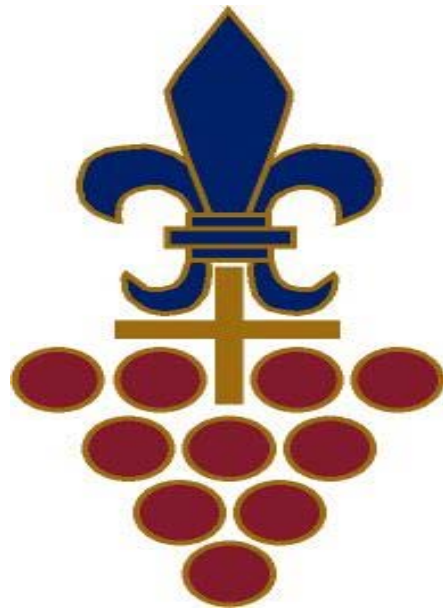


STELLENBOSCH MUNICIPALITY



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021/2022 TO 2023/2024

Vision:

We describe the vision of where we want to be as a Municipality and the Greater Stellenbosch area as:

“Valley of Opportunity and Innovation.”

Mission:

Our mission is to deliver cost-effective services that will provide the most enabling environment for civil and corporate citizens.

Our Values

In all our work and engagements with the community and other stakeholders, we subscribe to the following values:

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

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

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

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

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PART A

A: RESOLUTIONS

It is recommended to Council,

- 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 2021/2022, 2022/2023 and 2023/2024, as set out in APPENDIX 1 – PART 2 – SECTION N, be approved;
- e) that the proposed rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX 3, be approved;
- f) that the proposed amendments to existing budget related policies and other policies as set out in APPENDICES 5 - 31, be approved;
- g) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the amount of R444 millions of which R144 million will be required in year one, R140 million in year two and R160 million in year three (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;
- h) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially;
- i) that Council takes note of MFMA circulars 107 and 108 that was published to guide the MTREF for 2021/2022 to 2023/2024 as set out in APPENDICES 32 – 33; and
- j) that Council takes note that the public comments and submissions were considered with the compilation of the final budget.

B: EXECUTIVE SUMMARY

This year has had many challenges, the two main challenges being the COVID -19 pandemic that has claimed many lives and on the other hand the weak economy, that has become weaker as a result of the aforementioned pandemic. This resulted in an increase in unemployment, a high budget deficit and rapidly growing public debt. The pandemic is estimated to have caused a 7.2 per cent reduction in GDP growth during 2020. The projected GDP growth for 2021 is 3.3 per cent reducing to an average of 1.9 per cent in 2022 and 2023. GDP is only expected to recover to pre-pandemic levels in 2023. The outlook remains highly uncertain, and the economic effects of the pandemic have far fetching results. It is important to note that although the growth rates are likely to improve, with removal of restrictions, based on current projections, the output is only expected to return to pre-pandemic levels, hopefully by 2024.

Stats SA figures reflects the impact of the pandemic on our economy on a national level as follow:

- Income generated by the food and beverages industry **decreased** by **36,6%** in November 2020 compared with November 2019.
- Total income for the tourist accommodation industry **decreased** by **65,5%** in November 2020 compared with November 2019.
- Income from accommodation **decreased** by **66,8%** year-on-year in November 2020.
- SA electricity generation **decreased** by **2,4%** year-on-year in November 2020. Whilst, generation only increased by 0,5% in November 2020 compared with October 2020.
- Manufacturing production (including food and beverages), **decreased** by **3,5%** in November 2020 compared with November 2019.
- The real value of recorded building plans **decreased** by **40,8%** year-on-year during January to October 2020. The real value of buildings completed **decreased** by **49,9%** over the same period.

The aforementioned are just some of the national points which reflects directly on our own economy and how it has been affected.

The 2020 Medium Term Budget Policy Statement (MTBPS) sets the course for fiscal consolidation and economic recovery as follow:

- Intend to run primary surpluses on the main budget by 2025/26 by constraining non-interest spending growth;
- shift spending from consumption to investment. Over the MTREF period, the fastest-growing item, other than debt service costs, is spending on capital goods, i.e. investment, which is projected to grow at 7.8 per cent a year; and
- allocate resources for the Economic Reconstruction and Recovery Programme.

However, to achieve a faster recovery, characterised by growing investment in job creation, requires broader structural change. Government's economic reforms aims to remove barriers to growth, lower cost of doing business, and bolster confidence and investment. The economic recovery plan focuses on high impact reforms, namely, speeding up the expansion of electricity generation, creating jobs, rolling out infrastructure aligned with the National Development Plan, amongst others.

Government's recovery plans places emphasis on raising the economy's long-term growth rate; structural reforms that will lower the barriers to faster, inclusive growth by improving access to reliable electricity, water and sanitation services; enabling digital services that are cost-effective; promoting green economy and supporting industries with high employment potential such as agriculture and tourism. As a result of these circumstances, the 2021 Budget strikes a difficult balance between providing immediate support for the economy and shoring up the country's public finances. Medium-term fiscal policy focuses on extending temporary support in response to COVID-19, narrowing the budget deficit, stabilising debt and exercising continued restraint in non-interest expenditure growth, while improving the composition of expenditure.

The 2021 Budget Review supports economic recovery through immediate fiscal support and medium-term fiscal reforms. The government's budget of 2021 meets urgent pandemic-related spending pressures, such as procuring COVID-19 vaccines, expanding the public employment initiative, and continuing social and economic relief measures. Over the next MTREF period municipalities will have to adjust to significant changes in expenditure plans while improving accountability. Transfers that focuses on infrastructure, service delivery and COVID-19 spending are protected in the 2021 Budget. The aforementioned budget also includes funding for initiatives to improve municipal revenue collection and support financially distressed municipalities.

Municipalities must exercise caution when preparing their 2021/2022 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 2021 Budget is framed by the two policy objectives set out in the 2020 Medium Term Budget Policy Statement (MTBPS), namely, promoting economic recovery and returning the public finances to a sustainable position. The budget addresses urgent economic needs while targeting long-term structural shortcomings and boosting infrastructure spending. It provides continued support to the economy and public health in the short term without adding to long-term spending pressures. Capital spending is the fastest-growing component of non-interest spending. A series of economic and fiscal measures are outlined in the 2021 budget, that will 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 are manifest across the public sector. The 2021 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.

The President of South Africa, in his State of the Nation Address (SONA), on 11th February 2021 conceded that unemployment remains a national challenge and that job creation remains at the centre of the national agenda of 2021. During the SONA the President indicated that as a result of the relief measures that were implemented and the phased reopening of the economy, it is expected that a strong recovery in employment will be seen by the end of the year. The overriding priorities of 2021 are to defeat the COVID-19 pandemic, accelerate economic

recovery, implement economic reforms to create sustainable jobs and drive inclusive growth, and fight corruption and strengthen the State.

The following focus areas were also highlighted, amongst others, during the State Of Nation Address:

- Safety and Security;
- Fight against corruption;
- State-owned Enterprises (SOE's);
- Agriculture and related initiatives
- Small Business Development;
- Digital Migration;
- Energy generation, transmission and distribution;
- Water Sector;
- Socio-economic support; and
- Job creation through employment stimulus.

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.

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 critical vacancies within the municipality; and
- Developing partnerships with academic institutions for training opportunities.

The Western Cape Premier in his State of the Province address, on 17th February 2021, reiterated the following sentiments highlighted during the State of the Nation Address, including but not limited to, the challenges that are faced, the recovery plans and initiatives that were implemented to address these challenges with regards to the COVID-19 pandemic, economic growth recovery initiatives, 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 and provision of services to the poor households. The Premier stated that the COVID-19 pandemic will continue to be the biggest challenge because in essence we are not just facing a health crisis. This pandemic has led to job crisis, humanitarian crisis and a dignity crisis and as a result of this government commits to continue fighting for the economy and for job creation.

The Premiers' speech focused, amongst others, on the following areas:

- Health: Comprehensive response plan designed as a result of the COVID-19 pandemic. This is a 5-part plan which will focus on the continuance of prevention behavior, rapidly upscaling testing for identification of COVID-19 cases, retain core field hospital capacity, making additional acute care capacity available in the Western Cape hospitals, and lastly to ensure there is sufficient PPE, staff and oxygen.
- Recovery plan which encapsulates various economic recovery interventions. The Community Economic Recovery Project is one of the successes of this plan.
- Economy: Creation of jobs through the private sector. Government's role is to support the economy and create an environment where the private sector will thrive.
- Infrastructure-led growth: Invest in infrastructure to stimulate economic growth, by building a portfolio of investment projects that can attract private finance where appropriate.
- Reliable and working public transport system.
- "Blue-dot taxi services to ensure safe and efficient taxi network.
- Energy and resilience: Finding alternative means to generate electricity for the province and alleviate the strain on the electrical grid, where the ultimate goal is to beat loadshedding. The province is making progress in achieving this goal through the launching of the Municipal Energy Resilience Project, which will assist municipalities in taking the necessary steps to generate, procure and sell their own

electricity. The DEDAT, in partnership with Department of Local Government and Provincial Treasury, has undertaken an assessment process with all the municipalities to determine their readiness for and select those that can be the initial drivers of new energy opportunities. Stellenbosch Municipality has taken the lead in launching the first step of the project.

- Advancement i.t.o Agricultural technology and maintaining a competitive edge in this regard.
- Tourism and recovery of this sector.
- Safety: The province has a safety plan, the biggest in the country, in place with various safety initiatives which focuses on youth development, increasing boots on the ground and reducing violence, to build a safer environment for all.
- Education: Implement initiatives to improve quality of education and access to educational system. Looking at the demands on the education system, the province will continue to embrace innovation and the new, future digital world.
- Housing: Remains a priority for residents to have access to basic services, such as, clean running water, access to sanitation and proper shelter, which is safe and close to economic opportunities.

During his Statement of the Province Address the Premier highlighted the importance of finding ways to manage the pandemic and the impact thereof on the economy, 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 and job creation. In essence little else is possible if there is no growth or job 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.

Provincial treasury reiterated most of the challenges and focus areas highlighted in the Premier’s State of the Province address, the SONA and the 2021 Budget Review. Provincial Treasury highlighted that recovery efforts will fail unless structural constraints, including energy, infrastructure and competitiveness, are urgently addressed. Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue in 2021. Job creation is one of the top priorities of the economic recovery plan that will guide policy action over the MTREF period, along with new infrastructure investment and large-scale public employment programmes.

National Treasury encourages municipalities to maintain tariff increases and adopt a tariff setting methodology at levels that reflects an appropriate balance between the affordability to poorer households and other customers, while ensuring the financial sustainability of the municipality. Municipalities must ensure that their budgets 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, wherein it states that tariffs “must reflect the cost reasonably associated with rendering the service”. The municipalities must therefore generate sufficient revenue to fully recover their costs, deliver services to customers sustainably and invest in the infrastructure that promises local economic development.

The municipality must first assess the budget, before the tariff setting process, to determine whether it is effective and efficient and 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.

Tariff increases by Eskom and Water Boards is above inflation and should be considered as such while determining cost reflective tariffs. In the instance of bulk tariff increases for electricity, municipalities are 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.

Local government confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving their own revenue collections, working more efficiently and implementing cost-containment measures. 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. 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.

As a result of the COVID-19 pandemic, the economic landscape, weak tariff setting and increases in key cost drivers to provide basic municipal services, 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 in turn leads to limited revenue collection. The effects of slow growth and economic challenges experienced these past years coupled with the COVID pandemic since 2020, continues 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. It is as a result of above challenges, alongside continued unemployment and slow growth that a more conservative approach is advised for revenue projections.

Municipalities are required to consider the following during the compilation of the 2021/2022 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;

- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulation read with MFMA Circular No.82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates; 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 2021/2022 MTREF can be summarized as follows:

- The on-going difficulties in the national and local economy;
- COVID pandemic and the impact thereof on financial sustainability and the 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;
- Attracting economic investment;
- Water Conservation;
- 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;
- Limited resources to deal with all key priorities; and the
- 2021 Local Government Elections (transitional processes and hand-over reports for the newly elected councils);
- Slowdown in new developments;
- Decline in reserves available to fund capital programmes.

Local government elections are scheduled to take place during 2021. Circular 107 of the MFMA highlights the following four risks that should be managed. Firstly, if elections takes place after the start of the new financial year the outgoing council will be responsible to approve tariffs for the 2021/2022 financial year and newly elected council will implement it, secondly the outgoing council must ensure that they comply with the timeframes for the approval of the budget, thirdly the outgoing council should ensure that the budget is funded, and not prepare a “election friendly” budget that with unrealistically low tariffs and over-ambitious capital expenditure programme. Lastly municipalities must ensure that the public and stakeholder consultation processes are adhered to as required by the relevant legislature. The municipality’s financial sustainability should be protected at all times in the build-up to the elections. Sound decision-making is of utmost importance to ensure long-term sustainability of municipal finances and service delivery long after the election period is completed.

The following budget principles and guidelines directly informed the compilation of the 2021/2022 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 were mindful of the estimated headline inflation for 2021/2022 of between 3% to 6% 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. Inflation is forecast to fluctuate around 4.1% over the medium term in line with moderating inflation expectations.

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.

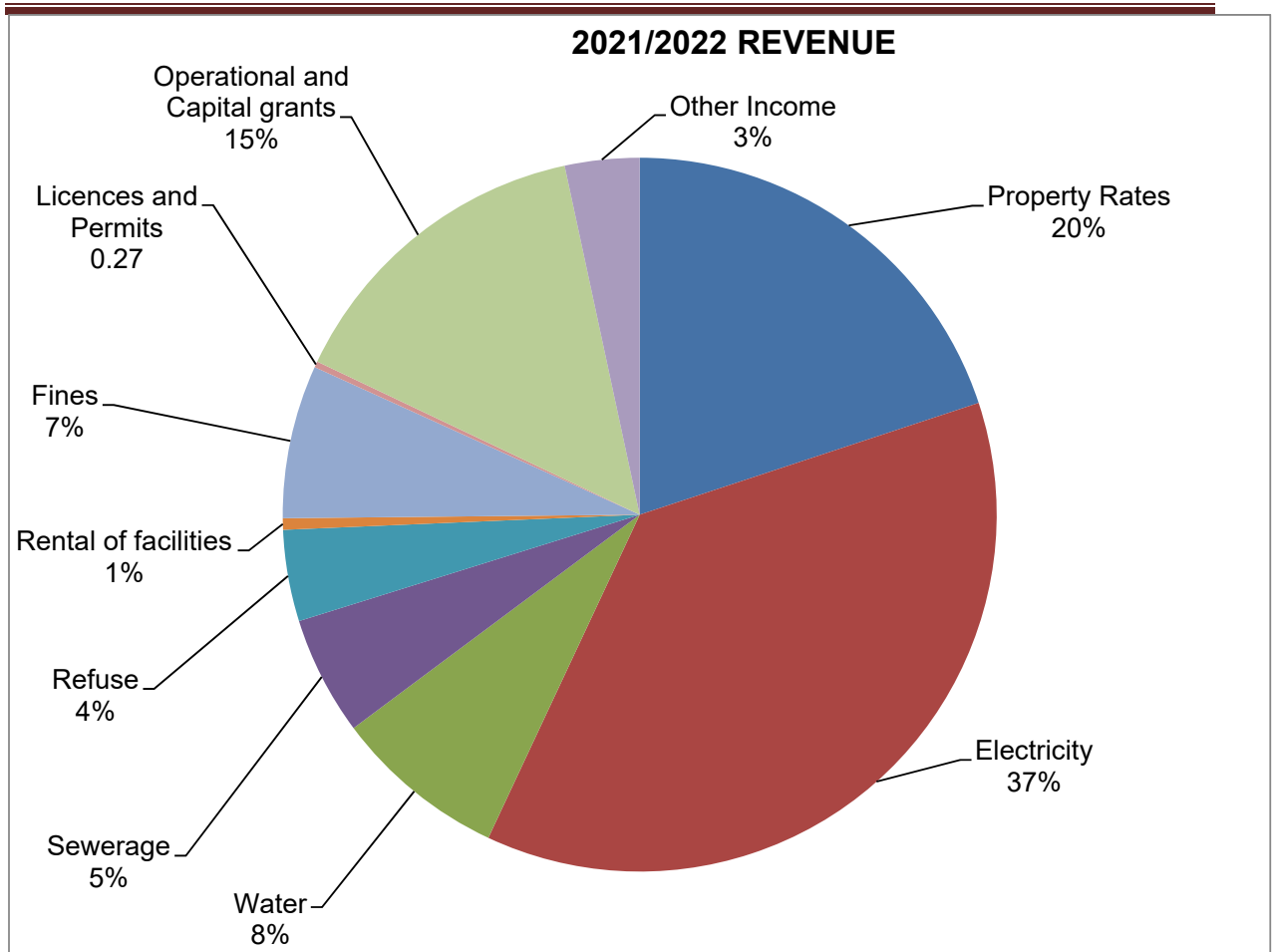
The total budget quantum for the 2021/2022 year is R2 423 544 338 of which R2 017 490 423 (83%), is allocated to the operating budget and R406 053 915 (17%) to capital investment.

OPERATING BUDGET – REVENUE

Overall revenue budget increase was limited to 9.28% resulting in annual operating revenue increasing from R1 928 409 221 in 2020/2021 to R2 125 604 578 in 2021/2022. Taking cognisance of the economic conditions, the resultant low employment levels and levels of disposable income, it was important to keep services affordable by critically looking at the costs associated with providing the service.

Accordingly, management investigated potential pitfalls and amongst others found that spiralling expenditure on employee costs did not keep trend with realistically anticipated revenue streams, compounded by the decline in electricity surpluses as a result of higher input costs to provide the service.

REVENUE CATEGORIES	2020/2021	2021/2022	% INCR
Property Rates	399,239,042	423,632,547	6.11%
Electricity	674,441,162	787,275,169	16.73%
Water	148,720,115	166,399,721	11.89%
Sewerage	108,311,571	114,485,331	5.70%
Refuse	78,304,939	87,936,446	12.30%
Rental of facilities	10,592,168	11,174,737	5.50%
Fines	130,880,961	147,425,009	12.64%
Licences and Permits	5,502,903	5,778,048	5.00%
Operational + Capital grants	288,727,970	309,867,000	7.32%
Other Income	83,688,390	71,630,569	-14.41%
Operating Revenue	1,928,409,221	2,125,604,578	9.28%



- | | | |
|---------------------------|----------------|---------|
| Average tariff increases: | Property Rates | -17.17% |
| | Electricity | 15.49% |
| | Water | 5.5% |
| | Sanitation | 6.00% |
| | Refuse removal | 12.00% |

Taking cognisance of the plight of the poor and the affordability of basic services, the scale up to 18 kl of water was increased by only 5.5% and usage over 18 kl (18 000 litres) for domestic consumers increases in proportion to consumption.

- The Municipality succeeded in accessing the EPWP Incentive Grant for Municipalities in a bid to give some relief to the poorest of the poor by means of contract employment opportunities over the short term. The allocation for the 2021/22 financial year is R 5 998 000.

Rates

In the 2021/2022 financial year, the Property Rates Tariff paid by owners will decrease with 17.17%, whilst total rates also increased with 6.00%. The increase in total rates is due to interim valuations that were performed. Rates rebates to senior citizens and disabled persons are also available as per the requirements of the amended Rates Policy to qualifying ratepayers with a monthly income of R15 000 or less.

Electricity

According to NERSA, the inclining block rate tariff structure is commonly used to charge for water usage. The feature of this tariff structure is that the more you use, the higher the average price. The objective of the inclining block tariff is to provide protection for lower usage customers against high price increases resulting in a reduction in tariffs to these customers. This means that higher consumption customers will see increasingly punitive charges based on their electricity usage. The municipality is implementing the directive from NERSA as part of the Municipality's Licensing Agreement and as a result had to deal with the negative impact of a declining Electricity surplus, year-on year, putting more pressure on the level and quality of services provided.

Council's attention is further drawn to the fact that the proposed electricity tariff is at 14.59% whereas the increase in electricity bulk purchases for the 2021/2022 financial year is 17.8% as approved by NERSA (National Electricity Regulator of South Africa) for implementation by all municipalities. Although the proposed tariffs increase with 14.59%, the municipality is experiencing a decrease in electricity demand as consumers are utilising alternative energy sources.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service, so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability.

Water

Taking cognizance of the challenges that the country is currently experiencing due to the severe drought, the plight of the poor and the affordability of basic services, the average tariff increase for the rest of the consumptive water scales is 5.50%. The tariff is designed to cater for current and future capital investment in basic water infrastructure and the need to generate surpluses. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2021/2022 and not based on the approved budget for the same year.**

Sewerage (Sanitation)

The proposed increase in this tariff is 6.00%. Sanitation services is classified as an economical service. This means that the service charges for sanitation must cover the cost of providing the service, i.e. it must at least break even. This tariff increase is necessitated by operational requirements, maintenance of existing aging infrastructure, new infrastructure financing/provision and to ensure that the service is delivered in a sustainable manner. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2021/2022 and not based on the approved budget for the same year.**

Refuse (Solid Waste)

Refuse removal services, like sanitation are also classified as an economical service. This means that the service charges for refuse must cover the cost of providing the service, i.e. it must at least break even. The municipality will implement an above inflation tariff increase as this service does not break even and to provide for the additional expenditure for the transport of the waste from the Stellenbosch Landfill Site. The solid waste tariffs were modelled to give effect to the principle of the service charge being cost reflective as the service cannot be cross-subsidized. It is proposed that the tariff increases by 12.00% as a result of the before mentioned. The very nature of this tariff does not lend it to financing the expansion of the landfill site and therefore the proposed extension by way of constructing the new cell, was funded from council's own reserves.

It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2021/2022 and not based on the approved budget for the same year.

Debt Management

The municipality is currently executing all credit control and debt collection procedures as required in the approved Credit Control and Debt Collection policy. These internal procedures followed include the disconnection of services, where there are services that can be disconnected, the issuing of final notices, the conclusion of reasonable agreements where the settlement of the accounts are not possible and also the follow up on defaulting debtors not honoring arrangements. The municipality continuously enforces the above procedures to ensure that debt which is collectable is collected and all debt that is regarded as not recoverable, be written off.

The municipality developed a revenue enhancement strategy. The document focuses on the formulation and implementation of strategies to improve financial management and controls within

the municipality. The objective of any successful revenue enhancement strategy is to build and improve on current payment levels and then to recover arrear debt.

The municipality has also promulgated the Credit Control and Debt Collection By-Law on the 4th of March 2011 to strengthen the internal credit control and debt collection procedures through handing over of all debt over 90 days to the appointed attorneys.

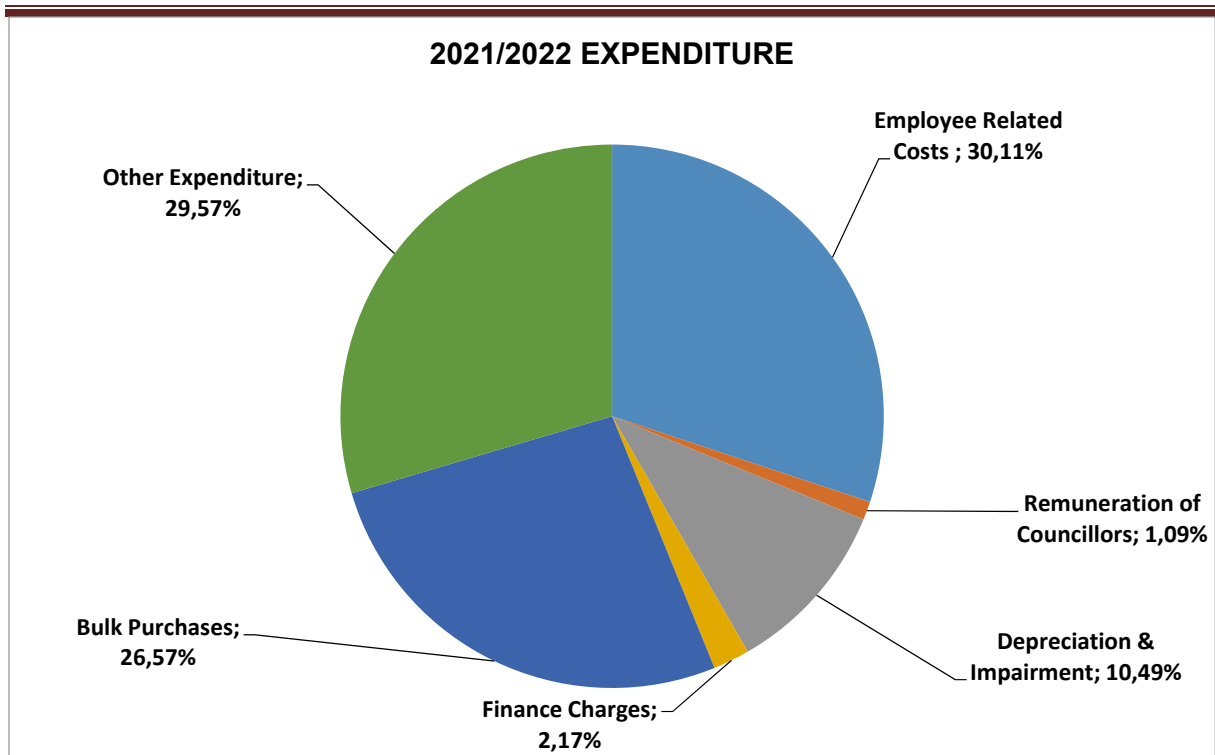
A zero tolerance approach will be followed where consumers are able to pay for services, as this indirectly denies paying consumers the level and standard of service that they are entitled to.

OPERATING BUDGET - EXPENDITURE

The budget sees an increase in annual operating expenditure from R1 827 604 182 in 2020/2021 to R2 017 490 423 in 2021/2022. This 10.39% increase is primarily due to increases in several expenditure categories, examples which are included in the table below:

EXPENDITURE CATEGORIES	2020/2021	2021/2022	% INCR.
Employee Related Costs	529,070,021	607,458,296	14.82%
Remuneration of Councillors	21,132,587	21,977,888	4.00%
Depreciation & Impairment	200,778,636	211,541,195	5.36%
Finance Charges	31,648,891	43,842,076	38.53%
Bulk Purchases	451,195,922	536,028,998	18.80%
Other Expenditure	593,778,125	596,641,970	0.0048%
Total Expenditure	1,827,604,182	2,017,490,423	10.39%

Council to note the upward pressure of external borrowing interest (Finance Charges) on future tariffs. In this regard, strong political will and strategic leadership is required to ensure that the municipality maintains the position of being responsive to its communities by ensuring that service charges are kept affordable and realistic by amongst other, critically investigating funding choices and expenditure decisions.



Explanation of significant expenditure variances:

Finance Charges

The interest payable for the 2021/2022 financial year has been calculated on the maximum amount of possible borrowings drawn down up to the end of the 2021/2022 financial year.

Bulk Purchases

The municipal tariff guideline increase issued by NERSA setting the bulk purchase increase at 17.8%, whilst the increase on water was estimated at 8% as the bulk purchase charges of the City was not available at the time of compilation.

Other expenditure

Budgetary constraints and economic challenges meant that the municipality had to apply a combination of cost-saving interventions. These interventions include amongst other, measures to limited telephone usage and filling of critical vacancies that will result in a decrease in consulting fees.

CAPITAL BUDGET

The capital budget decreased from R 454 464 007 in 2020/2021 to R 406 053 915 in 2021/2022.

