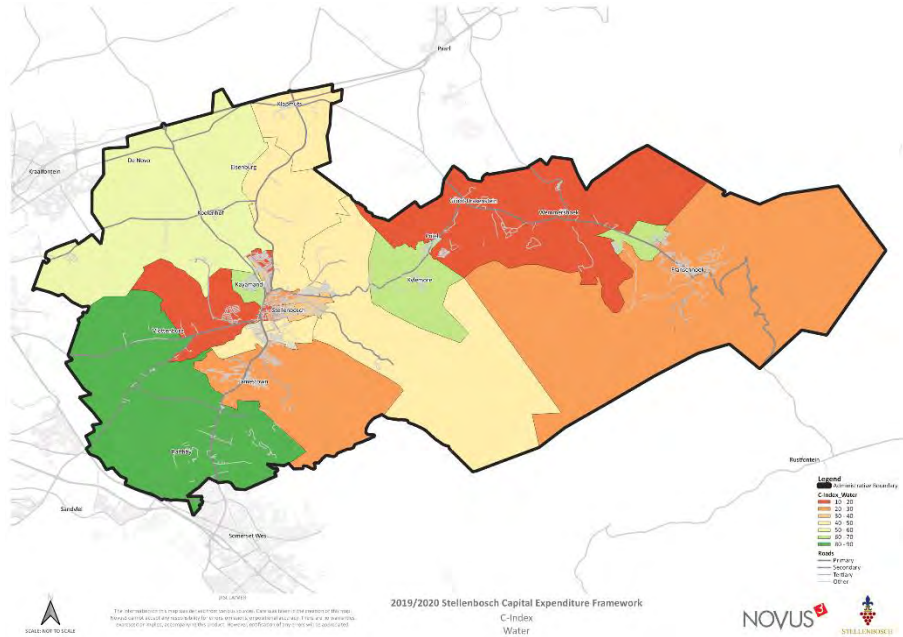


Department of Water and wastewater services + Works location within deprived areas

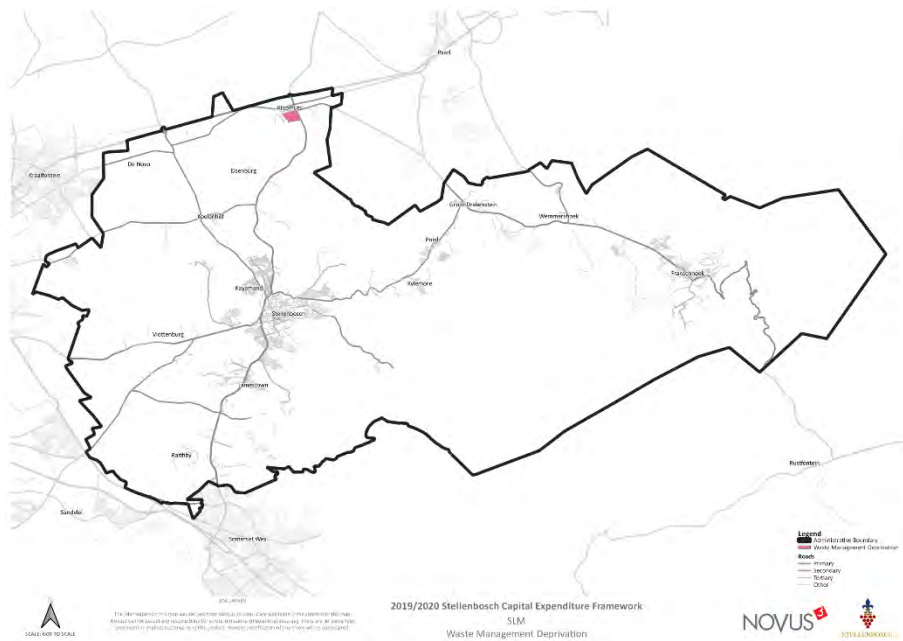
Category

Description

Department of Water and wastewater services + Works location within deprived areas



Department of Waste Management: Solid Waste Management + Works location within deprived areas



Department of Roads and Stormwater as well as Transport Planning+ Works location within areas identified as poverty pockets

Category	Description
	Fire and Rescue Services
	Law Enforcement and Security
	Traffic Services
	Traffic Engineering
	Portfolios:
	Health
	Universal Access
Process	If a project is owned by the above-mentioned department, and/or falls within the identified portfolios it will be eligible to score on this branch.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.5.2 Deprivation Index

