



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2020-05-21

MAYORAL COMMITTEE MEETING

FRIDAY, 2020-05-22 AT 10:00

TO The Executive Mayor, Ald G Van Deventer (Ms)
The Deputy Executive Mayor, Cllr W Petersen(Ms)

COUNCILLORS FJ Badenhorst
P Crawley (Ms)
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 **Friday, 2020-05-22 at 10:00** to consider the attached agenda.

EXECUTIVE MAYOR, ALD GM VAN DEVENTER (MS)

CHAIRPERSON

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**Confirmation of
Minutes: Mayoral
Committee Meeting:
2020-03-20**



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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2020-03-20

MINUTES

MAYORAL COMMITTEE MEETING:

2020-03-20 AT 10:00

MINUTES
MAYORAL COMMITTEE MEETING
2020-03-20
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PRESENT: Executive Mayor, Ald GM Van Deventer (Ms) (**Chairperson**)

Councillors: FJ Badenhorst
PR Crawley (Ms)
A Frazenburg
XL Mdemka (Ms)
S Peters
M Pietersen
Q Smit

Also Present: Alderman PW Biscombe (Single Whip)
Cllr WF Pietersen (MPAC Chairperson)
Cllr M Johnson

Officials: Municipal Manager (G Mettler (Ms))
Director: Planning and Economic Development (T Mfeya)
Director: Infrastructure Services (D Louw)
Director: Corporate Services (A de Beer (Ms))
Chief Financial Officer (K Carolus)
Senior Manager: Community Services (A van de Merwe)
Senior Administration Officer (T Samuels (Ms))
Committee Clerk (N Mbali (Ms))

1.	OPENING AND WELCOME
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The Executive Mayor welcomed everyone present at the Mayoral Committee Meeting.

2.	COMMUNICATION BY THE CHAIRPERSON
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Deputy Mayor,
MM,
Mayco Members
Directors

Good Morning, Goeie more, Molweni, As salaam Alaikum

- National state of disaster declared by President on Sunday evening because of COVID-19 virus
- We welcomed the announcement by President Cyril Ramaphosa on Sunday and will work to ensure that service delivery continues while the well-being of residents and staff is protected.

- Continue to work with our National and Provincial partners to ensure that measures are in place to curb the spread of the virus.
- Key to achieving this, is to minimise physical contact between people and to limit any fears and anxieties that our residents may have.
- The Stellenbosch Municipality will be taking the following steps
 - The Joint Operations Centre (JOC) with various public and private stakeholders in the health, safety and disaster management environments has been activated and an internal JOC consisting of representatives from municipal departments is also being established.
 - Effective immediately, Community and Protection Services will cancel all event and gathering applications where 100 people or more are expected.
 - The Jonkershoek picnic site will be closed to members of the public from today, 16 March 2020 until further notice.
- Effective immediately, all non-essential travel for all spheres of government to areas outside of the Republic is stopped and domestic travel is restricted.
 - Residents are being encouraged to phone, email or WhatsApp to engage the Municipality or their local councillor instead of visiting a municipal office in person, to limit direct physical contact.
 - The municipality will provide hand sanitizers or wipes at building entrances to be used to disinfect hands when entering facilities.
 - Public meetings that were scheduled to begin next month, have been cancelled. Electronic, written and telephonic submissions will be encouraged. We are also currently exploring alternative electronic platforms for public participation.
- Please be aware of scammers posing as health practitioners to gain access to properties. There have been several reports of criminals approaching residents at their homes pretending to conduct home testing for COVID-19.
- We encourage residents to please pay attention to official announcements, and follow the instructions being given.
- Fake or inaccurate information remains a challenge. We urge all residents not to participate in the distribution of inaccurate, unverified or false information. By working together we can limit the spread of this virus.
- These decisions were taken in the interest of PUBLIC HEALTH AND SAFETY
- For official COVID-19 advice, updates and queries use the following numbers:
 - National Hotline 0800 029 999
 - WhatsApp 0600 123 456
 - Provincial Hotline 021 9284102

3.	DISCLOSURE OF INTERESTS
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NONE

4.	APPLICATIONS FOR LEAVE OF ABSENCE
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The following application for leave was approved in terms of the Rules of Order of Council:-

Deputy Executive Mayor, W Petersen (Ms) – 2020-03-20

5.	CONFIRMATION OF PREVIOUS MINUTES
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5.1 The minutes of the Mayoral Committee Meeting held on 2020-02-12 were **confirmed as correct.**

6.	STATUTORY MATTERS
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6.1	APPROVAL OF THE DRAFT THIRD REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

20 March 2020

1. SUBJECT: APPROVAL OF THE DRAFT THIRD REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022

2. PURPOSE

To submit the following to Mayco and Council for consideration:

(a) The Draft Third Review of the Fourth Generation IDP 2017 – 2022.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Integrated Development Plan is a 5-year Strategic Plan that is reviewed annually to accommodate changes in the municipal environment, including community priorities. It also informs the budget of the Municipality. The Draft Third Review of the Fourth Generation IDP 2017 - 2022 details the Municipality's actions to address the needs of the community.

The Municipal IDP must be reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible revisions to the priorities listed in the municipal IDP

EXECUTIVE MAYORAL COMMITTEE: 2020-03-20: ITEM 6.1

RESOLVED

that this matter stand over until a Continuation Meeting of Mayco on 2020-03-24 at 10:00.

NAME	Shireen De Visser
POSITION	Snr Manager: Governance
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 – 808 8035
E-MAIL ADDRESS	shireen.devisser@stellenbosch.gov.za
REPORT DATE	10 March 2020

6.2	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021-2022/2023
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Collaborator No: 682431
 IDP KPA Ref No: Good Governance and Compliance
 Meeting Date: 20 March 2020

1. SUBJECT: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021-2022/2023

2. PURPOSE

The purpose of this report is as follows:

- a) The Executive Mayor to table the Medium Term Revenue and Expenditure Framework (inclusive of property rates charges and taxes, tariffs and service charges), annexures and proposed amendments to the budget related policies and other policies to Council for approval in terms of Section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003).
- b) That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the tune of R 400 million of which over the MTREF R100 million will be required in year 1, R80 million in year 2 and R160 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms draft approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.

3. DELEGATED AUTHORITY

FOR APPROVAL BY MUNICIPAL COUNCIL

4. EXECUTIVE SUMMARY

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

EXECUTIVE MAYORAL COMMITTEE: 2020-03-20: ITEM 6.2

RESOLVED

that this matter stand over until a Continuation Meeting of Mayco on 2020-03-24 at 10:00.

FOR FURTHER DETAILS CONTACT:

NAME	KEVIN CAROLUS
POSITION	DIRECTOR: FINANCIAL MANAGEMENT SERVICES
DIRECTORATE	FINANCIAL SERVICES
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	kevin.carolus@stellenbosch.gov.za
REPORT DATE	30 March 2020

6.3	TABLING OF DRAFT REVISED CAPITAL EXPENDITURE FRAMEWORK 2020 AS PART OF THE INTEGRATED URBAN DEVELOPMENT GRANT
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE& COMPLIANCE

20 March 2020

1. SUBJECT: TABLING OF DRAFT REVISED CAPITAL EXPENDITURE FRAMEWORK 2020 AS PART OF THE INTEGRATED URBAN DEVELOPMENT GRANT

2. PURPOSE

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

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 Capital Expenditure Framework (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 was 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 draft Revised Capital Expenditure Framework must be submitted to the Department of Cooperative Governance (DCoG), by 31 March 2020.

EXECUTIVE MAYORAL COMMITTEE: 2020-03-20: ITEM 6.3

RESOLVED

that this matter stand over until a Continuation Meeting of Mayco on 2020-03-24 at 10:00.

NAME	Shireen De Visser
POSITION	Snr Manager: Governance
DIRECTORATE	Office of the Municipal Manager
CONTACT NUMBERS	021 – 808 8035
E-MAIL ADDRESS	shireen.devisser@stellenbosch.gov.za
REPORT DATE	12 March 2020

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 FJ BADENHORST)
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NONE

7.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
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7.2.1	ENCROACHMENT APPLICATION: TEMPORARY USE OF COUNCIL-OWNED LAND FOR PARKING PURPOSES: CAPITEC BANK LTD
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE

20 March 2020

1. SUBJECT: ENCROACHMENT APPLICATION: TEMPORARY USE OF COUNCIL-OWNED LAND FOR PARKING PURPOSES: CAPITEC BANK LTD

2. PURPOSE

To inform Mayco on developments in regard to the Encroachment Application from Capitec Bank Ltd.

3. DELEGATED AUTHORITY

For Notification

4. EXECUTIVE SUMMARY

Capitec is currently constructing an office building on erf 9211 and a portion of erf 13166. A further phase involves the construction of a parkade, to comply with minimum parking requirements, the building of which is being delayed and will only be completed in July 2020.

It is a requirement that they must provide minimum parking bays before an occupation certificate is to be issued. For this reason, they have applied for an encroachment permit to enable them to use a portion of erf 9190 (municipal land) for parking purposes for a limited period.

The item served before Mayco and was recommended to Council for approval. Subsequent to the MAYCO meeting we received a letter from Capitec indicating they no longer want to proceed with the application as they have an interim arrangement with Blaauwklippen and therefore no longer need the encroachment until their garage is completed.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-02-12: ITEM 7.2.7

- (a) that the application to use a portion of erf 9190 on a temporary basis, be considered;
- (b) that the approval be subject thereto that the area be upgraded in line with the minimum requirements set out by the Planning and Engineering Department at the cost of the applicant; and
- (c) that the term of the encroachment be linked to the completion of the parkade, not more than 8 months, and linked to the approved tariffs.

ADDITIONAL INFORMATION FROM THE ACTING MUNICIPAL MANAGER (2020-02-19)

Subsequent to the item serving before Mayco, the applicants have informed the Municipality that they withdraw their request and do not wish to proceed with the encroachment application and agreement. **(APPENDIX 6)**.

Due to the additional information the item was withdrawn from the Council agenda. It now serves before MAYCO to rescind the resolution taken on 12 February 2020.

EXECUTIVE MAYORAL COMMITTEE: 2020-03-20: ITEM 7.2.1

RESOLVED

- (a) that Mayco takes note of the withdrawal of the application by Capitec; and
- (b) that the Mayco resolution dated 12 February 2020, be rescinded.

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	2019-12-06

7.2.2	ACTING ARRANGEMENTS FOR THE MUNICIPAL MANAGER AND SECTION 56 MANAGERS WHEN THE MUNICIPAL MANAGER AND SECTION 56 MANAGERS ARE NOT AVAILABLE
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE

20 March 2020

1. SUBJECT: ACTING ARRANGEMENTS FOR THE MUNICIPAL MANAGER AND SECTION 56 MANAGERS WHEN THE MUNICIPAL MANAGER AND SECTION 56 MANAGERS ARE NOT AVAILABLE

2. PURPOSE OF REPORT

To approve the Directors who will act as Municipal Manager when the Municipal Manager is not available. To approve the acting Section 56 Managers who will act as section 56 managers (Directors) when the section 56 managers are not available.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Council approved the Directors to act as Municipal Manager when the Municipal Manager is not available on 30 July 2018. Council approved the acting arrangements for section 56 Managers when they are not available on 30 January 2019. It is good practise to review these arrangements on a regular basis as circumstances change.

Section 54 (A) of the Systems, which has been subsequently declared unconstitutional, and Section 80 of the Structures act provide for the appointment of a Municipal Manager and acting Municipal Managers. Section 54A of the Municipal Systems Act provides that the Municipal Council must appoint an acting Municipal Manager under circumstances and for a period as prescribed. Section 54A(1)(b) provides that such an acting person must at least have the skills, expertise, competencies and qualifications as prescribed.