DIRECTORATE	2020/2021	2021/2022	% INCR.
Municipal Manager	40,000	44,000	10.00%
Planning and Economic Development	18,088,077	11,513,800	-36.35%
Community and Protection Services	44,297,748	24,024,370	-45.77%
Infrastructure Services	317,493,026	342,514,745	7.88%
Corporate Services	73,695,157	27,757,000	-62.34%
Financial Services	850,000	200,000	-76.47%
Total Expenditure	454,464,007	406,053,915	-10.65%

FUNDING SOURCE	2020/2021	2021/2022	% INCR
Capital Replacement Reserve	249,598,291	156,500,195	-37.30%
External Loan	120,000,000	144,000,000	20.00%
National Government	58,065,300	70,385,720	21.22%
Provincial Government	26,800,416	35,168,000	31.22%
	454,464,007	402,584,924	-10.65%

CAPITAL PROJECTS ABOVE R50 MILLION INCLUDED IN THE THREE YEAR MTREF

Capital Project	2021/2022	2022/2023	2023/2024	MTREF Total
New Reservoir & Pipeline: Vlottenburg	40,000,000	38,000,000	26,000,000	104,000,000
Upgrade of WWTW Wemmershoek	30,000,000	30,000,000	30,000,000	90,000,000
Bridge Construction	30,000,000	30,000,000	-	60,000,000

Major capital expenditure is planned in the following areas during the 2021/2022 financial year:

Water Services

- Water Pipe Replacement
- Bulk Water Supply Pipeline & Reservoir - Jamestown
- Water Conservation & Demand Management
- Bulk water supply Klapmuts
- New Reservoir Rosendal
- Bulk water supply pipe and Reservoir: Kayamandi
- New Reservoir & Pipeline: Vlottenburg

Sanitation

- Franschhoek Sewer Network Upgrade
- Upgrade of WWTW Wemmershoek
- Bulk Sewer Outfall: Jamestown
- Upgrade of WWTW: Pniel & Decommissioning of Franschhoek

Electrical Services

- Laterra Sub Station
- Integrated National Electrification Programme

Infrastructure Plan, Dev and Implement

- Watergang Farm Upgrading
- Upgrading of The Steps/Orlean Lounge
- Kayamandi: Zone O (± 711 services)
- Longlands Development
- Bridge Rehabilitation

Property Services

- Upgrading of New Office Space: Ryneveld Street

C: HIGH LEVEL BUDGET SUMMARY

	Operating Income R	Operating Expenditure R	Capital Expenditure R	Total Budget R
Municipal Manager	-	39,988,673	44,000	40,032,673
Planning & Economic Development	30,453,892	100,874,836	11,513,800	112,388,636
Infrastructure Services	1,394,599,407	1,188,821,414	342,514,745	1,531,336,159
Community and Protection Services	190,526,242	374,481,006	24,024,370	398,505,376
Corporate Services	6,339,253	198,282,948	27,757,000	226,039,948
Financial Services	503,685,785	115,041,547	200,000	115,241,547
Total	2,125,604,577	2,017,490,423	406,053,915	2,423,544,338

D: ANNUAL BUDGET TABLES

In accordance with the Budget and Reporting Regulations the following compulsory schedules are attached reflecting the composition and detail of the above mentioned amounts.

Budget Summary	Table A1
Budgeted Financial Performance (Revenue and Expenditure by functional classification)	Table A2
Budgeted Financial Performance (Revenue and Expenditure by municipal vote)	Table A3
Budgeted Financial Performance (Revenue and Expenditure)	Table A4
Budgeted Capital Expenditure by vote, functional classification and funding	Table A5
Budgeted Financial Position	Table A6
Budgeted Cash flows	Table A7
Cash backed reserves/accumulated surplus reconciliation	Table A8
Asset Management	Table A9
Basic Service Delivery Measurement	Table A10

The information displayed in the “Adjusted Budget” column for the 2020/2021 financial year includes all changes approved by Council in the Mid – Year Adjustments Budgets during the current financial year.

PART 2

A: OVERVIEW OF STELLENBOSCH MUNICIPALITY

Background

Stellenbosch Municipality is located in the heart of the Cape Winelands. It is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. The municipal area covers approximately 900 km².



STATE OF THE GREATER STELLENBOSCH AREA

3.1 Socio-Economic Perspective

3.1.1 Population Growth

Stellenbosch Municipality is located at the edge of the City of Cape Town still manages to retain its distinct small-town character. This undoubtedly gives Stellenbosch a strong competitive advantage – sharply contrasting with similarly sized towns located 400 km or more from the nearest metropolis. Aside from being a mere 50 km from Cape Town’s central business district (CBD) and being flanked by the N1 and N2 main routes, Stellenbosch is also just 30 km away from the sea (at Somerset West/Strand) and only a few kilometres away from one of the most attractive mountain ranges of the Boland. In addition, Stellenbosch is a mere 28 km from Cape Town International Airport, one of South Africa’s top (air) links to the global economy, and not much further away from Cape Town harbour, the shipping portal to both the Atlantic and the Indian Oceans.

This convergence of environmental resources, scenic quality and business opportunities has two other mutually reinforcing spin-offs: The largest number of JSE-listed companies based in any small South African town have their headquarters in Stellenbosch and the town is home to a disproportionately high number of corporate CEOs and executives, which in turn means that it is able to sustain a comparatively high level of economic activity and consumer services for a town of its size. This results in other benefits throughout the value-add chain and for employment. The municipal area covers approximately 900 km². The municipality’s area of jurisdiction includes the towns of Stellenbosch and Franschhoek, as well as a number of rural hamlets such as Wemmershoek, La Motte, De Novo, Kylemore, Pniel, Johannesdal, Languedoc, Groot Drakenstein, Muldersvlei, Klipmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vlottenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes a number of informal settlements.

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

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

abound and the area is the home of the very first Wine Route in South Africa. A variety of sport facilities are available. Coetzenburg, with its athletics and rugby stadiums, has delivered star performances over many generations. The Municipal area has a number of theatres, which include the Stellenbosch University’s HB Thom Theatre, Oude Libertas Amphitheatre (renowned for its summer season of music, theatre and dance), Spier Amphitheatre, as well as Klein Libertas Theatre, Dorpstraat Theatre and Aan de Braak Theatre.

3.2 Wards

The Stellenbosch Municipality is currently structured into the following 22 Wards:

Table 12: Municipal ward population

WARD	AREAS	Population (2011)
1	Franschhoek Town, Bo-Hoek Farms, Mooiwater	12 389
2	Langrug, La Motte, Dennegeur, Groendal	7 519
3	Wemmershoek, Lanquedoc, Meerlust	8 952
4	Pniel, Kylemore, Johannesdal	8 230
5	The Ridge, Lindida, Ida’s Valley (The Hydro in the direction of Ida’s Valley and Omega Street to Jonkershoek)	5 656
6	Ida’s Valley and farms (Nietvoorbij, Timberlea, Morgenhof, Remhoogte, Muratie, Groenhof, Delheim, Lievland, Kanonkop, Uitkyk, Glenelly, Emerie, Laundry, Packham, L’Avenir)	5 856
7	Mostertsdrift, Kolonieshof, Karindal, Rozendal, Uniepark, Simonswyk, Universiteitsoord, De Weides	3 873
8	Stellenbosch Central and university areas	5 682
9	Boundaries of the Eerste River, Krige, Herte, Skone Uitsig, Bird, Merriman, Bosman, Victoria, Neethling, Van Riebeeck, Drostdy and Helderberg Street	822
10	Tenantville, Lappan street to Lackay street, La Colline-Faure, Dr Malan street to Irene Park, Conde Street, Mount Albert, Taylor, Voorplein to Kromriver, Municipal Flats (Lavanda, Aurora, Phyllaria, Molteno Avenue) to Paul Kruger Street and Banghoek Avenue	5 270
11	Dorp Street to Herte Street, Mark Street, Alexander Street, bottom of Bird Street to the Stellenbosch Train Station, all areas in Onder Papegaaiberg and businesses	6 545
12	Kayamandi: Enkanini, Snake Valley, Watergang, Thubelitsha, New Watergang (106), Zone O (next to Enkanini), Chris Hani Drive, Municipal Flats(10TH and 13TH Street), School Crescent, Ekuphumleni, Siyahlala, Zone A and George Blake	8 009
13	Kayamandi: Old Location from Lamla Street to Luyolo Street, Red Bricks and Old Hostels	2 482
14	Kayamandi: Zone I Setona Street), Zone O (lower part) Mgabadeli Crescent, Monde Crescent , Costa Land, Strong Yard, Zone M (8th Avenue)	5 280

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024

15	Kayamandi: Mjandana Street(Zone L), Mputa Close, Zone K, Ndumela Street(Zone J), Distell Hostels, Vineyard, Zone O Middle part(Fire Street), Municipal Workers Flats, Zone N, and M, Old Corrobricks Hostels, Mdala Street(Old Hostels) Eight(8) Close	10 403
16	Long Street to end of Smarty Town, Eike Street, Curry Street, Primrose Street, Pine (Bo en Onder), North End, Vredelust, Gembok, Daffodil Single, Steps, Sylvia Street, Eiland Street, Last Street (White City), Frikkadel Dorp, September Street, Smarty Town and Weltevrede	8 626
17	Kloof and Longstreet flats, Welgevonden and Weltevreden	7 728
18	Klapmuts and surrounding farms	8 763
19	Elsenburg, De Novo	10 493
20	Vlottenburg, Raithby, Lynedoch to Meerlust, Eikendal, Mooiberge, Faure	9 628
21	Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen, surrounding farms	8 651
22	Die Boord, Dalsig, Brandwacht, Krigeville, Libertas Farm	4 873
Total		155 733

Source: StatsSA

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

Figure 1: Locality of Cape Winelands District in relation to Provincial Boundaries



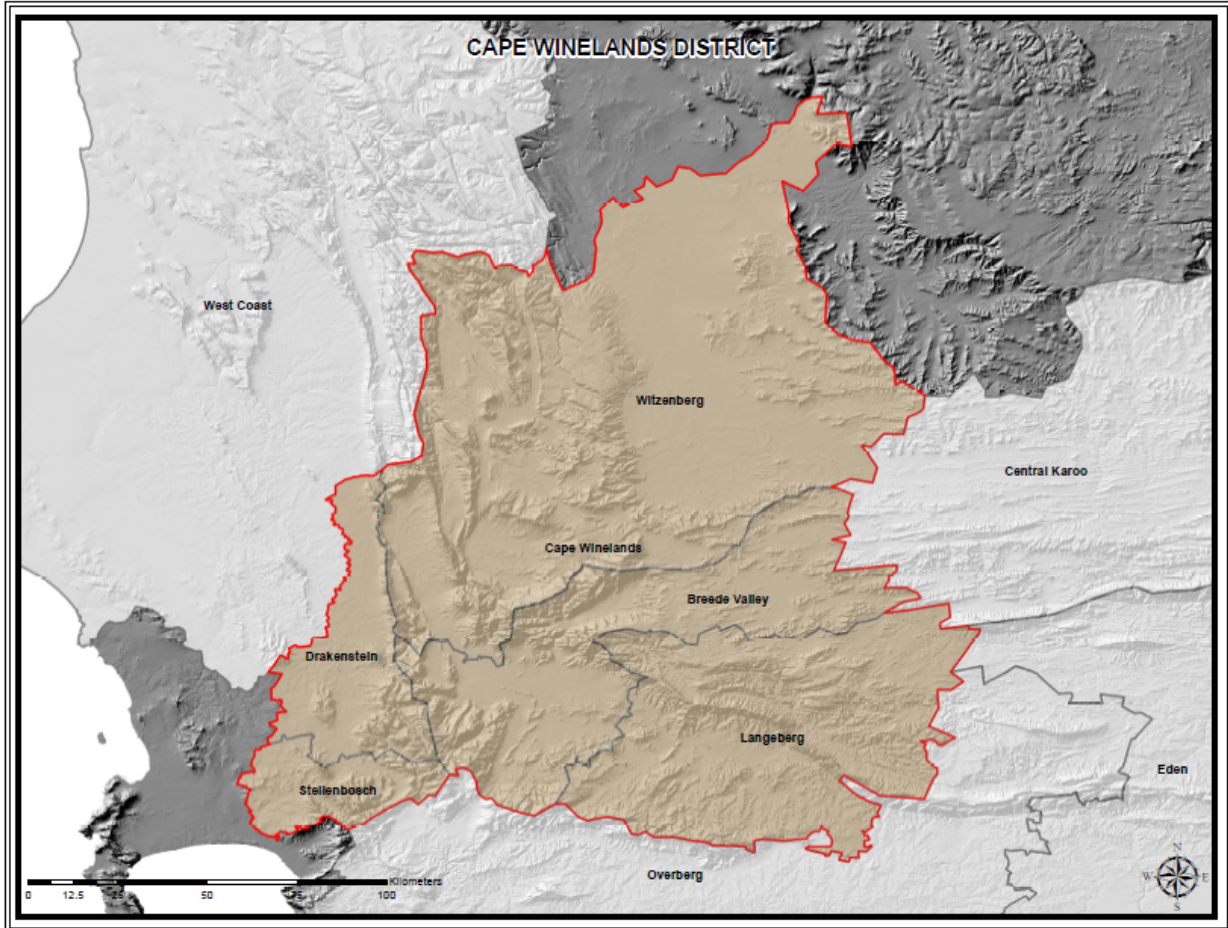
Source: Western Cape Provincial Spatial Development Framework

The Western Cape Province, which makes up 10.6% of the country's land surface and encompasses an area of 129 462 km². The province spatial area includes 1 metropolitan area

(City of Cape Town), 5 district municipal areas (Central Karoo, Eden renamed Garden Route, Overberg, Cape Winelands and West Coast) and 24 local municipalities.

Below is a map of the municipalities in relation to the Cape Winelands District:

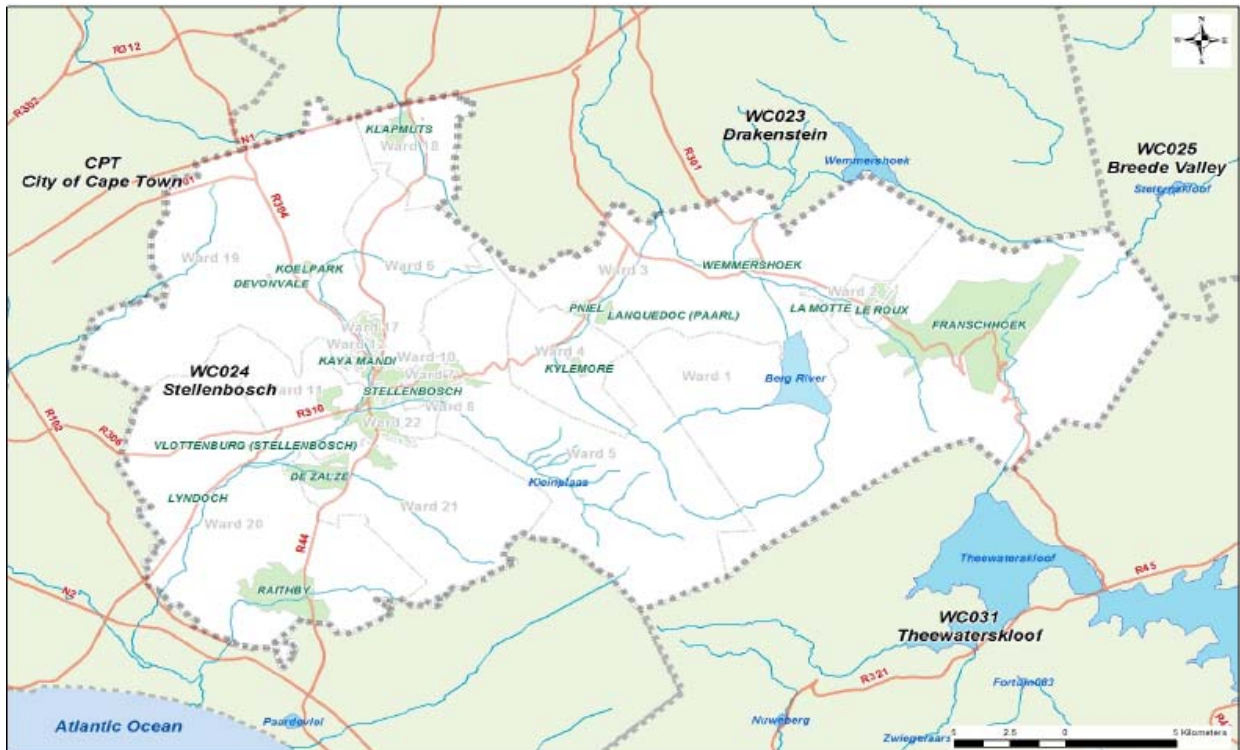
Figure 2: Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries



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

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

Figure 3: Locality map of Municipal Boundaries



Stellenbosch Local Municipality is located in the heart of the Cape Winelands and adjacent to City of Cape Town and Drakenstein Municipality. As a local authority Stellenbosch Municipality governs the towns of Stellenbosch, Franschhoek and Pniel, and the surrounding rural areas. The area covers 831 square kilometres and adjoins the City of Cape Town (CoCT) to the west and south and the Breede Valley, Drakenstein and Theewaterskloof Municipalities to the east and north. Functionally, SM forms part of the Greater Cape Town metropolitan area.

The main settlements in SM are the historic towns of Stellenbosch and Franschhoek, and Klapmuts. There are also a number of smaller villages, including Jamestown (contiguous with Stellenbosch town), Pniel, Johannesdal, Lanquedoc, Lynedoch, and Raithby. New nodes are emerging around agricultural service centres, for example, Koelenhof and Vlottenburg. Stellenbosch is a sought after space, offering opportunity and quality of living, yet in close proximity to city life. This has placed the municipal area under constant development pressure.

3.3 State of the Greater Stellenbosch

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. The municipal area covers roughly 900 km². According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2020 indicates a number of 192 879 people and 52 374 households.

The municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klapmuts to the North, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschhoek in the East.

Apart from formal settlement areas, the municipal area also includes a number of informal settlements. Stellenbosch town is the second oldest town in South Africa, dating back to 1679 when an island in the Eerste River was named Stellenbosch by the then Governor of the Cape, Simon van der Stel. The first farming activities in the area were started in that year. Today, the area has become primarily known for its extraordinary wines, fruit, world renowned cultural landscapes and exceptional scenic quality. The towns of Stellenbosch and Franschhoek are renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect their rich heritage and traditions, but also the divisions of the past.

The area houses excellent educational institutions, including the University of Stellenbosch, Boland College, sports and culinary institutions and a number of prestigious schools. It has a strong business sector, varying from major South African businesses and corporations, to smaller enterprises and home industries. The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. The area's numerous wine farms and cellars are very popular and the area is the home of the very first wine route in South Africa.

A variety of sport facilities are available. Coetzenburg, with its athletics and rugby stadiums, has hosted star performances over many generations while the Danie Craven Stadium is the home of Maties rugby, the largest rugby club in the world. The municipal area has a number of theatres, which include the University's HB Thom Theatre, Spier Amphitheatre, Dorpstraat Theatre, Aan de Braak Theatre, and Oude Libertas Amphitheatre – well-known for its summer season of music, theatre and dance. The area is known for its quality, award-winning restaurants and is a tourist haven with many boutiques, galleries, and curio shops. There are several museums and art galleries and the area is host to a number of annual cultural, food, wine and sports festivals. A wide array of accommodation is available for visitors to choose from.

Welfare and community organisations play a leading role in assisting to meet the needs of previously neglected communities.

The following municipalities share their borders with Stellenbosch Municipality:

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

















Stellenbosch municipal area is now divided into 22 Wards, with recent amendments to some of the ward boundaries by the Municipal Demarcation Board in 2016.

The wards consist of urban settlements as well as the surrounding rural areas which contain agricultural and natural environments.

The table below describes the urban settlements and rural areas within the different wards and the figure on the next page indicates the ward demarcation for the respective 22 wards within the WCO24 boundary.

3.4 Stellenbosch at a Glance

Table 1: Stellenbosch Municipality: Summarised Statistics

Demographics		Population Estimates			
	Population 192 879		Households 52 374		
Education	2019	Poverty	2018		
	Matric Pass Rate	85.0%		Gini-Coefficient	0.65
	Learner Retention Rate	75.5%		Human Development Index	0.76
	Learner-Teacher Ratio	26.6%			
Health		2019			
	Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies – Delivery rate to women U/18	
	14	55.1%	0.0	13.5%	
Safety and Security		Annual number of reported cases in 2019/20			
	Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
	1 242	237	2 166	76	231
Access to Basic Service Delivery		% households with access to basic services, 2019			
Water	Refuse Removal	Electricity	Sanitation	Housing	
94.5% 	86.7% 	92.4% 	91.2% 	73.4% 	
Road Safety 2019/20	Labour, 2019		Socio-economic Risks		
Fatal Crashes	34	Unemployment (narrow definition)	Risk 1	Rising Unemployment	
Road User Fatalities	35	11.3% 	Risk 2	Informal Sector expansion	
			Risk 3	Low skills base (Labour)	
Largest 3 sectors		Contribution to GDP, 2018			
Finance, insurance, real estate and business services		Wholesale and retail trade, catering and accommodation		Manufacturing	
21.6% 		20.7% 		16.4% 	

Source: DLG 2020 Socio- Economic Profile- Stellenbosch Municipality

3.5 Socio-Economic Context

3.5.1 Population

The population of Stellenbosch is 192 879 people in 2020, ranking amongst the most populated municipal areas in the CWD. This total is expected to grow to 209 849 by 2024, equating to an average annual growth rate of 2.1 per cent.

Table 2: Age Cohorts and Dependency Ratio

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2020	43 095	139 312	10 472	38.5
2023	44 917	149 263	11 543	37.8
2026	46 390	154 594	12 758	38.3
Growth	+1.2%	+1.7%	+3.3%	-

Source: Western Cape, Socio-Economic Profile 2020

The above table depicts Stellenbosch's population composition by age cohorts. These groupings are also expressed as a dependency ratio which in turn indicates who are part of the workforce (ages 15-64) and those, who are depending on them (children and senior citizens). A higher dependency ratio implies greater pressure on social systems and the delivery of basic services.

Between 2020 and 2026, the largest population growth was recorded in the 65+ aged cohort which grew at an annual average rate of 3.3 per cent. This predicted growth rate increases the dependency ratio towards 2026.

3.5.2 Sex Ratio

The overall sex ratio (SR) depicts the number of males per 100 females in the population. The data indicates that there are less males than females in the Stellenbosch municipal area with a ratio of 49 per cent (males) to 51 per cent (females). The SR for Stellenbosch increases slightly year on year towards 2024 which could be attributed to a wide range of factors such as an increase female mortality rates as well as the potential inflow of working males to the municipal area.

3.5.3 Age Cohorts

Between 2020 and 2026, the largest population growth projection was recorded in the 65+ aged cohort which grew at an annual average rate of 3.3 per cent. The dependency ratio however, decreases towards 2023, and increases towards 2026.

3.5.4 Household sizes

Household size refers to the number of people per household. The actual size of households remains steady at 3.7 from 2020 to 2024. Contributing factors to a stagnation in household size growth could include, but are not limited to, lower fertility rates, occurrences of divorce, ageing population, etc.

3.5.5 Population density

Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, individual health and service delivery risks. In 2020, the population density of the Cape Winelands District (CWD) was 44 persons per square kilometre.

In order of highest to lowest, the various local municipal areas in the CWD compare as follows:

- Stellenbosch 232 people/km²
- Drakenstein 189 people/km²
- Breede Valley 50 people/km²
- Langeberg 26 people/km²
- Witzenberg 14 people/km²

According to the above comparison Stellenbosch has the highest densities in the Cape Winelands District. This is strongly aided by the policy position to ensure urban development occurs within the parameters of the urban edge as outlined in the municipal Spatial Development Framework (mSDF).

3.6 Education

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

Early childhood development (ECD) is one of the priority areas of the South African government and remains a critical policy issue that the Department of Education aims to address. Early years in life are critical for acquisition of perception motor skills required for reading, writing and numeracy in later years.

Early childhood development (ECD) is one of the priority areas of the South African government and remains a critical policy issue that the Department of Education aims to address. Early years in life are critical for acquisition of perception motor skills required for reading, writing and numeracy in later years.

Table 3: Early Childhood Development – attendance levels

Early Childhood Development (ECD)		
Ages	Stellenbosch Municipality	
1	Attending	26.4%
	Not Attending	73.6%
2	Attending	61.9%
	Not Attending	38.1%
3	Attending	72.9%
	Not Attending	27.1%
4	Attending	71.9%
	Not Attending	28.1%
5	Attending	50.6%
	Not Attending	49.4%

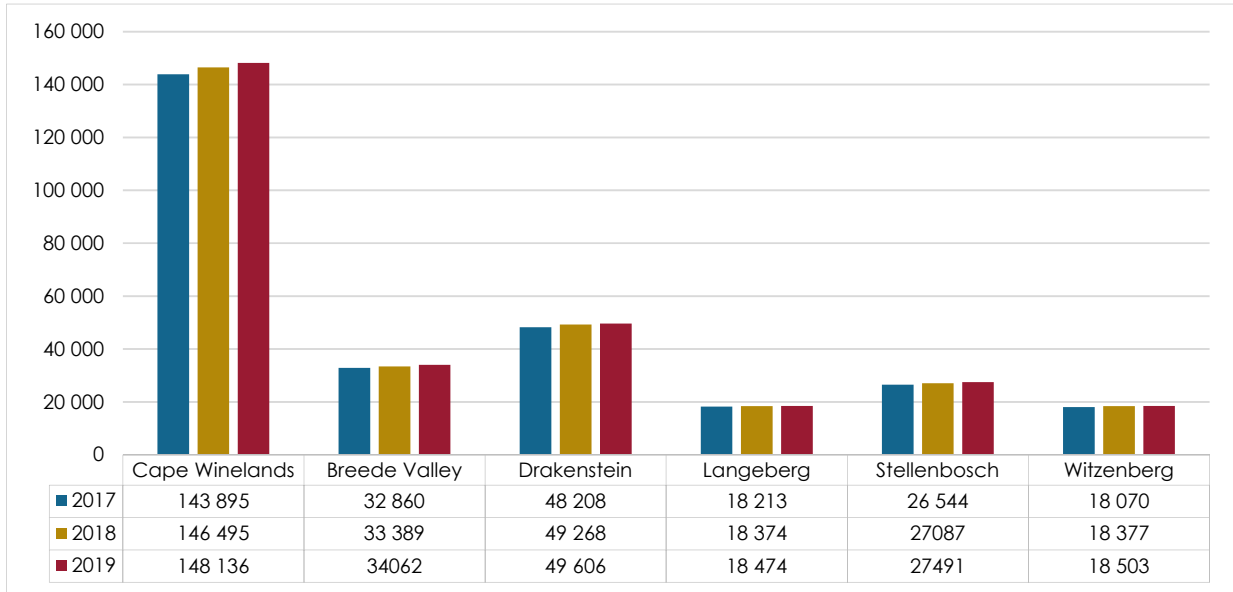
Source: Western Cape, Socio-Economic Profile 2018

Attendance of children between 1 and 2 years old at educational facilities fluctuates and is largely attributed to working parents in need of child care. Attendance between 3 and 5 years old shows a promising increase of attendance at early childhood facilities, with attendance of 73% for age group 3 and 72% for age group 4. The results for age group 5 is 51% and comparable to other local municipalities. A number of children within this age group still remain home with a parent or guardian.

3.6.1 Learner enrolment, the learner-teacher ratio and learner retention rate

Learner enrolment in Stellenbosch increased from 27 087 enrolments in 2018 to 27 491 in 2019, an increase of 1.5 per cent. The learner-teacher ratio also reflected an increase from 28.5 in 2018 to 28.9 in 2019. The learner retention rate improved from 72.5 per cent in 2018 to 75.5 per cent in 2019. This could be attributed to a number of factors including improvement in the socio-economic context.