Table 131: Scoring Criteria - Deprivation Index

Category	Description
Definition	<p>Deprivation Index serves to elevate project scores which impact underserved areas as described in the National Treasury Urban Network Structure. The Deprivation Index is a spatial layer calculated from Statistics South Africa data at small area level for the Census 2011, which provides an indication of the level of impoverishment or lack of services across the municipality. The Deprivation Index considers the following indicators:</p> <ul style="list-style-type: none"> Household Income (25%) Household Size (5%) Household Dwelling Type (5%) Household Cooking (10%) Household Heat (5%) Household Light (5%) Household Piped Water (20%) Household Toilet (20%) Household Refuse Disposal (5%)

Category	Description
Branch Weight	70
Input Variable	Project works location is used as the input to test the deprivation index score of each project based on the deprivation layer or area returned based on the spatial intersect between project works location and deprivation index areas.
Process	The higher the deprivation index value and consequently the level of poverty or lack of access to basic services. Projects with works locations overlapping or intersecting with areas with low levels of service delivery will receive elevated score.
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.6 Technical Alignment

The technical alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the asset management plans, analysis and modelling of the technical or utility services departments as well as the sustainability goals of the municipality, and most importantly, whether the project is ready to be implemented (i.e. all statutory and governance requirements have been met).

The technical alignment score is calculated within four distinct categories, namely:

- Implementation readiness;
- Risk Rating;
- Departmental Rating; and
- Legally Bound.

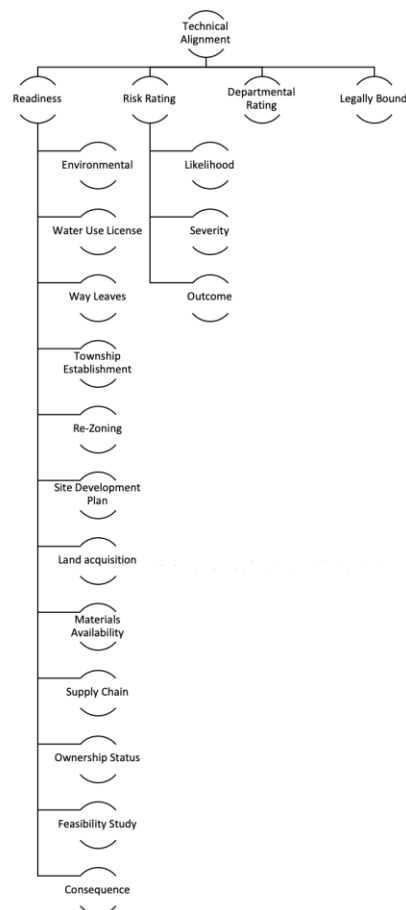


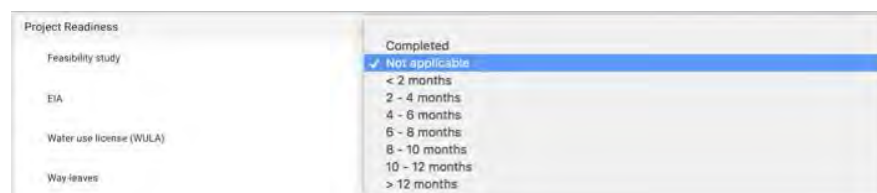
Figure 108: Capital Prioritisation Model: Technical Alignment

13.4.6.1 Implementation readiness

Table 132: Scoring Criteria - Project Readiness

Category	Description
Definition	The project readiness criteria seeks to determine whether a project will be in a position to spend the allocated budget within the financial year in which the budget is requested. In other words, if a project still needs a record of decision on an Environmental Impact Assessment once the project budget has been awarded to the project, it may take between 6-8 months for the record of decision to be finalised. Therefore, the project will only realistically be able to start during the 2 nd or 3 rd quarter of the financial year. Projects with outstanding project readiness criteria are therefore penalised over projects that have all compliance documentation and approvals in place.
Branch Weight	47
Input Variable	<p>A number of project readiness question categories are required to be filled in for each project, namely:</p> <ul style="list-style-type: none"> Feasibility study EIA Water use license (WULA) Way-leaves Township establishment Rezoning Site development plan Land acquisition Ownership status Materials availability Supply chain / procurement Project readiness comment / motivation Geotechnical Study <p>Evidence of completion or compliance to any of these project readiness categories required documentation to be uploaded to the system as proof.</p>