It can be anticipated that there will be occasions when the Municipal Manager will be away from office or not available due to a variety of reasons. The roster approved in July 2018 is still relevant and does not need any changes. The payment of an acting allowance is dealt with in the Acting Policy approved by Council on 28 November 2018.

Council must appoint acting section 56 managers when the appointed section 56 managers are not available. It is not practical to call a council meeting every time a person must act when a director is on leave, on sick leave or out of office. Council therefore appoints acting managers on a roster to fulfil the obligation in section 56.

There have been several changes to these rosters approved in January 2019 and the acting arrangements are therefore indicated below.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.2.2

- (a) that the acting arrangements approved on 30 July 2018 be confirmed as follows:

The following Directors be appointed to act as Municipal Manager if the Municipal Manager is not available:

January to February : Corporate Services
 March to April : Financial Services (CFO)
 May to June : Infrastructure Services
 July to August : Planning and Economic Development
 September to October : Community and Protection Services
 November : Corporate Services
 December : Financial Services (CFO)

- (b) that the Director next on the rotation schedule acts when the relevant Director is not available as per the schedule;
- (c) that an acting allowance be paid in terms of the approved Acting Policy if the Director acted for 10 consecutive days or longer;
- (d) that the following managers act as Acting section 56 Managers for the periods indicated in the different Directorates respectively:

SECTION 56 POST	PERSON ACTING	POST OF ACTING INCUMBENT	ACTING PERIOD APPROVED
DIRECTOR: CORPORATE SERVICES: ANNALENE DE BEER			
	Alexander Kannemeyer	Senior Manager: Human Resources	January; May; July; September
	Piet Smit	Manager: Property Management and Building Maintenance	February; October
	Mervin Williams	Senior Manager: Legal Services	March; June; December
	Brain Mkaza	Senior Manager: ICT	April; August; November
DIRECTOR: INFRASTRUCTURE SERVICES: DEON LOUW			
	Adriaan Kurtz	Senior Manager: Waste Water and Water Management	December; January; June; July
	Nombulelo Zwane	Senior Manager: Electrical Services	February; March; August; September
	Johan Fullard	Senior Manager: Transport, Roads & Stormwater	April; May; October; November

DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT: VACANT			
	Johru Robyn	Manager: Informal Settlements	December; January; February; October
	Craig Alexander	Senior Manager: Development Planning	March; April; May; November
	Stiaan Carstens	Senior Manager: Development Management	June; July; August; September
DIRECTOR: FINANCIAL SERVICES (CFO): KEVIN CAROLUS			
		Senior Manager: Financial Management Services	January; February; July; August
	Dalleel Jacobs	Senior Manager: Supply Chain Management	March; April; September; October
		Senior Manager: Revenue and Expenditure	May; June; November; December
DIRECTOR: PROTECTION AND COMMUNITY SERVICES: GARY BOSHOFF			
	Albert van der Merwe	Senior Manager:	January; March; April; July; September; November
	Charl Kitching	Senior Manager:	February; May; June; August; October; December

- (e) that the acting allowance be paid to acting section 56 Managers in line with the Acting Policy approved by Council.

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.gov.za
REPORT DATE	26 February 2020

7.3	FINANCIAL SERVICES: (PC: CLLR P CRAWLEY (MS))
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7.3.1	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR FEBRUARY 2020
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Collaborator No: 682331
 IDP KPA Ref No: GOOD GOVERNANCE
 Meeting Date: 20 March 2020

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR FEBRUARY 2020

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 36 of the Supply Chain Management Policy 2019/2020 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 (2019/2020) stipulate that SCM deviations be reported to Council. In compliance thereto, this report presents to Council the SCM deviations that occurred during February 2020.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.3.1

that Council notes that there were no deviations for the month of February 2020.

FOR FURTHER DETAILS CONTACT:

NAME	Kevin Carolus
POSITION	CFO
DIRECTORATE	Finance
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	Kevin.Carolus@ Stellenbosch.gov.za
REPORT DATE	March 2020

7.3.2	REVISED INDIGENT POLICY
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Collaborator No: 682332
IDP KPA Ref No: GOOD GOVERNANCE
Meeting Date: 20 March 2020

1. SUBJECT: REVISED INDIGENT POLICY

2. PURPOSE

Council to approve amendments to the Indigent Policy.

3. DELEGATED AUTHORITY

Council to approve.

4. EXECUTIVE SUMMARY

Shortcomings pointed out by the Auditor General (AG) during the audit of the 2018/19 financial year necessitate that certain amendments be made to the Indigent Policy.

The amendments proposed herein will address the concern of the AG, prevent possible audit queries in future and also make the Policy more user-friendly in general to both Indigent residents as well as to the Administration.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.3.2

- (a) that Council takes cognisance of the proposed amendments and approve of the amended Indigent Policy for the 2019/20 financial year; and
- (b) that the amended Policy be made public in terms of S21 of the Municipal Systems Act before actual implementation thereof.

FOR FURTHER DETAILS CONTACT:

NAME	A Treurnich
POSITION	
DIRECTORATE	Finance
CONTACT NUMBERS	021 808 8016
E-MAIL ADDRESS	Andre.treurnich@stellenbosch.org.za
REPORT DATE	17 January 2020

7.4	HUMAN SETTLEMENTS: (PC: CLLR W PETERSEN (MS))
7.4.1	POSSIBLE DEVELOPMENT OF ERVEN 412 AND 284, GROENDAL BY WAY OF A CALL FOR PROPOSAL(S)

Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE

20 March 2020

1. SUBJECT: POSSIBLE DEVELOPMENT OF ERVEN 412 AND 284, GROENDAL BY WAY OF A CALL FOR PROPOSAL(S)

2. PURPOSE

To obtain Council's approval to follow a Call for Proposal for the development of erven 412 and 284, Le Roux, Groendal.

3. DELEGATED AUTHORITY

For decision by Municipal Council.

4. EXECUTIVE SUMMARY

Following a motion by the Deputy Executive Mayor on 27 September 2017 the Departments of Property Management and Housing Development considered the various options for the development of erven 412 and 284.

We are of the view that the best option would be to follow a public competitive process, i.e. Call for Proposal(s) from prospective developers for the development of these erven, based on a Land Availability Agreement (LAA) to be concluded with the successful bidder(s).

Council must consider this request, as this entails the (ultimate) disposal of municipal property, governed by Section 14 of the MFMA and Chapter 2 of the Asset Transfer Regulations.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.4.1

- (a) that Council identifies erven 412 and 284, Le Roux, as land not needed to provide the minimum level of basic municipal services;
- (b) that Council authorises the Administration to follow a public Call-for-Proposal, based on the points system as set out in paragraph 6.2.9;
- (c) that Council approves the discounted sales prices as set out in paragraph 6.2.6 subject to the sales restrictions set out in paragraph 6.2.7;
- (d) that Council approves the qualifying criteria set out in paragraph 6.2.8;
- (e) that Council approves the discounted bulk infrastructure contribution set out in paragraph 6.2.10; and
- (f) that, following the conditional awarding of the bid to the bidder(s) scoring the highest points, an item be submitted to Council to make a final decision on the disposal of the land.

7.4.2	ENTERING INTO LAND AVAILABILITY AGREEMENTS WITH SOCIAL HOUSING INSTITUTIONS (SHIs) OR OTHER DEVELOPMENT AGENCIES (ODAs) FOR THE DEVELOPMENT AND MANAGEMENT OF SOCIAL HOUSING ESTATES
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Collaborator No: 682329
 IDP KPA Ref No: DIGNIFY LIVING
 Meeting Date: 20 March 2020

1. SUBJECT: ENTERING INTO LAND AVAILABILITY AGREEMENTS WITH SOCIAL HOUSING INSTITUTIONS (SHIs) OR OTHER DEVELOPMENT AGENCIES (ODAs) FOR THE DEVELOPMENT AND MANAGEMENT OF SOCIAL HOUSING ESTATES

2. PURPOSE

To get the mandate of Council to commence with the process of granting long-term use rights to SHIs or ODAs on Council-owned land in order to realise the implementation of the Social Housing Programme.

3. DELEGATED AUTHORITY

The Municipal Council must consider the matter.

4. EXECUTIVE SUMMARY

Stellenbosch Municipality, was identified by the Western Cape Provincial Administration as one of “Leader Towns” in the Province that have the requisite constituents to partake in the Social Housing Programme. Consequent to this, the municipality adopted an Affordable Rental Housing Strategy and Plan in 2016 (**ANNEXURE A**). The municipality also underwent a rigorous process of identifying and approving Restructuring Zones for the development of Social Housing. Stellenbosch Restructuring Zone areas were subsequently endorsed by the National Housing Ministry and have been published as such in the Government Gazette dated 27 April 2017 (No. 40815) – **ANNEXURE B**.

The Human Settlements Division needs to commence with a process of granting long-term use rights to qualifying accredited entities (SHIs or ODAs) on land identified and approved by the Municipality for the purpose of developing Social Housing estates.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.4.2

- (a) that the land in question, remainder of Erf 2149, Stellenbosch (Lapland flats), Remainder of Farm 180 (open spaces near Teen-die-Bult flats) and Erf 81/2 and Erf 81/9 Stellenbosch, be identified as land parcels **not needed for the municipality’s own use** during the period for which the right is to be granted;
- (b) that Council, **in principle**, approves the Municipality’s entering into **Land Availability Agreements** with SHIs and ODAs successful in the Public Competitive Process (with SHIs and ODAs successful in the Public Competitive Process in terms of Regulation 34(1) (b) of the Asset Transfer Regulation (ATR), read with paragraph 9.2.2.1 (l) of the Policy on the Management of Council owned property, subject to the following conditions:
 - (i) that **Council’s intention** so to act, i.e. the awarding of rights on a private treaty agreement basis, **be advertised** for public comments;

-
- (ii) that, simultaneously, the **public participation** process envisaged in Regulation 35 of the ATR **be followed**;
- (iii) that Lease Agreement be concluded, based on a **40 year term** based on applicable tariffs;
- (iv) that the Lease Agreement provide for **review/revision**, should the need arise for further development/redevelopment of the area; and
- (c) that, following the public participation process referred to above, a report be submitted to Council in order for Council to give a mandate to the Administration to proceed with the Public Competitive Process that will result in the awarding of the long-term use rights.

FOR FURTHER DETAILS CONTACT:

NAME	Tabiso Mfeya
POSITION	Programme Manager: Social Housing
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	
E-MAIL ADDRESS	tabiso.mfeya@stellenbosch.gov.za
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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7.6.1	ILLEGAL ACTIVITIES IN PARADYSKLOOF NATURE AREA, ABOVE BRANDWACHT
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Collaborator No: 680711

IDP KPA Ref No:

Meeting Date: 20 March 2020

1. SUBJECT: ILLEGAL ACTIVITIES IN PARADYSKLOOF NATURE AREA, ABOVE BRANDWACHT

2. PURPOSE

To inform Council and make recommendations to Management regarding the illegal activities in Paradyskloof Nature Area, above Brandwacht.

3. DELEGATED AUTHORITY

For decision by the Municipal Council.

4. EXECUTIVE SUMMARY

The illegal activities in Paradyskloof Nature Area, above Brandwacht include vandalism, illegal dumping, damage to municipal property, illegal making of fires, picking of plants and noise pollution.

Numerous complaints were received from residents with regards to illegal activities taking place in Paradyskloof Nature Area. Previous actions were taken, but without any required results. A long-term solution is necessary to resolve this matter.

This report will highlight the illegal activities, who is responsible for these activities and what are the short- and long-term actions needed to resolve this matter.