Figure 4: Learner enrolment

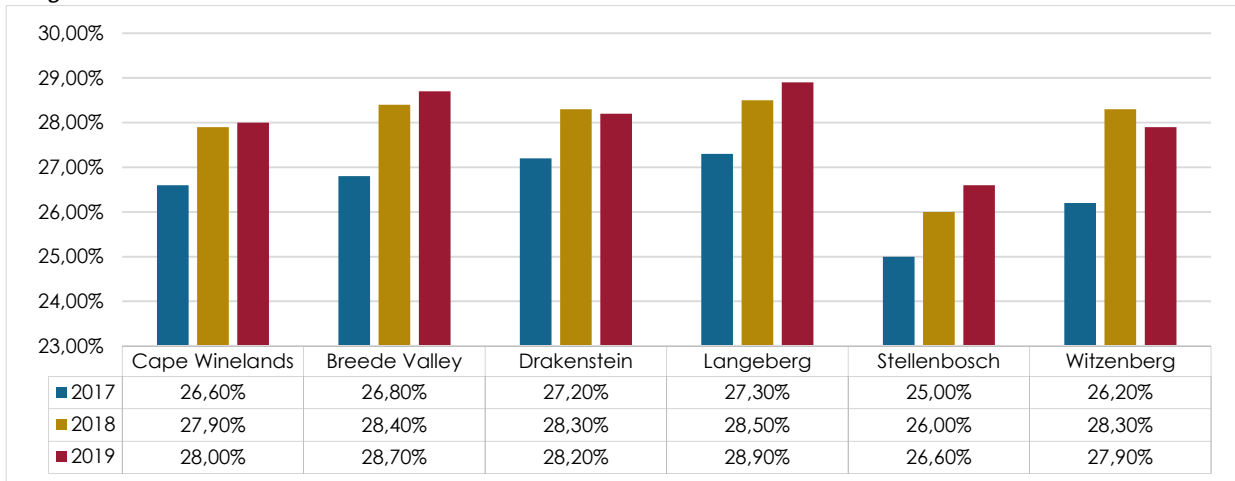


Source: Western Cape, Socio-Economic Profile 2020

It is commonly assumed that children receive less personalised attention in larger class environments and that high learner-teacher ratios are detrimental to improved educational outcomes. Factors influencing the learner-teacher ratio is the ability of schools to employ more educators when needed and the ability to collect fees.

The learner retention rate refers to the number of students that start Grade 12 as a percentage of the number of students that enrolled in Grade 10 two year prior. The inverse of the learner-retention rate is commonly referred to as the drop-out rate. Learner-retention rates are influenced by multiple social, economic and psychological factors.

Figure 5: Learner-Teacher Ratio

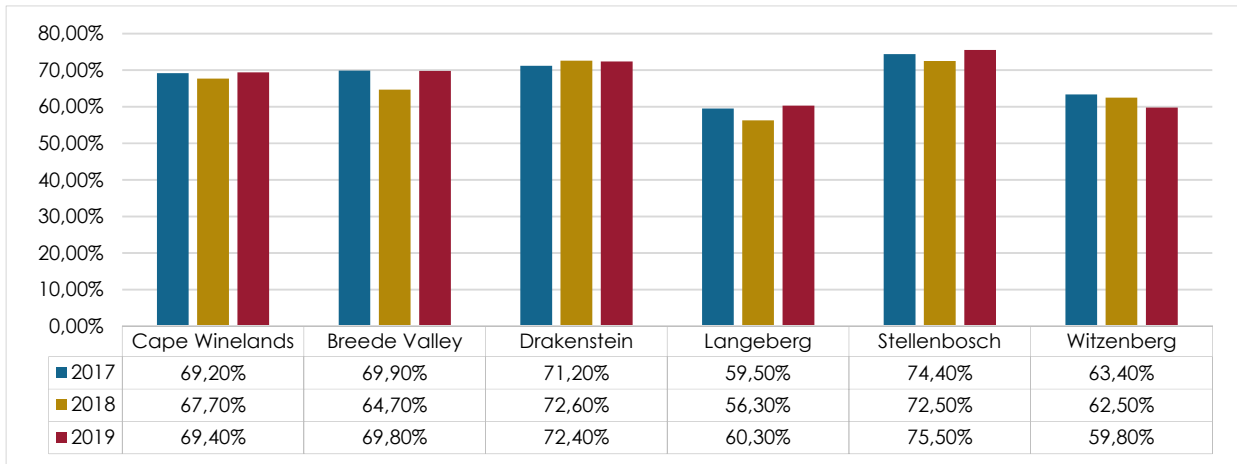


Source: Western Cape, Socio-Economic Profile 2020

Stellenbosch has the lowest learner-teacher ratio in the District, which bodes well for educational outcomes.

The learner retention rate refers to the number of students that start Grade 12 as a percentage of the number of students that enrolled in Grade 10 two year prior. The inverse of the learner-retention rate is commonly referred to as the drop-out rate. Learner-retention rates are influenced by multiple social, economic and psychological factors.

Figure 6: Learner retention



Source: Western Cape, Socio-Economic Profile 2020

3.6.2 Number of schools and no-fee schools

In 2019, Stellenbosch had a total of 39 public ordinary schools, of which 25 are no-fee schools. In an effort to alleviate some of the funding challenges the Western Cape Department of Education (WCED) offered certain fee-paying schools to become no-fee schools. This means that almost two-thirds of the schools in Stellenbosch, 52 per cent, are registered with the Western Cape Department of Education as no-fee schools.

3.6.3 Schools with libraries and media centres

Schools with libraries and media centres has remained at 29 over the reference period, contributing to the overall quality of education in the area.

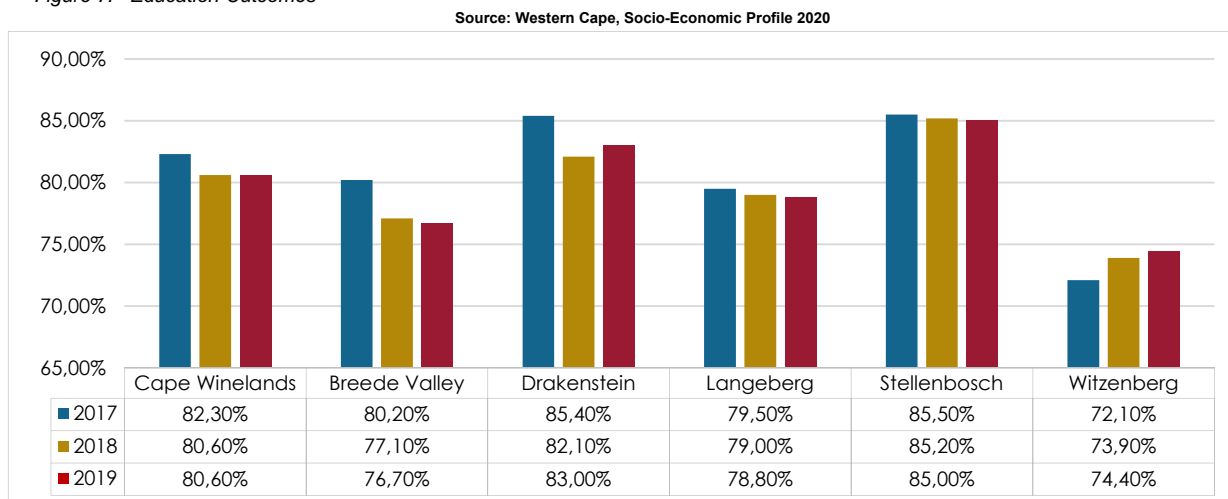
3.6.4 Schools with libraries

Schools with libraries and media centres has remained at 29 over the reference period, contributing to the overall quality of education in the area. There was no change in the number of schools with libraries in the Stellenbosch area from 2016 to 2020. The availability of library facilities within schools contribute towards narrowing the academic attainment gap by allowing students access to information which in turn directly links to improved education outcomes.

3.6.5 Education Outcomes (Matric Pass Rates)

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagement in the labour market, policy choices and decisions in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans can be realised. Stellenbosch’s matric outcomes has declined slightly from 85.2 per cent in 2018 to 85.0 per cent in 2019.

Figure 7: Education Outcomes



3.7 Health

According to the 2019 Inequality Trend Report by Statistics South Africa, 75.1 per cent of households in South Africa usually use public healthcare facilities when a household member gets ill compared to 24.9 per cent who used private healthcare facilities in 2017. This is associated with the low proportion of households with access to Medical Aid, 16.9 per cent for South Africa and 25 per cent for the Western Cape. In terms of healthcare facilities, Stellenbosch had 14 primary healthcare clinics (PHC) in 2019, which comprises of 8 fixed and 6 mobile clinics. In addition, there is a district hospital.

Table 4: Health care facilities

Area	PHC facilities (Fixed clinics, CHCs and CDCs)		Community Health Centres ¹	Community Day Centres ²	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Stellenbosch	7	6	0	1	1	0	8*	15*

¹ **Community Health Centre:** A facility that normally provides primary health care services, 24 hour maternity, accident and emergency services and beds where health care users can be observed for a maximum of 48 hours and which normally has a procedure room but not an operating theatre.

² **Community Day Centre:** A health facility that provides a comprehensive health care services during day hours, including mother and child health, chronic diseases care, women’s health, HIV and TB care, men’s health, acute services, physio therapy, mental health services and oral health care.

Cape Winelands District	39	33	0	6	4	2	49*	100*
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*Source: Western Cape, Socio-Economic Profile 2020

3.7.1 Emergency Medical Services

Provision of more operational ambulances can provide greater coverage of emergency medical services. Stellenbosch has 3 ambulances per 10 000 inhabitants in 2019 which is above the district average of 2 ambulances per 10 000 people. It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

3.7.2 HIV / AIDS / TB

Stellenbosch’s total registered patients receiving ARTs increased by 896 patients between 2018 and 2019. A total of 32 366 registered patients received antiretroviral treatment in the Cape Winelands District in 2019. Stellenbosch, at 6 960 patients, represent 21.5 per cent of the patients receiving ART in the Cape Winelands District. The number of new antiretroviral patients decreased from 637 to 538 in 2019. Stellenbosch experienced an increase of in tuberculosis (TB) cases in 2019. 1 176 TB patients were registered in 2019 compared to 1 175 in 2018.

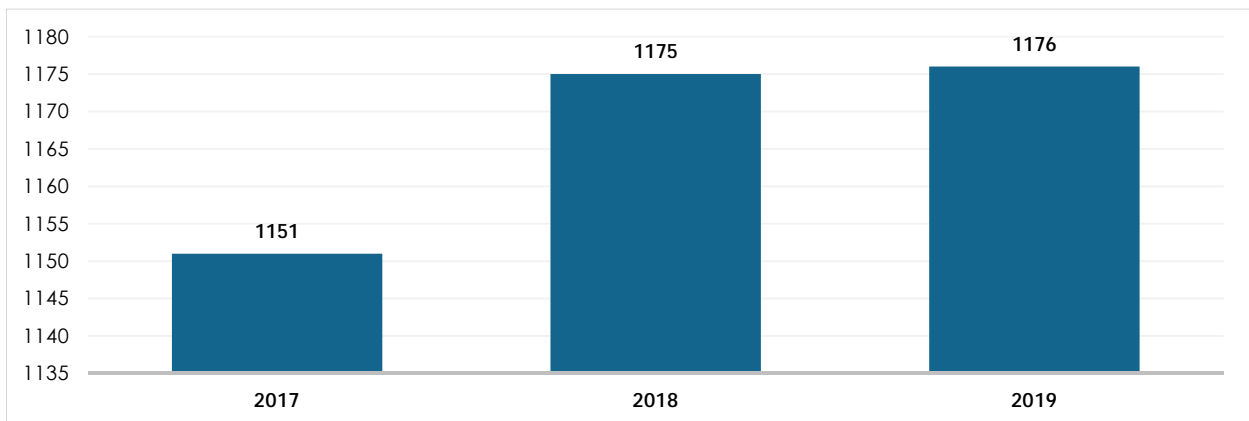
HIV/AIDS management is crucial given its implications for the labour force and the demand for healthcare services.

Table 5: HIV/AIDS Management

Area	Registered patients receiving ART		Number of new ART patients	
	2018	2019	2018	2019
Stellenbosch	6 064	6 960	637	538
Cape Winelands District	30 724	32 366	3 851	3 434

Source: Western Cape, Socio-Economic Profile 2020

Figure 8: Tuberculosis

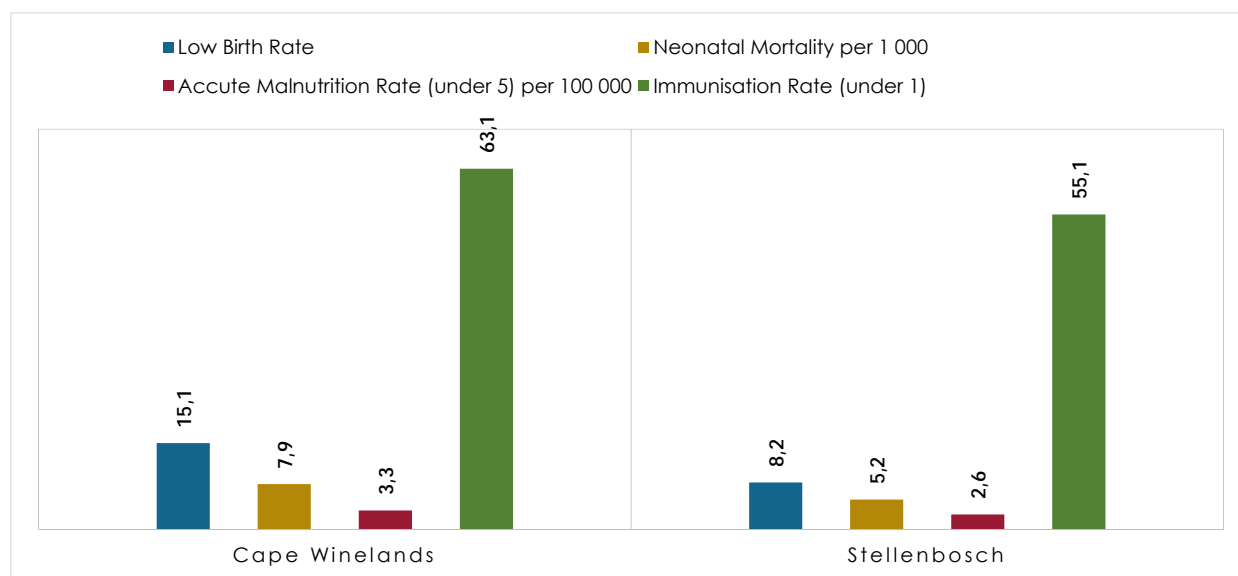


Source: Western Cape, Socio-Economic Profile 2020

3.7.3 Child Health

Immunisation rates in the Stellenbosch area is at 55.1 per cent in 2019 having decreased slightly from 55.2 per cent in 2018. In 2019, the number of malnourished children under five years (per 100 000) was 2.6, a slight decline from 2018. Neonatal mortality rate (NMR) (per 1 000 live births decreased from 6.6 in 2018 to 5.2 in 2019. The low-birth-weight indicator was recorded at 8.2, a decrease from 9.2 recorded in 2018.

Figure 9: Child Health



Source: Western Cape, Socio-Economic Profile 2020

3.7.4 Maternal Health

The maternal mortality rate in the Stellenbosch area is zero and Cape Winelands District is 42.7 deaths per 100 000 live births in 2019. The delivery rate to women under 20 years in Stellenbosch and Cape Winelands District was recorded at 13.5 and 15.1 in 2019 per cent respectively. The termination of pregnancy rate increased from 0.5 to 0.6 from 2018 to 2019 in the Stellenbosch area.

Table 6: Maternal Health

Area	Maternal Mortality Rate		Delivery rate to women under 20 years		Termination of pregnancy rate	
	2018	2019	2018	2019	2018	2019
Stellenbosch	66,5	0,0	13,6	13,5	0,5	0,6
Cape Winelands District	95,5	42,7	14,2	15,1	0,7	0,8

Source: Western Cape, Socio-Economic Profile 2020

3.8 Poverty

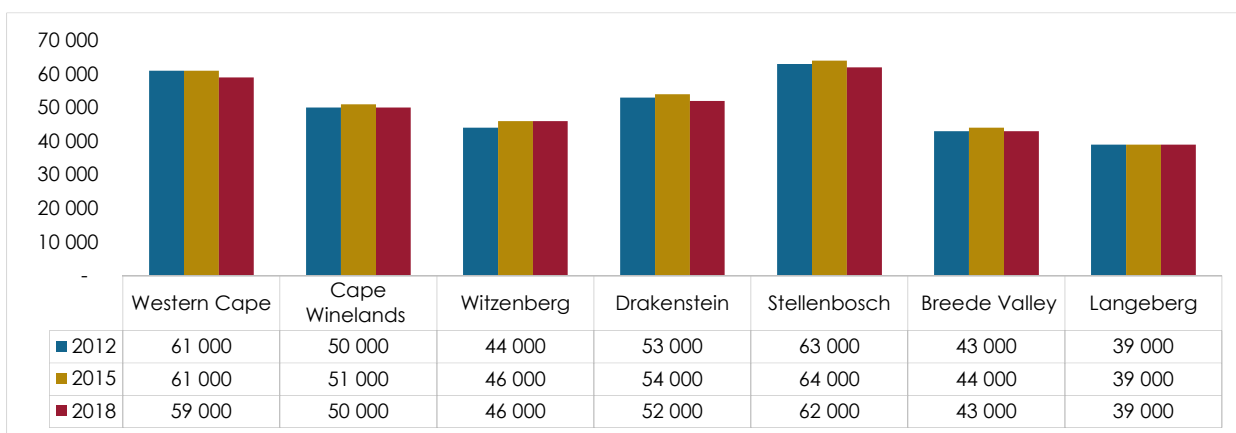
3.8.1 GDPR Per Capita

An increase in real GDPR per capita, i.e. GDPR per person, is experienced only if the real economic growth rate exceeds the population growth rate. Even though real GDP per capita reflects changes

in the overall well-being of the population, not everyone within an economy will earn the same amount of money as estimated by the real GDP per capita indicator.

At R62 000 in 2018, Stellenbosch’s real GDP per capita is well above that of the Cape Winelands District’s figure of R50 000 as well as that of the Western Cape.

Figure 10: GDP Per Capita



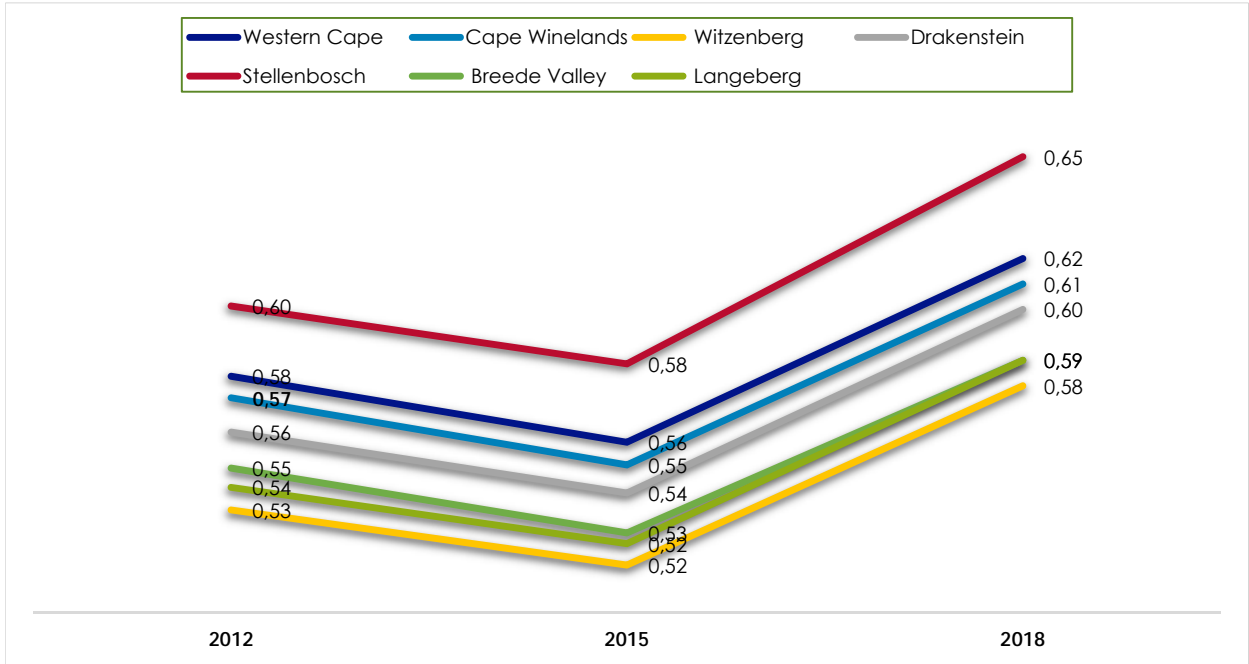
Source: Western Cape, Socio-Economic Profile 2020

3.8.2 Income Inequality

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. Income inequality has increased in Stellenbosch between 2012 (0.60) and 2018 (0.65) with the exception of 2015, when it dropped below 0.58.

Furthermore, income inequality levels were the highest in Stellenbosch for 2018 with a Gini coefficient of 0.60 when compared to neighbouring municipalities across Cape Winelands District and the Western Cape. These disparities in income are certain to worsen across the ensuing MTREF given the potential aftereffects of the Covid-19 pandemic.

Figure 11: Income Inequality



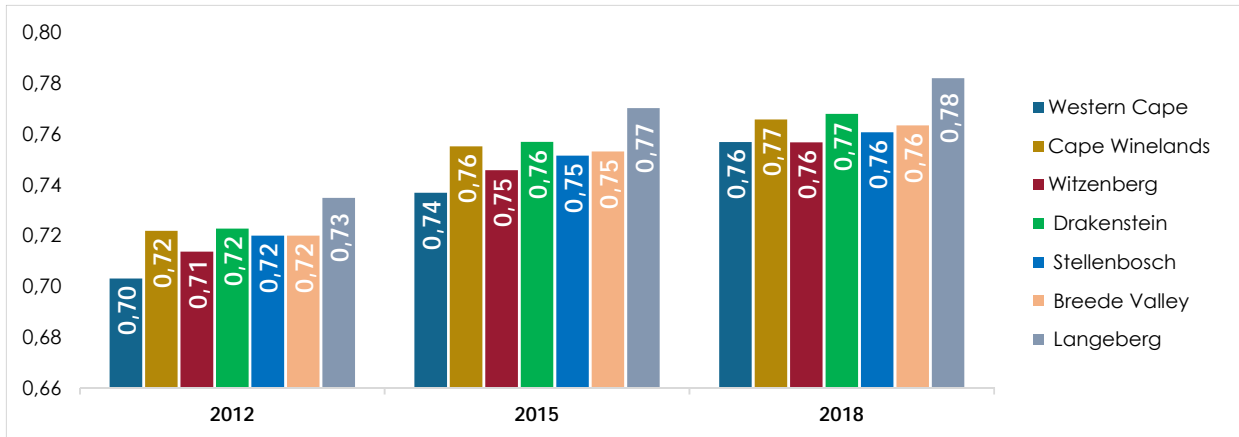
Source: Western Cape, Socio-Economic Profile 2020

3.8.3 Human Development

The United Nations uses the Human Development Index (HDI) to assess the relative level of socio-economic development in countries. Indicators that measure human development are education, housing, access to basic services and health. The HDI is a composite indicator reflecting education levels, health, and income. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development.

There has been a general increase in the HDI in Stellenbosch from 0.72 in 2012 to 0.76 in 2018. The trend for the Cape Winelands District and the Western Cape in general has been similar between 2012 and 2018. Naturally, per capita income as per definition is expected to mimic the trend of HDI and this is clearly displayed in the graph above. In short, what this graph illustrates is that for the most part an increase in GDP per capita across a particular region is generally accompanied by an improvement in HDI levels with a short lag.

Figure 12: Human Development



Source: Western Cape, Socio-Economic Profile 2020

3.9 Basic Service Delivery

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

This section considers to what extent this has been achieved by reflecting on the latest available information from Quantec Research for 2019. The latest official statistics was collected by Statistics South Africa for the 2016 Community Survey; the 2021 Census will provide the updated official statistics. The information on free basic services is obtained from Statistics South Africa’s Non-Financial Census of Municipalities survey findings.

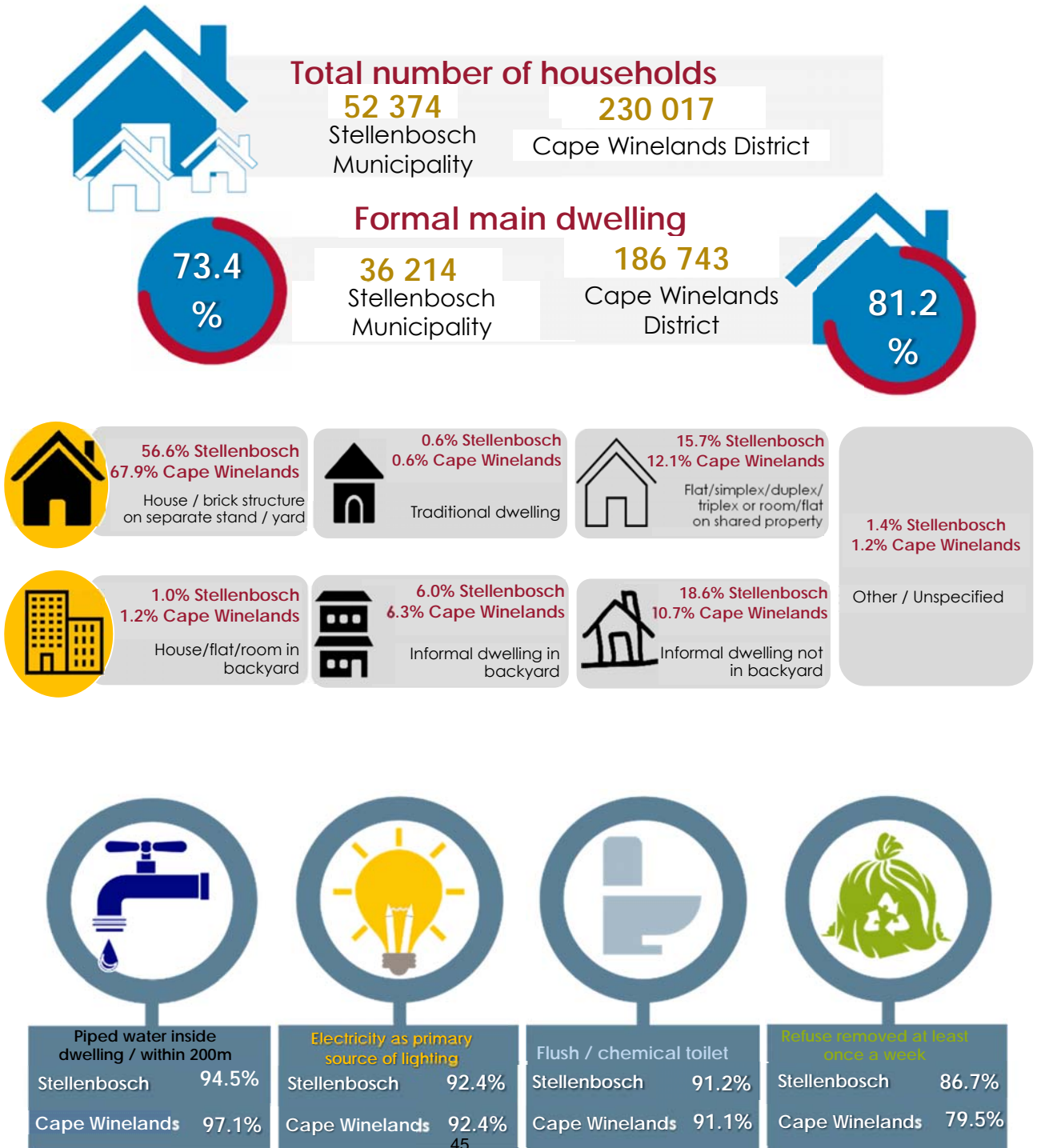
3.9.1 Housing and Household Services

With a total of 49 332 households in the Stellenbosch municipal area, only 73.4 per cent had access to formal housing, the lowest access level when compared to the other municipalities in the Cape Winelands District area; the District average was 81.2 per cent. The area also had highest proportion of informal households in the District, a total of 24.5 per cent compared with the District average of 17.0 per cent. Subsequently, service access levels were high in the area, with access to piped water inside / within 200m of the dwelling at 94.5 per cent, access to a flush or chemical toilet at 91.2 per cent, access to electricity (for lighting) at 92.4 per cent and the removal of refuse at least weekly by local authority at 86.7 per cent of households.

3.9.2 Free Basic Services

Municipalities also provide a package of free basic services to households who are financially vulnerable and struggle to pay for services. The number of households receiving free basic services in the Stellenbosch municipal area has shown a generally increasing trend up to 2018. The stressed economic conditions are anticipated to exert pressure on household income levels, which is in turn likely to see the number of indigent households and the demand for free basic services increase.