Category	Description
Process	<p>The readiness score of a project is calculated as the minimum score achieved across all project readiness questions. Each of the project readiness categories allow for a standard set of responses, namely:</p> <p>Duration of time to meet compliance: < 2 months = 100</p> <p>Duration of time to meet compliance: 2 - 4 months = 90</p> <p>Duration of time to meet compliance: 4 - 6 months = 80</p> <p>Duration of time to meet compliance: 6 - 8 months = 50</p> <p>Duration of time to meet compliance: 8 - 10 months = 30</p> <p>Duration of time to meet compliance: 10 - 12 months = 10</p> <p>Duration of time to meet compliance: > 12 months = 0</p> <p>Duration of time to meet compliance: Completed = 100</p> <p>Duration of time to meet compliance: Not applicable = 100</p> <p>An example of the question categories and drop-down selections on the system is shown below:</p>



Mathematical Operator	Minimum value achieved by the project achieved across all branches is passed through to the parent scoring branch. This is because project readiness is a compliance or governance test, so if for example and EIA is still required, the score of the project should be penalised, hence the minimum value is carried over.
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13.4.6.2 Risk Rating

Table 133: Scoring Criteria - Risk Rating

Category	Description
Definition	Risk management is an important aspect of capital planning. Understanding the risk mitigated by a project lead to a better understanding of a project and its relevance to the municipality. By considering a likelihood criteria – ranging from

Category	Description
	improbable to frequent – and a severity index – ranging from negligible to catastrophic – it is possible to identify the outcome should a project not be implemented.

Branch Weight 6

Input Variable



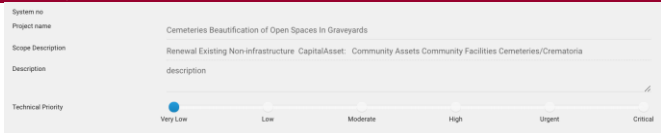
Process Once a risk and his likelihood and severity has been determined, an outcome is derived which carries a weighting on this branch. A project that qualifies for a specific outcome will be assigned that specific value.

Mathematical Operator Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.6.3 Departmental Rating

Table 134: Scoring Criteria - Departmental Rating

Category	Description
Definition	The departmental rating incorporates the relative importance bestowed on each project by the originating department. A score out of 100 is asked and can be entered by means of a slider. Departments that do not introduce enough variability in their department's project scores are penalised somewhat. This is to prevent that a department marking all their projects as "100" or critical does not get an unfair advantage over departments that rates their projects honestly (i.e. numerous project scores ranging from 0 to 100).
Branch Weight	47
Input Variable	The department technical rating is captured using a project priority rating slider for each project on the technical section of the project capturing screen.

Category	Description
	

Process The departmental rating score is a normalised score per project based on the range between the department’s minimum project rating and maximum project rating. The above calculation is expressed by the following mathematical equation:

$$Y_{project} = \left(\frac{(TPR_{project} - TPR_{Dept\ min})}{(TPR_{dept\ max} - TPR_{Dept\ min})} \right) \times \left(\frac{(TPR_{Dept\ Max} - TPR_{Dept\ min})}{(TPR_{dept\ max})} \right) \times 100$$

Where:

Y = project score

TPR = Technical priority rating (between 0 and 100)

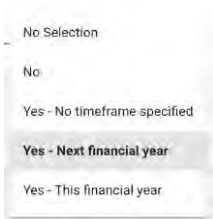
Dept_Min = lowest department project technical rating

Dept_Max = highest department project technical rating

Mathematical Operator Maximum value achieved by the project is passed through to the parent scoring branch.

13.4.6.4 Legally Bound

Table 135: Scoring Criteria - Legally Bound

Category	Description
Definition	Projects that originate from some sort of legal obligation are being prioritised due to the negative downstream impact of not implementing such projects.
Branch Weight	100
Input Variable	Project owners must indicate whether a project has any legal obligation.
	
Process	If a project is related to any legal obligation, then it will be eligible to score on this branch of the scoring model.

Category	Description
Mathematical Operator	Maximum value achieved by the project is passed through to the parent scoring branch.