EXECUTIVE MAYORAL COMMITTEE: 2020-03-20: ITEM 7.6.1

RESOLVED

that this matter be referred to a Joint Section 80 Committee meeting comprising of Community and Protection Services; Financial Services; Infrastructure Services; Parks, Open Spaces and Environment; Rural Management and Tourism; Youth, Sport and Culture as well as all Ward Councillors concerned.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Albert van der Merwe</i>
POSITION	<i>Senior Manager: Community Services</i>
DIRECTORATE	<i>Community and Protection Services</i>
CONTACT NUMBERS	<i>021 808 8165</i>
E-MAIL ADDRESS	albert.vandermerwe@stellenbosch.gov.za
REPORT DATE	<i>4 February 2020</i>

7.6.2	UPGRADING OF ENKANINI INFORMAL SETTLEMENT – PAPEGAAIBERG NATURE RESERVE BOUNDARY AMENDMENT AND WEMMERSHOEK WETLAND OFFSET
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Collaborator No: 681968

IDP KPA Ref No:

Meeting Date: 20 March 2020

1. SUBJECT: UPGRADING OF ENKANINI INFORMAL SETTLEMENT-PAPEGAAIBERG NATURE RESERVE BOUNDARY AMENDMENT AND WEMMERSHOEK WETLAND OFFSET

2. PURPOSE

The purpose of this item is to acquire Council's permission to amend the Papegaaiberg Nature Reserve boundary to exclude a portion of land impacted upon by informal housing and -agricultural activities. A portion of this land will form part of the Enkanini housing development. In addition, the purpose of this item is to acquire Council's permission to utilize Council property, Portion 1 of Farm 1024 (Wemmershoek Wetland), located at Wemmershoek as an offset required for Swartland Shale Renosterveld that will be lost during the implementation of the above housing development.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Stellenbosch Municipality (the Municipality) is in a process of formalizing the informal residential area of Enkanini. The proposed housing development includes a portion of land located within the Papegaaiberg Nature Reserve (NR) boundary that has since 2014 been occupied by informal housing structures. It is proposed that a section of the northern boundary of the Papegaaiberg NR boundary be amended to exclude this portion of land as well as a portion of land impacted upon by informal agricultural activities.

Further, the above proposed housing development will impact on approximately 2 hectare of Swartland Shale Renosterveld (outside the boundaries of the Papegaaiberg NR). Excluding the above 2 hectare area from the proposed Enkanini settlement will significantly impact on the feasibility of the proposed development. During the process of acquiring the required approval in terms of the National Environmental Management Act (107 of 1998) with the Department of Environmental Affairs & Development Planning the Municipality has been requested to provide options for an offset (on-site or elsewhere in the Municipality) to compensate for the loss of critically endangered vegetation. The Wemmershoek Wetland, Council owned property (Portion 1 of Farm 1024), is considered ideal for this purpose. Previous plans for potential development, including housing, on the particular property did not realize because of environmental factors, including existence of a wetland and a range of endangered and endemic plant species located on the site. With Council's permission it is proposed that the Municipality enters into an agreement with Cape Nature for the protection and conservation of the property and for it to serve as an offset for the loss of Swartland Shale Renosterveld during the development of Enkanini as well as future developments requiring offset.

EXECUTIVE MAYORAL COMMITTEE: 2020-03-20: ITEM 7.6.2**RESOLVED**

that this matter be referred to a Joint Section 80 Committee meeting comprising of Community and Protection Services; Financial Services; Infrastructure Services; Parks, Open Spaces and Environment; Rural Management and Tourism; Youth, Sport and Culture as well as all Ward Councillors concerned.

FOR FURTHER DETAILS CONTACT:

NAME	Schalk van der Merwe
POSITION	Environmental Planner
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	021 808 8679
E-MAIL ADDRESS	schalk.vandermerwe@stellenbosch.gov.za
REPORT DATE	26 February 2020

7.6.3	PROGRESS REPORT: ESTABLISHMENT OF 'FRIENDS GROUPS' FOR STELLENBOSCH NATURE RESERVES AND DESIGNATED NATURE
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Collaborator No:

IDP KPA Ref No:

Meeting Date: 20 March 2020

1. SUBJECT: PROGRESS REPORT: ESTABLISHMENT OF 'FRIENDS GROUPS' FOR STELLENBOSCH NATURE RESERVES AND DESIGNATED NATURE AREAS

2. PURPOSE

The purpose of the report on the progress of the establishment of "Friends Groups" for the declared nature reserves of Papegaaiberg, Mont Rochelle and Jan Marais, as well as informal nature areas such as Paradyskloof Forest.

3. DELEGATED AUTHORITY

For decision the Municipal Council.

In terms of the National Environmental Management: Protected Areas Act, 57 of 2003 and the National Conservation Ordinance, 19 of 1974.

4. EXECUTIVE SUMMARY

At the 26th Council meeting, held on 24 April 2019 the following decisions were taken regarding the establishment of "Friends Groups" for the different nature reserves and nature areas:

- 4.1 That Council accepts the concept of "Friends Groups" as a way of creating community involvement in the management of nature areas.
- 4.2 That approval is granted for the establishment of "Friends Groups" for the declared nature reserves of Papegaaiberg, Mont Rochelle and Jan Marais Nature Reserve as well as informal nature areas as required.
- 4.3 That the Protected Areas Forum Terms of Reference be revised and brought in alignment with the Norms and Standard of the Department of Environment, Gazette Notice 382 of 31 March 2016, and its purpose as alluded to in this item.
- 4.4 That a progress report on the establishment of "Friends Groups" be submitted within 30 days after implementation.

RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.6.3

that the Progress Report: Establishment of 'Friends Groups' for Stellenbosch Nature Reserves and Designated Nature Areas, be noted.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Albert van der Merwe / Schalk van der Merwe</i>
POSITION	<i>Senior Manager: Community Services / Senior Environmental Planner</i>
DIRECTORATE	<i>Community and Protection Services</i>
CONTACT NUMBERS	<i>021 808 8161</i>
E-MAIL ADDRESS	<i>albert.vandermerwe@stellenbosch.gov.za</i>
REPORT DATE	

7.6.4	PROGRESS REPORT - IDENTIFICATION AND ACQUISITION OF AUTHORISATIONS AND APPROVALS FOR THE ESTABLISHMENT OF ONE OR MORE REGIONAL CEMETERIES FOR STELLENBOSCH MUNICIPALITY
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Collaborator No:

IDP KPA Ref No:

Meeting Date: 20 March 2020

1. SUBJECT: PROGRESS REPORT - IDENTIFICATION AND ACQUISITION OF AUTHORISATIONS AND APPROVALS FOR THE ESTABLISHMENT OF ONE OR MORE REGIONAL CEMETERIES FOR STELLENBOSCH MUNICIPALITY

2. PURPOSE

To report on the status of the above project.

3. DELEGATED AUTHORITY

Council of Stellenbosch Municipality.

4. EXECUTIVE SUMMARY

During 2016 Stellenbosch Municipality commenced with a project of identifying and acquiring the necessary environmental and land use approvals for the establishment of one or more large (± 30 ha) cemeteries for the WC024 area.

During a comprehensive feasibility study conducted 54 sites were considered against a set of criteria which included:

- Ownership (Municipal / State / Private)
- Extent
- Location (proximity to settlements / accessibility / surrounding land uses)
- Zoning and land use
- Environmental characteristics (current status / vegetation / geology / pedology / hydrology)
- Soil characteristics (excavability / permeability / drainage / topography / basal buffer / stability / workability)

A total of 4 sites were identified as being feasible:

- Louw's Bos (Farm 502, south of Stellenbosch)
- Culcatta Bos (Farm 29, north of Koelenhof)
- Meerlust (Portion 1 of Farm Meer Lust No 1006, Groot-Drakenstein)
- De Novo (Portion 10 of Farm De Novo No 727, south of Muldersvlei)

Of the 4 sites 2 were included in the process of acquiring the necessary environmental and land use approvals for the establishment of a cemetery. These 2 sites were Louw's Bos and Culcatta Bos. Even though the Meerlust site is ideally located (in terms of need for burial space) it was (for the time being) excluded due to risks associated with the site's location in close proximity to an existing settlement. The National Health Act, 61 of 2003, Regulations Relating to the Management of Human Remains (Government Notice R363), includes the following:

15. *Burial sites and burials*

(2) *All burial sites must comply with the following environmental requirements-*

- (a) *be located outside the 100 year floodplain;*
- (b) *be located at least 350m from ground water sources used for drinking purposes and 500m from the nearest habitable building;*
- (c) ...

Even though there are examples of cemetery sites that have been established within these zones since the above regulations came into effect proceeding with an application for establishing a cemetery site within these zones is a risk if the relevant authorities cannot be convinced of the need and impact of such development. The De Novo site (property of the Department of Transport and Public Works) was excluded due to uncertainty regarding the long term planning of the property.

Both sites (Louw's Bos and Culcatta Bos) require the following approvals:

- Environmental Authorization (in terms of the National Environmental Management Act, 107 of 1998, Environmental Impact Assessment Regulations)
- Water Use Licensing (in terms of the National Water Act, 36 of 1998)
- Land Use Approval (in terms of the Stellenbosch Land Use Planning By-Law)

The process of acquiring al 3 sets of approvals for both sites has commenced and are at different stages of conclusion.

RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.6.4

that the report on the status of the project: Identification and acquisition of authorisations and approvals for the establishment of one or more regional cemeteries for Stellenbosch Municipality, be noted.

FOR FURTHER DETAILS CONTACT:

NAME	Schalk van der Merwe
POSITION	Environmental Planner
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	021 808 8679
E-MAIL ADDRESS	schalk.vandermerwe@stellenbosch.gov.za
REPORT DATE	04 December 2019

7.7	PLANNING AND ECONOMIC DEVELOPMENT: (PC:CLLR E GROENEWALD (MS))
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7.7.1	PROPOSED AMENDMENT OF THE STELLENBOSCH MUNICIPAL CATEGORISATION MODEL FOR DECISION MAKING ON LAND USE AND LAND DEVELOPMENT APPLICATIONS AND THE APPOINTMENT OF ADDITIONAL AUTHORISED OFFICIALS TO DECIDE ON ASSIGNED CATEGORIES OF LAND USE AND LAND DEVELOPMENT APPLICATIONS
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Collaborator No: 682343

IDP KPA Ref No:

Meeting Date: 20 March 2020

1. SUBJECT: PROPOSED AMENDMENT OF THE STELLENBOSCH MUNICIPAL CATEGORISATION MODEL FOR DECISION MAKING ON LAND USE AND LAND DEVELOPMENT APPLICATIONS AND THE APPOINTMENT OF ADDITIONAL AUTHORISED OFFICIALS TO DECIDE ON ASSIGNED CATEGORIES OF LAND USE AND LAND DEVELOPMENT APPLICATIONS

2. PURPOSE

The purpose of this report is to present to Council for consideration:

- (a) an amended categorisation model of land use and land development applications in terms of Section 69(1) of the Stellenbosch Land Use Planning Bylaw, 2015 [SLUPB].
- (b) to identify and duly appoint Authorised Officials [AO] in terms of Section 68(a) of the SLUPB who will decide on identified categories of land use and land development applications in accordance with the amended categorisation model that will not be decided on by the Stellenbosch Municipal Planning Tribunal (SMPT)

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

In order to improve the efficiency in service delivery and facilitate cost savings for the municipality and applicants, the report proposes the amendment of the categorisation model on decision making of land use and land development applications, together with the appointment of the identified authorised officials to supplement the MPT in the duty to decide on such applications.