Figure 13: Total number of households



Source: Western Cape, Socio-Economic Profile 2020

3.10 Safety and Security

3.10.1 Murder

Murder is defined as the unlawful and intentional killing of another person. Within the Stellenbosch area, the actual number of murders increased from 69 in 2019 to 76 in 2020. The murder rate (per 100 000 people) also increased from 37 in 2019 to 39 in 2020. The murder rate for the CWD increased from 39 in 2019 to 42 in 2020 (per 100 000 people).

Table 7: Murder (per 100 000)

Murder (per 100 000)		
2017/18	2018/19	2019/20
39	37	39

Source: Western Cape, Socio-Economic Profile 2020

3.10.2 Sexual Offences

Sexual offences include rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency and human trafficking. In 2020, there were 231 reported sexual offences in the Stellenbosch area compared to 204 in 2019. In 2020, there were 966 reported cases in the Cape Winelands District in total compared to 880 in 2019.

Table 8: Sexual Offences (per 100 000)

Sexual Offences (per 100 000)		
2017/18	2018/19	2019/20
114	108	120

Source: Western Cape, Socio-Economic Profile 2020

3.10.3 Drug-related Offences

Drug-related crimes refer to the situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs. Drug-related incidences within the Stellenbosch area decreased from 2 563 cases in 2019 to 2 166 cases in 2020. The CWD's drug-related offences decreased sharply from 11 225 in 2019 to 7 895 in 2020. When considering the rate per 100 000 people, at 1 172 crimes per 100 000 people in 2020, the Stellenbosch area rate is above that of the District (837).

Table 9: Drug Related Offences (per 100 000)

Drug Related Offences (per 100 000)		
2017/18	2018/19	2019/20
1 754	1 358	1 123

Source: Western Cape, Socio-Economic Profile 2020

3.10.4 Driving under the influence (DUI)

A situation where the driver of a vehicle is found to be over the legal blood alcohol limit. The number of cases of driving under the influence of alcohol or drugs in the Stellenbosch area shows a decrease from 309 in 2019 to 237 in 2020. This translates into a rate of 123 per 100 000 people in 2020, which is above the District's 100 per 100 000 people in 2020.

Table 10: Driving under the influence (per 100 000)

Driving under the influence (per 100 000)		
2017/18	2018/19	2019/20
39	37	39

Source: Western Cape, Socio-Economic Profile 2020

3.10.5 Road user fatalities

The type of road user that died in or during a crash i.e. driver, cyclist, passengers, pedestrians. The number of road user fatalities in the Stellenbosch municipal area decreased from 37 in 2018/19 to 35 in 2019/20. The number of fatal crashes remained constant at 34 across the same reference period.

Table 11: Road user fatalities (actual cases)

Road user fatalities (actual cases)		
2017/18	2018/19	2019/20
29	37	35

Source: Western Cape, Socio-Economic Profile 2020

3.10.6 Residential Burglaries

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

The 2019/20 crime statistics released by SAPS and Stats SA indicate that the number of residential burglaries fell by 6.7 per cent in South Africa. Within the Western Cape Province, burglaries at residential areas decreased by 8.5 per cent between 2019 and 2020. Residential burglary cases within the Stellenbosch area also decreased from 1 363 in 2019 to 1 242 in 2020. When considering the rate per 100 000 populations, with 644 cases per 100 000 in 2020, Stellenbosch's rate is above the district rate of 587 per 100 000 in the same reporting year.

Table 12: Residential burglaries (per 100 000)

Residential burglaries (per 100 000)		
2017/18	2018/19	2019/20
975	722	644

Source: Western Cape, Socio-Economic Profile 2020

3.11 Economy and Labour Market Performance

3.11.1 Sectoral Overview

In 2018, the economy of Stellenbosch was valued at R16.2 billion (current prices) and employed 78 701 people. Historical trends between 2014 and 2018 indicate that the municipal area realised an average annual growth rate of 1.4 per cent which can mostly be attributed to the tertiary sector that registered a positive annual growth rate of 2.1 per cent.

In terms of sectoral contribution, the wholesale and retail trade, catering and accommodation (R3.3 billion), finance, insurance, real estate and business services (R3.5 billion), and manufacturing (R2.7 billion) sectors were the main drivers that contributed to the positive growth in the local economy. These sectors are also estimated to have performed well in 2019, particularly the finance, insurance and real estate services and the wholesale and retail trade, catering and accommodation sectors, which are both estimated to have grown by 2.4 per cent. Employment creation in the wholesale and retail trade, catering and accommodation sector mirrored the high growth rate, with 400 new jobs created. In 2019, the transport, storage and communication sector was also an important source of job creation (169 jobs).

Despite its important role in the local economy, particularly as one of the main sources of employment, the agriculture, forestry and fishing sector experienced below-average performance between 2014 and 2018 and is estimated to have contracted by 8.9 per cent in 2019. This contraction led to the loss of 113 jobs. The agriculture, forestry and fishing sector is still recovering from the provincial drought.

3.11.2 Formal and Informal Employment

It is estimated that Stellenbosch's total labour force in 2019 amounted to 78 701 workers of which 56 601 (71.9 per cent) are in the formal sector while 22 100 (28.1 per cent) are informally employed.

Most of the labour force consisted of semi-skilled (43.8 per cent) and low-skilled (32.3 per cent) workers. The skilled category contributed 23.9 per cent to total formal employment and grew on average by 2.5 per cent, while the semi-skilled and low-skilled categories grew at 2.8 and 0.4 per cent respectively. Evidently, the demand for skilled labour is on the rise which implies the need to capacitate and empower low-skilled and semi-skilled workers.

3.11.3 Unemployment

Stellenbosch (11.3 per cent) has the second highest unemployment rate in the Cape Winelands District. It is also higher than the District average (11.3 per cent) but considerably lower than the Western Cape rate of 19.4 per cent. Stellenbosch's high unemployment rate is based on the narrow definition of unemployment i.e. the

percentage of people that are able to work, but unable to find employment. The broad definition generally refers to people that are able to work, but not actively seeking employment.

Table 13: Economic Sector Overview

SECTOR	GDP			Employment		
	R Million value 2018	Trend 2014 - 2018	Real GDP growth 2019e	Number of jobs 2018	Average annual change 2014 - 2018	Net change 2019e
Primary Sector	931,4	-1,0	-8,9	10 725	55	-113
Agriculture, forestry and fishing	901,2	-1,1	-9,1	10 694	55	-111
Mining and quarrying	30,2	1,8	-2,6	31	0	-2
Secondary sector	3 755,6	-0,3	-1,6	12 224	121	-443
Manufacturing	2 651,6	-0,9	-1,5	7 965	-8	-138
Electricity, gas and water	234,3	-0,3	-1,9	156	3	-1
Construction	869,8	2,1	-1,9	4 103	126	-304
Tertiary sector	11 489,0	2,1	1,4	55 752	1 304	449
Wholesale and retail trade, catering and accommodation	3 344,9	2,4	0,9	20 460	603	400
Transport, storage and communication	1 782,3	3,9	1,5	3 432	95	169
Finance, insurance, real estate and business services	3 489,6	2,4	2,3	13 577	427	35
General government	1 770,1	0,1	0,7	7 925	62	124
Community, social and personal services	1 102,2	0,9	0,3	10 358	117	-279
Stellenbosch	16 176,0	1,4	0,1	78 701	1 480	-107

Source: Western Cape, Socio-Economic Profile 2020

Table 14: Skill Levels Formal employment

Skill Levels Formal employment	Skill Level Contribution 2018 (%)	Average growth (%)	Number of jobs	
			2018	2019
Skilled	23,9	2,5	13 495	13 719
Semi-skilled	43,8	2,8	24 673	25 127
Low-skilled	32,3	0,4	18 433	18 513
Total	100,0	2,0	56 601	57 359

Source: Western Cape, Socio-Economic Profile 2020

Table 15: Informal Employment

Informal Employment	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of informal jobs	22 703	20 515	20 431	20 545	21 736	22 101	23 474	21 672	22 615	22 100	21 235
% of Total Employment	33,3	31,2	30,6	29,9	30,5	30,6	30,7	28,4	29,0	28,1	27,0

Source: Western Cape, Socio-Economic Profile 2020

Table 16: Unemployment rates

Unemployment rates	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Drakenstein	11,2	12,6	12,9	12,6	12,2	12,6	11,6	12,6	13,2	13,1	14,2
Langeberg	5,1	6,1	6,3	6,2	5,9	6,2	5,4	6,1	6,4	6,5	7,2
Stellenbosch	8,2	9,4	9,7	9,6	9,3	9,6	8,9	9,9	10,3	10,3	11,3
Stellenbosch	5,8	6,8	6,9	6,6	6,1	6,4	5,4	5,9	6,2	6,2	6,7
Breede Valley	8,6	9,9	10,1	9,8	9,4	9,7	8,6	9,5	9,9	9,9	10,7
Cape Winelands	8,4	9,7	9,9	9,7	9,2	9,6	8,6	9,5	9,9	9,9	10,7
Western Cape	14,2	15,5	15,7	15,8	15,7	16,0	16,1	17,3	18,1	18,0	19,4

Source: Western Cape, Socio-Economic Profile 2020

3.12 Public Infrastructure Spending

3.12.1 Spending on Social Infrastructure

Spending on social infrastructure aids in social development and has the spill-over effect of enabling economic growth. The Western Cape Government (WCG) will spend 22.5 per cent (R49.174 million) of its infrastructure budget on social infrastructure.

As displayed in the pie chart the WCG will be allocating 7.1 per cent of the budget (R15.430 million) towards education in the municipal area. Spending on education is crucial as it can serve to improve education outcomes and skills levels within a community, and more importantly alleviate poverty through increased long-term income for individuals.

A healthy and resilient community increases productivity and reduces pressures on government resources. As such the Department of Health has allocated 0.8 per cent (R1.668 million) of infrastructure spending on health. A further R32.076 million (14.7 per cent) has been allocated by the WCG towards Human Settlements, serving to reduce housing backlogs. This was complemented by R10.361 million in spending on housing infrastructure by the municipality.

Community safety has been prioritised by the WCG due to high levels of crime in the Western Cape. Crime has a negative impact on the quality of lives of individuals, but also on the economy by deterring private investment and causing business losses. It further creates a burden on government resources in terms of justice system costs, victim assistance and replacement of assets. The municipality has as such allocated R6.7 million of its capital budget on community and public safety. The municipality has also made R14.330 million available for sports and recreation and R3.190 million for social development which will serve to improve the quality of life of individuals within the municipal area.

3.12.2 Spending on Economic Infrastructure

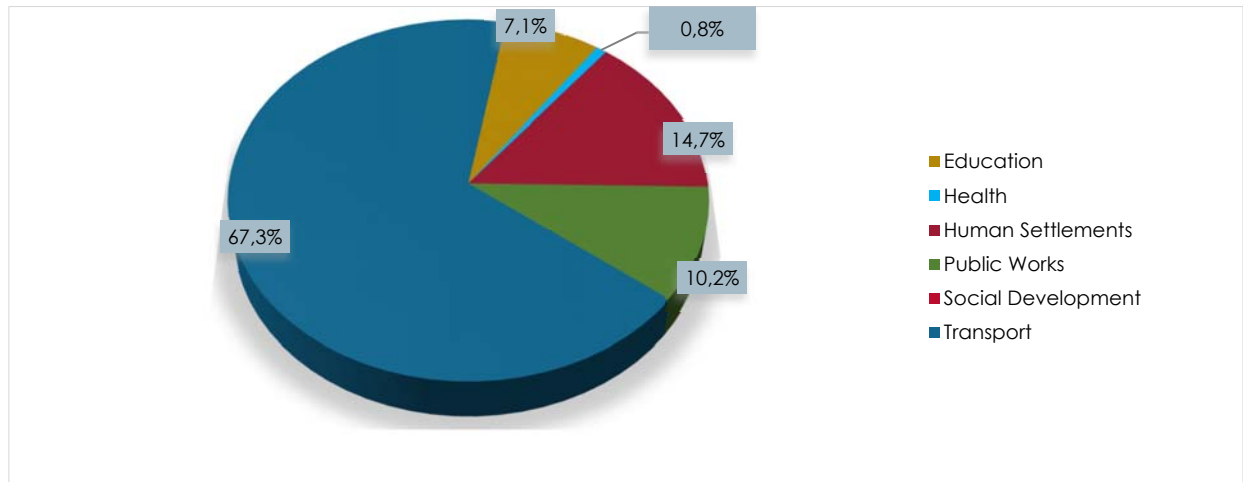
Economic infrastructure is defined as infrastructure that promotes economic activity. Considering the sluggish economic growth throughout the country, spending on economic infrastructure is crucial to stimulating economic activity.

The WCG allocated R169.256 million (77.5 per cent) towards economic infrastructure, more specifically towards transport (R147 million) and public works (R22.256 million). Transport and public works infrastructure goes a long way towards unlocking the region’s economic potential, especially due to it being a tourist destination and its proximity to the City of Cape Town economic hub. The municipality contributes a further R54.0 million towards road transport. As part of their economic infrastructure allocation, the municipality will also contribute R52.5 million towards planning and development and R1.8 million towards environmental protection.

3.12.3 Spending on Trading Services

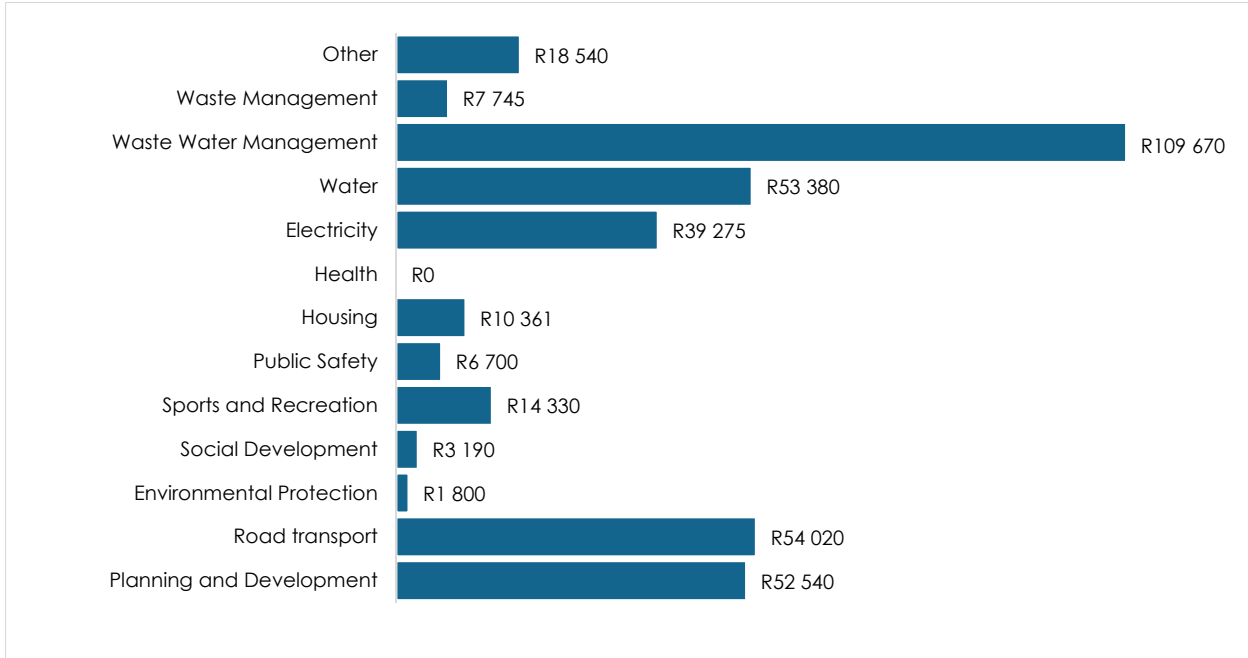
Basic services are crucial to improving the living conditions of citizens within the municipal area and enabling economic activity for businesses via access to water, electricity, sanitation and refuse removal. The majority of the municipality’s infrastructure budget is allocated towards the provision of basic services. The majority of spending on trading services have been allocated towards waste water management (R109.7 million). This was followed by water management (R53.4 million), electricity (R39.3 million) and waste management (R7.7 million).

Figure 14: Provincial Infrastructure Spend



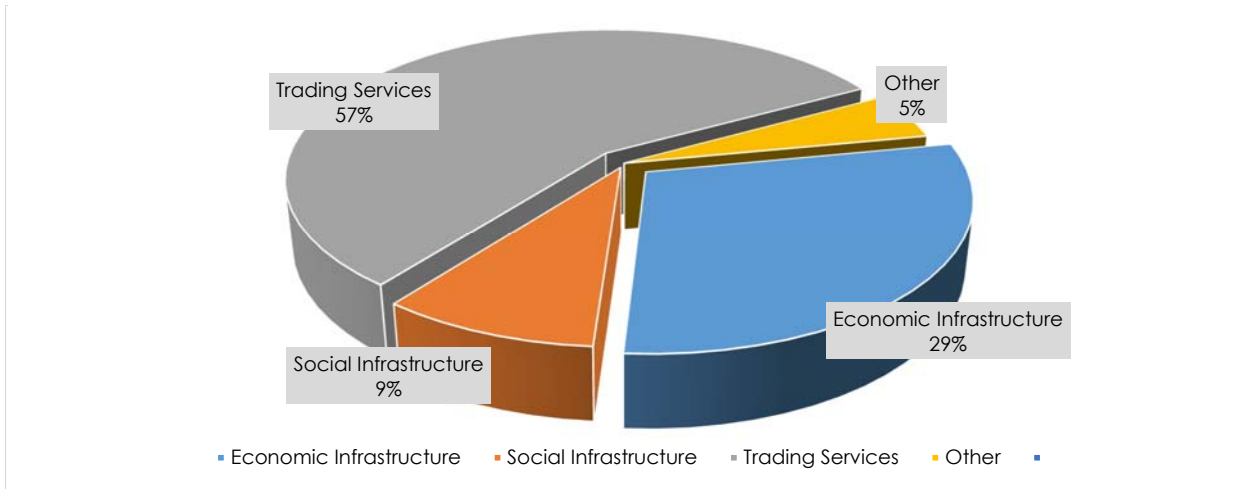
Source: Western Cape, Socio-Economic Profile 2020

Figure 15: Municipal Infrastructure Spend



Source: Western Cape, Socio-Economic Profile 2020

Figure 16: Municipal Infrastructure Spend



Source: Western Cape, Socio-Economic Profile 2020

B: LEGISLATIVE ENVIRONMENT

Legal Requirements

The medium term revenue and expenditure framework for 2020/2021, 2021/2022 and 2022/2023 was compiled in accordance with the requirements the relevant legislation, of which the following are the most important:

- i) the Constitution, Act 108 of 1996
- ii) the Local Government Transition Act, Act 209 of 1993
- iii) the Municipal Structures Act, Act 117 of 1998
- iv) the Municipal Systems Act, Act 32 of 2000
- iv) the Municipal Finance Management Act, Act 56 of 2003

In addition to the above, the Municipal Budget and Reporting Framework as approved on 17 April 2009 gave a clear directive on the prescribed reporting framework and structure to be used

Guidelines issued by National Treasury

National Treasury issued the following circulars regarding the budget for 2015/2016:

MFMA Circular No. 74 Municipal Budget Circular for the 2015/16 MTREF- 12 December 2014

MFMA Circular No. 75 Municipal Budget Circular for the 2015/16 MTREF- 04 March 2015

Other circulars used during the compilation of the budget:

- MFMA Circular No. 48 Municipal Budget Circular for the 2009/10 MTREF – 2 March 2009
- MFMA Circular No. 51 Municipal Budget Circular for the 2010/11 MTREF – 19 February 2010
- MFMA Circular No. 54 Municipal Budget Circular for the 2011/12 MTREF – 10 December 2010
- MFMA Circular No. 55 Municipal Budget Circular for the 2011/12 MTREF – 8 March 2011
- MFMA Circular No. 58 Municipal Budget Circular for the 2012/13 MTREF – 14 December 2011
- MFMA Circular No. 59 Municipal Budget Circular for the 2012/13 MTREF – 16 March 2012
- MFMA Circular No. 64 Municipal Budget Circular for the 2012/13 MTREF – November 2012
- MFMA Circular No. 66 Municipal Budget Circular for the 2013/2014 MTREF – 24 January 2013
- MFMA Circular No. 67 Municipal Budget Circular for the 2012/13 MTREF – 12 March 2013
- MFMA Circular No. 70 Municipal Budget Circular for the 2014/15 MTREF- 4 December 2013
- MFMA Circular No. 78 Municipal Budget Circular for 2016/2017 MTREF - 7 December 2015
- MFMA Circular No.79 Municipal Budget Circular for 2016/2017 MTREF - 7 March 2016
- MFMA Circular No.82 Cost Containment Measures for 2016/2017 MTREF - 30 March 2016
- MFMA Circular No.85 Municipal Budget Circular for 2017/2018 MTREF – 9 December 2016
- MFMA Circular No. 86 Municipal Budget Circular for 2017/2018 MTREF – 8 March 2017
- MFMA Circular No. 89 Municipal Budget Circular for 2018/2019 MTREF – 8 December 2017
- MFMA Circular No. 91 Municipal Budget Circular for 2018/2019 MTREF – 7 March 2018

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- Local Government: Municipal Finance Management Act, 2003-Municipal Cost Containment Regulation (Draft)- 16 February 2018/ Cost Containment regulations issued June 2019
 - MFMA Circular No. 93 Municipal Budget Circular for 2019/2020 MTREF – 7 December 2018
 - MFMA Circular No. 94 Municipal Budget Circular for 2019/2020 MTREF – 7 March 2019
 - Local Government: Municipal Finance Management Act, 2003-Municipal Cost Containment Regulations issued June 2019
 - MFMA Circular No. 98 Municipal Budget Circular for 2020/2021 MTREF – 6 December 2019
 - MFMA Circular No. 99 Municipal Budget Circular for 2020/2021 MTREF – 9 March 2020
 - MFMA Circular No.107 Municipal Budget Circular for 2021/2022 MTREF – 4 December 2020
 - MFMA Circular No.108 Municipal Budget Circular for 2021/2022 MTREF – 8 March 2021

The following are discussion points that are highlighted in the above:

- National outcomes/priorities
- Economy and Headline inflation forecasts
- Division of Revenue outlook
- Local Government Conditional Grants & additional allocations and Changes to structure of conditional grant allocations
- Unfunded budgets in Local Government
- Municipal Standard Chart of Accounts (mSCOA)
- Development of Integrated Development Plan (IDP)
- Revising rates, tariffs and other charges
- Eskom Bulk Tariff Increases
- Funding choices and budgeting issues
- Conditional transfers to municipalities
- Unconditional transfers to municipalities
- Borrowing for capital infrastructure
- Revenue Budget
- Cost Containment Measures
- Municipal Budget and Reporting Regulations
- Preparation of Municipal Budgets for 2021/2022 MTREF
- Budget process and submissions for the 2021/22 MTREF
- 2021 Local Government Elections (transitional processes and hand-over reports for the newly elected councils);

The guidelines provided in the above mentioned circulars, annexures and other economic factors were taken into consideration and informed budget preparation and compilation.

C: OVERVIEW OF ANNUAL BUDGET PROCESS

In terms of Section 24 of the MFMA, Council must, at least 30 days before the start of the financial year, consider the annual budget for approval. Section 53 requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the Mayor of a municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging with the responsibilities set out in section 53 of the Act.

A time schedule outlining important dates and deadlines as prescribed for the IDP/Budget process was approved on **24 August 2020**. The budget process for the 2021/2022 MTREF period proceeded/will proceed according to the following timeline

Activity	Time frame
Formulation of budget assumptions	September 2020
Detailed programmes and projects to further define budget	November 2020 – March 2021
IDP and Budget considered by Council	31 March 2021
IDP and Budget - public participation	April 2021
Final approval of IDP and the Budget	26 May 2021

D: OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN (IDP)

The intent of the Strategic goals for the Fourth Generation IDP will remain the same as the goals of the Third Generation IDP, although a slight change for 3 of the goals namely: “Preferred Investment Destination” has been amended to “Valley of Possibility” to have a clearer indication that it needs to include possibilities for all and not just investors; “Greenest Municipality” has been amended to “A Green and Sustainable Valley” to incorporate all facets of sustainability; ” Safest Valley” has been amended to “A Safe Valley”, whilst “Dignified Living” and “Good Governance and Compliance”, remain unchanged.

Horizontal Alignment Matrix

Table 17: Horizontal Alignment Matrix

Strategic Focus Areas	National Strategic Outcomes	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
Valley of Possibility	Ensuring decent employment through inclusive economic growth (4) Ensuring decent employment through inclusive economic growth (4)	Creating jobs (1)	Create opportunities for growth and jobs (1)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
Green and Sustainable Valley	Ensuring that the environmental assets and natural resources are well protected and continually enhanced (10)	Transitioning to a low carbon economy (3) Transforming urban and rural spaces (4)	Enable resilient, sustainable, quality and inclusive living environment (4)	To create an environment and forge partnerships that ensures the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment.

Strategic Focus Areas	National Strategic Outcomes	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
	<p>Ensuring vibrant, equitable and sustainable rural communities with food security for all (7)</p> <p>Promoting sustainable human settlements and improved quality of household life (8)</p>	<p>Transitioning to a low carbon economy (3)</p> <p>Transforming urban and rural spaces (4)</p>	<p>Increase wellness, safety and tackle social ills (3)</p> <p>Enable resilient, sustainable, quality and inclusive living environment (4)</p>	<p>Environmental and social infrastructure investment.</p>
Safe Valley	<p>Ensuring all people in South Africa are and feel safe (3)</p>		<p>Increase wellness, safety and tackle social ills (3).</p>	<p>To create an environment and forging partnerships that ensures the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District.</p>
Dignified Living	<p>Providing improved quality of basic education (1)</p> <p>Enabling a long, healthy life for all South Africans (2)</p>	<p>Providing quality health care (6)</p>	<p>Improve education outcomes and opportunities for growth and jobs (2)</p> <p>Increase wellness, safety and tackle social ills (3)</p>	<p>To create an environment and forging partnerships that ensures the health, safety, social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District.</p>

Strategic Focus Areas	National Strategic Outcomes	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
	Setting up an efficient, competitive and responsive economic infrastructure network (6)	Expanding infrastructure (2)	Create opportunities for growth and jobs (1) Embed good governance and integrated service delivery through partnerships and spatial alignment (5)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
Good Governance and Compliance	Achieving an accountable, effective and efficient local government system (9) Creating a better South Africa and a better and safer Africa and world (11) Building an efficient, effective and development oriented public service and an empowered fair and inclusive citizenship (12)	Improving education and training (5) Building a capable state (7) Fighting corruption (8)	Embed good governance and integrated service delivery through partnerships and spatial alignment (5)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
	Achieving a responsive, accountable, effective and efficient local government system (9)	Building a capable state (7)	Embed good governance and integrated service delivery through partnerships and spatial alignment (5)	To provide an effective and efficient financial and strategic support service to the Cape Winelands District Municipality.

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities.

Performance management at Stellenbosch municipality is evaluated to embody the following;

Consistency: Objectives, performance indicators and targets are consistent between planning and reporting documents.

Measurability: Performance indicators are well defined and verifiable, and targets are specific, measurable and time bound.

Relevance: Performance indicators relate logically and directly to an aspect of the municipality's mandate and the realisation of its strategic goals and objectives.

Reliability: Recording, measuring, collating, preparing and presenting information on actual performance / target achievements is valid, accurate and complete.

Stellenbosch municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employees' performance. The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations.

The Five Year Top Level Service Delivery and Budget Implementation is part of the Integrated Development Plan and the financial performance objectives are captured in supporting table SA7.

E: OVERVIEW OF MUNICIPAL BY-LAWS BUDGET RELATED POLICIES

The following policies are new:

Wayleave Policy

In terms of S151 of the Constitution of the Republic of South Africa, 108 of 1996, a municipality has the right to govern on its own initiative, the local government affairs of its community, subject to national and provincial legislation. S156 of the Constitution grants the municipalities the right to administer the local government matters listed in Schedule 5B, which include municipal roads. A municipality may make by-laws for the effective administration of municipal roads. This Policy will be converted into municipal by-laws to give it legal effect. Refer to Appendix 5.

The following existing policies were reviewed and amended

Rates Policy

The revised Rates Policy as required by the Municipal Property Rates Act (Act no 6 of 2004) is attached as Appendix 6.