13.5 Annexure 5: Long Term Financial Strategy Scenario's

Annexure 5: LTFS Scenarios'

Based on the results of the Long Term Financial Model and the high levels of utilisation of own cash resources to fund capital expenditure noted over the MTREF period, and in light of the current budget cycle of the municipality, the following proposals are made regarding changes to capital expenditure and capital funding mix over the next two years (FY2020 and FY2021):

- A decrease in the capital expenditure of FY2020 to R 375 million (from the R468 million in the MTREF), increasing the capital expenditure of FY2021 to R 385 million (from the R 352 million in the MTREF)
- An increase in external borrowings in FY2020, from the R 100 million in the current MTREF to R 180 million and in FY2021 from the R 80 million in the current MTREF to R 180 million.

These amendments will impact positively on the financial sustainability of Stellenbosch, while increasing the total affordable capital expenditure to R 4,327 million over the forecast period.

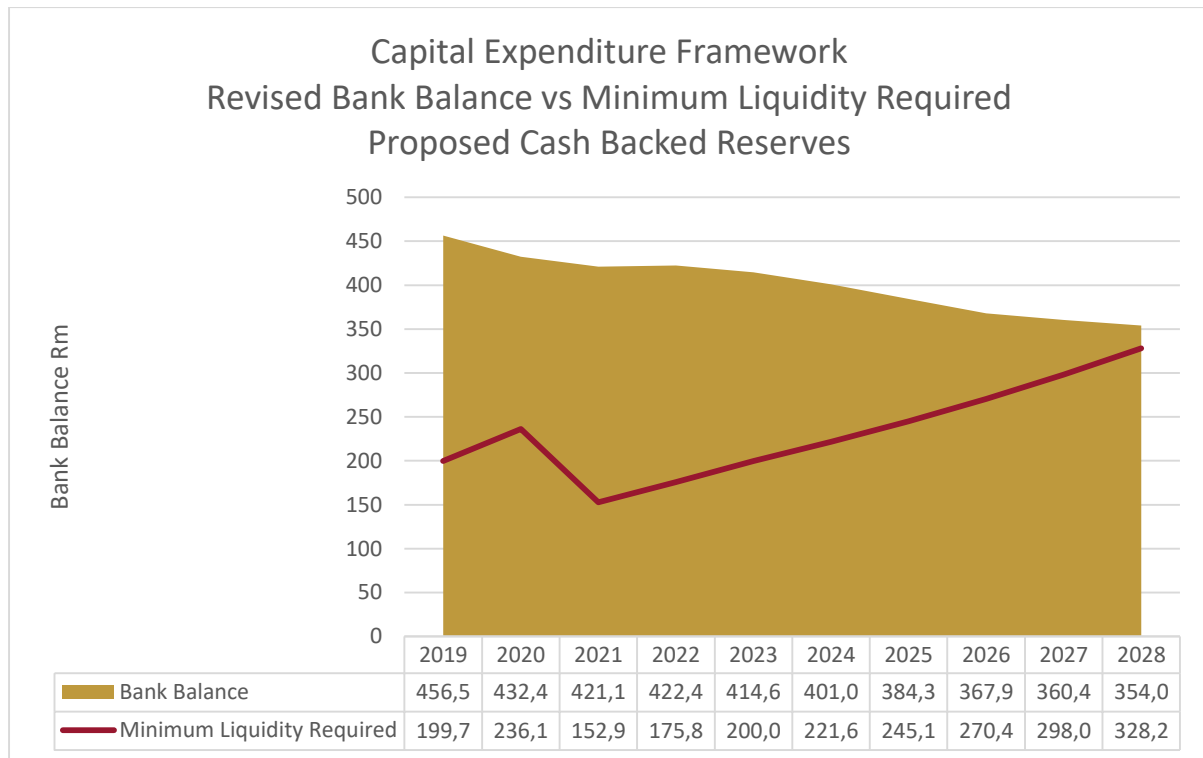


Figure 109: Revised Bank Balance vs Minimum Liquidity Required Proposed Cash Backed Reserves