EXECUTIVE MAYORAL COMMITTEE: 2020-03-20: ITEM 7.7.1

RESOLVED

that this matter stand over until a Continuation Meeting of Mayco on 2020-03-24 at 10:00.

FOR FURTHER DETAILS CONTACT:

NAME	Stiaan Carstens
POSITION	Senior Manager: Development Management
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	021 808 8674
E-MAIL ADDRESS	Stiaan.carstens@stellenbosch.gov.za
REPORT DATE	11 March 2020

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

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

7.10	MUNICIPAL MANAGER
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7.10.1	ADOPTION OF THE REVISED STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2019/20 FINANCIAL YEAR WITH RISK APPETITE
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE& COMPLIANCE

20 March 2020

1. **SUBJECT: ADOPTION OF THE REVISED STRATEGIC AND OPERATIONAL RISK REGISTER FOR THE 2019/20 FINANCIAL YEAR WITH RISK APPETITE**

2. **PURPOSE**

To submit the revised Strategic and Operational Risk Register for the 2019/20 financial year for approval to Council.

3. **DELEGATED AUTHORITY**

Council.

4. **LEGISLATIVE BACKGROUND**

In terms of Section 62 of the MFMA the Municipal Manager must take reasonable steps to ensure that the municipality maintain effective and efficient financial and risk management through effective internal controls.

Section 62 of the MFMA

General Financial Management Functions

- (1) The accounting officer of a municipality is responsible for the managing of financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –
 - (a) That the resources of the municipality are used effectively, efficient and economically;
 - (b) That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
 - (c) that the municipality has and maintains effective, efficient and transparent systems–
 - (i) of financial and **risk management** and internal control

RECOMMENDATION FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.10.1

that Council adopts the revised Strategic and Operational Risk Register for the 2019/20 financial year.

7.10.2	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE ANNUAL REPORT 2018/19
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE & COMPLIANCE

20 March 2020

1. SUBJECT: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) OVERSIGHT REPORT ON THE ANNUAL REPORT 2018/19

2. PURPOSE

The purpose of the report is:

- (i) to enable the MPAC to execute its oversight responsibility in considering the Stellenbosch Municipality's Annual Report 2018/19 as required in terms of Section 129(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA); and
- (ii) to recommend to Council on the approval of the Annual Report 2018/19.

3. DELEGATED AUTHORITY

3.1 For decision by the Municipal Council.

In terms of Section 129(1) of the MFMA *"The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council has -*

- (a) *approved the annual report with or without reservations;*
- (b) *rejected the annual report; or*
- (c) *referred the annual report back for revision of those components that can be revised."*

4. EXECUTIVE SUMMARY

The Draft Annual Report 2018/19 was referred by Council, on 29 January 2020, to the MPAC which fulfilled the functions of the Oversight Committee. The appointment and mandate of the MPAC/Oversight Committee were informed by the MFMA Circular 32 of 2006.

Committee members including the two co-opted members have read through the Draft Annual Report 2018/19 and requested responses from the relevant Directorates to objectively view the performance efforts of the Municipality. The MPAC was required to read chapters before they were discussed. These discussions allowed for the scrutinising of the Draft Annual Report 2018/19 over five MPAC sittings. The public were invited via the media to witness these scheduled meetings. A public hearing was also scheduled for 13 February 2020 where members of the community and other stakeholders could make representations to the MPAC.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.10.2

- (a) that Council, having fully considered the Oversight Report on the Annual Report 2018/19 of the Stellenbosch Municipality, **ADOPTS** the Oversight Report 2018/19;
- (b) that Council, having fully considered the Annual Report 2018/19, attached hereto as Annexure B in the MPAC Oversight Report 2018/19, **APPROVES** the Annual Report 2018/19 without any reservations;
- (c) that the Oversight Report 2018/19 be made public in accordance with Section 129(3) of the MFMA; and
- (d) that the Oversight Report 2018/19 on the Annual Report for the 2018/19 financial year be submitted in accordance with Section 129(2) and 132(2) of the MFMA to the Auditor General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.

FOR FURTHER DETAILS CONTACT:

NAME	<i>Shireen De Visser</i>
POSITION	<i>Senior Manager: Governance</i>
DIRECTORATE	<i>Office of the Municipal Manager</i>
CONTACT NUMBERS	<i>021 – 808 8035</i>
E-MAIL ADDRESS	<i>Shireen.devisser@stellenbosch.gov.za</i>
REPORT DATE	<i>09 March 2020</i>

7.10.3	ALTERNATIVE MEASURES FOR PUBLIC PARTICIPATION
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

GOOD GOVERNANCE & COMPLIANCE

20 March 2020

1. SUBJECT: ALTERNATIVE MEASURES FOR PUBLIC PARTICIPATION

2. PURPOSE

To submit the following to Mayco and Council for information:

Alternative measures to be implemented with the IDP and Budget public participation process.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

On 15 March 2020, President Cyril Ramaphosa declared a “national state of disaster” because of COVID-19.

Some of the major decisions taken by Cabinet include:

- A ban on travel from various countries, including Britain, China and the United States;
- The closing of 35 land ports of entry, as well as two of the country's eight seaports;
- A ban on gatherings of **100 people or more**;
- Introduction of tracking, tracing and monitoring systems; and
- The consideration of a fiscal relief package to minimise damage to the economy.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 7.10.3

- (a) that Council takes note of the President’s declaration of a state of disaster because of the COVID-19 virus;
- (b) that Council takes note that in terms of the President’s declaration, no public meetings in excess of 100 people are allowed;
- (c) that Council approves the implementation of alternative measures for public interaction and adheres to COVID-19 emergency measures as instituted by the President, in relation to public participation on the Draft IDP and Budget; and
- (d) that Council approves the suspension of the normal meeting style engagement, to adhere to the restrictions declared by the President, in light of the “national state of disaster” because of COVID-19.

8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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8.1	RESPONSE TO CORONAVIRUS (COVID-19) PANDEMIC AND THE DECLARATION OF A NATIONAL STATE OF DISASTER
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good governance and compliance

20 March 2020

1. SUBJECT: RESPONSE TO CORONAVIRUS (COVID-19) PANDEMIC AND THE DECLARATION OF A NATIONAL STATE OF DISASTER

2. PURPOSE OF REPORT

To inform Council of the COVID-19 pandemic as a national state of disaster as declared by the President (per Government Notice Nr. 313 of 15 March 2020), and of the presidential directives issued in this regard.

3. DELEGATED AUTHORITY

Executive Mayor in terms of Delegation C142, Section 55, Disaster Management Act, 57 of 2002.

4. EXECUTIVE SUMMARY

The President of South Africa on 15 March 2020 declared the Coronavirus (COVID-19) pandemic a national disaster in terms of Section 23(1)(b) of the Disaster Management Act 2002. In his address, President Cyril Ramaphosa in order to enable the development of an integrated and coordinated disaster management mechanism to focus on the prevention and reduction of the COVID-19 outbreak, listed several restrictions to curb the spread of the virus.

Stellenbosch Municipality welcomes the announcement made by the President and will follow the instructions issued.

Spreading of the disease. Measures addressed herein is put in place to mitigate the risk.

RECOMMENDATIONS FROM THE EXECUTIVE MAYOR, IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE, TO COUNCIL: 2020-03-20: ITEM 8.1

that the following measures be implemented with immediate effect in an attempt to curb the spreading of COVID-19 in the Stellenbosch municipal area:

- (a) Municipal services to provisionally continue as normal, but residents be encouraged to avoid non-essential visits to any of the municipal offices and facilities, and to rather use online, telephone, and electronic services;
- (b) The following municipal facilities be closed with immediate effect, until further notice:

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- community halls, town halls and library halls, multi-purpose centres, picnic sites and/or resorts, nature reserves, swimming pools, sports facilities and clubhouses;
 - Approval be granted that existing bookings of said facilities either be cancelled or postponed, and that fees be refunded without recovering the administrative fee associated with cancellations where the booking is not rescheduled;
 - The operating hours of the libraries will be from 09:00 – 14:00, but that only basic services (taking out and returning of reading material) be provided, and that access and number control be applied;
 - Cemeteries remain open, but users be made aware of the legal number limits applicable to gatherings;
 - Customer offices, such as cash offices, traffic licencing and test centres remain open to the public for the time being, but strong precaution be taken to ensure a heightened level of hygiene;
 - Sectoral and other IDP and budget-related public participation meetings be cancelled until further notice;
 - The IDP and other budget related public participation will take place through other methods to be communicated soonest;
 - Meetings of the Council and its committees provisionally continue as scheduled, but members of the public will have limited access to these meetings, excluding the media;
 - Provision will be made for social distance and hygiene;
 - All community development projects, and holiday programmes scheduled and presented by the directorate Community Development during the school holiday and on public holidays, be cancelled;
 - No applications be approved in terms of the Gatherings Act, as well as in terms of the Municipality's By-law regarding the Holding of Events, and existing approvals be cancelled until further notice.
- (c) The Municipal Manager be authorised to take urgent decisions relating to the COVID pandemic, *inter alia* regarding but not limited to the following:
- Identification of available sites to be used as isolation and quarantine facilities, and to submit the list to the Department of Health (as per regulations);
 - Shortening/determination of regulatory periods as determined in this resolution;
 - Increased access control and security measures at inter alia municipal offices, stores, test centres;
 - Appointment of a task team and communication spokesperson/s, as well as determination of communication methods and handling of enquiries;
 - Closure/reopening of facilities and termination/continuation of services;
 - Safety measures for staff, e.g. provisional suspension of biometrics, approval and criteria of special/quarantine leave as provided for in SALGBC collective agreement, use of protective equipment/clothing, shift systems and working from home, awareness measures;
 - Attendance of courses, workshops and meetings by staff representatives.

- (d) that all public communication regarding COVID-19 be issued under the name of the Executive Mayor, and internal communication (with staff) by the Municipal Manager or her nominee/s;
- (e) that the designated policing offices be requested to communicate the information in the regulations in as far as it relates to the operating hours of on-and-off consumption premises, to licensees;
- (f) that a press release be issued to communicate the measures contained herein and applicable to the public, for publication on the website, social media and in the local newspapers; and
- (g) that a copy of this resolution be communicated to all councillors.

FOR FURTHER DETAILS CONTACT:

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Municipal Manager
CONTACT NUMBERS	021 808 8025
E-MAIL ADDRESS	municipal.manager@stellenbosch.gov.za
REPORT DATE	19 March 2020

9.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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NONE

The meeting adjourned at 11.10.

CHAIRPERSON:

DATE:

Confirmed on

6.	STATUTORY MATTERS
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6.1	APPROVAL OF THE THIRD REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

22 May 2020

1. SUBJECT: APPROVAL OF THE THIRD REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022

2. PURPOSE

To submit the following to Council for adoption:

- (a) The Third Review of the Fourth Generation Integrated Development Plan (IDP) 2017 – 2022, attached as **ANNEXURE A**; and
- (b) The public participation inputs, written submissions and Provincial Government LG MTEC findings on the Draft Third Review of the Fourth Generation IDP 2017 - 2022, attached as **ANNEXURE B**.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

The Integrated Development Plan (IDP) is a 5-year Strategic Plan that is reviewed annually to accommodate changes in the municipal environment, including community priorities. It also informs the budget of the Municipality. The Third Review of the Fourth Generation IDP 2017 – 2022 details the Municipality's actions to address the needs of the community.

The Municipal IDP must be reviewed every year to ensure that:

- Municipalities and communities keep track of progress in implementing development projects and spending the municipal budget; and
- Communities are provided with an opportunity to review their needs and make possible revisions to the priorities listed in the municipal IDP.