Indigent Policy

Due to the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for basic municipal services. The provision of free basic services ensures that registered indigent consumers have access to basic services. This policy provides the framework for the administration of free basic services to indigent consumers. Refer to Appendix 7.

Special Ratings Area By-Law

A “special rating area” refers to a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act. This By-law aims to provide for the establishment of special ratings areas, to provide for additional rates and to provide for matter incidental thereto. Refer to Appendix 8.

Rates By-Law

In terms of Section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the property rates act on levying of rates on rateable properties in the municipality. Refer to Appendix 9.

Credit Control and Debt Collection Policy

This policy provides a framework to enable Council to proactively manage and collect all money due for services rendered and outstanding property taxes, subject to the provisions of the Municipal

Systems Act of 2000 and any other applicable legislation and internal policies of Council. Refer to Appendix 10.

Irrecoverable Debt Policy

This policy enables Council and the CFO to write off irrecoverable debt of indigent consumers, debt which cannot be recovered due to consumers not being registered as indigent or not traceable or due to prescription of debt. Refer to Appendix 11.

Petty Cash Policy

All purchases below R 2 000 are regulated by this policy. Clear processes and procedures are stipulated to ensure that all transactions are processed effective and efficiently in a bid to ensure prudent financial control. Refer to Appendix 12.

Travel and Subsistence Policy

This policy sets out the basis for the payment of subsistence, travel allowance, hourly rate when applicable for the purpose of official travelling. Refer to Appendix 13.

Cost Containment Policy

The purpose of the policy is to regulate spending and to implement cost containment measures at Stellenbosch Local Municipality. The objectives of this policy are to ensure that the resources of the municipality are used effectively, efficiently and economically and to implement cost containment measures. The cost containment policy will apply to council and all municipal employees. Refer to Appendix 14.

Cash Management and Investment Policy

To regulate and provide directives in respect of the investment of funds and to maximize returns from authorized investments, consistent with the primary objective of minimizing risk. Refer to Appendix 15.

Ward Allocation Policy

The objective of the Ward Allocations Policy is to create opportunities for Councillors to identify ward projects in line with the identified IDP needs, with the support of their Ward Committees, which would improve the quality of living in all wards. These projects would need to fit into the basket of services of the relevant User Department and must comply with the following, namely, Local Government's mandate; council policies; support the pillars and objectives of the IDP and directly benefit the

community. The Policy shall be governed by the underlying principle of ensuring that ward allocation projects meet the requirements of the Integrated Development Plan, including specific reference to, valley of opportunity, green and sustainable valley, safe valley, valley with dignified living and valley of good governance and compliance. Refer to Appendix 16.

Supply Chain Management Policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Preferential Procurement Policy Framework Act, no 5 of 2000 and its accompanying regulations influences and dictates process around the evaluation and awarding of points. In this regard, the Minister of Finance acting in terms of section 5 of the Procurement Policy Framework Act, revised the Regulations accompanying this Act on the 20th January 2017 for implementation by all affected public entities by the 1 April 2017. The Supply Chain Management Policy was therefore amended and adopted at Council during February 2017. Refer to Appendix 17.

Development Charges Policy

The Municipality derives its authority to impose a development charge in terms of Section 75A. General power to levy and recover fees, charges and tariffs of the Local Government: Municipal Systems Act, 2000, Act 32 of 2000. The Municipality approved its new Land Use Planning Bylaw in terms of the Spatial Planning and Land Use Planning Act, 2013 (Act 16 of 2013) in October 2015 and it was officially promulgated and became effective in December 2015. Since then, the Municipality faces significant changes in the planning environment, amongst others the need for and manner of generating development charges.

The intent is aligned with the following:

- Striving to make Stellenbosch the preferred town for investment and business, where investment inflows and new enterprise translate into jobs and prosperity.
- Establishing the greenest municipality which will not only make Stellenbosch attractive for visitors and tourists, but will also provide a desirable environment for new industries.
- Ensuring a dignified living for all Stellenbosch citizens, who feel that they own their town, take pride in it and have a sense of self-worth and belonging.
- Creating a safer Stellenbosch valley, where civic pride and responsibility supplant

crime and destructive behaviour.

Development has an impact on the demand for social infrastructure as much as it does services infrastructure. The infrastructure is essential to support sustainable social and economic development and to ensure the health and well-being of the residents and property owners of the Municipality. Without this infrastructure, investment in Stellenbosch will be hampered and, as the cost to the Municipality in providing social infrastructure is high, funding to cover the cost must be obtained from development charges. Such contributions are a targeted and an equitable way of ensuring that the new beneficiaries make an appropriate and fair contribution to the cost through the developer. Refer to Appendix 18.

Grant-in-aid Policy

This policy provides the framework for grants-in-aid to non-governmental organisations (NGO's), community-based organisations (CBO's) or non-profit organisations (NPO's) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Refer Appendix 19.

Accounting Policy

This policy provides the accounting framework applicable to the finances of the municipality and is informed by the Municipal Finance Management Act (Act no 56 of 2003). Refer to Appendix 20.

Asset Management Policy

The Municipal Finance Management Act Number 56 of 2003 will be the legislative framework for the Asset Management Policy whilst Generally Recognised Accounting Practice (GRAP) will be the accounting framework.

The Municipal Council of Stellenbosch is in terms of the MFMA and GRAP obliged to adopt an Asset Management Policy to regulate the effective management of all council's assets.

- **And whereas** the municipal manager as accounting officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.

-
- **And whereas** these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes in meeting the municipality's operational requirements.
 - **Now therefore** the municipal council of the Stellenbosch Municipality adopts this asset management policy. Refer to Appendix 21.

The following existing budget related policies were reviewed but no amendments were necessary:

Special Ratings Area Policy

The aim of the policy is to provide the framework to strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods. Refer to Appendix 22.

Tariff Policy

This policy serves as the implementing tool which guides the levying of tariffs for municipal services in accordance with the provisions of the Municipal Systems Act and any other applicable legislation. Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided. Refer to Appendix 23.

Tariff By-Law

In terms of section 75(1) of the Systems Act, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy. In terms of section 75(2) of the Systems Act, by-laws adopted in terms of section 75(1) of the Systems Act may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination. Refer to Appendix 24.

Virementation Policy

The policy sets out the Virement principles and processes which the Stellenbosch Municipality will follow during a financial year. These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year. The policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the Approved budget and it will be applicable to all municipal staff and councillors involved in budget implementation. Refer to Appendix 25.

Budget Implementation and Monitoring Policy

The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets. The framework for virementations is also explained and regulated in this policy as well as monitoring roles and responsibilities. Refer to Appendix 26.

Borrowing, Funds and Reserves

This policy strives to establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds. The policy provides a framework to ensure that the annual budget of Stellenbosch Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year non cash backed liabilities. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework. Refer to Appendix 27.

Financing of External Bodies performing municipal functions Policy

The purpose of this Policy is to provide a framework for financial assistance by Stellenbosch Municipality (“the Municipality”) to external organisations/bodies conducting local government functions to the extent as set out in section 155(6)(a) and (7) of the Constitution as listed in Part B of Schedule 4 and 5. Refer to Appendix 28.

Liquidity Policy

The documented Liquidity Policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner. This policy will be implemented to provide guidance on the minimum liquidity level that Stellenbosch Municipality has to maintain in order to comply with required legislative and / or National Treasury directives and within the overall financial management objectives as approved/reviewed by the Council from time to time. Refer to Appendix 29.

Inventory Management Policy

In terms of the MFMA, the Accounting Officer for a municipality must:

- (a) be responsible for the effective, efficient, economical and transparent use of the resources of the municipality as per section 62 (1)(a);

- (b) take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and other losses as per section 62(1)(d); and
- (c) be responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the municipality as per section 63 (1)(a) and (b).

The policy aims to achieve the following objectives which are to provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory, procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy and eliminate any potential misuse of inventory and possible theft. Refer to Appendix 30.

Preferential Procurement Policy

Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective. Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation. The preferential procurement policy is founded on the following principles, namely, value for money, open and effective competition, ethics and fair dealing, accountability and reporting and equity. This policy will be applicable to all active industry sectors within the Stellenbosch Municipal area and must be read with the supply chain management policy of the municipality. Refer to Appendix 31.

F: OVERVIEW OF KEY BUDGET ASSUMPTIONS

Municipalities’ long-term financial viability depends largely on the extent to which improved and sustainable revenue capacity on the one hand and sound financial management of its resources on the other hand can be achieved. These imperatives necessitate proper multi-year financial planning. Future impacts of revenue streams, expenditure requirements and the financial implications for the community at large (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.

Taking these principals into consideration, the following assumptions (**ceteris paribus**) were made and relates to the parameters within which the budget was compiled for the next three years

	2021/2022	2022/2023	2023/2024
Percentage Increase:			
Water	5.50%	5.50%	5.50%
Electricity	14.59%	7.00%	7.00%
Sanitation	6.00%	6.00%	6.00%
Refuse	12.00%	12.00%	12.00%
Property Rates	-17.17%	6.00%	6.00%
Collection Rates			
Water	96%	96%	96%
Electricity (Post Paid Meters)	96%	96%	96%
Sanitation	96%	96%	96%
Refuse	96%	96%	96%
Rates	96%	96%	96%
Employee Related Costs			
Salaries and Wages and related costs	4.1%	3.5%	3.5%
Notch Increment	2.40%	2.40%	2.40%
Other Assumptions			
Bulk Purchases - Electricity	17.80%	7.00%	7.00%
Bulk Purchases - Water	8.00%	8.00%	8.00%

Budgetary constraints and economic challenges meant that the municipality had to apply a combination of cost-saving interventions and higher than headline CPI revenue increases to ensure a sustainable budget over the medium term.

The budget theme of *“Driving Efficiencies; i.e. reprioritization of existing resources / current allocations”*, resulted from the realization that no, or limited, scope for additional externally- or internally-funded revenue growth existed and the challenge that more needed to be done with the existing resource envelope. This was reiterated in **National Treasury Budget Circular 108** where it states that “...municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts. **Municipalities should also pay particular attention to managing all revenue and cash streams effectively and carefully evaluate all spending decisions.**”

In previous financial year the municipality implemented means to manage the telephone usage which resulted in a reduction in the telephone cost

During the new financial year, the municipality plans to implement measures that will decrease spending on Legal Cost by focusing more on in-house capacity building rather than making use of contracted/ outsourced consulting and legal services.

The municipality will embark on the recruitment drive to fill critical vacancies. This will in return result in a decrease in Professional and Consultant Fees.

These are some of the initiatives the municipality plans to implement under the budget theme *“Driving Efficiencies; i.e. reprioritization of existing resources / current allocations”*.

G: HIGH LEVEL BUDGET OVERVIEW

Capital Budget for 2021/2022, 2022/2023 and 2023/2024

Although the capital budget is infrastructure orientated and addresses the very urgent need for the upgrading of infrastructure as addressed by the different infrastructure master plans, it does however speak to 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. The responsiveness of the budget can be measured against what was identified as priorities by the community and the actual amount allocated, bearing in mind that resources are limited, to address or at least alleviate the most critical needs identified.

In this regard it is important to note that the need for infrastructure upgrades, inclusive of electricity infrastructure were key to ensure the delivery of sustainable services.

The capital budgets as proposed, amounts to:

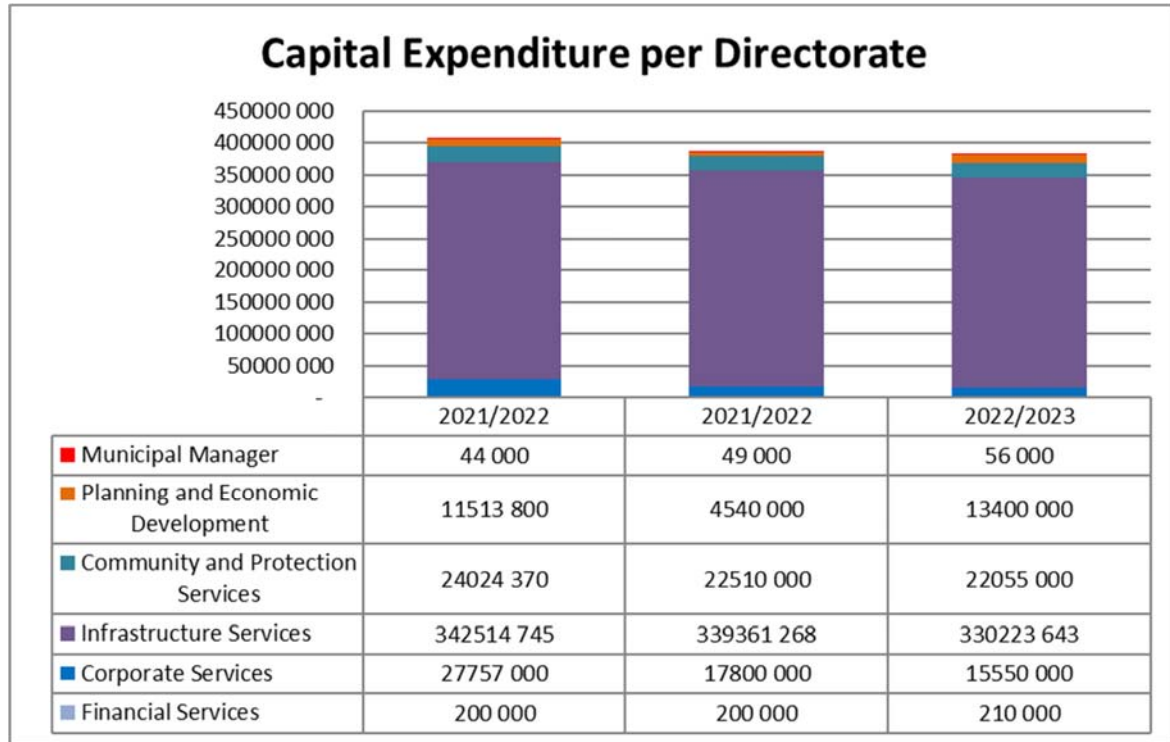
<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
R	R	R
406,053,915	384,460,268	381,494,643

Compilation of the Capital Budget

The capital budgets depicted per Directorate are as follows:

	<u>2021/2022</u>		<u>2022/2023</u>		<u>2023/2024</u>	
	R	%	R	%	R	%
Municipal Manager	44,000	0.01%	49,000	0.01%	56,000	0.01%
Planning and Economic Development	11,513,800	2.84%	4,540,000	1.18%	13,400,000	3.51%
Community and Protection Services	24,024,370	5.92%	22,510,000	5.85%	22,055,000	5.78%
Corporate Services	27,757,000	6.84%	17,800,000	4.63%	15,550,000	4.08%
Infrastructure Services	342,514,745	84.35%	339,361,268	88.27%	330,223,643	86.56%
Financial Services	200,000	0.05%	200,000	0.05%	210,000	0.06%
	406,053,915	100.00%	384,460,268	100.0%	381,494,643	100.0%

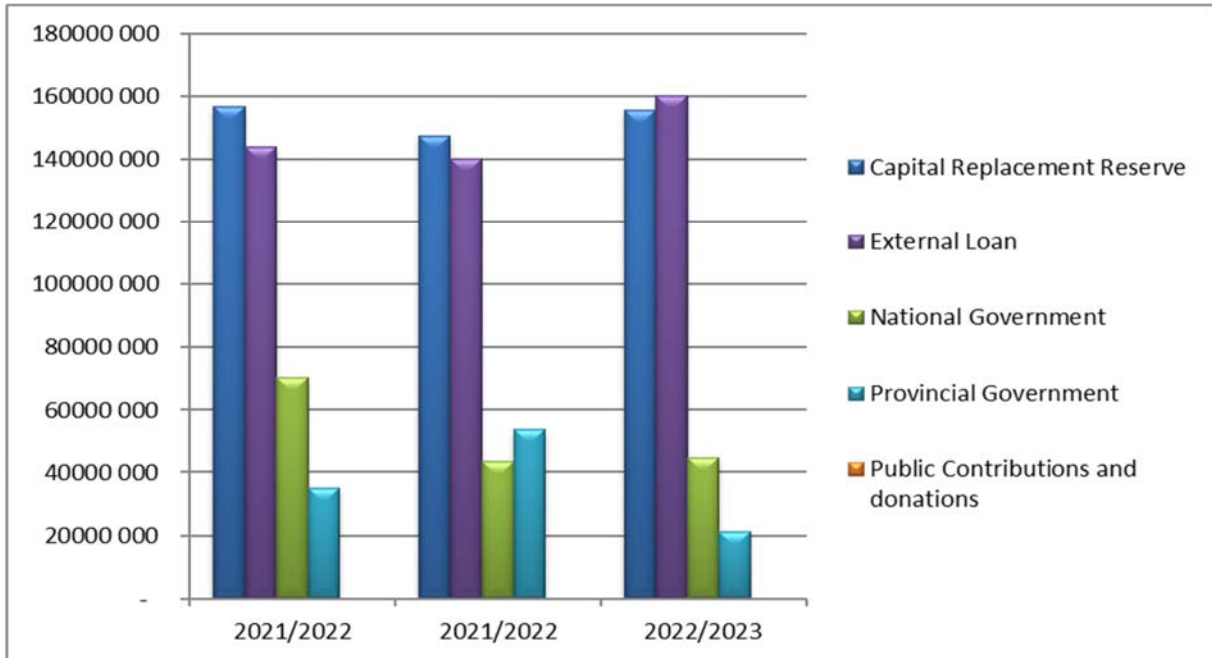
Investment in infrastructure for the next three years' equals:



Financing of the Capital Budget

The proposed financing sources of the capital budget for the next three years are as follows:

	2021/2022		2022/2023		2023/2024	
	R		R		R	
<u>Own Funding</u>						
Capital Replacement Reserve	156,500,195	38.54%	147,572,908	38.38%	155,649,763	40.80%
<u>External Funding</u>						
Grants National Government	70,385,720	17.33%	43,267,360	11.25%	44,744,880	11.73%
Grants Provincial Government	35,168,000	8.66%	53,620,000	13.95%	21,100,000	5.53%
External Loans	144,000,000	35.46%	140,000,000	36.41%	160,000,000	41.94%
	406,053,915	100.00%	384,460,268	100.00%	381,494,643	100.00%



As alluded to in the before-mentioned text and in the Council item; substantial investment in infrastructure is crucial in order to maintain sustainable levels of service delivery. For the detailed capital projects please refer to **Appendix 1 – Part 2 – Section N**.

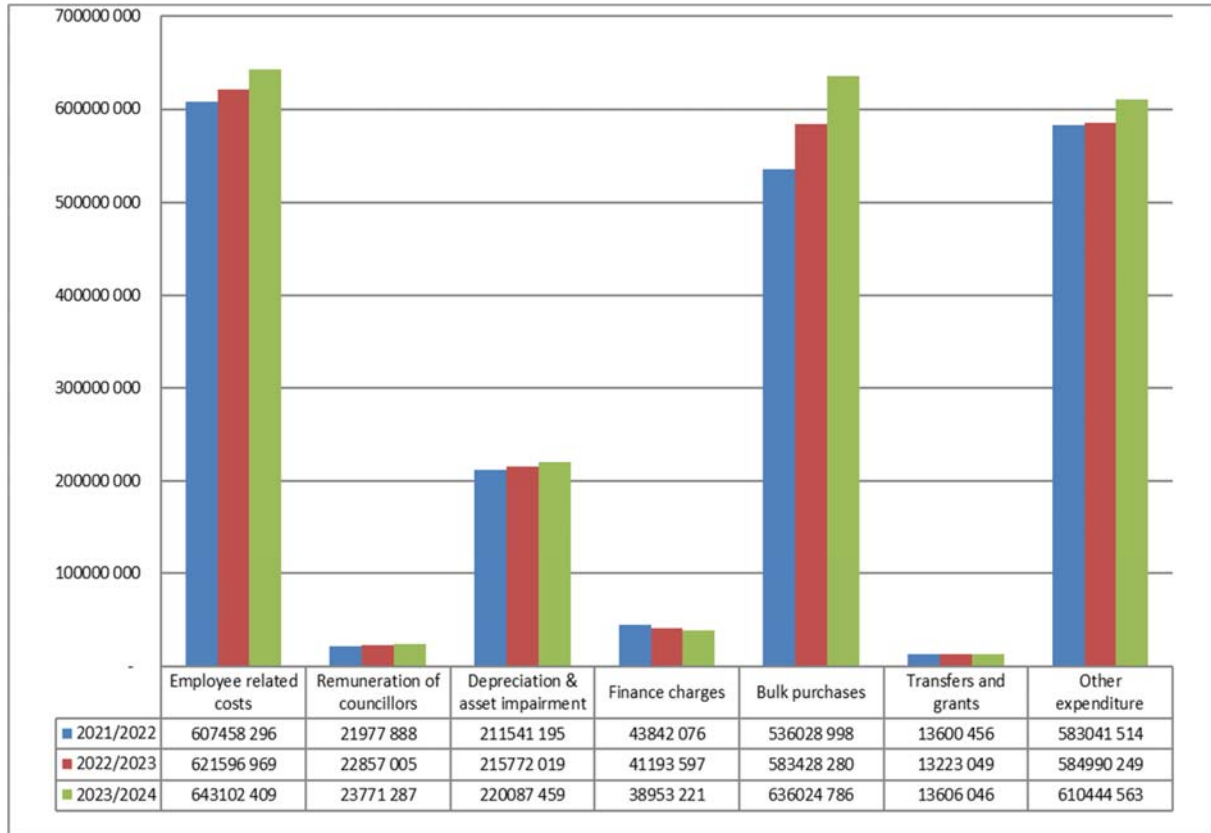
Operating Budget for 2021/2022, 2022/2023 and 2023/2024
Expenditure

The operating expenditure budget per Vote (Directorate) is as follows:

	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
	R	R	R
Municipal Manager	39,988,673	41,439,540	42,823,424
Planning and Development	100,874,836	101,205,158	104,439,929
Community and Protection Services	374,481,006	388,417,554	405,261,758
Infrastructure Services	1,188 821 414	1,227,901,178	1,299,253,698
Corporate Services	198,282,948	204,736,966	210,940,697
Financial Services	115,041,547	119,360,772	123,270,265
Total Expenditure	2,017,490,423	2,083,061,168	2,185,989,771

The operating expenditure budget per category is as follows:

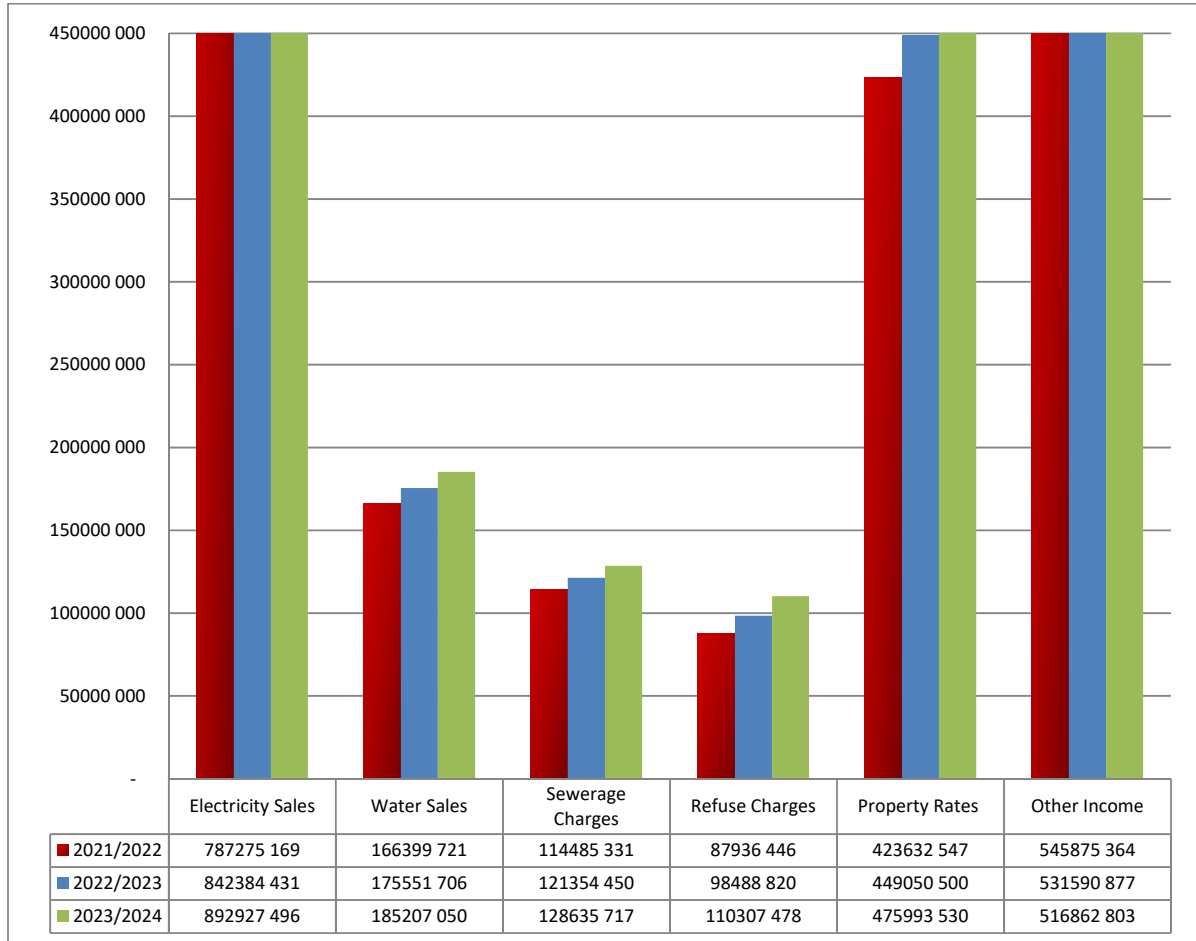
	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
	R	R	R
Employee related costs	607,458,296	621,596,969	643,102,409
Remuneration of councillors	21,977,888	22,857,005	23,771,287
Depreciation & asset impairment	211,541,195	215,772,019	220,087,459
Finance charges	43,842,076	41,193,597	38,953,221
Bulk purchases	536,028,998	583,428,280	636,024,786
Transfers and grants	13,600,456	13,223,049	13,606,046
Other expenditure	583,041,514	584,990,249	610,444,563
Total Expenditure	2,017,490,423	2,083,061,168	2,185,989,771



The operational budget will be funded as follows:

	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
	R	R	R
Electricity Sales	787,275,169	842,384,431	892,927,496
Water Sales	166,399,721	175,551,706	185,207,050
Sewerage Charges	114,485,331	121,354,450	128,635,717
Refuse Charges	87,936,446	98,488,820	110,307,478
Property Rates	423,632,547	449,050,500	475,993,530
Other Income	545,875,364	531,590,877	516,862,803
Total Income	2,125,604,578	2,218,420,784	2,309,934,076

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024



H: OVERVIEW OF THE BUDGET FUNDING

Financing of the Capital Budget

The proposed financing sources of the capital budget for the next three years are as follows:

	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
	R	R	R
Capital Replacement Reserve	156,500,195	147,572,908	155,649,763
Grants National Government	70,385,720	43,267,360	44,744,880
Grants Provincial Government	35,168,000	53,620,000	21,100,000
External Loans	144,000,000	140,000,000	160,000,000
	406,053,915	384,460,268	381,494,643

Grant funding from National Government includes the following:

- Integrated National Electrification Programme (Municipal) Grant
- Integrated Urban Development Grant

Grant funding from Provincial Government includes the following:

- Human Settlement Development Grant
- Integrated Transport Planning
- Library Services Grant
- Regional Socio-economic project/ violence prevention through urban upgrading (RSEP/VPUU) municipal projects
- Development of Sport and Recreational Facilities

Financing of the Operational Budget

The operational budget is financed from the tariff increases as displayed above. In addition to these, the following grant allocations are expected and expenditure was adjusted accordingly:

- Equitable Share Allocation
- Financial Management Capacity Building Grant
- Local Government Financial Management Grant
- Municipal Accreditation and Capacity Building Grant
- Financial assistance to municipalities for maintenance and Construction of transport infrastructure
- Community Development Workers Operational Support Grant
- Expanded Public Works Program Incentive Grant
- Human Settlement Development Grant