Figure 111: Revised Gearing

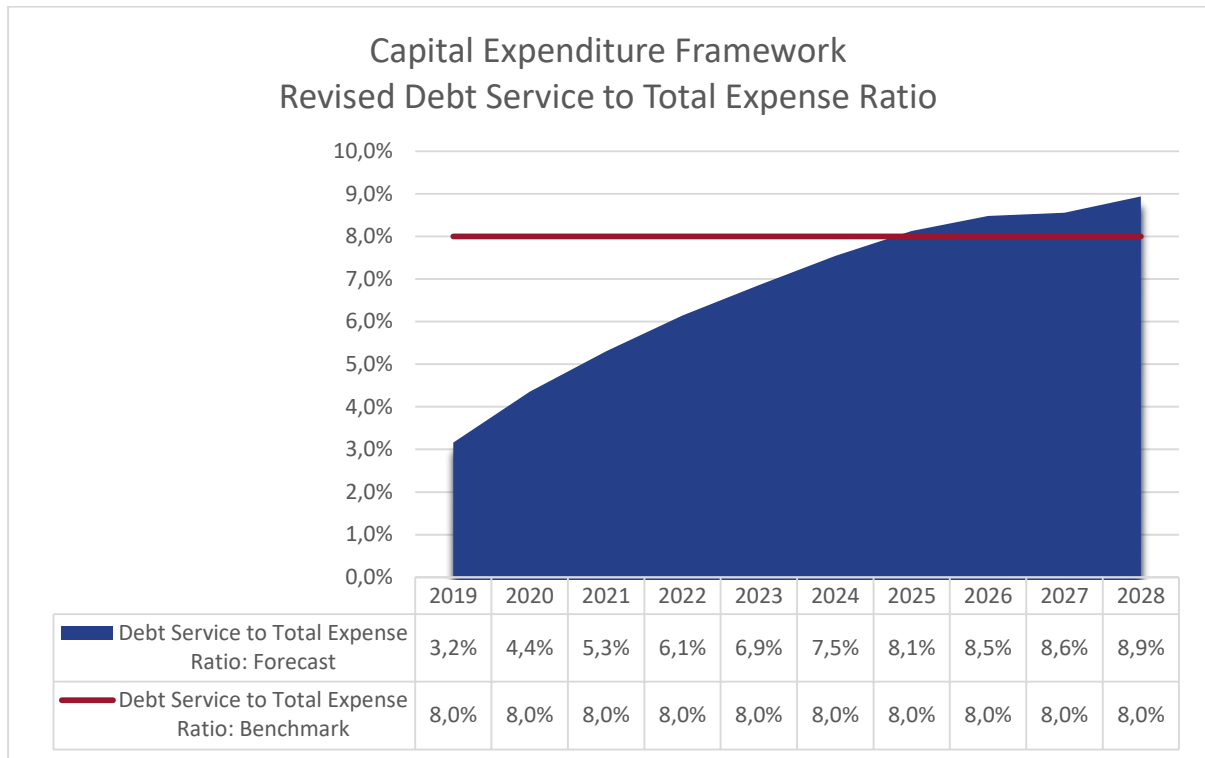


Figure 112: Revised Debt Service to Total Expense Ratio

The amended levels of capital expenditure and proposed funding mix, addresses the erratic capital spending patterns seen in historical years and provides consistency and predictability, which would positively impact on policy certainty and provide comfort to investors and key stakeholders of the municipality.

The levels of affordable capital expenditure and optimal borrowing, considering these proposed amendments, are provided below.