5. RECOMMENDATIONS

- (a) that the Stellenbosch Municipality's Third Review of the Fourth Generation IDP 2017 – 2022, attached as **ANNEXURE A**, be adopted;
- (b) that the public participation inputs and written submissions on the Draft Third Review of the Fourth Generation 2017 – 2022, attached as **ANNEXURE B**, be noted; and
- (c) that an advertisement be placed on the official website of the Municipality, municipal notice boards and in the local newspapers notifying the public that the final Third Review of the Fourth Generation 2017 – 2022 has been adopted in Council.

6. DISCUSSION

6.1 Background

In terms of the provisions of the MSA, each Council must, within the prescribed period after the start of its elected term, adopt a single, inclusive, strategic plan. The Fourth Generation IDP 2017 – 2022 serves as this instrument, which was adopted by the new Council on 31 May 2017 for the period 2017 – 2022.

An Integrated Process Plan and Time Schedule was approved by Council in August 2019 to guide the planning, review and adoption of the Third Review of the Fourth Generation IDP 2017 – 2022.

The following processes were followed in accordance with the process plan:

Date	Action(s)
August 2019	<ul style="list-style-type: none"> Approval of IDP/Budget/SDF Process Plan and Time Schedule.
September – November 2019	<ul style="list-style-type: none"> Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the 2020/21 financial year for the third review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. Ward plan update meetings were held in all 22 wards with the respective ward committees and Ward Councillors. Provincial IDP Manager's Forum hosted by Department Local Government.
December 2019 – February 2020	<ul style="list-style-type: none"> Compilation of Draft IDP document in collaboration with all Directorates. Administration prepared the Draft IDP in finalising the chapters of the document. Administration prepared the Draft Budget. Administration prepared the draft Top Layer SDBIP. Capital Planning Forum sessions held to determine capital needs for capturing the IDP and Medium Term Revenue and Expenditure Framework (MTREF) Budget. Provincial IDP Manager's Forum hosted by Department Local Government.
March – April 2020	<ul style="list-style-type: none"> Mayco and Council considered the draft IDP and Budget. Due to the Covid-19 pandemic, SDF/IDP/BUDGET public meetings could not continue due to the various regulations published in this regard. However, public participation continued on various online platforms e.g. the Municipality's website, Facebook, Twitter, SMS notifications, emails notifications and the development and publishing of a mobile public participation app. Provincial LG MTEC held. Closing date for submission on draft IDP and Budget was 08 May 2020. Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for inputs.

Date	Action(s)
May – June 2020	<ul style="list-style-type: none"> • Mayco and Council considered the draft IDP and Budget. • Closing date for submission on draft IDP and Budget was 08 May 2020. • Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for inputs. • Draft Top Layer Service Delivery and Budget Implementation Plan to be submitted to the Executive Mayor for approval within 28 days after the approval of the Budget.

6.2 Financial Implications

There are no financial implications beyond that which have been provided for in the MTREF budget.

6.3 Legal Implications

In terms of Section 34 of the Local Government: Municipal Systems Act, 2000 (Act No. No 32 of 2000) (MSA) prescribes that the Municipal Council: –

“(a) must review its Integrated Development Plan-

(i) annually in accordance with an assessment of its performance measurements in terms of section 41; and

(ii) to the extent that changing circumstances so demand”.

6.4 Staff Implications

This report has no additional staff implications to the Municipality.

6.5 Risk Implication

None.

6.6 Previous / Relevant Council Resolutions:

- Item 7.2.1 of the 9th Council Meeting held on 31 March 2017. “2017 - 2022 Fourth Generation Integrated Development Plan (IDP)”;
- Item 4 of a Special Council Meeting held on 28 May 2018. “Approval of First Review of the Fourth Generation IDP (2017/18 –2021/2022)”;
- Item 5.1 of the 27th Council Meeting held on 29 May 2019. “Approval of the Draft Second Review of the Fourth Generation IDP (2017 – 2022)”;
- Item 8.1 of the 30th Council Meeting held on 28 August 2019. “Approval of the Draft First Amendment of the Fourth Generation IDP 2017- 2022”;
- Item 8.1 of an urgent Council Meeting held on 25 March 2020. “Approval of the Draft Third Review of the Fourth Generation IDP 2017 – 2022”.

6.7 Comments from Senior Management

6.7.1 Municipal Manager

Agree with the recommendations.

6.7.2 Chief Financial Officer

Agree with the recommendations.

- 6.7.3 Director: Infrastructure Services**
Agree with the recommendations.
- 6.7.4 Director: Corporate Services**
Agree with the recommendations.
- 6.7.5 Director: Planning and Economic Development**
Agree with the recommendations.
- 6.7.6 Community and Protection Services**
Agree with the recommendations.

ANNEXURES (Refer separate cover)

Annexure A: Third Review of the Fourth Generation IDP 2017- 2022

Annexure B: Public comments received on the Draft IDP and Budget 2020/21

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Shireen De Visser
<i>POSITION</i>	Senior Manager: Governance
<i>DIRECTORATE</i>	Office of the Municipal Manager
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<i>E-MAIL ADDRESS</i>	Shireen.devisser@stellenbosch.gov.za
<i>REPORT DATE</i>	15 May 2020

6.2	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK: 2020/2021-2022/2023
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

22 May 2020

1. SUBJECT: MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021-2022/2023

2. PURPOSE

The purpose of this report is as follows:

- (a) To consider the views/submissions of the local community in terms of Section 23(1)(a) of the Municipal Finance Management Act (Act 56 of 2003), herein after called the MFMA and to allow the Executive Mayor to respond to the views of the public as envisaged in terms of Section 23 (2) (a) and (b).
- (b) To approve the Medium Term Revenue and Expenditure Framework (inclusive of property rates charges and taxes, tariffs and service charges), annexures and amendments to the budget related policies and other policies to Council for approval in terms of Section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003).
- (c) That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the tune of R375 579 511 of which over the MTREF R102 779 511 will be required in year 1, R103 800 000 in year 2 and R169 000 000 in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms final approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.
- (d) That Council specifically note and consider the applications for extension of the Jonkershoek and Techstel Special Rating Areas (SRA) that is in terms of paragraph 15(a) of the SRA By-Law.

**3. DELEGATED AUTHORITY
FOR APPROVAL BY MUNICIPAL COUNCIL**

4. EXECUTIVE SUMMARY

BUDGET

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

SPECIAL RATINGS AREAS – NEXT FIVE YEAR TERM

The Jonkershoek and Techstel Special Rating Areas (SRA) were first established in 2015 and have been successfully operating for the past five years. The respective management bodies have now applied for their SRAs to be extended for a further period of five years, ending 30 June 2025.

There are no financial implications for the municipality. SRAs are community driven initiatives and are financed by the property owners within the boundaries of the SRA. The municipality pays the approved budget over to the relevant management body in twelve equal, monthly instalments and recovers the money from property owners via the monthly consumer accounts. Normal credit control and debt collection processes are followed in instances of non-payment and retention is also withheld from the budget to offset any potential losses of the municipality. In the first five years of the SRAs being in operation, this measure has not been necessary.

Applications for extension of the terms are done in in compliance with paragraph 15(a) of the SRA By-Law. Such council approval can only be given in terms of Chapter 1 of the By-Law. For good reason, the council may exempt the management body of the SRA from compliance with Chapter 1, which mainly deals with the process to be followed when first establishing a SRA. Such exemption is being requested by the management body of the SRA.

Full reports of both SRAs are attached hereto as Annexures 32 and 33. Sub Annexures A – D include the Application Letters, Business Plans, 5 Year Budgets and AGM Minutes.

5. RECOMMENDATIONS

- (a) that the High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved;
- (b) that the Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved;
- (c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved;
- (d) that the three year Capital Budget for 2020/2021, 2021/2022 and 2022/2023, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved;
- (e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved;
- (f) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 4 - 29**, be approved;
- (g) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the tune of R375 579 511 of which R102 779 511 will be required in year 1, R103 800 000 in year 2 and R169 000 000 in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;
- (h) that Council specifically takes note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially;
- (i) that Council takes note of MFMA circulars 98 and 99 that were published to guide the MTREF for 2020/2021 - 2022/2023 as set out in **APPENDICES 30–31**;
- (j) that Council notes the Jonkershoek and Techstel SRA applications for the extension of the SRAs for a further period of five years and exempts both management bodies in terms of paragraph 15(a) of the SRA By-Law, from compliance with the provisions of Chapter 1 of the SRA By-Law;

-
- (k) that Council approves the extension of the Jonkershoek and Techstel SRAs for a further period of five years beginning 1 July 2020 and ending 30 June 2025;
- (l) that Council approves the proposed five year budgets with a combined total of R30 943 773.35 (VAT included) for Jonkershoek SRA and R15 713 218.21 (VAT included) as detailed in Annexures 32 (c) and 33 (c) respectively; and
- (m) that Council takes note that the public comments and submissions were taken into account with the compilation of the final budget.

6. DISCUSSION / CONTENTS

6.1. Background/ Legislative Framework

Section 23 of the MFMA (Act No 56 of 2003) prescribes to municipalities the process to be followed when the Annual Budget is tabled for approval, which is as follow:

- (1) “The municipal council must consider any views of the local community, the National Treasury, the relevant Provincial Treasury and any provincial or national organs of state or municipalities which made submissions on the budget.
- (2) After considering all budget submissions, the council must give the mayor an opportunity—
 - (a) to respond to the submissions; and
 - (b) if necessary, to revise the budget and table amendments for consideration by the council.

ANNEXURE 1 to the Council Item for the Integrated Development Plan includes the input and comments received during the IDP and Budget Public Participation Process.

6.2 Discussion

The 2020 Budget review published by National Treasury notes that since the publication of the October 2019 Medium Term Budget Policy Statement (MTBPS) regardless of the growth potential the economic output has weakened following lower than expected growth in the second half of the year.

The aforementioned review highlighted the following reforms that are underway to improve spending efficiency and reduce waste:

- Procurement: The state has a complex and often ineffective procurement system, which at times hamper government’s ability to efficiently contract for goods and services. The draft procurement bill has been gazette for public comment.
- Provincial grants: Government is piloting initiatives to improve municipal revenue collection and has made progress in reducing unfunded municipal budgets.
- Medico-legal claims: Work has begun to limit unreasonable claims against government.
- Public office bearers: There will be no increases in the salaries of public office bearers during 2020/2021.

Municipal governments face multiple pressures with the years ahead with local government expected to expand access to free basic services to poor households, while ensuring that those who can afford to pay for services do so. The 2020 MTREF includes large reductions in planned transfers to municipalities. This means that municipalities will

be required to priorities projects. Municipalities therefore must exercise caution when preparing their 2020/2021 MTREF budgets. It is advised that municipalities follow a conservative approach when projecting revenue and to eliminate waste and unnecessary expenditure. It is imperative that municipalities should ensure the following, namely, that budgets they adopt are realistic and funded, that debts owned are collected and that their creditors are paid within 30 days of receipt of invoice. Legislation governing local planning and budgeting places emphasis on community participation in decision-making. The partnerships between municipalities and its stakeholders relies on the households and businesses recognising the value of, and paying for, municipal services. Therefore, the sustainability of the municipality will heavily depend on how they collect and spent their own revenues.

The Budget of 2020 outlines a series of economic and fiscal measures to be implemented to move the economy onto a new trajectory and reduce the long-term risks to South Africa's public finances. The central economic policy goal of the government, is to accelerate inclusive growth and create jobs. The main objective is to ensure sustainable finances by containing the budget deficit and stabilising public debt. The Constitution requires the national budget and related budget processes to promote values such as transparency, accountability, as well as effective management of the economy to these requirements in a difficult environment in which economic growth remains weak, public debt and debt service costs have accelerated, and governance and operational concerns manifest across the public sector. The 2020 Budget confronts these challenges by addressing the central risks of the economy and its public finances, supporting growth-enhancing reforms and maintaining real growth in expenditure on social and economic priorities.