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024

I: EXPENDITURE ON ALLOCATION AND GRANT PROGRAMMES

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/2021			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2022/23	Budget Year +2 2023/24
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		117 001	133 808	143 163	156 315	178 568	178 568	169 239	174 521	178 040
Local Government Equitable Share		110 631	124 176	136 177	149 804	170 632	170 632	157 136	169 730	173 121
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 820	5 722	5 227	4 961	4 961	4 961	5 998		
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Disaster Grant [Schedule 5B]				209						
Integrated Urban Development Grant						1 425	1 425	4 555	3 241	3 369
National Resources Management Grant			2 360							
Provincial Government:		14 446	16 735	14 509	21 791	20 620	20 620	34 574	12 187	12 381
Community Development Workers Operational Support Grant		56	56	56	56	93	93	38	38	38
Financial Management Capacity Building Grant		240	360	380	400	760	760	250		
Human Settlements Development Grant		2 850	1 705		7 570	7 570	7 570	17 940		
Libraries, Archives and Museums		11 045	12 210	12 454	13 077	9 595	9 595	11 144	11 435	11 629
Local Government Support Grant				900						
WC Financial Management Support Grant		255	255	255						
LG Graduate Internship Grant			72	80		74	74			
Maintenance and Construction of Transport Infrastructure			371	384	450	450	450	4 950	450	450
Regional Socio-Economic Project/Violence through urban upgrading (RSEP/VPUI)										
Municipal Accreditation and Capacity Building Grant			224		238	238	238	252	264	264
Spatial Development framework										
Title Deeds Restoration Grant			1 481			1 840	1 840			
Other transfers/grants [insert description]										
District Municipality:				2 503	440	440		500		
Cape Winelands District Grant				2 503						
Cape Winelands District Grant 2								500		
Safety Initiative Implementation-whole of society approach (MOSA)					440	440				
Other grant providers:		300	163	469		2 204	2 204			
LG SETA Discretionary grant				63		376	376			
Khaya Lam Free Market Research Foundation			163	102						
Taipei COVID 19 donation				132						
DBSA				172		1 828	1 828			
Arbor City		300								
Total Operating Transfers and Grants	5	131 747	150 705	160 644	178 546	201 832	201 392	204 313	186 708	190 421
Capital Transfers and Grants										
National Government:		48 536	43 668	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		4 000	5 000	15 640	16 200	12 000	12 000	18 000	6 000	6 000
Integrated Urban Development Grant				46 886	47 490	46 065	46 065	52 386	37 267	38 745
Energy Efficiency and Demand Side Management Grant		7 236								
Municipal Infrastructure Grant [Schedule 5B]		36 358	35 107							
Regional Bulk Infrastructure										
Shared Economic infrastructure facility		942	3 561							
Provincial Government:		23 754	77 188	13 149	49 739	26 800	26 800	35 168	53 620	21 100
Human Settlements Development Grant		17 358	73 585	11 049	45 139	22 145	22 145	33 468	53 020	20 500
Integrated Transport Planning		600	600	600	600	600	600		600	600
Library Services: Conditional Grant		2 000				55	55	100		
Maintenance and Construction of Transport Infrastructure		2 176								
Fire services capacity building grant		800	3 003							
RSEP/VPUI				1 500	4 000	4 000	4 000	1 000		
Development of Sport and Recreational Facilities								600		
Public Transport Non-Motorised Infrastructure		820								
District Municipality:										
Cape Winelands District Grant										
Other grant providers:		230		151						
Donated Assets		230								
LOTTO				151						
Total Capital Transfers and Grants	5	72 520	120 856	75 826	113 429	84 866	84 866	105 554	96 887	65 845
TOTAL RECEIPTS OF TRANSFERS & GRANTS		204 267	271 561	236 470	291 975	286 697	286 257	309 867	283 595	256 266

J: ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Transfers to other municipalities											
Operational	1	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
Operational	2	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
Operational	3	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Operational		1 547	3 816	5 391	3 869	4 113	4 113	4 113	6 803	6 185	6 317
Capital		3 714	4 124	4 600	5 000	5 000	5 000	5 000	5 561	5 728	5 900
		1 000	1 050	1 113	1 200	1 200	1 200	1 200	1 236	1 310	1 389
Total Cash Transfers To Organisations		6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606
Cash Transfers to Groups of Individuals											
Operational		-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606
Non-Cash Transfers to other municipalities											
Operational	1	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
Operational	2	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
Operational	3	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
Operational	4	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Groups of Individuals											
Operational	5	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606

REPORT RECEIVED FROM COMMUNITY DEVELOPMENT: 2021/2022 GRANT-IN-AID ALLOCATIONS AND DONATIONS

1. SUBJECT

GRANT IN AID APPLICATIONS AND DONATIONS 2021/2022

2. PURPOSE

To obtain Council's approval for Grant-in-Aid (GiA) applications and recommended donations for the financial year 2021-2022.

3. DELEGATED AUTHORITY (FOR DECISION BY MUNICIPAL COUNCIL)

In terms of Municipal Finance Management Act (MFMA), Act (56 of 2003) Section 17. (3) (e) relating to content of annual budgets and supporting documents.

4. EXECUTIVE SUMMARY

The application is in terms of the annual GiA donations made to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by the Grant in Aid Policy approved at the Council Meeting in May 2020.

5. RECOMMENDATIONS

- a) That council consider and approve the recommended donations to organizations as per detailed list.

6. DISCUSSION / CONTENTS

6.1. Background

In terms of Council's Grant-in-Aid Policy, proposals were called for by means of advertisement in the press on 1 October 2020 (Eikestad Nuus) and on the municipal website and facebook page.

The advertisement included an invitation to attend one of three compulsory workshops on either 03, 04 or 05 November 2020 to assist and give guidance on the policy and application procedure. One hundred and sixty-two (162) persons attended the workshops.

By the closing date (27 November 2020), 126 applications were received.

Council approved donations to the value of R 4 658 230.14 as part of the draft budget in March 2021. These intended donations were advertised as part of the draft budget for public comment with a closing date of 26 April 2021.

Grant in Aid comments consist of appeals and the submission of feedback reports on previous funding received. By the closing date 45 comments were received. A further 4 feedback reports were expected, but was not submitted. See the attached list of comments received.

6.2 Discussion

Some of the organisations conditionally approved for a donation indicated that they were either not able to spend all funding received or could only spend a portion of the funds due to Covid-19 and the resulting lockdown regulations. This was especially true for sport clubs and organisations dealing with elderly persons. Not spending the funds made it difficult for these organisations to provide the required feedback report which would influence their ability to comply with policy requirements for the next application. In these cases, the following decision was applied:

Organisations would be recommended for a donation for the next financial year to the amount of the funds spent in the previous round of donations for which they were able to provide proof of expenditure.

The above and the non-submission of feedback reports resulted in a change in recommended donations since March 2021.

The Department Community Development scrutinized and evaluated 45 comments which along with the original applications represent the following categories:

CATEGORY	SUB CATEGORY	APPLICATIONS RECEIVED	APPLICATIONS RECOMMENDED/ CONDITIONALLY RECOMMENDED March 2021	APPLICATIONS RECOMMENDED/ CONDITIONALLY RECOMMENDED May 2021
Social Development	General	11	4	6
	ECD	48	32	36
	Disability	4	2	4
	Elderly	6	4	4

	Youth	13	9	8
	Substance Abuse	2	2	2
	Gender	2	0	1
	Food Security	2	1	1
	People Living on the Street	1	1	1
	Skills Development	3	3	2
Health	Physical and Psychological	3	1	2
Environment		2	1	1
Sport, Art and Culture	Sport Clubs	22	16	18
	Art and Culture	7	5	4
	Total	126	81	90

Table 1: Applications and grant recommendations per category

The detailed list of applications received and evaluated can be found below the item.

The following wards will benefit from the recommended donations:

SUB CATEGORY	APPLICATIONS RECOMMENDED	WARDS SERVED THROUGH THE ORGANIZATIONS	RECOMMENDED AMOUNT (2021-2022)
General Soc Dev	6	ALL	237 500,00
ECD	36	ALL	1 320 000,00
Disability	4	ALL	142 782,66
Elderly	4	1, 2, 5, 6, 9, 11	152 000,00
Youth	8	1-12, 18, 21	302 687,57
Substance Abuse	2	ALL	80 000,00
Gender	1	-	40 000,00
Food Security	1	ALL	40 000,00
People living on the street	1	ALL	1 473 230,14
Skills Development	2	ALL	80 000,00
Physical and Psychological Health	2	ALL	80 000,00
Environment	1	12, 13	40 000,00
Sport Clubs	18	ALL	675 979,10
Art and Culture	4	ALL	160 000,00
Total	90		4 821 179,47

Table 2: Ward based recommendations and financial allocations

The reason for not recommending organizations can be found in the notes column of detailed list of applications.

The Municipality would like to support as many as possible organizations delivering valuable services within our communities, but cannot disregard requirements of the MFMA (56 of 2003) Section 67 stipulating the responsibility of council to ensure donations are made to organizations who has the capacity to govern itself according to accepted financial practises and who can deliver the services for which the donation is required and benefiting the intended target audience.

6.3 **Financial Implications**

This report has the following financial implications:

2021-2022 (Cat A)
3 347 949,33

2021-2022 (Cat B)	2022-2023 (Cat B)	2023-2024 (Cat B)
1 473 230,14	1 547 570,15	1 634 430,49

BUDGET TOTAL (MAY)	4 821 179.47
2021-2022	

6.4 **Legal Implications**

The recommendations in this report comply with Council’s policies and all applicable legislation.

6.5 **Staff Implications**

This report has no staff implications to the Municipality.

6.6 **Previous / Relevant Council Resolutions:**

None

6.7 **Risk Implications**

This report has no risk implications for the Municipality.

6.8 **Comments from Senior Management:**

Due to the closing date for Grant in Aid applications, the time required to complete assessments, council recess, staff being on leave and the due date for submissions for the draft budget, this report could not be sent to all senior management.

6.8.1 Chief Financial Officer:

Financial Services agree with the recommendations. The funding for the Grant in Aid donations will be provided for in the Medium Term Revenue and Expenditure Framework (MTREF/Budget).

ANNEXURES

Grant in Aid 2021-2022 Register of applications and donation recommendations

FOR FURTHER DETAILS, CONTACT:

NAME	Michelle Aalbers
POSITION	Manager: Community Development
DIRECTORATE	Community and Protection Services
CONTACT NUMBERS	8408
E-MAIL ADDRESS	Michelle.aalbers@stellenbosch.gov.za
REPORT DATE	29-04-2021

DIRECTOR: COMMUNITY AND PROTECTION SERVICES

The contents of this report have not been discussed with the Portfolio Committee Chairperson.

2021/22 GRANT-IN-AID APPLICATIONS (Submission for Final Budget May 2021)

2021/22 GRANT-IN-AID APPLICATIONS		Category A		Category B			
No	Applicant Name	Funds proposed	Funds proposed YEAR 1 (2021-2022)	Funds proposed YEAR 2 (2022-2023)	Funds proposed YEAR 3 (2023-2024)	Recommendation	Notes
SOCIAL DEVELOPMENT							
GENERAL							
1	Amadoda Angomoso Community Project NPC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIALS NOT SIGNED. PROPOSAL OUTSIDE MANDATE OF CONSTITUTION. NOT WITHIN WC024
2	ACVV Stellenbosch	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM NOT SIGNED AND NO COMMITMENT TO SUBMIT FEEDBACK REPORT ON PREVIOUS FUNDING.
3	Bottelary Heuwels Renosterveld Bewarea	0.00	0.00	0.00	0.00	CONDITIONAL	INTERIM REPORT PROVIDED. FINAL FEEDBACK BY APRIL 2021.
4	Dare to Care	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FIN STATEMENTS ONLY INCOME SPANNING SEVERAL YEARS
5	Evergrow Foundation	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BUSINESS PLAN DOES NOT LINK PROPOSAL TO IDENTIFIED WARDS AND WARD PRIORITIES AS PER CAT B POLICY REQUIREMENT.
6	Family in Focus Klapmuts	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO APPLICATION FORM. FEEDBACK FOR PVIOUS FUNDING OUTSTANDING WITH NO COMMITMENT.
7	Kin Culture	40 000.00	0.00	0.00	0.00	RECOMMENDED	
8	Legacy Community Development	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK APRIL 2021 (PROOF OF EXP
9	Lords Acre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NOT ALL REQUIRED BOARD MEMBERS LISTED. UNCERTAINTY RE PORTFOLIOS OF BOARD. FINANCIALS NOT SIGNED.
10	Prochorus Community Development	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIALS FOR THE PERIOD ENDING DEC 2018?
11	Stellenbosch Civil Advocacy Network	37 500.00	0.00	0.00	0.00	RECOMMENDED	
		77 500.00	0.00	0.00	0.00		
PARTIAL CARE							
12	Acorn Christian Daycare Centre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	REGISTRATION EXPIRED. FINANCIALS NOT COMPLYING WITH MIN STANDARDS (PERIOD, NOT SIGNED...)
13	Aitsa	40 000.00	0.00	0.00	0.00	RECOMMENDED	
14	Azasakhe Daycare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM AND REGISTRATION NOT SUBMITTED
15	Bubble Bee Educare	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDED	COMMITTED TO SUBMIT FINAL FUNDING REPORT BY APRIL 2021
16	Early Education Centre, The	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDED	PARTIAL FEEDBACK. COMMITTED TO PROVIDE FINAL BY APRIL 2021
17	Elizayo	40 000.00	0.00	0.00	0.00	RECOMMENDED	
18	Excelsior Pre-School and Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY BRIEFING SESSION. REGISTRATION CERTIFICATE OUTSTANDING
19	Ikwezi Educare Centre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY BRIEFING SESSION. FINANCIAL STATEMENTS INCOMPLETE
20	Inam Educare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARIFICATION SESSION. FINANCIAL STATEMENTS INCOMPLETE
21	Isibane Sempumelelo	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CONSTITUTION NOT SUBMITTED AND BANK FORM NOT STAMPED
22	Kayamandi ECD Forum	40 000.00	0.00	0.00	0.00	RECOMMENDED	
23	Kuyasa Horizon Empowerment	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NOT LATEST FINANCIALS (End Febr 2019). BUSINESS PLAN INDICATE THAT THEY HAVE SUFFICIENT FUNDS (MORE AVAILABLE THAN WHAT IS REQUESTED). NOT CLEAR WHAT THE FUNDS IS BEING SPEND ON AND WHAT THE PROPOSAL IS ITO WHO, AND HOW MANY PEOPLE THEY WILL REACH. LINK WITH IDP IS NOT CLEAR. WHAT IS GOING TO CHANGE?
24	Lethokuhle Educatre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARIFICATION MEETING
25	Lilies Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FEEDBACK REPORT OUTSTANDING. NOT COMMITMENT TO SUBMIT.
26	Lithalethu Educare Centre	40 000.00	0.00	0.00	0.00	RECOMMENDED	
27	Little Blossoms Daycare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	REGISTRATION NOT SUBMITTED AND NON ATTENDANCE OF COMPULSORY CLARIFICATION MEETING
28	Little Explorers	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
29	Liyakha Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BY APRIL 2021, NO APPLICATION INCLUDED
30	Liyema Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
31	Lubabalo Creche Centre	40 000.00	0.00	0.00	0.00	RECOMMENDED	

2021/22 GRANT-IN-AID APPLICATIONS		Category A		Category B			
No	Applicant Name	Funds proposed	Funds proposed YEAR 1 (2021-2022)	Funds proposed YEAR 2 (2022-2023)	Funds proposed YEAR 3 (2023-2024)	Recommendation	Notes
32	Luthando Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
33	Masifunde Creche	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMITTED TO SUBMIT FINAL FEEDBACK BY APRIL 2021
34	Minkies Educare Centre	40 000.00	0.00	0.00	0.00	RECOMMENDED	
35	Mzamo Partial Care Centre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPUSORY CLARRIFICATION MEETING
36	Nolitha's ECD	40 000.00	0.00	0.00	0.00	RECOMMENDED	
37	Noxolo Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
38	Okuhle Connies Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
39	Petite Pre-Primary	0.00	0.00	0.00	0.00	NOT RECOMMENDED	REGISTRATION EXPIRED AND FINANCIALS INCMPLETE AND NOT SIGNED. APPLICATION NOT DATED.
40	Phakamani Educare	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
41	Pillars of the Nation	40 000.00	0.00	0.00	0.00	RECOMMENDED	
42	Samnkies Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
43	Sibongile Day Care Centre	40 000.00	0.00	0.00	0.00	RECOMMENDED	
44	Sibongumusa ECD Centre	40 000.00	0.00	0.00	0.00	RECOMMENDED	
45	Simni Educare Centre	40 000.00	0.00	0.00	0.00	RECOMMENDED	
46	Sivuyise Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
47	Sivangoba Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
48	Siyazama Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
49	Sizamile Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARIFICATION MEETING. CONSTITUTION AND ANNUAL FIN STATEMENTS IN NAME OF STELLCARE
50	StellCare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
51	Stellumthombo NPC	40 000.00	0.00	0.00	0.00	RECOMMENDED	
52	Tembalethu Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
53	Thanduxolo Daycare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
54	Ukusiza Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
55	Umtha Wemfundo Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
56	Umthombo Wemfundo Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
57	Unakho Day Care for Disable	40 000.00	0.00	0.00	0.00	RECOMMENDED	
58	Yolies Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM NOT SUBMITTED
59	Zenzele Educare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARIFICATION MEETING
		1 080 000.00	0.00	0.00	0.00		
DISABILITY							
60	Care Career Connection	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CONSTITUTION NOT SUMITTED
61	Change Abilities	0.00	0.00	0.00	0.00	RECOMMENDED	
62	Huis Horison	0.00	0.00	0.00	0.00	NOT RECOMMENDED	MUST SUBMIT FINAL FEEDBACK BY APRIL 2021. BANK FORM NOT SIGNED
63	Stellenbosch Work Centre for Adult Persons with Disabilities	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		40 000.00	0.00	0.00	0.00		
ELDERLY							
64	ACVV Franschoek	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	FINAL FEEDBACK BY APRIL 2021
65	Geluksoord Nutsmaatskappy	40 000.00	0.00	0.00	0.00	RECOMMENDED	
66	Idas Valley Golden Boys and Girls	32 000.00	0.00	0.00	0.00	RECOMMENDED	
67	Kylemore Survivors Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO COMPULSORY DOCUMENTS OR BUSINESS PLAN
68	Raithby Senior Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO CONSITUTION, REGISTRATION OR FINANCIAL DOCUMENTS. APPLICATION NOT DULY SIGNED
69	Utopia	0.00	0.00	0.00	0.00	CONDITIONAL	COMMIT TO SUBMIT FINAL FEEDBACK BY JUNE 2021
		72 000.00	0.00	0.00	0.00		
YOUTH							
70	Anna Foundation	40 000.00	0.00	0.00	0.00	RECOMMENDED	
71	Franschoek Transformation Charter: Babethane	40 000.00	0.00	0.00	0.00	RECOMMENDED	
72	Help 2 Read	40 000.00	0.00	0.00	0.00	RECOMMENDED	ONLY CAT A APPLICATION RECOMMENDED DUE TO IDP LINK WITH WARD PRIORITIES NOT
73	Inspired to Become	0.00	0.00	0.00	0.00	NOT RECOMMENDED	PREVIOUS APPLICATION APPROVED FOR SKATE BOARD PARK WITHOUT PARK ERRECTED OR REPORT. REGISTRATION OUTSTANDING
74	Kylemore Secondary	40 000.00	0.00	0.00	0.00	RECOMMENDED	
75	Living Legends	38 500.00	0.00	0.00	0.00	RECOMMENDED	
76	Songo.Info Trust	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM AND APPLICATION NOT SIGNED
77	Sport for Life	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARRIFICATION MEETING
78	Training 4 Changes	40 000.00	0.00	0.00	0.00	RECOMMENDED	

2021/22 GRANT-IN-AID APPLICATIONS		Category A		Category B			
No	Applicant Name	Funds proposed	Funds proposed YEAR 1 (2021-2022)	Funds proposed YEAR 2 (2022-2023)	Funds proposed YEAR 3 (2023-2024)	Recommendation	Notes
79	Ubuntu Hiking	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	FINAL FEEDBACK BY APRIL 2021
80	United Christian Student's Association of SA, The	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	FINAL FEEDBACK BY APRIL 2021
81	Youth Empowerment Action	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	FINAL FEEDBACK BY APRIL 2021
82	Youth Outreach	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIAL STATEMENTS FOR END MARCH 2019. NOT LATEST. LINK WITH IDP WARD PRIORITIES NOT ESTABLISHED.
		238 500.00	0.00	0.00	0.00		
SUBSTANCE ABUSE							
83	ABBA a project of BADISA Stellenbosch	40 000.00	0.00	0.00	0.00	RECOMMENDED	
84	Christian Dependency Ministry	0.00	0.00	0.00	0.00	CONDITIONAL	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
		40 000.00	0.00	0.00	0.00		
GENDER							
85	Kayamandi Women and Children Development Project	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIAL STATEMENTS SUBMITTED
86	Safe House La Brie De Dieu	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FEEDBACK REPORT OUTSTANDING NO COMMITMENT TO SUBMIT.
		0.00	0.00	0.00	0.00		
FOOD SECURITY							
87	Inspiring People Network	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FIN STATEMENTS OR CONSTITUTION. APPLICATION INCOMPLETE AND NO BOARD MEMBERS LISTED.
88	Feeding In Action	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		40 000.00	0.00	0.00	0.00		
PEOPLE LIVING ON THE STREET							
89	Stellenbosch Night Shelter	0.00	1 473 230.14	1 547 570.15	1 634 430.49	RECOMMENDED	
		0.00	1 473 230.14	1 547 570.15	1 634 430.49		
SKILLS DEVELOPMENT							
90	Bergzicht Training	40 000.00	0.00	0.00	0.00	RECOMMENDED	
91	Franschhoek Hospitality Academy and Learning Centre	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	REQUEST CLARITY ON TRUST REGISTRATION DOCS
92	Stellemploy	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		80 000.00	0.00	0.00	0.00		
SUBTOTAL SOCIAL DEVELOPMENT		R 1 668 000.00	R 1 473 230.14	R 1 547 570.15	R 1 634 430.49		
HEALTH							
93	At Heart	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BOARD MEMBER LINKED TO MUNICIPALITY NOT DECLARED. CLARIFY WHAT CONSTITUTE ADDITIONAL BOARD MEMBER TO MIN OF 3.
94	Seasons Pregnancy Centre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO CONSTITUTION.
95	Stellenbosch Hospice NPC	0.00	0.00	0.00	0.00	CONDITIONAL	COMMIT TO PROVIDE FEEDBACK BY APRIL 2021
SUBTOTAL HEALTH		R 0.00	R 0.00	R 0.00	R 0.00		
ENVIRONMENT							
96	Kyle Recycling and Waste Pty Ltd	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIALS OR CONSTITUTION. APPLICATION NOT SIGNED
97	Siyakathala Community Project	37 000.00	0.00	0.00	0.00	RECOMMENDED	
SUBTOTAL ENVIRONMENT		R 37 000.00	R 0.00	R 0.00	R 0.00		
SPORT ARTS AND CULTURE							
SPORT CLUBS							
98	Blue Stars United Football Club	0.00	0.00	0.00	0.00	RECOMMENDED	
99	Cape Winelands Farmworkers Sport & Recreation Ass	40 000.00	0.00	0.00	0.00	RECOMMENDED	
100	Celtic United FC	40 000.00	0.00	0.00	0.00	RECOMMENDED	
101	Coronation Cricket Club	40 000.00	0.00	0.00	0.00	RECOMMENDED	
102	Excelsior RFC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIAL STATEMENTS
103	Falcons Ladies Football Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIAL STATEMENTS
104	Franschhoek RFC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIAL STATEMENTS
105	Glen Eagles Soccer Club	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
106	Groot Drakenstein Games Club	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
107	Idasvalley Sport Board	0.00	0.00	0.00	0.00	NOT RECOMMENDED	PROOF OF REGISTRATION AND BUSINESS PLAN OUTSTANDING
108	Impact through Sport	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
109	Jametown AFC	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021
110	Klapmuts Sport Forum	40 000.00	0.00	0.00	0.00	RECOMMENDED	
111	La Motte Sport Council	40 000.00	0.00	0.00	0.00	RECOMMENDED	
112	Newtons AFC	40 000.00	0.00	0.00	0.00	RECOMMENDED	
113	Nietvoorbij United FC	40 000.00	0.00	0.00	0.00	RECOMMENDED	
114	Stellenbosch and District Cricket Club	40 000.00	0.00	0.00	0.00	RECOMMENDED	

2021/22 GRANT-IN-AID APPLICATIONS							Category A		Category B			
No	Applicant Name	Funds proposed	Funds proposed YEAR 1 (2021-2022)	Funds proposed YEAR 2 (2022-2023)	Funds proposed YEAR 3 (2023-2024)	Recommendation	Notes					
115	Stellenbosch District Coronation RFC	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021					
116	Stellenbosch Homing Union	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	FINAL FEEDBACK TO BE PROVIDED					
117	Sunday Spurs FC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIALS OUTSTANDING, COMMIT TO SUBMIT FINAL FEEDBACK BY MARCH 2021					
118	VD Stel Evergreen Club	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021					
119	Wemmershoek Cricket Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIAL STATEMENTS ONLY MONTHLY EXPENDITURE					
		320 000.00	0.00	0.00	0.00							
ARTS AND CULTURE												
120	Bapa Theatre Academy	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION INCOMPLETE, NO PROPSAL OR BUSINESS PLAN, FINANCIALS NOT SUBMITTED					
121	Cape Winelands FM	40 000.00	0.00	0.00	0.00	RECOMMENDED						
122	Celebration Gospel Choir	40 000.00	0.00	0.00	0.00	RECOMMENDED						
123	eBosch	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARIFICATION MEETING					
124	Pniel Heritage and Cultural Trust	0.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY APRIL 2021					
125	Sibonokuhle Art Group	40 000.00	0.00	0.00	0.00	RECOMMENDED						
126	Smart Mission Entertainment	40 000.00	0.00	0.00	0.00	RECOMMENDED						
		160 000.00	0.00	0.00	0.00							
SUTOTAL SPORT ARTS AND CULTURE		R 480 000.00	R 0.00	R 0.00	R 0.00							
		R 2 185 000.00	R 1 473 230.14	R 1 547 570.15	R 1 634 430.49							
		R3 658 230.14										
APPEALS RECEIVED BY 26 APRIL 2021												
SOCIAL DEVELOPMENT												
GENERAL												
1	Amadoda Angomoso Community Project NPC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIALS SUBMITTED ONLY SIGNED BY TREASURER. CONSTITUTION ADAPTED AND SUBMITTED. NO NEW					
2	ACVV Stellenbosch	40 000.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK PROVIDED. BANK FORM SIGNED					
3	Bottelary Heuwels Renosterveld Bewarea	40 000.00	0.00	0.00	0.00	RECOMMENDED	FINAL FEEDBACK SUBMITTED					
8	Legacy Community Development	40 000.00	0.00	0.00	0.00	RECOMMENDED	FINAL FEEDBACK SUBMITTED					
10	Prochorus Community Development	40 000.00	0.00	0.00	0.00	RECOMMENDED	UPDATED FINANCIAL STATEMENTS RECEIVED					
		160 000.00										
ECD												
14	Azasakhe Daycare	40 000.00	0.00	0.00	0.00	RECOMMENDED	BANK FORM AND REGISTRATION SUBMITTED					
15	Bubble Bee Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK SUBMITTED					
20	Inam Educare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARIFICATION SESSION. FINANCIAL STATEMENTS INCOMPLETE. FEEDBACK REPORT SUBMITTED.					
21	Isibane Sempumelelo	40 000.00	0.00	0.00	0.00	RECOMMENDED	CONSTITUTION SUBMITTED AND BANK DETAILS SUBMITTED					
25	Lilies Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FEEDBACK REPORT OUTSTANDING. FEEDBACK NOT ON TOTAL AMOUNT NOR NARRATIVE OR PICTURE REPORTS INCLUDED.					
	Little Butterflies	0.00	0.00	0.00	0.00	NA	NO APPLICATION FOR 2021-2022. FEEDBACK ON PREVIOUS DONATION PROVIDED.					
28	Little Explorers	40 000.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK SUBMITTED					
29	Liyakha Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	BANK FORM SUBMITTED. APPLICATION INCLUDED. PROOF OF EXPENDITURE CAN BE CONFIRMED.					
33	Masifunde Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK SUBMITTED					
40	Phakamani Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK SUBMITTED					
58	Yolies Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	BANK FORM SUBMITTED					
59	Zenzele Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	RECORD OF ATTENDANCE CONFIRMED					
		240 000.00										
DISABILITY												
60	Care Career Connection	40 000.00	0.00	0.00	0.00	RECOMMENDED	CONSTITUTION SUBMITTED					
61	Change Abilities	22 782.66	0.00	0.00	0.00	RECOMMENDED	PART FEEDBACK CONFIRMATION DUE TO COVID RESTRICTIONS. NEW APPLICATION WITH REMAINDER OF FUNDS CONFIRMED.					