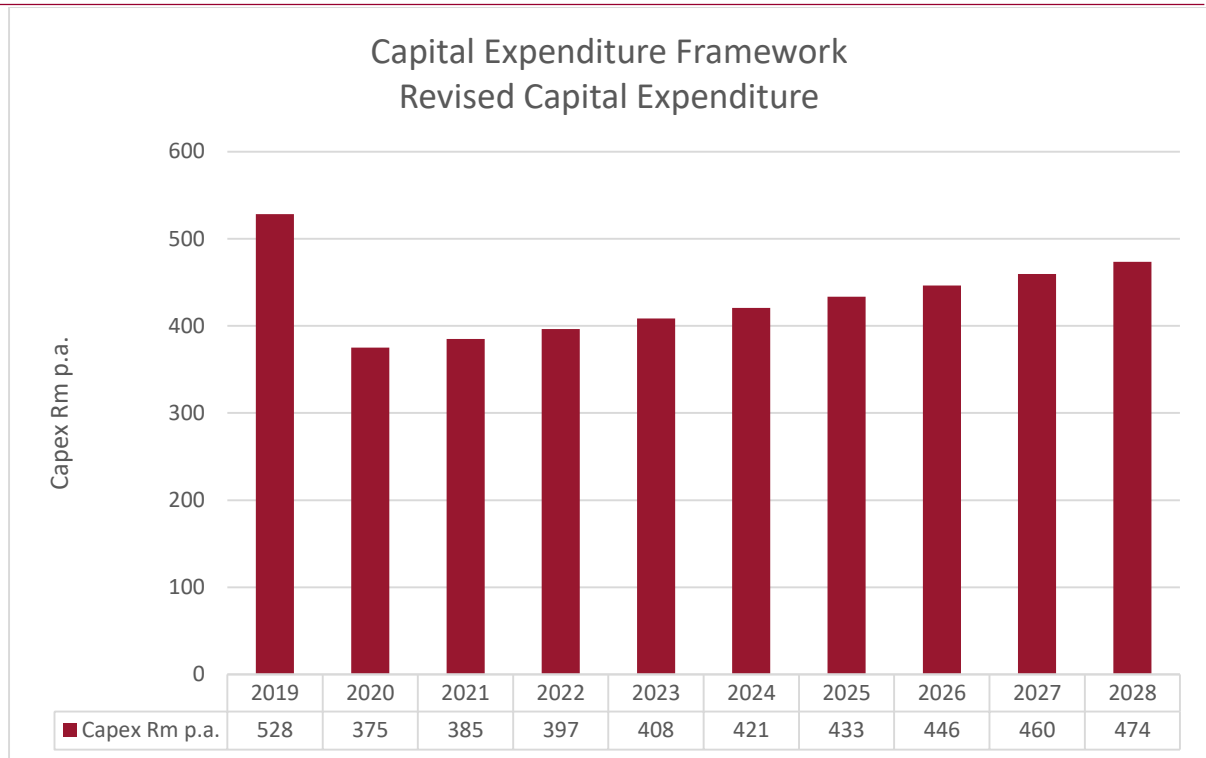


Figure 113: Revised Capital Expenditure

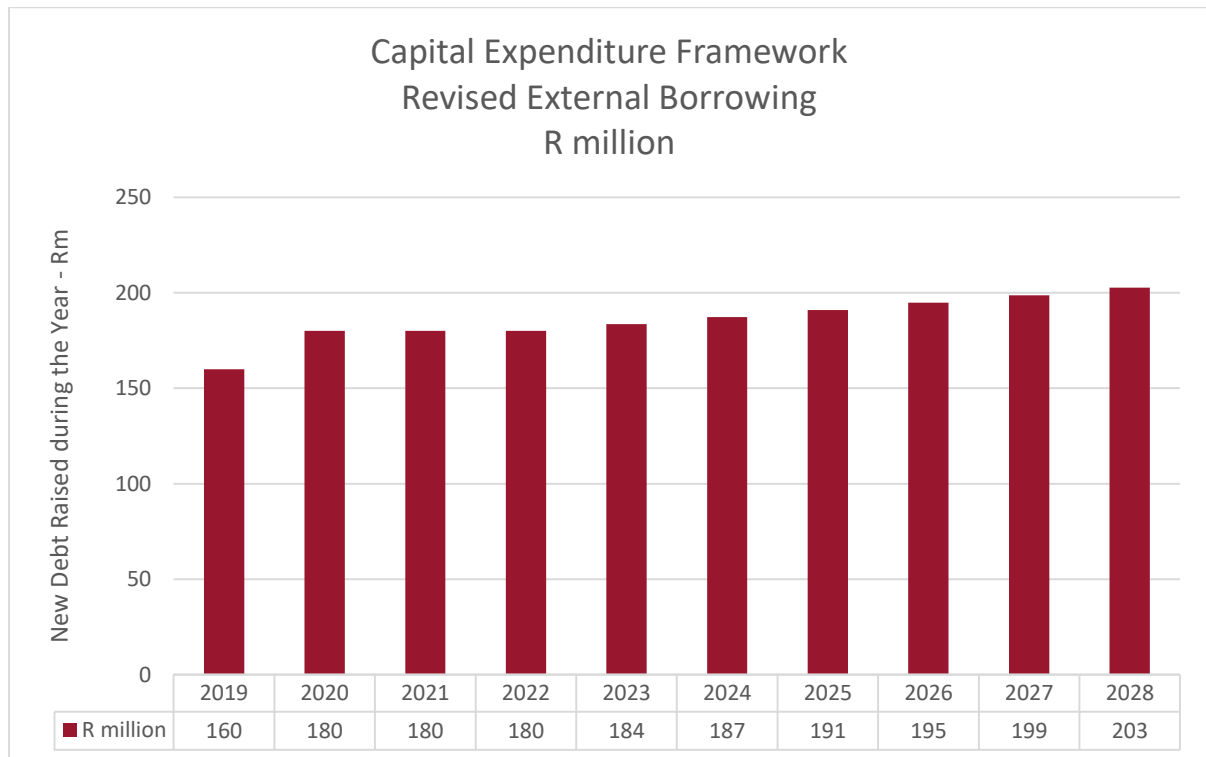


Figure 114: Revised External Borrowing

A summary of the forecast capital funding mix is provided below:

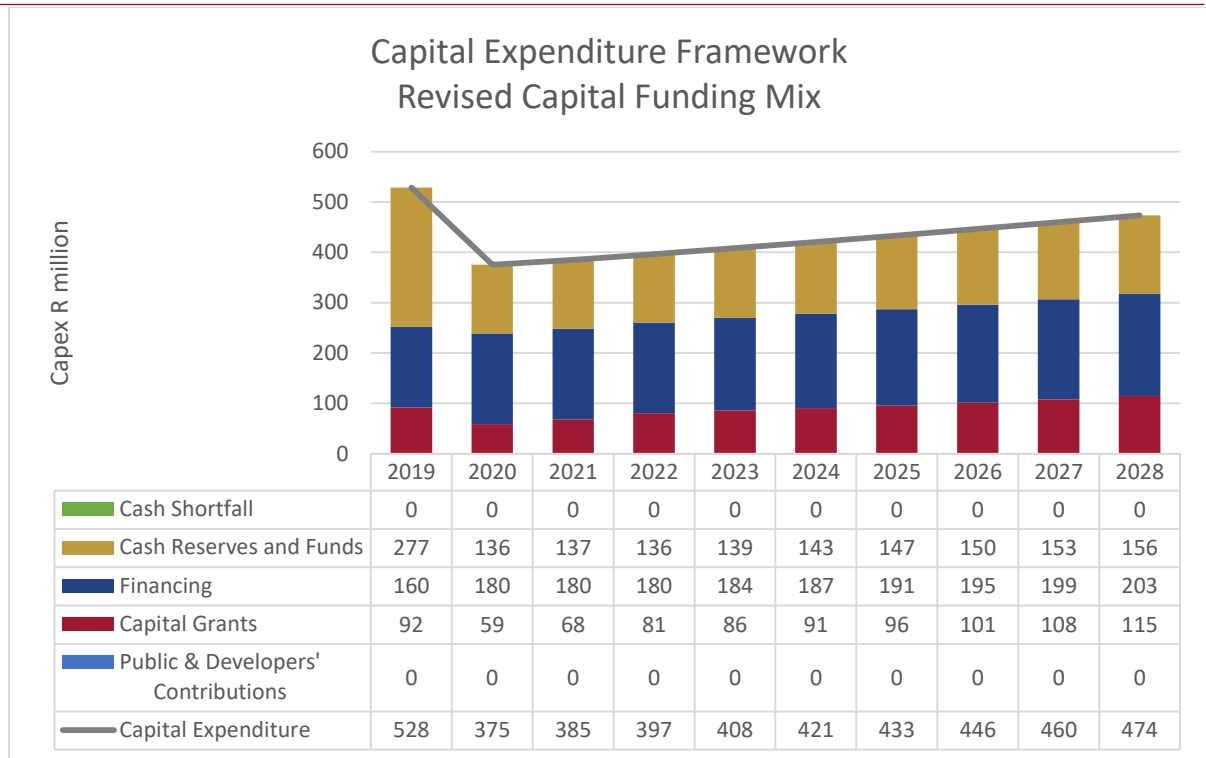


Figure 115: Revised Capital Funding Mix

Section 14 Bibliography

14 Bibliography

Sections of this report is based on queries generated from the MapAble® database (www.mapable.co.za). The data sources are indicated in the table below. All the data utilised is in the public domain and can be sourced from the respective data custodians.