As a means to combat unemployment, the municipality will employ the following measures:

- Full participation in the Expanded Public Works Programme;
- Providing support to small businesses, which will create employment in the medium to long term;
- Establishment of Informal Traders;
- Promoting Internships and in-service training opportunities;
- Filling of vacancies within the municipality; and
- Developing partnerships with academic institutions for training opportunities.
- Implementation of a revised capacity building initiative, aligned to Back to Basics strategy, where the main focus will be on improving service delivery, accountability and financial management. It is always important that local government be effective and efficient, and this will be measured by its ability to perform the basic mandate of service delivery. The "Back to Basics" programme was launched to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensuring transparency and accountability in local government.

The President of South Africa, in his State of the Nation Address (SONA), on 13th February 2020 conceded that unemployment remains a national challenge and that job creation remains at the center of the national agenda of 2020. The following focus areas were highlighted during SONA and in the 2019 MTBPS, which will be used as instruments to reignite growth so that the economy can create much-needed jobs:

- SMMEs: Expanding the small business incubation programme which provides entrepreneurs with the physical space, infrastructure and shared services, access to specialised knowledge market linkages, training in the use of new technologies and access to finance.

- National Minimum Wage (one of the demands of the Freedom Charter) to ensure greater coherence and consistency in the implementation of economic policy
- Mining
- Youth Development and Employment through the implementation of various initiatives
- Safety and security
- Agriculture and related initiatives
- Implementation of Procurement Bill: This bill will empower black and emerging businesses and advance radical economic transformation.
- Water Conservation Initiatives
- Encourage significant new investments and promoting greater investment in key manufacturing sectors
- Provision of Infrastructure through Infrastructure Investments
- Expansion of the Tourism Sector
- Developing capabilities in science, technology and innovation towards digital industrial revolution

Government's central economic policy priority remains to promote faster, job-creating growth. Various programmes and initiatives will be established and the existing one's improved upon to ensure effective implementation of the strategic priorities.

The Western Cape Premier in his State of the Province address, on 20th February 2020, reiterated the sentiments highlighted during the State of the Nation Address and also the challenges that are faced and the initiatives that were implemented to address these challenges with regards to unemployment, especially the youth, education, building of safer communities, sustainable infrastructure development, implementation of related initiatives, provision of housing (dignified living), finding alternative energy sources to assist and reduce the strain on the electrical grid, provision of services to the poor households, among others.

The Premiers' speech focused on the following areas:

- Safety: The province has a safety plan, the biggest in the country, in place with various safety initiatives which focuses on increasing boots on the ground and reducing violence, to build a safer environment for all. Focus also to help boost the Chrysalis Academy (live-in leadership development programme aimed at empowering our most at-risk youth to become self-confident, economically-active role models within their respective communities).
- Economy : Focused on job creation initiatives to assist the private sector to create the jobs required, One of these initiatives is the Premier's Advancement of Youth Internship Programme, that helps unemployed people get the on-the-job training and experience they need to find a suitable job,
- Energy and resilience: Finding alternative means to generate electricity for the province and alleviate the strain on the electrical grid,
- Ease of business: creating job opportunities through provision of support to smaller businesses,
- Education: Implement initiatives to improve quality of education and access to educational system,
- Health: To maintain our current and health system and improve upon it. With regards to the recent outbreak of the coronavirus - or COVID-19 provincial treasury (in their 2020 Budget have stated that they have made provision for unanticipated events,
- Transport,
- Human settlements (implementing new initiatives to ensure that housing database is updated and backyard dwellers are prioritised) and
- Culture change and innovation.

During his Statement of the Province Address the Premier highlighted the importance of finding ways to minimise unemployment by creating an environment that encourages job creation, through investment and growth and creating an environment which raises the quality of education and prepares generations for a digital future. The Premier mentioned the successes achieved through the implementation of various initiatives with focus on job creation, improvement of education and creation of an environment which encourages expanding social services through partnership with private partners, building of partnerships to foster safer communities, investments in new initiatives and maintenance of existing transport infrastructure and implementation of various youth development programmes which in return will boost employment opportunities. All of the above focus areas are important; however, the basis of all of this is economic growth, investment and job creation. In essence little else is possible if there is no growth or job opportunities.

Provincial treasury reiterated most of the challenges and focus areas highlighted in the Premier's State of the Province address, the SONA and the 2020 Budget Review. Provincial Treasury placed emphasis on the new Provincial Strategic Plan which will focus on five key Vision Inspired Priorities over the next five years, namely, to create "A Safe Western Cape Where Everyone Prospers"; Growth and Jobs; Empowering People; Mobility and Spatial Transformation and Innovation and Culture. Emphasis were also placed on the following areas of importance, namely, education, health and social development, investment in new and existing infrastructure assets, envision a new cleaner and greener energy future and readiness for future risks that may negatively impact the province.

National Treasury encourages municipalities to maintain tariff increases at levels that reflects an appropriate balance between the affordability to poorer households and other customers, while ensuring the financial sustainability of the municipality. Curtailing non-core expenditure has always been emphasized by National Treasury. In order to maintain a funded budget, municipalities need to not only focus on tariff increases, but also focus on how to eliminate expenditure that is unnecessary. The initial cost containment measures were introduced through a MFMA Circular. Building on the MFMA Circular, National Treasury and other stakeholders thereafter drafted the Municipal Cost Containment Regulations that promotes the cost containment measures introduced in a number of spending areas. The Cost Containment Regulations were issued on 07 June 2019. The implementation of cost containment measures is important as it will assist municipalities to reprioritise expenditure and to free up resources targeted towards service delivery. It will also be used to eliminate wastage of public resources on non-service delivery items. The main object of the regulations is to ensure that the resources of municipalities are used in an effective, efficient and economical manner.

The National Budget places emphasis on municipalities to ensure that expenditure is allocated in an efficient manner, that management is enhanced and that cutting of waste occur. The 2020 Budget allocates resources to core social and economic priorities while containing aggregate expenditure growth. Spending plans give effect to priorities of the National Development Plan and the Medium Term Strategic Framework.

The economic situation has not improved since the previous financial year. Municipalities are also faced with a difficult fiscal environment as the demand for services rises, weak economic growth put strain on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. While some municipalities have handled these challenges well, others have fallen into financial distress and face liquidity problems. As a result of above mentioned challenges there is a need for municipalities to focus on collecting revenues owed to

them, and eliminate any wasteful and non-core spending. It is therefore important that municipalities make adequate provision to service their debt obligations and they must ensure that expenditure is limited to the maximum revenue collected and not spend funds they do not have.

Municipalities are encouraged by National Treasury to maintain tariff increases and adopt a tariff setting methodology that achieves an appropriate balance between the interests of poor households and other customers while ensuring the financial sustainability of the municipality. Municipalities must ensure that their budget are funded from realistically anticipated revenues. This means that the municipality must refrain from assuming collection rates that are unrealistic and unattainable. Cost reflective tariff setting is a requirement of Section 74 (2) of the Municipal Systems Act, 2000 (Act No.32 of 2000). It states that tariffs “must reflect the cost reasonably associated with rendering the service”. This means that municipalities must generate sufficient revenue to fully recover their costs, deliver services to customers sustainably and invest in the infrastructure that promises local economic development.

Before a municipality start with the tariff setting process they must first assess the budget to determine whether it is effective and efficient and they must ensure that it is credible for financial sustainability. In sum, the cost considered when setting a cost reflective tariff must include day-to-day operations and maintenance costs, capital financing cost and provision for bad debt, which are collectively referred to as direct costs, and governance and administration costs referred to as indirect costs.

In the instance of bulk tariff increases for electricity municipalities are also encouraged to apply for electricity tariff increases that reflect the total cost of providing the service, to ensure that they are working towards achieving fully cost-reflective tariffs that will assist them to achieve financial sustainability. Municipalities should consider the following facts during the tariff setting process, namely, the costs of bulk purchases and the fluctuation in the seasonal cost thereof; the consumption patterns to enable better demand planning and management; and in the event that municipalities have been under recovering costs, embark on a process to correct their tariff structures over a reasonable time period so that cost reflective tariffs are achieved, which in turn will result in financial sustainability.

Drought conditions makes it challenging and difficult for some municipalities to improve their revenue generation from provision of water services. In respect of water services, the following important aspects should be focused on such as improving demand management, maintenance of infrastructure, management of losses, meter reading and tariff setting. The municipality should take strategic action to ensure effective water management and resilience to drought, including the security of water supply, environmental degradation, and pollution of resources to achieve economic growth, development and socio-economic priorities in an equitable and sustainable manner. When setting the tariffs municipalities must ensure that the tariffs charged will be able to cover for the cost of bulk purchases, ongoing operations as well as provision for any future infrastructure.

As a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate additional revenue. Additional revenue needs to be generated because the consumer’s ability to pay for services received, continues to decline, which leads to limited revenue collection. The effects of slow growth and economic challenges experienced these past years, still have an impact and continue to place pressure on the finances of the average consumer (levels of disposable income and savings). This typically results in greater difficulty for the municipality with regards to the revenue collection, which have a direct impact on the municipality’s ability to provide effective and efficient services, but also to budget accurately for service delivery over the short to medium term.

Continued policy uncertainty and the deterioration in the finances of state-owned companies are some of the main risks and challenges that can hinder the economic outlook. It is as a result of above economic challenges, alongside continued unemployment and slow growth that a more conservative approach is advised for revenue projections. Municipalities affected by the drought should thus consider its impact on revenue generation. The municipalities will also have to improve their efforts to limit non-priority spending and implement stringent cost-containment measures.

Municipalities are required to focus on the following during the compilation of the 2020/2021 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as per the Cost Containment Regulations issued on 07 June 2019;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households; and
- Curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

The aforementioned were taken into account during the compilation of the municipality's budget.

The application of sound financial management principles for the compilation of the Stellenbosch's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. As a result of excellent financial discipline, the Stellenbosch Municipality has taken the theme of "Driving efficiencies-doing more with less", to heart. The municipality's business and service delivery priorities were reviewed as part of this year's planning, through the Integrated Development Plan (IDP), and the annual budget process.

Funds were shifted from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken on non-core and 'nice to have' items with regards to expenditure. The municipality has embarked on developing a revenue enhancement strategy to optimize revenue, including the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

The main challenges experienced during the compilation of the 2020/21 MTREF can be summarized as follows:

- The on-going difficulties in the national and local economy;
- Aging infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The increased cost of bulk water and electricity, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- The Wage Bill: The 2020 Budget Review highlighted the proposed wage bill reduction for public service, wherein municipalities are encouraged to take decisive action to address bloated organisational structures and above inflation increases;
- Attracting economic investment;
- Water Conservation and drought;
- Electricity/ Load shedding;

- Borrowing for multi-year capital projects and refinancing of existing loans;
- Reductions in allocations of some of the National and Provincial grants due to a worsening fiscal outlook; and
- Limited resources to deal with all key priorities.

The following budget principles and guidelines directly informed the compilation of the 2020/21 MTREF:

- Integrated Development Plan was used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be as affordable as possible and should ideally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. However, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- National, provincial and local priorities;
- Headline inflation forecasts; and
- Funding choices and modelling.

The Integrated Development Plan (IDP) were used as a guiding strategic document to inform the budget compilation. The challenge however is still to deliver services more efficiently and effectively with the tight financial envelope.