2021/22 GRANT-IN-AID APPLICATIONS							Category A	Category B		
No	Applicant Name	Funds proposed	Funds proposed YEAR 1 (2021-2022)	Funds proposed YEAR 2 (2022-2023)	Funds proposed YEAR 3 (2023-2024)	Recommendation	Notes			
62	Huis Horison	40 000.00	0.00	0.00	0.00	NOT RECOMMENDED	MUST SUBMIT FINAL FEEDBACK BY APRIL 2021. BANK FORM NOT SIGNED			
		102 782.66								
ELDERLY										
64	ACVV Franschhoek	40 000.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COVID CAUSED NON-EXPENDITURE ON ELDERLY PROJECT. CONFIRMED EXPENDITURE BY MAY 2021 WHEN A FEEDBACK REPORT WILL BE PROVIDED.			
69	Utopia	40 000.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY JUNE 2021			
		80 000.00								
YOUTH										
77	Sport for Life	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NON ATTENDANCE OF COMPULSORY CLARRIFICATION MEETING			
79	Ubuntu Hiking	40 000.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK PROVIDED			
81	Youth Empowerment Action	24 187.57	0.00	0.00	0.00	RECOMMENDED	FEEDBACK PROVIDED WITH PROOF OF PARTIAL (COVID) EXPENDITURE TO THE VALUE OF R24 187,57			
		64 187.57								
SUBSTANCE ABUSE										
84	Christian Dependency Ministry	40 000.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK WITH PROOF OF EXPENDITURE PROVIDED			
		40 000.00								
GENDER										
85	Kayamandi Women and Children Development Project	40 000.00	0.00	0.00	0.00	RECOMMENDED	FINANCIALS SUBMITTED			
		40 000.00								
SKILLS DEVELOPMENT										
91	Franschhoek Hospitality Academy and Learning Centre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FEEDBACK RECEIVED UP TO DEC 2020. INCORRECT INFORMATION AND NO PROOF OF EXPENDITURE.			
		0.00								
		726 970.23								
HEALTH										
93	At Heart	40 000.00	0.00	0.00	0.00	RECOMMENDED	LIST OF BOARD MEMBERS SUBMITTED. NONE WITH LINK TO MUNICIPALITY. ADDITIONAL BOARDMEMBERS EXPLAINED.			
95	Stellenbosch Hospice NPC	40 000.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK PROVIDED			
		80 000.00								
SPORT ARTS AND CULTURE										
SPORT CLUBS										
98	Blue Stars United Football Club	40 000.00	0.00	0.00	0.00	RECOMMENDED				
102	Excelsior RFC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIAL STATEMENTS. CONSTITUTION INDICATE FINANCIAL YEAR AS 1 DAY. RESOLUTION NOT ACCEPTEABLE.			
103	Falcons Ladies Football Club	40 000.00	0.00	0.00	0.00	RECOMMENDED	EST DAYS PRIOR TO SUBMISSION OF APPLICATION			
104	Franschhoek RFC	40 000.00	0.00	0.00	0.00	RECOMMENDED	FINANCIAL STATEMENTS SUBMITTED			
105	Glen Eagles Soccer Club	24 144.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK PROVIDED ON PARTIAL SPENDING DUE TO COVID.			
106	Groot Drakenstein Games Club	34 405.70	0.00	0.00	0.00	RECOMMENDED	FEEDBACK TO VALUE OF r 34 405.70 WAS PROVIDED WITH CONFIRMATION OF PROJECT TO CONTINUE IN FINAL TERM OF 2021 AND PROOF OF THE REMAINDER OF FUNDS IN THEIR BANK ACCOUNT.			
109	Jametown AFC	17 429.40	0.00	0.00	0.00	RECOMMENDED	FEEDBACK ON PART EXPENDITURE PROVIDED. PROOF OF REMAINDER IN BANK ACCOUNT SUBMITTED			
77	Sport for Life	0.00	0.00	0.00	0.00	NOT RECOMMENDED	ADD FOR MEETING WAS DONE VIA NEWSPAPER, FACEBOOK AND WEBSITE. CLARIFICATION MEETING ATTENDANCE IS A POLICY MATTER WHICH CANNOT BE WAVED.			
115	Stellenbosch District Coronation RFC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	REPORTED THAT NO EXPENDITURE WAS POSSIBLE DUE TO COVID AND THAT THE NEW SEASON WILL START 5 JUNE. FUNDS WILL BE UTILISED IN THIS PERIOD.			
116	Stellenbosch Homing Union	40 000.00	0.00	0.00	0.00	RECOMMENDED				
117	Sunday Spurs FC	40 000.00	0.00	0.00	0.00	RECOMMENDED	FEEDBACK AND FINANCIAL STATEMENT SUBMITTED			
118	VD Stel Evergreen Club	40 000.00	0.00	0.00	0.00	CONDITIONAL RECOMMENDATION	COMMIT TO SUBMIT FINAL FEEDBACK BY END MAY 2021 DUE TO COVID REASONS.			
119	Wemmershoek Cricket Club	40 000.00	0.00	0.00	0.00	RECOMMENDED	FINANCIAL STATEMENTS SUBMITTED			
		355 979.10								

2021/22 GRANT-IN-AID APPLICATIONS		Category A		Category B			
No	Applicant Name	Funds proposed	Funds proposed YEAR 1 (2021-2022)	Funds proposed YEAR 2 (2022-2023)	Funds proposed YEAR 3 (2023-2024)	Recommendation	Notes
ARTS AND CULTURE							
120	Bapa Theatre Academy	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION STILL NOT SIGNED OR COMPLETED. BUSINESS PLAN STILL OUTSTANDING. DID SUBMIT ANNUAL FINANCIAL STATEMENTS AND BUDGET.
121	Cape Winelands FM	0.00	0.00	0.00	0.00	RECOMMENDED (SEE ABOVE)	WORD OF THANKS ON APPROVED DONATION.
123	eBosch	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NEWSPAPER, FACEBOOK AND WEBSITE. CLARIFICATION MEETING ATTENDANCE IS A POLICY MATTER
		0.00					
		355 979.10					
		1 162 949.33	0.00	R0.00	R0.00		
		3 347 949.33	1 473 230.14	1 547 570.15	1 634 430.49		
		4 821 179.47					
FEEDBACK REPORTS 2020-2021 NOT RECEIVED BY 26 APRIL 2021							
16	Early Education Centre, The	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINAL FEEDBACK REPORT NOT RECEIVED
80	United Christian Student's Association of SA, The	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINAL FEEDBACK REPORT NOT RECEIVED
108	Impact through Sport	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FEEDBACK REPORT RECEIVED
124	Pniel Heritage and Cultural Trust	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FEEDBACK REPORT RECEIVED

K: COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Summary of Employee and Councillor remuneration R thousand	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		11 326	11 322	12 108	13 710	13 710	13 710	14 258	14 828	15 422
Pension and UIF Contributions		342	132	559	848	848	848	882	917	954
Medical Aid Contributions		367	50	215	92	92	92	96	100	104
Motor Vehicle Allowance		4 060	4 139	4 331	4 947	4 947	4 947	5 145	5 351	5 565
Cellphone Allowance		1 058	1 740	1 754	1 339	1 339	1 339	1 392	1 448	1 506
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		155	154	155	197	197	197	205	213	222
Sub Total - Councillors		17 308	17 538	19 121	21 133	21 133	21 133	21 978	22 857	23 771
% increase	4		1,3%	9,0%	10,5%	-	-	4,0%	4,0%	4,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2 909	3 029	5 410	7 532	7 532	7 532	8 512	8 809	9 118
Pension and UIF Contributions		707	580	179	1 374	1 374	1 374	1 552	1 607	1 663
Medical Aid Contributions		79	72	24	235	235	235	266	275	285
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		323	591	710	300	300	300	339	351	363
Motor Vehicle Allowance	3	867	493	161	1 188	1 188	1 188	1 343	1 390	1 438
Cellphone Allowance	3	138	104	51	132	132	132	149	154	160
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	22	18	0	61	61	61	69	71	73
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	7 488	(4 041)	21 200	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		12 533	846	27 735	10 822	10 822	10 822	12 229	12 657	13 100
% increase	4		(93,2%)	3 176,9%	(61,0%)	-	-	13,0%	3,5%	3,5%
Other Municipal Staff										
Basic Salaries and Wages		288 163	298 384	316 733	331 738	306 703	306 703	349 256	354 267	366 439
Pension and UIF Contributions		43 938	47 154	51 074	59 886	59 886	59 886	67 671	70 040	72 491
Medical Aid Contributions		19 948	21 580	23 313	27 727	27 727	27 727	31 331	32 428	33 563
Overtime		40 713	44 111	52 117	55 059	48 455	48 455	54 754	56 671	58 654
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	9 147	9 026	9 133	14 398	10 436	10 436	11 793	12 205	12 632
Cellphone Allowance	3	806	1 237	1 579	1 011	1 011	1 011	1 143	1 183	1 224
Housing Allowances	3	2 233	2 853	2 916	3 165	3 165	3 165	3 576	3 701	3 831
Other benefits and allowances	3	28 372	31 149	32 923	42 188	38 420	38 420	43 415	44 935	46 507
Payments in lieu of leave		4 240	858	(2)	2 246	2 246	2 246	2 538	2 627	2 719
Long service awards		-	(6)	6	72	72	72	82	85	88
Post-retirement benefit obligations	6	-	4 462	(21 622)	31 126	20 126	20 126	29 669	30 798	31 853
Sub Total - Other Municipal Staff		437 559	460 809	468 170	568 617	518 248	518 248	595 229	608 940	630 002
% increase	4		5,3%	1,6%	21,5%	(8,9%)	-	14,9%	2,3%	3,5%
Total Parent Municipality		467 399	479 193	515 026	600 572	550 203	550 203	629 436	644 454	666 874
			2,5%	7,5%	16,6%	(8,4%)	-	14,4%	2,4%	3,5%

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2021– 2024

L: MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand															
Cash Receipts By Source													1		
Property rates	42 178	33 722	33 569	33 734	33 818	33 746	33 742	33 274	36 463	36 463	36 463	19 517	406 687	431 088	456 954
Service charges - electricity revenue	60 470	62 309	64 759	57 016	58 542	59 436	58 593	59 473	81 726	81 726	81 726	49 426	775 203	829 367	879 080
Service charges - water revenue	10 604	11 365	10 400	7 485	11 021	9 310	10 918	12 225	20 768	20 768	20 768	14 112	159 744	168 530	177 799
Service charges - sanitation revenue	12 938	6 383	6 412	6 321	6 430	6 275	6 329	6 301	16 995	16 995	16 995	11 981	120 055	127 577	135 231
Service charges - refuse revenue	14 839	5 203	5 480	5 354	5 260	5 297	5 282	5 289	13 845	13 845	13 845	9 549	103 088	115 359	129 096
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	755	827	935	825	797	751	755	805	1 181	1 181	1 181	(1 054)	8 940	9 431	9 950
Interest earned - external investments	0	395	386	383	398	413	426	427	810	810	810	567	5 824	6 155	6 504
Interest earned - outstanding debtors	282	4 429	2 255	2 111	251	1 517	2 682	1 144	368	368	368	(3 101)	12 672	13 391	14 150
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	10 821	10 822	10 821	10 828	10 851	10 834	10 827	10 840	10 823	10 823	10 823	(15 164)	103 948	123 837	130 029
Licences and permits	5	5	469	536	1 337	460	114	437	571	571	571	702	5 778	6 056	6 348
Agency services	-	-	285	291	756	190	54	155	337	337	337	337	3 077	3 231	3 393
Transfers and Subsidies - Operational	61 625	586	403	672	543	60 266	403	403	10 036	10 036	10 036	10 036	165 045	173 009	176 528
Other revenue	2 759	2 736	2 494	2 522	2 349	2 141	2 461	2 467	4 213	4 213	4 213	4 213	36 779	38 577	40 466
Cash Receipts by Source	217 276	138 782	138 669	128 078	132 354	190 636	132 586	133 238	198 134	198 134	198 134	101 121	1 907 140	2 045 607	2 165 527
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	4 365	4 365	4 365	4 743	4 365	4 365	4 365	4 445	8 751	8 751	8 751	8 751	70 386	43 867	45 345
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	144 000	-	144 000	140 000	160 000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	221 641	143 147	143 034	132 821	136 719	195 001	136 952	137 683	206 885	206 885	350 885	109 872	2 121 526	2 229 475	2 370 872
Cash Payments by Type															
Employee related costs	38 373	38 407	41 000	39 645	53 747	42 096	42 101	39 839	50 412	50 412	50 412	121 015	607 458	621 597	643 102
Remuneration of councillors	1 852	1 852	1 837	1 837	1 837	1 837	1 772	1 668	1 864	1 864	1 864	1 895	21 978	22 857	23 771
Finance charges	-	42	42	42	42	21 963	42	42	42	42	42	21 963	44 260	41 630	39 409
Bulk purchases - Electricity	-	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 155	507 699	553 392	603 198
Bulk purchases - Water & Sewer	-	544	2 493	3 034	4 366	729	4 482	3 201	2 370	2 370	2 370	2 370	28 330	30 036	32 827
Other materials	730	955	2 222	2 072	1 875	3 020	2 138	3 948	6 086	6 086	6 086	6 087	41 303	43 202	45 757
Contracted services	1 376	7 346	16 956	23 573	16 578	16 047	23 846	21 868	34 998	35 198	34 998	44 698	277 481	264 324	275 231
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	559	6 324	647	559	559	559	559	989	559	559	559	1 165	13 600	13 223	13 606
Other expenditure	3 677	12 521	6 297	14 321	11 155	9 033	8 422	13 204	1 922	35 022	36 066	7 803	159 440	166 894	172 258
Cash Payments by Type	46 567	114 145	117 648	131 237	136 312	141 438	129 517	130 913	144 407	177 707	178 509	253 150	1 701 549	1 757 155	1 849 160
Other Cash Flows/Payments by Type															
Capital assets	26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527	39 077	397 764	384 460	381 495
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	36 883	36 883	52 883	69 883
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	73 292	145 431	149 139	166 866	167 968	168 859	161 235	164 546	177 493	215 222	217 036	329 110	2 136 196	2 194 498	2 300 538
NET INCREASE/(DECREASE) IN CASH HELD	148 349	(2 284)	(6 105)	(34 044)	(31 249)	26 143	(24 283)	(26 862)	29 391	(8 338)	133 849	(219 238)	(14 670)	34 976	70 334
Cash/cash equivalents at the month/year begin:	350 972	499 321	497 037	490 933	456 888	425 640	451 782	427 499	400 637	430 028	421 691	555 540	350 972	336 302	371 278
Cash/cash equivalents at the month/year end:	499 321	497 037	490 933	456 888	425 640	451 782	427 499	400 637	430 028	421 691	555 540	336 302	336 302	371 278	441 612

M: CONTRACTS HAVING FUTURE AND BUDGETARY IMPLICATIONS

WC024 Stellenbosch - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding	Current Year	2021/22 Medium Term Revenue & Expenditure Framework			Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
		Years	2020/21	Budget Year	Budget Year	Budget Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
R thousand	1,3	Total	Original Budget	2021/22	+1 2022/23	+2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract	2												
Contract 1													-
Contract 2													-
Contract 3													-
Contract 4													-
Contract 5													-
Contract 6													-
Contract 7													-
Contract 8													-
Contract 9													-
Contract 10													-
Contract 11													-
Contract 12													-
Contract 13													-
Contract 14													-
Contract 15													-
Contract 16													-
Contract 17													-
Contract 18													-
Contract 19													-
Contract 20													-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2												
HCB Values			1 701	425	271	279	279						2 954
FNB			728	761	795	831	868						3 983
Contract 3													-
Contract 4													-
Contract 5													-
Contract 6													-
Contract 7													-
Contract 8													-
Contract 9													-
Contract 10													-
Contract 11													-
Contract 12													-
Contract 13													-
Contract 14													-
Contract 15													-
Contract 16													-
Contract 17													-
Contract 18													-
Contract 19													-
Contract 20													-
Total Operating Expenditure Implication		-	2 429	1 186	1 066	1 109	1 147	-	-	-	-	-	6 938

N: DETAIL CAPITAL BUDGET 2021-2024

**CAPITAL BUDGET 2021 - 2024
MUNICIPAL MANAGER**

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Executive Support: Office of the Municipal Manager	Furniture, Tools and Equipment	44 000	49 000	56 000	149 000
		44 000	49 000	56 000	149 000

CAPITAL BUDGET 2021 - 2024
PLANNING AND DEVELOPMENT SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Economic Development and Tourism	Local Economic Development Hub Jamestown	-	-	3 000 000	3 000 000
Economic Development and Tourism	Furniture, Tools & Equipment	180 000	100 000	150 000	430 000
Economic Development and Tourism	Establishment of the Kayamandi Informal Trading Area	2 500 000	-	-	2 500 000
IHS: Housing Development	Kayamandi Town Centre	3 000 000	3 000 000	6 000 000	12 000 000
IHS: Housing Development	Enkanini Planning and Implementation (Roads and Basic Services)	-	-	3 000 000	3 000 000
IHS: Housing Development	Enkanini Planning and Implementation	1 500 000	-	-	1 500 000
IHS: Housing Development	Furniture, Tools and Equipment	58 800	25 000	50 000	133 800
IHS: Housing Development	Jamestown: Housing (Phase 2, 3 & 4)	500 000	-	-	500 000
HIS: Housing Development	Northern Extension: Feasibility	2 000 000	-	-	2 000 000
IHS: Housing Development	Erf 7001 and other possible sites for mix-used development in Cloetesville	1 000 000	1 000 000	1 000 000	3 000 000
IHS: Housing Development	Erf 64 Kylemore	200 000	-	-	200 000
Housing Administration	Furniture, Tools and Equipment: Housing Administration	35 000	40 000	-	75 000
Housing Administration	Geysers	100 000	150 000	-	250 000
Spatial Planning: Planning and Development	Furniture, Tools & Equipment	130 000	-	-	130 000
Land Use Management	Furniture, Tools & Equipment	125 000	125 000	100 000	350 000
Building Development Management	Furniture, Tools & Equipment	185 000	100 000	100 000	385 000
		11 513 800	4 540 000	13 400 000	29 453 800

**CAPITAL BUDGET 2021 - 2024
INFRASTRUCTURE SERVICES**

Department	Capital Project	2021/2022	2022/2023	2023/2024	MTREF Total
Executive Support: Engineering Services: General	Furniture, Tools & Equipment	75 000	75 000	50 000	200 000
Electrical Services	Ad-Hoc Provision of Street lighting and Lighting of Public Spaces	2 000 000	2 150 000	2 843 375	6 993 375
Electrical Services	Alternative Energy	15 000 000	1 500 000	1 500 000	18 000 000
Electrical Services	Automatic Meter Reader	-	400 000	400 000.00	800 000
Electrical Services	Bien don 66/11kV substation new (new development and demand)	1 200 000	1 000 000	35 000 000	37 200 000
Electrical Services	Buildings & Facilities Electrical Supply - Stellenbosch	-	412 000	412 000.00	824 000
Electrical Services	Cable replacement 66kV oil MN - US - MK	-	-	480 000	480 000
Electrical Services	Cloetesville - University New 66kV cable	-	-	450 000	450 000
Electrical Services	DSM Geysers Control	-	100 000	100 000.00	200 000
Electrical Services	Electricity Network: Pniel	3 500 000	3 500 000	3 000 000.00	10 000 000
Electrical Services	Energy Balancing Between Metering and Mini-Substations	-	250 000	250 000.00	500 000
Electrical Services	Energy Efficiency and Demand Side Management	-	1 000 000	1 000 000.00	2 000 000
Electrical Services	General System Improvements - Franschhoek	2 000 000	2 000 000	2 000 000.00	6 000 000
Electrical Services	General Systems Improvements - Stellenbosch	6 392 000	3 542 126	3 600 000.00	13 534 126
Electrical Services	Infrastructure Improvement - Franschhoek	1 500 000	1 500 000	1 500 000.00	4 500 000
Electrical Services	Integrated National Electrification Programme	18 000 000	6 000 000	6 000 000.00	30 000 000
Electrical Services	Jan Marais Upgrade: Remove Existing Tx 1 and 2 and replace with 20MVA units	8 000 000	500 000	500 000.00	9 000 000
Electrical Services	Kayamandi(Costa grounds)new substation 66/11 kV 2x 20MVA	-	-	300 000	300 000

INFRASTRUCTURE SERVICES

Department	Capital Project	2021/2022	2022/2023	2023/2024	MTREF Total
Electrical Services	Kwarentyn Sub cables: 11kV 3 core 185mmsq PILC(Table19) copper cabling, 3.8km	5 700 000	-	-	5 700 000
Electrical Services	Laterra Substation	8 371 553	427 286	-	8 798 839
Electrical Services	Main substation - Tx upgrade: Remove Existing Tx 2 and 3 and replace with 10MVA units from Jan Marais	-	27 571 200	-	27 571 200
Electrical Services	Meter Panels	-	500 000	400 000.00	900 000
Electrical Services	Network Cable Replace 11 Kv	-	3 000 000	3 000 000.00	6 000 000
Electrical Services	Replace Ineffective Meters	250 000	-	-	250 000
Electrical Services	Small Capital: Fte Electrical Services	500 000	500 000	500 000.00	1 500 000
Electrical Services	Substation 66kV equipment, control, VT's, CT's, Isolator links and cable terminals	-	1 950 000	2 184 000.00	4 134 000
Electrical Services	Substation upgrade US 66 /11kv 20MVA Transformer TRFX #3	-	-	450 000.00	450 000
Electrical Services	Switchgear - Stellenbosch (11kV replace oil type with SF6)	-	-	14 334 268	14 334 268
Electrical Services	Switchgear 66kV US - MN - Outdoor Breakers(66kV)	-	-	4 807 000	4 807 000
Electrical Services	System Control Centre & Upgrade Telemetry	1 559 300	1 568 656	500 000.00	3 627 956
Electrical Services	Update Electrical Master document	700 000	-	-	700 000
Infrastructure Plan, Dev and Implement	Access to Basic Services	1 745 900	600 000	2 000 000	4 345 900
Infrastructure Plan, Dev and Implement	Adam Tas Transit Oriented Development (3500)	-	-	3 500 000	3 500 000
Infrastructure Plan, Dev and Implement	Basic Improvements: Langrug	2 490 248	-	-	2 490 248
Infrastructure Plan, Dev and Implement	Computer – Hardware/Equipment	50 000	50 000	50 000	150 000
Infrastructure Plan, Dev and Implement	Droe Dyke (1000)	-	-	2 000 000	2 000 000
Infrastructure Plan, Dev and Implement	Furniture, Tools and Equipment	20 000	50 000	50 000	120 000

INFRASTRUCTURE SERVICES

Department	Capital Project	2021/2022	2022/2023	2023/2024	MTREF Total
Infrastructure Plan, Dev and Implement	Franschhoek Langrug (1900) UISP ERF 3229	4 500 000	17 880 000	-	22 380 000
Infrastructure Plan, Dev and Implement	Housing Projects	3 468 991	-	500 000	3 968 991
Infrastructure Plan, Dev and Implement	Kayamandi: Zone O (±711 services)	4 680 000	32 140 000	9 000 000	45 820 000
Infrastructure Plan, Dev and Implement	Kayamandi Watergang Basic Services	6 500 000	-	-	6 500 000
Infrastructure Plan, Dev and Implement	Stellenbosch Idas Valley (166) FLISP ERF 9445	11 288 000	-	-	11 288 000
Infrastructure Plan, Dev and Implement	Upgrading of The Steps/Orlean Lounge	8 000 000	3 000 000	-	11 000 000
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	2 000 000	10 000 000	10 000 000	22 000 000
Waste Management: Solid Waste Management	Formalize skip areas in Franschhoek and Kayamandi	-	500 000	-	500 000
Waste Management: Solid Waste Management	Furniture, Tools and Equipment : Solid Waste	45 000	45 000	45 000	135 000
Waste Management: Solid Waste Management	Integrated Waste Management Plan	-	100 000	-	100 000
Waste Management: Solid Waste Management	Landfill Gas To Energy	2 000 000	8 000 000	6 000 000	16 000 000
Waste Management: Solid Waste Management	Mini Waste drop-off facilities at inf. Settlements	-	100 000	200 000	300 000
Waste Management: Solid Waste Management	Skips (5,5kl)	200 000	200 000	200 000	600 000
Waste Management: Solid Waste Management	Street Refuse Bins	500 000	500 000	-	1 000 000
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and Design	1 000 000	3 000 000	3 000 000	7 000 000
Waste Management: Solid Waste Management	Upgrade Refuse disposal site (Existing Cell)- Rehab	928 753	-	-	928 753
Waste Management: Solid Waste Management	Vehicles	-	2 000 000	3 000 000	5 000 000
Waste Management: Solid Waste Management	Waste Biofuels	-	300 000	-	300 000
Waste Management: Solid Waste Management	Waste Management Software	-	200 000	-	200 000
Waste Management: Solid Waste Management	Waste Minimization Projects	500 000	500 000	-	1 000 000

INFRASTRUCTURE SERVICES

Department	Capital Project	2021/2022	2022/2023	2023/2024	MTREF Total
Waste Management: Solid Waste Management	Waste to Energy - Implementation	500 000	3 000 000	1 000 000	4 500 000
Waste Management: Solid Waste Management	Waste to Energy - Planning	200 000	300 000	-	500 000
Water and Wastewater Services: Water	Bulk water supply Klapmuts	15 000 000	5 000 000	-	20 000 000
Water and Wastewater Services: Water	Bulk water Supply Pipe : Cloeteville/ Idas Valley	-	1 000 000	1 000 000	2 000 000
Water and Wastewater Services: Water	Bulk water supply pipe and Reservoir: Kayamandi	-	-	2 000 000	2 000 000
Water and Wastewater Services: Water	Bulk water Supply Pipe Line & Pumpstations: Franschoek	-	-	10 000 000	10 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Idas Valley/Papegaaiberg and Network Upgrades	-	-	1 000 000	1 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipeline & Reservoir - Jamestown	10 000 000	9 000 000	9 000 000	28 000 000
Water and Wastewater Services: Water	Chlorination Installation: Upgrade	-	500 000	750 000	1 250 000
Water and Wastewater Services: Water	Dwarsriver Bulk Supply Augmentation and Network Upgrades	-	-	7 518 000	7 518 000
Water and Wastewater Services: Water	Furniture, Tools and Equipment : Reticulation	100 000	150 000	150 000	400 000
Water and Wastewater Services: Water	New Developments Bulk Water Supply WC024	-	1 000 000	3 000 000	4 000 000
Water and Wastewater Services: Water	New Reservoir & Pipeline: Vlottenburg	40 000 000	38 000 000	26 000 000	104 000 000
Water and Wastewater Services: Water	Northern Extension: Phase 2 Water Infrastructure	4 000 000	5 000 000	-	9 000 000
Water and Wastewater Services: Water	Raithby WWTW	-	5 000 000	-	5 000 000
Water and Wastewater Services: Water	Reservoirs and Dam Safety	-	1 500 000	2 000 000	3 500 000
Water and Wastewater Services: Water	Stellenbosch WWTW	-	-	6 000 000	6 000 000
Water and Wastewater Services: Water	Update Water Masterplan and IMQS	1 000 000	1 000 000	1 000 000	3 000 000
Water and Wastewater Services: Water	Upgrade and Replace Water Meters	2 000 000	2 500 000	2 500 000	7 000 000