The bulk of the data comes from census data from Statistics South Africa. Each census is queried at the smallest data level at which a census was released. The 1996 census was released at enumerator area (EA) level while the 2001 census was only released at sub-place level. A sub place consists of a number of EAs. The 2011 census was released as a small area layer (SAL). Small areas are larger than EA’s but smaller than sub-places. It is important to note that the censuses are not consistent insofar as data categories are concerned. It was therefore necessary to adjust some census data (subdividing categories or lumping categories together) in order to get the data at a consistent and comparable basis. Due to the way data is extracted from the census the totals in the tables in the report are not necessarily consistent or the same throughout the report. The following affects table totals:

- When data is extracted from the censuses, values of less than 5 are randomised with values between 1 and 5 in order to protect individual’s identities. This accounts for smaller variations in totals;
- Data categories are not consistent between the censuses; and
- The process of data partitioning is by its very nature affected by the physical scale at which queries are done. The smaller an area is the bigger the possibility for anomalies become.

Notwithstanding these issues, the results are valid and sufficiently accurate for general use.

Data partitioning is used in MapAble® to determine values for the selected areas. Data partitioning calculates the proportional ratios of underlying data sets (data linked to polygons such as EA’s or sub-places) within a selected query area (ward, municipality, farm portion, etc.). Data partitioning is used to overcome the need for information on census demographics for areas that are not consistent with the standard boundaries themselves, or as the case in this report, where boundaries change from time to time and area profiles are not directly comparable. The proportions are based on the area of the intersecting themes.

Data partitioning allows for comparisons between datasets, which each having their own unique demarcations, and data that is not necessarily spatially comparable or compatible.

Data table	Data source
The area’s demarcation history	Municipal Demarcation Board from 1996 to 2016
Smaller towns, settlements and villages	MapAble® 2015
Population and gender	Statistics South Africa. Census data for 1996, 2001 and 2011
Population groups	Statistics South Africa. Census data for 1996, 2001 and 2011
Age groups	Statistics South Africa. Census data for 1996, 2001 and 2011
Language groups	Statistics South Africa. Census data for 1996, 2001 and 2011
Total households, size and density	Statistics South Africa. Census data for 1996, 2001 and 2011
Dwelling frame 2018	Statistics South Africa 2018
Head of household by gender	Statistics South Africa. Census data for 1996, 2001 and 2011
Household income per month in 2011 Rand values	Calculated by MapAble® from census data 2016
Household income indicators per month in 2011 Rand values	Calculated by MapAble® from census data 2016
Dwelling type	Statistics South Africa. Census data for 1996, 2001 and 2011



Data table	Data source
Dwelling ownership	Statistics South Africa. Census data for 1996, 2001 and 2011
Migration - country of origin	Statistics South Africa. Census data for 1996, 2001 and 2011
Province of previous residence	Statistics South Africa. Census data for 1996, 2001 and 2011
Highest level of education	Statistics South Africa. Census data for 1996, 2001 and 2011
Employment within the area	Statistics South Africa. Census data for 1996, 2001 and 2011
Primary schools' statistics within the area	Department of Basic Education 2016
Secondary schools' statistics within the area	Department of Basic Education 2016
Intermediate schools' statistics within the area	Department of Basic Education 2016
Combined schools' statistics within the area	Department of Basic Education 2016
List of public health facilities within the area	Department of Health 2015
Private health facility and ownership within the area	Department of Health 2015
Number of beds per facility within the area	Department of Health 2015
Police stations	South African Police Services 2015
Area covered by SAPS precincts	Institute for Security Studies as calculated by Mandala GIS 2015
Lower courts in the area	Department of Justice mapped by MapAble
Land cover 1990 and 2014: Natural elements	GeoTerralimage (Pty) Ltd 2014
Land cover 1990 and 2014: Primary economic activities	GeoTerralimage (Pty) Ltd 2014
Land cover 1990 and 2014: Human settlement	GeoTerralimage (Pty) Ltd 2014
Access to water services 1996, 2001 and 2011	Statistics South Africa. Census data for 1996, 2001 and 2011
Access to sanitation services 1996, 2001 and 2011	Statistics South Africa. Census data for 1996, 2001 and 2011
Access to electricity services 1996, 2001 and 2011	Statistics South Africa. Census data for 1996, 2001 and 2011
Access to refuse removal services 1996, 2001 and 2011	Statistics South Africa. Census data for 1996, 2001 and 2011
Road services in the area	Calculated by MapAble® from various sources 2016



End of Document



8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

9.	URGENT MATTERS SUBMITTED BY THE MUNICIPAL MANAGER
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10.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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NONE