Stellenbosch municipality's revenue strategy was based on the following fundamentals, namely, tariff policies of the municipality, economic outlook and development for Stellenbosch and surrounding areas, National Treasury's guidelines and macroeconomic policy, National, Provincial and Regional fiscal growth rates and electricity tariffs as approved by National Electricity Regulator of South Africa (NERSA).

The financial resources to fund the Operational Budget will and must consist of realistically anticipated revenue generated from property taxes, service charges and other income. The municipality was mindful of the estimated headline inflation for 2020/2021 of around 4.5 per cent, forming the basis of the extensive income modelling exercise, but also taking into account the principles of economical services that are cost reflective, trading services generating surpluses, the effect of escalating salary costs and bulk purchases.

The national budget focuses on fiscal consolidation. This means that we as municipalities must ensure that we do not borrow beyond our ability to repay and we do not spend money we do not have, until we ignite growth and generate revenue, we have to be tough on ourselves.

The total budget quantum for the 2020/2021 year is R2 272 713 713 of which R1 899 463 402 (83.58%) is allocated to the operating budget and R373 250 311 (16.42%) to capital investment.

Budget documentation in line with the budget and reporting regulations is attached as **APPENDIX 1 – PART 1**. The report serves as an overview of the budget as a whole, budget assumptions used to compile the budget, funding sources used to fund the capital budget, different income categories to fund priorities of the municipalities, as well as the different expenditure items, including non-cash items.

CAPITAL BUDGET 2020/2021 – 2022/2023

The capital budget is infrastructure orientated and addresses the huge backlog and urgent need to upgrade/refurbish Council's infrastructure as addressed by the different master plans. It is directed by the IDP (Integrated Development Plan) and the needs of the community. It's also aligned to the strategic priority in the State of the Nation Address of Infrastructure investment and the "back to basics" approach. Council's

attention is however drawn to the fact that not all needs identified by the community can realistically be funded by the municipality.

The main capital projects that the municipality will be investing in, which constitute more than 64% of the capital budget, include:

- Water Pipe Replacement
- Bulk Water Supply Pipeline & Reservoir – Jamestown
- Water Conservation & Demand Management
- Water Treatment Works: Ida's Valley
- Bulk water Supply Pipe Line & Pump stations: Franschoek
- Bulk water supply Klapmuts
- Bulk water supply pipe and Reservoir: Kayamandi
- New Reservoir & Pipeline: Vlottenburg
- Franschoek Sewer Network Upgrade
- Dwarsriver Bulk Supply Augmentation and Network Upgrades
- Bien don 66/11kV substation new
- Expansion of the landfill site (New cells)
- Extension of Cemetery Infrastructure
- Upgrade of WWTW: Klapmuts
- Sewerpipe Replacement: Dorp Straat
- Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniel)
- Upgrade of WWTW Wemmershoek
- Bulk Sewer Outfall: Jamestown
- Upgrade of WWTW: Pniel & Decommissioning Of Franschoek
- Laterra Substation
- Jan Marais Upgrade
- Integrated National Electrification Programme
- Watergang Farm Upgrading
- Upgrading of The Steps/Orlean Lounge
- Kayamandi: Zone O (±711 services)
- Klapmuts: Erf 2181 (298 serviced sites)
- Upgrading of Traffic Offices: Stellenbosch
- Kleine Libertas Precinct
- Integrated and Spray Parks

The detailed draft capital budgets for 2020/2021, 2021/2022 and 2022/2023 are attached as **APPENDIX 1**.

OPERATING BUDGET 2020/2021 – 2022/2023

The basis of the operating budget is aligned to the principle of total potential income (less income forgone as an expense where applicable) from all our services as well as a projection of total direct income. The extent, to which tariffs and levies are proposed to increase, is in the main influenced by:

- The increase in bulk purchases (water and electricity)
- Employee related costs, as per SALGBC wage agreement
- Councillor remuneration, as per SALGA upper limits
- Service delivery challenges
- Repairs and maintenance

- Operational projects impacting job creation and economic development
- Contractual commitments
- Day to day operational costs (fuel & oil, telephones, bank costs, etc.)
- Finance costs, influenced by level of borrowing

Taking all of these issues into consideration and to ensure the sustainability of our operations from realistically anticipated income flows, the following tariff and property tax increases are proposed for 2020/2021:

Electricity	6.22%
Sanitation	6.50%
Refuse removal	16.50%
Water	6.00%
Rates	6.50%

Taking cognisance of the plight of the poor and the affordability of basic services, the scale up to 20 kl of water was increased by only 6% and usage over 20 kl (20 000 litres) for domestic consumers increases in proportion to consumption.

The impact of the proposed tariff increases on the monthly services account for the various consumer categories is summarized in **APPENDIX 2**.

HIGH LEVEL CAPITAL AND OPERATING BUDGET FOR 2020/2021 – 2022/2023

The draft high level budget depicting the total budget is attached as **APPENDIX 1 – PART 1 – SECTION C**.

TARIFFS

Council's attention is further drawn to the fact that the Tariff List attached as **APPENDIX 3** includes Sundry Tariffs as a basket of services and charges, i.e. Land Use Management Fees, Development contributions, Technical Charges, etc. In this regard, the proposed tariff list must be consulted for the detail.

BUDGET RELATED POLICIES & BY-LAWS

A summary of changes to budget related policies is attached as **Appendix 4**

The following budget related policies and by-laws were revised:

Rates Policy (**Appendix 5**)

Tariff Policy (**Appendix 6**)

Indigent Policy (**Appendix 7**)

Special Ratings Area Policy (**Appendix 8**)

Special Ratings By-law (**Appendix 9**)

Credit Control and Debt Collection Policy (**Appendix 10**)

Irrecoverable Debt Policy (**Appendix 11**)

Petty Cash Policy (**Appendix 12**)

Travel and Subsistancy Policy (**Appendix 13**)

Cost Containment Policy (**Appendix 14**)

Accounting Policy (**Appendix 15**)

Cash Management and Investment Policy (**Appendix 16**)

Supply Chain Management Policy (**Appendix 17**)

Development Charges Policy (**Appendix 18**)

Ward Allocation Policy (**Appendix 19**)

Unchanged Policies

Virementation Policy (**Appendix 20**)

Asset Management Policy (**Appendix 21**)

Budget Implementation and Monitoring Policy (**Appendix 22**)

Borrowing, Funds and Reserves Policy (**Appendix 23**)

Financing of External Bodies performing municipal functions Policy (**Appendix 24**)

Liquidity Policy (**Appendix 25**)

SCM Policy for Infrastructure Procurement and Delivery Management (SIPDM) (**Appendix 26**)

Inventory Management Policy (**Appendix 27**)

Preferential Procurement Policy (**Appendix 28**)

Grants-In-Aid Policy (**Appendix 29**)

OTHER SUPPORTING DOCUMENTATION

The additional information as prescribed by the budget and reporting regulations are attached as **APPENDIX 1 – PART 2 – SECTION P**.

6.3. Financial Implications

Financial impact already discussed above.

6.4. External Loan for 2020/2021

That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the tune of R375 579 511 of which over the MTREF R102 779 511 will be required in year 1, R103 800 000 in year 2 and R169 000 000 in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary).

6.5 Legal Implications

The item is compliant with the relevant legislative framework.

6.6 Staff Implications

As per the approved budget

6.7 Previous / Relevant Council Resolutions:

Annual approval of budget.

6.8 Risk Implications

Covid 19's financial impact is uncertain at this stage although it is clear that it will be significant on the economy. The risks have been minimized as far as possible and will have to be managed.

7. Comments from Senior Management:**7.1 Director: Infrastructure Services**

Noted

7.2 Director: Planning and Development Services

Noted

7.3 Director: Community and Protection Services:

Noted

7.4 Director: Corporate Services:

Noted

7.5 Chief Financial Officer:

Noted

7.6 Municipal Manager:

Noted

APPENDICES: (Refer separate cover)**FOR FURTHER DETAILS CONTACT:**

NAME	KEVIN CAROLUS
POSITION	DIRECTOR: FINANCIAL SERVICES
DIRECTORATE	FINANCIAL SERVICES
CONTACT NUMBERS	021 808 8528
E-MAIL ADDRESS	kevin.carolus@ Stellenbosch.gov.za
REPORT DATE	21 May 2020

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 FJ BADENHORST)
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NONE

7.2	CORPORATE SERVICES: (PC: CLLR AR FRAZENBURG)
-----	---

NONE

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

7.4	HUMAN SETTLEMENTS: (PC: CLLR W PETERSEN (MS))
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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, SPORT AND CULTURE: (PC: CLLR M PIETERSEN)
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NONE

7.10	MUNICIPAL MANAGER
7.10.1	MUNICIPAL SOLIDARITY FUND TOWARDS THE CURBING OF THE SPREAD AND IMPACT OF COVID-19

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

22 May 2020

1. SUBJECT: MUNICIPAL SOLIDARITY FUND TOWARDS THE CURBING OF THE SPREAD AND IMPACT OF COVID-19

2. PURPOSE OF REPORT

To inform Council of the SALGA Circular received on the Municipal Solidarity Fund towards the curbing of the spread and the impact of COVID-19. Council to consider the proposals contained in the circular.

3. DELEGATED AUTHORITY

Municipal Council

4. EXECUTIVE SUMMARY

The President of the Republic, His Excellency President Cyril Ramaphosa, announced the establishment of a national Solidarity Fund on 23 March 2020 to unite the nation in its response to the COVID-19 crisis. As a direct contribution from local government, SALGA proposed that municipalities consider the creation of a Municipal Solidarity Fund. This fund is envisaged to be used as a platform to mobilize and coordinate financial and in-kind contributions from councillors, municipal officials, stakeholders, civil society, as well as the general public, to contribute to a consolidated effort at a local municipal level.

5. RECOMMENDATION

FOR CONSIDERATION

6. DISCUSSION / CONTENT

6.1 Background

Following the President's announcement on 9 April 2020 that members of the Cabinet and Deputy Ministers will each take a one-third salary cut for the next three (3) months as a contribution towards the Solidarity Fund, a number of public representatives and executives of large companies have responded to the President's call by similarly pledging salary contributions to the Fund.

The SALGA National Executive Committee (NEC) meeting of 10 April 2020 considered whether local government as a sector, should also respond to the President's call.

Given the above, it was acknowledged that councillors are the least paid public office bearers which is evident by the huge salary gap between local and both provincial and national public office bearers.

Subsequently, requests were made to municipalities by either political parties or professional bodies for deductions to be effected from their respective members. It

should be noted that in terms of Section 34 (1) of the Basic Conditions of Employment Act, deductions by the municipality from an employee's remuneration without the employee's consent is prohibited. Therefore, for any deductions to be made, the municipality must secure the necessary consent from each employee, similarly to that of councillors. Contributions to the fund is voluntary.

6.2 Discussion

The Municipal Solidarity Fund is required to mobilize and coordinate financial and in-kind contributions from councillors, municipal officials, stakeholders, civil society, as well as the general public. Funds are raised and other in-kind contributions to both ameliorate the COVID-19 pandemic and the social consequences of the pandemic.

The focus areas are to be a rapid response vehicle through which pooled contributions can be deployed to immediately fund high-impact initiatives such as social development, combatting homelessness, food security, informal traders, safe havens and unemployment.

The Fund must be governed by an independent board of directors that brings diverse views and perspectives to the work of the Fund i.e. the Executive Mayor/Mayor of the Municipality who serves as the Chairperson, two (2) councillors, two (2) representatives from organized labour, two (2) representatives from the local civic movement, the Chairperson of the Municipality's Audit Committee, one (1) representative from the Local Business Chamber or his/her nominee, one (1) representative from the Local Religious Leaders, one (1) representative from the Local Traditional Leadership.

Furthermore, the Municipal Manager must establish a team to provide administrative support to the Board of the Fund.

The Fund will be independently audited by the Auditor-General of South Africa and should be committed to complete transparency. All donations and payments from the Fund is made public and must be shared with the public on an on-going basis.

Contributions made should be used at a municipal level, linked to a COVID-19 programme targeting the vulnerable in the community and to immediately fund high-impact initiatives such as improving the well-being of targeted communities, combatting homelessness; food security and assistance to informal traders; safe havens and the unemployed and job-seeking young people.

6.3 Financial Implications

Funds donated can be ring-fenced in terms of Section 12(2) of the MFMA for the specific use of COVID-19 response.

6.4 Legal Implications

Contributions must be voluntary as no person can be forced to donate money.

6.5 Staff Implications

Staff and councillors will have to decide individually what their response will be regarding donations and provide a written request to deduct money from salary and pay over to a fund.

6.6 Previous / Relevant Council Resolutions

None

6.7 Risk Implications

Extraordinary circumstances which require extraordinary actions and responses at a local level to collectively curb the spread of COVID-19 and ensure the safety of our communities.

6.8 Comments from Senior Management

None required

Appendix 1: Terms of Reference of the Municipal Solidarity Fund

Appendix 2: Circular Solidarity Fund 14 April 2020

FOR FURTHER DETAILS CONTACT:

NAME	Geraldine Mettler
POSITION	Municipal Manager
DIRECTORATE	Office of the Municipal Manager
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REPORT DATE	11 May 2020

APPENDIX 1

MUNICIPAL SOLIDARITY FUND

APRIL 2020

1. OVERVIEW OF THE MUNICIPAL SOLIDARITY FUND

- 1.1 The President of the Republic, His Excellency President Cyril Ramaphosa announced the establishment of a national Solidarity Fund on 23 March 2020 to unite the nation in its response to the COVID-19 crisis. As a direct contribution from local government, a Municipal Solidarity Fund (herein after referred to as the Fund) is created as a platform for all councillors, municipal officials, stakeholders, civil society, as well as the general public, to contribute to a consolidated effort at a local municipal level.
- 1.2 The Fund is a rapid response vehicle designed to fund impactful municipal initiatives that will augment the national response, contribute to a national humanitarian effort and mobilise local communities to act to stop the virus and support their compatriots.
- 1.3 While it will work closely with the Municipality, it is separate and independent from the municipality. It is the custodian of money donated by Councillors, municipal officials and stakeholders, civil society and the general public and it is accountable to them.
- 1.4 The Fund is independently administered and transparently governed. It aims to ensure that all contributions are responsibly administered and disbursed to have the greatest possible impact in combatting the COVID-19 pandemic and other future municipal support initiatives and ameliorating its effects.

2. MANDATE OF THE MUNICIPAL SOLIDARITY FUND

- 2.1 The Fund is required to mobilise and coordinate financial and in-kind contributions from councillors, municipal officials, stakeholders, civil society, as well as the general public.
- 2.2 The Fund is required to use funds raised and other in-kind contributions to both ameliorate the COVID-19 pandemic and the social consequences of the pandemic.
- 2.3 The Fund is required to bring the local community of the Municipality together to play their part in combatting COVID-19 and any other municipal support initiatives.
- 2.4 The Funds' guiding principles are:
 - 2.4.1 Target interventions that are catalytic and complement, enhance or augment those provided by the State at a local municipal level.
 - 2.4.2 Gap funding that accelerates the delivery of critical interventions.
 - 2.4.3 Interventions that will support the most vulnerable citizens.

3. FOCUS AREAS OF THE MUNICIPAL SOLIDARITY FUND

- 3.1 The Fund will be a rapid response vehicle through which pooled contributions can be deployed to immediately fund high-impact initiatives in the following key focus areas:
- 3.1.1 **Social development:** Improving the well-being of targeted communities affected by the COVID-19 pandemic so that they can move forward on their path to self-sufficiency.
 - 3.1.2 **Combating Homelessness:** A community driven response to ending family and youth Homelessness.
 - 3.1.3 **Food Security:** Ensure that communities affected by COVID-19 have physical, social, and economic access to sufficient, safe, and nutritious food and addressing dietary needs for an active and healthy life.
 - 3.1.4 **Informal Traders:** Support interventions for informal traders.
 - 3.1.5 **Safe Havens:** Support to institutions taking care of abused women and children.
 - 3.1.6 **Unemployment:** Assistance to the unemployed and job seeking young people.

4. GOVERNANCE

- 4.1 The Fund is governed by a strong, independent board of directors that brings diverse views and perspectives to the work of the Fund.
- 4.2 The Board will include representation as follows:-
- 4.2.1 The Executive Mayor/Mayor of the Municipality (Chairperson);
 - 4.2.2 Two (2) Councillors from the Municipality;
 - 4.2.3 Two (2) representatives from Organised Labour;
 - 4.2.4 Two (2) representatives from the local civic movement;
 - 4.2.5 The Chairperson of the Municipality Audit Committee;
 - 4.2.6 One (1) representative from the Local Business Chamber or his/her nominee;
 - 4.2.7 One (1) representative from the Local Religious Leaders;
 - 4.2.8 One (1) representative from the Local Traditional Leadership;
- 4.3 The Municipal Manager will establish a team to provide administrative support to the Board of the Fund.
- 4.4 The board will operate with high standards of corporate governance and established relevant sub-committees, with membership of no more than five (5) members from different stakeholders, which may include:
- 4.4.1 A Disbursements Committee to interrogate all disbursement proposals;
 - 4.4.2 An Audit and Risk Committee;
 - 4.4.3 A Fundraising Committee which will drive the Fund's fundraising efforts and ensures appropriate processes are in place to safeguard the highest levels of accountability to funders and donors.
- 4.5 The Fund will open a separate and independent bank account;
- 4.6 The Fund will develop a governance framework that will guide the allocation and spending of all funds.

5. REPORTING

- 5.1 The Fund will be independently audited by the Auditor General of South Africa.
- 5.2 The Fund is committed to complete transparency. The Fund will report and make public all donations and all payments from the Fund and share these with the public on an ongoing basis.

APPENDIX 2

CIRCULAR 16 / 2020

FROM : CHIEF EXECUTIVE OFFICER

**TO : EXECUTIVE MAYORS / MAYORS
SALGA PROVINCIAL CHAIRPERSONS
SALGA NATIONAL EXECUTIVE COMMITTEE
CITY/MUNICIPAL MANAGERS**

DATE : 26 APRIL 2020

**SOLIDARITY PLEDGES TO CONTRIBUTE TOWARDS THE CURBING OF THE SPREAD OF
AND IMPACT OF COVID-19**

The President of the Republic, His Excellency Cyril Ramaphosa announced the establishment of a Solidarity Fund on 23 March 2020 to unite the nation in our response to the COVID-19 crisis. The Solidarity Fund has created a platform for all South Africans, from the public and private sectors, civil society, as well as the general public, to contribute to one consolidated effort.

Following the President's announcement on 9 April 2020 that members of the Cabinet and Deputy Ministers will each take a one-third salary cut for the next three (3) months as a contribution towards the Solidarity Fund; a number of public representatives and executives of large companies have responded to the President's call by similarly pledging salary contributions to the Fund.

The SALGA National Executive Committee (NEC) meeting of 10 April 2020, considered whether local government as a sector, should also respond to the President's call and if so, how? During the discussions, the SALGA NEC noted the following:-

- Acknowledgement that Councillors are the least paid public office bearers which is evidenced by the huge salary gap between local and both provincial and national public office bearers;
- Both Councillors and Senior Managers are yet to receive their annual increase for the 2019/20 financial year

which is to be back dated to 1 July 2019; and

- As a commitment and good will it is necessary for local government to respond as a collective to the President's call.

SALGA NEC RESOLUTIONS pertaining to COVID-19

As such the SALGA NEC resolved to recommend that:-

1. Councillors, municipal officials and SALGA Staff should respond to the President's Call;
2. Councillors should pledge to contribute the 4% annual increment for the months of April, May & June 2020;
3. Senior Managers of municipalities and SALGA staff should pledge their annual increment for the months of April, May & June 2020;
4. the South African Local Government Bargaining Council should be approached to recommend that municipal bargaining staff make a similar contribution over the next three (3) months;
5. Every municipality considers establishing a Municipal Solidarity Fund Linked to COVID-19 and other related future municipal support initiatives;
6. All pledges/contributions should be paid into the Municipal Solidarity Fund;
7. The contributions from Councillors and municipal officials should constitute seed funding for the Municipal Solidarity Fund to encourage other stakeholders and role players within the municipal area to contribute;
8. All contributions so made should be used at a municipal level, linked to a COVID-19 programme targeting the vulnerable in the community and to immediately fund high-impact initiatives such as improving the well-being of targeted communities, Combatting Homelessness; Food Security and assistance to informal traders; Safe Havens and the unemployed and job seeking young people.

Informed by the aforementioned SALGA NEC resolutions, we are therefore calling on municipalities to positively consider the recommendations. Kindly note that with regard to resolution 4 above, we are consulting with SAMWU and IMATU and will provide an update upon conclusion thereof. For the benefit of providing clarity and certainty on the Municipal Solidarity Funds to be so established, we attach hereto a draft framework for establishing Municipal Solidarity Funds with generic terms of reference.

Proposed Processing of the Solidarity Fund Contributions

Within the context of the current national lockdown due to the COVID-19 pandemic, municipalities are reminded that physical meetings of Council are suspended until after the lockdown. It therefore requires municipalities, in

considering this matter in addition to the Upper Limits Notices for Councillors and Senior Managers, to consider convening virtual meetings of Council. If this is not feasible, municipalities may consider any other measure prescribed in the Rules of Council, including round robin, where provided for.

Proposed Council Resolutions

In so doing, and to provide guidance to municipalities, Municipal Councils should consider the following proposed resolutions:-

1. THAT Councillors and municipal officials should respond to the President's Call;
2. APPROVE that Councillors pledge to contribute the 4% annual increment for the months of April, May & June 2020;
3. RECOMMEND that Senior Managers, which includes the Municipal Manager and Managers directly reporting to the Municipal Manager, should pledge their annual increment for the months of April, May & June 2020;
4. APPROVE the establishment of a Municipal Solidarity Fund linked to COVID-19 and other related future municipal support initiatives;
5. APPROVE the terms of reference for the establishment of the Municipal Solidarity Fund;
6. APPROVE that all pledges/contributions should be paid into the Municipal Solidarity Fund;
7. APPROVE that the contributions from Councillors and municipal officials will constitute seed funding for the Municipal Solidarity Fund; and
8. APPROVE that the seed funding may be used to encourage other stakeholders and role players within the municipal area to similarly contribute towards the Municipal Solidarity Fund.

Our attention has also been drawn to requests made to municipalities by either political parties or professional bodies for deductions to be effected from their respective members. We would in this regard remind municipalities that in terms of Section 34 (1) of the Basic Conditions of Employment Act, deductions from an employee's remuneration without the employee's consent is prohibited. Therefore, for any deductions to be made, municipalities would have to secure the necessary consent from each employee, similarly that of councillors.

Once again, mindful that we are dealing with extraordinary circumstances, which require extraordinary action and responses at a local level, SALGA is calling on all councillors and municipal officials to contribute towards this fight against COVID-19. It is only through these means that we can collectively defeat this pandemic and ensure the safety of our communities.

To support your endeavours, we will also make available our SALGA support expertise, including IT related support for

virtual meetings, and any queries may be directed to Mr Lance Joel at SALGA National Office per email ljoel@salga.org.za or cell: 0829083335.

Yours faithfully,

XOLILE GEORGE
CHIEF EXECUTIVE OFFICER

8.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

9.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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NONE