INFRASTRUCTURE SERVICES

Department	Capital Project	2021/2022	2022/2023	2023/2024	MTREF Total
Water and Wastewater Services: Water	Upgrading of Koelenhof Water Scheme	-	500 000	5 000 000	5 500 000
Water and Wastewater Services: Water	Water Conservation & Demand Management	3 000 000	3 000 000	3 000 000	9 000 000
Water and Wastewater Services: Water	Water Telemetry Upgrade	750 000	1 500 000	1 500 000	3 750 000
Water and Wastewater Services: Water	Water Treatment Works: Idasvalley	-	-	15 000 000	15 000 000
Water and Wastewater Services: Water	Water Treatment Works: Paradyskloof and Associated works	-	500 000	5 000 000	5 500 000
Water and Wastewater Services: Water	Waterpipe Replacement	4 000 000	4 000 000	4 000 000	12 000 000
Water and Wastewater Services: Water	WSDP (tri-annually)	-	400 000	400 000	800 000
Water and Wastewater Services: Sanitation	Bulk Sewer Outfall: Jamestown	6 400 000	-	-	6 400 000
Water and Wastewater Services: Sanitation	Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniel)	-	-	6 000 000	6 000 000
Water and Wastewater Services: Sanitation	Cloetesville Bulk Sewer Upgrade	-	-	1 000 000	1 000 000
Water and Wastewater Services: Sanitation	Effluent Recycling of Waste Water 10MI per day	-	500 000	-	500 000
Water and Wastewater Services: Sanitation	Franschhoek Sewer Network Upgrade	-	6 000 000	6 000 000	12 000 000
Water and Wastewater Services: Sanitation	Furniture, Tools and Equipment : Sanitation	200 000	300 000	300 000	800 000
Water and Wastewater Services: Sanitation	Industrial Effluent Monitoring	-	1 500 000	1 500 000	3 000 000
Water and Wastewater Services: Sanitation	Kayamandi Bulk Sewer	-	-	5 000 000	5 000 000
Water and Wastewater Services: Sanitation	Klapmuts Bulk Sewer Upgrade	-	1 000 000	4 000 000	5 000 000
Water and Wastewater Services: Sanitation	Northern Extension: Phase 2 Sanitation Infrastructure	-	-	2 000 000	2 000 000
Water and Wastewater Services: Sanitation	Sewer Pumpstation & Telemetry Upgrade	100 000	1 500 000	2 000 000	3 600 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement	-	4 000 000	7 000 000	11 000 000

INFRASTRUCTURE SERVICES

Department	Capital Project	2021/2022	2022/2023	2023/2024	MTREF Total
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Straat	-	-	20 000 000	20 000 000
Water and Wastewater Services: Sanitation	Update Sewer Masterplan and IMQS	-	500 000	500 000	1 000 000
Water and Wastewater Services: Sanitation	Upgrade Auto-Samplers	-	200 000	200 000	400 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	30 000 000	30 000 000	30 000 000	90 000 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Klapmuts	-	10 000 000	6 000 000	16 000 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Pniel & Decommissioning Of Franschoek	48 000 000	-	-	48 000 000
Roads and Stormwater	Adhoc Reconstruction Of Roads (WC024)	2 000 000	2 000 000		4 000 000
Roads and Stormwater	Bridge Construction	30 000 000	30 000 000	-	60 000 000
Roads and Stormwater	Furniture, Tools and Equipment : Tr&Stw	250 000	500 000	300 000	1 050 000
Roads and Stormwater	Reseal Roads - Jamestown & Technopark	-	1 100 000	-	1 100 000
Roads and Stormwater	Reseal Roads - Klapmuts, Raithby, Meerlust, wemmershoek, LaMotte, Maasdorp	-	1 000 000	-	1 000 000
Roads and Stormwater	Reseal Roads - Kylemore & Surrounding	-	1 000 000	-	1 000 000
Roads and Stormwater	Reseal Roads - Stellenbosch & Surrrounding	2 500 000	2 500 000	-	5 000 000
Roads and Stormwater	Reseal Roads - Franschoek & Surrrounding	2 000 000	1 000 000	2 000 000	5 000 000
Roads and Stormwater	Technopark Access Road	1 000 000	1 000 000	-	2 000 000
Transport Planning	Adam Tas Road	-	750 000	-	750 000
Transport Planning	Bicycle Lockup Facilities	200 000	200 000	-	400 000
Transport Planning	Comprehensive Integrated Transport Plan	600 000	1 000 000	600 000	2 200 000
Transport Planning	Cycle Plan - Design & Implementation	500 000	500 000	-	1 000 000
Transport Planning	Freight Strategy for Stellenbosch & Franschoek	-	200 000	-	200 000

INFRASTRUCTURE SERVICES

Department	Capital Project	2021/2022	2022/2023	2023/2024	MTREF Total
Transport Planning	Jamestown Transport Network	3 000 000	-	-	3 000 000
Transport Planning	Non-Motorised Transport Implementation	1 000 000	1 000 000	1 000 000	3 000 000
Transport Planning	Pedestrian and Cycle paths Design and Phased implementation	500 000	-	-	500 000
Transport Planning	Public Transport Facilities	-	2 000 000	-	2 000 000
Transport Planning	Public Transport Infrastructure (Public Transport Shelters & Embayments)	400 000	500 000	-	900 000
Transport Planning	Public Transport Service (Inclusive of Disabled)	500 000	-	-	500 000
Transport Planning	Re-design of Bergzicht Public Transport Facility	1 500 000	2 500 000	-	4 000 000
Transport Planning	Stellenbosch NMT: Jamestown - new sidewalks	1 000 000	-	-	1 000 000
Transport Planning	Taxi Rank - Franschoek	100 000	-	-	100 000
Transport Planning	Taxi Rank: Klapmuts	250 000	250 000	-	500 000
Transport Planning	Tour Bus Parking	-	400 000	-	400 000
Transport Planning	Update Roads Master Plan for WC024	-	1 000 000	-	1 000 000
Traffic Engineering	Furniture tool and equipment	100 000	100 000	100 000	300 000
Traffic Engineering	Main road intersection improvements: Helshoogte rd/La Colline	-	3 000 000	-	3 000 000
Traffic Engineering	Main road intersection improvements: R44 / Helshoogte	100 000	100 000	-	200 000
Traffic Engineering	Main Road Intersection Improvements: R44 / Merriman Street	500 000	3 000 000	-	3 500 000
Traffic Engineering	Main Road Intersection Improvements: Strand / Adam Tas / Alexander	1 000 000	3 000 000	-	4 000 000
Traffic Engineering	Pedestrian Crossing Implementation	300 000	300 000	300 000	900 000
Traffic Engineering	Road Transport Safety Master Plan - WC024	500 000	-	-	500 000
Traffic Engineering	Signalisation implementation	500 000	500 000	500 000	1 500 000

INFRASTRUCTURE SERVICES

Department	Capital Project	2021/2022	2022/2023	2023/2024	MTREF Total
Traffic Engineering	Traffic Calming Projects: Implementation	500 000	300 000	300 000	1 100 000
Traffic Engineering	Traffic Management Improvement Programme	1 000 000	1 000 000	1 000 000	3 000 000
Traffic Engineering	Traffic Signal Control: Installation and Upgrading of Traffic Signals and Associated Components	500 000	500 000	500 000	1 500 000
Traffic Engineering	Universal Access Implementation	300 000	200 000	200 000	700 000
		342 514 745	339 361 268	330 223 643	1 012 099 656

CAPITAL BUDGET 2021 - 2024
COMMUNITY AND PROTECTION SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Community and Protection Services: General	Enlarge Office Space (Jan Marais Reserve)	250 000	-	-	250 000
Community Development	Furniture Tools and Equipment	85 000	50 000	55 000	190 000
Community Services: Library Services	Pniel: Furniture, Tools and Equipment	-	-	20 000	20 000
Community Services: Library Services	Upgrading: Cloetesville Library	200 000	-	180 000	380 000
Community Services: Library Services	Libraries: Small Capital	100 000	-	-	100 000
Community Services: Library Services	Library Books	170 000	180 000	-	350 000
Disaster Management	Specialized Vehicles: Incident command vehicle	-	-	R 1 500 000	1 500 000
Disaster Management	Vehicle Fleet	600 000	-	-	600 000
Environmental Management: Nature Conservation	Hiking Trails in Nature Areas	-	1 000 000	-	1 000 000
Environmental Management: Nature Conservation	Jan Marais Nature Reserve: Upgrading and maintenance of the reserve	R 500 000	2 000 000	-	2 500 000
Environmental Management: Nature Conservation	Mont Rochelle Nature Reserve: Upgrade of Facilities.	1 504 347	-	1 000 000	2 504 347
Environmental Management: Nature Conservation	Papegaaiberg Nature Reserve	R 870 000	-	-	870 000
Environmental Management: Nature Conservation	Upgrade office space: Simonsberg Road	800 000	-	-	800 000
Environmental Management: Nature Conservation	Furniture, Tools and Equipment	100 000	100 000	-	200 000
Environmental Management: Nature Conservation	Workshop: Furniture, Tools and Equipment	100 000	-	-	100 000
Environmental Management: Nature Conservation	Workshop: Community Services Tractors	-	800 000	800 000	1 600 000
Environmental Management: Nature Conservation	Workshop: Specialized equipment	1 000 000	1 500 000	-	2 500 000
Environmental Management: Urban Greening	Design and implement electronic Urban Forestry management tool	-	250 000	250 000	500 000

COMMUNITY AND PROTECTION SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Environmental Management: Urban Greening	Irrigation Systems	-	100 000	-	100 000
Environmental Management: Urban Greening	Storage Containers: Fertilisers & Pesticides.	-	30 000	-	30 000
Environmental Management: Urban Greening	Urban Forestry: Furniture, Tools and Equipment	-	500 000	-	500 000
Environmental Management: Urban Greening	Urban Forestry Specialized equipment	-	1 200 000	-	1 200 000
Environmental Management: Urban Greening	Urban Forestry: Vehicle Fleet	1 500 000	-	-	1 500 000
Fire and Rescue Services	Furniture Tools and Equipment	200 000	200 000	200 000	600 000
Fire and Rescue Services	Upgrading of Stellenbosch Fire Station	4 445 023	-	-	4 445 023
Fire and Rescue Services	Rapid Response Vehicle	-	-	R 2 500 000	2 500 000
Fire and Rescue Services	Rescue equipment	300 000	300 000	300 000	900 000
Law Enforcement and Security	Furniture Tools and Equipment	R 150 000	R 150 000	R 150 000	450 000
Law Enforcement and Security	Install and Upgrade CCTV/ LPR Cameras In WC024	1 000 000	1 000 000	1 000 000	3 000 000
Law Enforcement and Security	Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings	500 000	500 000	500 000	1 500 000
Law Enforcement and Security	Law Enforcement Tools and Equipment	R 750 000	300 000	-	1 050 000
Law Enforcement and Security	Vehicle Fleet	R 2 750 000	-	-	2 750 000
Law Enforcement and Security	Neighbourhood Watch Safety equipment	R 300 000	500 000	250 000	1 050 000
Parks and Cemeteries	Artificial grass on parks and gardens	-	-	300 000	300 000
Parks and Cemeteries	Extension of Cemetery Infrastructure	1 000 000	7 000 000	9 000 000	17 000 000
Parks and Cemeteries	Facilities upgrade- Nursery	-	50 000	-	50 000

COMMUNITY AND PROTECTION SERVICES

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Parks and Cemeteries	Fencing on Various Parks and Gardens	-	-	200 000	200 000
Parks and Cemeteries	Pathways on Parks & gardens	100 000	200 000	-	300 000
Parks and Cemeteries	Upgrading of Parks	1 000 000	1 000 000	-	2 000 000
Parks and Cemeteries	Integrated and Spray Parks	2 000 000	2 000 000	2 000 000	6 000 000
Parks and Cemeteries	Urban Greening: Beautification: Main Routes and Tourist Routes	200 000	-	-	200 000
Recreation, Sports Grounds & Halls	Upgrading of swimming pool	50 000	-	-	50 000
Recreation, Sports Grounds & Halls	Furniture, Tools & Equipment	150 000	150 000	-	300 000
Recreation, Sports Grounds & Halls	Recreational Equipment Sport	50 000	50 000	-	100 000
Recreation, Sports Grounds & Halls	Re-Surface of Netball/Tennis Courts	-	550 000	-	550 000
Recreation, Sports Grounds & Halls	Sight Screens/Pitch Covers Sports Grounds	R 100 000	R 100 000	-	200 000
Recreation, Sports Grounds & Halls	Cricket/Tennis Nets	R 150 000	150 000	-	300 000
Recreation, Sports Grounds & Halls	Sport: Community Services Special Equipment	R 200 000	300 000	-	500 000
Recreation, Sports Grounds & Halls	Upgrade of Irrigation System	50 000	200 000	-	250 000
Recreation, Sports Grounds & Halls	Upgrade of Sport Facilities	600 000	-	-	600 000
Traffic Services	Furniture, Tools & Equipment	100 000	100 000	100 000	300 000
Traffic Services	Mobile Radios	R 100 000	-	-	100 000
Traffic Services	Towing Vehicles	-	-	1 750 000	1 750 000
		24 024 370	22 510 000	22 055 000	68 589 370

**CAPITAL BUDGET 2021 - 2024
CORPORATE SERVICES**

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Information and Communications Technology (ICT)	Public WI-FI Network	600 000	700 000	700 000	2 000 000
Information and Communications Technology (ICT)	Purchase and Replacement of Computer/software and Peripheral devices	1 800 000	600 000	800 000	3 200 000
Information and Communications Technology (ICT)	Upgrade and Expansion of IT Infrastructure Platforms	3 500 000	3 500 000	3 500 000	10 500 000
Properties and Municipal Building Maintenance	Airconditioners	300 000	300 000	300 000	900 000
Properties and Municipal Building Maintenance	Furniture Tools and Equipment: Property Management	250 000	500 000	250 000	1 000 000
Properties and Municipal Building Maintenance	Kaymandi: Upgrading of Makapula Hall	2 000 000	-	-	2 000 000
Properties and Municipal Building Maintenance	Purchasing of land	2 700 000	500 000	-	3 200 000
Properties and Municipal Building Maintenance	Structural Improvement: General	1 000 000	1 000 000	2 000 000	4 000 000
Properties and Municipal Building Maintenance	Structural improvements at the Van der Stel Sport grounds	2 600 000	1 000 000	-	3 600 000
Properties and Municipal Building Maintenance	Structural Upgrade: Heritage Building	1 807 000	3 000 000	2 000 000	6 807 000
Properties and Municipal Building Maintenance	Structural Upgrade: Jamestown Ward Office	1 000 000	1 000 000	-	2 000 000
Properties and Municipal Building Maintenance	Structural Upgrade: Kayamandi Corridor	1 000 000	500 000	-	1 500 000
Properties and Municipal Building Maintenance	Upgrading Fencing	200 000	200 000	1 000 000	1 400 000
Properties and Municipal Building Maintenance	Upgrading of New Office Space: Ryneveld Street	9 000 000	5 000 000	-	14 000 000
Properties and Municipal Building Maintenance	Upgrading of Traffic Offices: Stellenbosch	-	-	5 000 000	5 000 000
		27 757 000	17 800 000	15 550 000	61 107 000

**CAPITAL BUDGET 2021 - 2024
FINANCIAL SERVICES**

Department	Name	2021/2022	2022/2023	2023/2024	MTREF Total
Financial Services: General	Furniture, Tools & Equipment	200 000	200 000	210 000	610 000
		200 000	200 000	210 000	610 000

O: LEGISLATION COMPLIANCE

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- Budget and Treasury Office - A Budget Office and Treasury Office has been established in accordance with the MFMA.
- Budgeting - The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- Financial reporting - 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- Annual Report - The annual report is prepared in accordance with the MFMA and National Treasury requirements

P: OTHER SUPPORTING DOCUMENTS

1. Additional information/schedules in accordance with the budget and reporting regulations:

- SA1 - Supporting detail to Budgeted Financial Performance
- SA2 - Matrix Financial Performance Budget (revenue source/expenditure type and type)
- SA3 - Supporting detail to Budgeted Financial Position
- SA4 - Reconciliation of IDP strategic objectives and budget (revenue)
- SA5 - Reconciliation of IDP strategic objectives and budget (operational expenditure)
- SA6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)
- SA7 - Measurable Performance Objectives
- SA8 - Performance indicators and benchmarks
- SA9 - Social, economic and demographic statistics and assumptions
- SA10 - Funding measurement
- SA11 - Property Rates Summary
- SA12a- Property rates by category (2020/2021)
- SA12b- Property rates by category (2021/2022)
- SA13a Service Tariffs by category
- SA13b Service Tariffs by category-explanatory
- SA14 - Household bills
- SA15 - Investment particulars by type
- SA16 - Investment particulars by maturity
- SA17 - Borrowing
- SA18 - Transfers and grant receipts
- SA19 - Expenditure on transfers and grant programme
- SA20 - Reconciliation of transfers grant receipts and unspent funds
- SA21 - Transfers and grants made by the municipality
- SA22 - Summary councillor and staff benefits
- SA23 - Salaries, allowances & benefits (political office bearers/councillors/senior managers)
- SA24 - Summary of personnel numbers
- SA25 - Consolidated budgeted monthly revenue and expenditure

- SA26 - Budgeted monthly revenue and expenditure (municipal vote)
- SA27 - Budgeted monthly revenue and expenditure (functional classification)
- SA28 - Budgeted monthly capital expenditure (municipal vote)
- SA29 - Budgeted monthly capital expenditure (functional classification)
- SA30 - Budgeted monthly cash flow
- SA31 - Not applicable
- SA32 - List of external mechanism
- SA33 - Contracts having future budgetary implications
- SA34a- Capital expenditure on new asset class
- SA34b- Capital expenditure on the renewal of existing assets by asset class
- SA34c- Repairs and maintenance expenditure by asset class
- SA34d- Depreciation by asset class
- SA34e- Capital expenditure on the upgrading of existing assets by asset class
- SA35 - Future financial implications of the capital budget
- SA36 - Detailed Capital Budget
- SA37 - Projects delayed from previous financial years
- SA38 - Consolidated detailed operational projects

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
Other Expenditure By Type											
Collection costs		1 176	2 455	2 945	3 072	3 072	3 072	1 754	3 500	3 605	3 713
Contributions to 'other' provisions		51 376	35 736	2 315	49 923	31 923	31 923	–	5 637	5 954	5 993
Audit fees		5 409	6 296	6 704	7 831	7 566	7 566	3 673	8 088	8 308	8 535
General expenses											
Operating Leases		8 312	2 667	11 584	17 192	17 741	17 741	10 873	17 967	18 586	19 384
Operational Cost		80 156	83 713	91 971	110 440	140 371	140 371	61 318	124 748	130 442	134 633
Statutory Payments other than Income Taxes		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total 'Other' Expenditure	1	146 430	130 867	115 519	188 459	200 673	200 673	77 618	159 940	166 894	172 258
by Expenditure Item											
Employee related costs	8	348	(35 034)	564	–	–	–	(2)	–	–	–
Other materials		159	40	2 492	–	814	814	633	617	633	652
Contracted Services		44 267	42 394	46 169	90 738	82 716	82 716	43 869	85 412	83 509	86 390
Other Expenditure		–	–	383	85	72	72	23	73	75	77
Total Repairs and Maintenance Expenditure	9	44 774	7 400	49 608	90 823	83 602	83 602	44 524	86 101	84 217	87 119
Inventory Consumed											
Inventory Consumed - Water		(2 277)	(1 407)	(1 315)	(1 315)	(1 315)	(1 315)	(1 315)	(1 315)	(1 315)	(1 315)
Inventory Consumed - Other		(6 232 503)	(6 670 577)	(7 350 431)	(7 585 787)	(7 663 137)	(7 598 329)	(7 744 799)	(8 115 237)	(8 537 066)	(8 890 368)
Total Inventory Consumed & Other Material		(6 234 780)	(6 671 984)	(7 351 747)	(7 587 102)	(7 664 452)	(7 599 645)	(7 746 115)	(8 116 553)	(8 538 381)	(8 891 684)
check		44 774	7 400	49 608	90 823	83 602	83 602		86 101	84 217	87 119

References

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries
3. Insert other categories where revenue or expenditure is of a material nature (list separate items until 'General expenses' is not > 10% of Total Expenditure)
4. Expenditure to meet any 'unfunded obligations'
5. This sub-total must agree with the total on SA22, but excluding councillor and board member items
6. Include a note for each revenue item that is affected by 'revenue foregone'
7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)
8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP items that will be spent on Repairs and Maintenance.
9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table SA34c.
10. Only applicable to municipalities that have adopted the 'revaluation method' in GRAP 17. The aim is to prevent overstating 'depreciation and asset impairment'

WC024 Stellenbosch - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	Vote 2 - PLANNING AND DEVELOPME NT SERVICES	Vote 3 - INFRASTRUCT URE SERVICES	Vote 4 - COMMUNITY AND PROTECTION SERVICES	Vote 5 - CORPORATE SERVICES	Vote 6 - FINANCIAL SERVICES	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	-	-	422 133	-	-	-	-	-	-	-	-	-	422 133
Service charges - electricity revenue		-	-	787 275	-	-	-	-	-	-	-	-	-	-	-	-	787 275
Service charges - water revenue		-	-	166 400	-	-	-	-	-	-	-	-	-	-	-	-	166 400
Service charges - sanitation revenue		-	-	114 485	-	-	-	-	-	-	-	-	-	-	-	-	114 485
Service charges - refuse revenue		-	-	87 936	-	-	-	-	-	-	-	-	-	-	-	-	87 936
Rental of facilities and equipment		-	10 818	-	73	284	-	-	-	-	-	-	-	-	-	-	11 175
Interest earned - external investments		-	-	-	-	-	13 200	-	-	-	-	-	-	-	-	-	13 200
Interest earned - outstanding debtors		-	-	10 293	-	-	3 741	-	-	-	-	-	-	-	-	-	14 034
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	29	-	147 396	-	0	-	-	-	-	-	-	-	-	-	147 425
Licences and permits		-	18	-	5 471	157	132	-	-	-	-	-	-	-	-	-	5 778
Agency services		-	-	-	3 077	-	-	-	-	-	-	-	-	-	-	-	3 077
Other revenue		-	9 044	5 165	19 933	3 829	3 347	-	-	-	-	-	-	-	-	-	41 319
Transfers and subsidies		-	3 045	125 691	13 875	-	61 133	-	-	-	-	-	-	-	-	-	204 313
Gains		-	-	-	-	1 500	-	-	-	-	-	-	-	-	-	-	1 500
Total Revenue (excluding capital transfers and contributions)		-	22 954	1 297 246	189 826	6 339	503 686	-	-	-	-	-	-	-	-	-	2 020 051
Expenditure By Type																	
Employee related costs		27 815	74 171	187 841	174 530	71 360	71 741	-	-	-	-	-	-	-	-	-	607 458
Remuneration of councillors		-	-	-	-	21 978	-	-	-	-	-	-	-	-	-	-	21 978
Debt impairment		-	2 500	18 400	80 000	-	3 000	-	-	-	-	-	-	-	-	-	103 900
Depreciation & asset impairment		319	2 981	179 458	15 913	12 380	490	-	-	-	-	-	-	-	-	-	211 541
Finance charges		-	-	41 827	-	-	2 015	-	-	-	-	-	-	-	-	-	43 842
Bulk purchases		-	-	536 029	-	-	-	-	-	-	-	-	-	-	-	-	536 029
Other materials		115	1 785	23 903	11 558	2 998	943	-	-	-	-	-	-	-	-	-	41 303
Contracted services		3 394	8 917	160 507	71 958	21 300	11 406	-	-	-	-	-	-	-	-	-	277 481
Transfers and subsidies		-	7 023	-	6 328	250	-	-	-	-	-	-	-	-	-	-	13 600
Other expenditure		8 346	3 499	40 855	14 193	68 018	25 447	-	-	-	-	-	-	-	-	-	160 358
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		39 989	100 875	1 188 821	374 481	198 283	115 042	-	-	-	-	-	-	-	-	-	2 017 490
Surplus/(Deficit)		(39 989)	(77 921)	108 424	(184 655)	(191 944)	388 644	-	-	-	-	-	-	-	-	-	2 560
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	7 500	97 354	700	-	-	-	-	-	-	-	-	-	-	-	105 554
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(39 989)	(70 421)	205 778	(183 955)	(191 944)	388 644	-	-	-	-	-	-	-	-	-	108 114

References

1. Departmental columns to be based on municipal organisation structure

WC024 Stellenbosch - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
ASSETS											
Call investment deposits											
Call deposits											
Other current investments		505 618	398 164	323 254	331 339	331 339	331 339	331 339	307 764	313 553	333 553
Total Call investment deposits	2	505 618	398 164	323 254	331 339	331 339	331 339	331 339	307 764	313 553	333 553
Consumer debtors											
Consumer debtors		312 344	326 093	263 296	330 320	329 239	264 431	256 737	425 435	510 767	536 305
Less: Provision for debt impairment		(127 452)	(150 751)	(114 500)	(154 164)	(154 164)	(154 164)	-	(195 613)	(238 928)	(284 408)
Total Consumer debtors	2	184 892	175 342	148 796	176 156	175 074	110 267	256 737	229 821	271 839	251 898
Debt impairment provision											
Balance at the beginning of the year		105 867	127 452	75 926	114 500	114 500	114 500	114 500	154 164	195 613	238 928
Contributions to the provision		21 586	23 299	-	-	-	-	-	-	-	-
Bad debts written off		-	-	38 574	39 664	39 664	39 664	39 664	41 449	43 314	45 480
Balance at end of year		127 452	150 751	114 500	154 164	154 164	154 164	154 164	195 613	238 928	284 408
Inventory											
Water											
Opening Balance		-	2 277	1 407	1 315	1 315	1 315	1 315	1 315	1 315	1 315
System Input Volume		2 277	(870)	(92)	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		2 277	(870)	(92)	-	-	-	-	-	-	-
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorised Consumption	6	-	-	-	-	-	-	-	-	-	-
Billed Authorised Consumption											
Billed Metered Consumption											
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
Unbilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses											
Apparent losses											
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
Non-revenue Water		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		2 277	1 407	1 315	1 315	1 315	1 315	1 315	1 315	1 315	1 315
Agricultural											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
Consumables											
Standard Rated											
Opening Balance		-	-	4 817	285	285	285	285	285	285	285
Acquisitions		-	12 310	11 749	-	-	-	14 331	-	-	-
Issues	7	-	(7 493)	(16 281)	-	-	-	(14 958)	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		-	4 817	285	285	285	285	(342)	285	285	285

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
Zero Rated											
Opening Balance		-	-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Acquisitions		-	384	-	-	-	-	-	-	-	-
Issues	7	-	(386)	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		-	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Finished Goods											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	-	-	-	-	-	-	-	-	-
Materials and Supplies											
Opening Balance		-	-	8 060	13 016	13 016	13 016	13 016	13 016	13 016	13 016
Acquisitions		-	47 402	-	-	-	-	-	-	-	-
Issues	7	-	(33 674)	4 956	-	-	-	-	-	-	-
Adjustments	8	-	(5 668)	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		-	8 060	13 016	13 016	13 016	13 016	13 016	13 016	13 016	13 016
Work-in-progress											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
Housing Stock											
Opening Balance		-	-	-	(700)	(700)	(700)	(700)	(700)	(700)	(700)
Acquisitions		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Sales		-	-	(700)	-	-	-	-	-	-	-
Closing Balance - Housing Stock		-	-	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)
Land											
Opening Balance		-	-	23 092	22 976	22 976	22 976	22 976	22 976	22 976	22 976
Acquisitions		-	24 842	-	-	-	-	-	-	-	-
Sales		-	(1 750)	(116)	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	23 092	22 976	22 976	22 976	22 976	22 976	22 976	22 976	22 976
Closing Balance - Inventory & Consumables		2 277	37 374	36 890	36 890	36 890	36 890	36 263	36 890	36 890	36 890
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		6 047 611	6 495 235	7 201 635	7 409 631	7 488 062	7 488 062	7 488 062	7 885 416	8 265 226	8 638 471
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		1 297 006	1 438 174	1 733 062	1 532 422	1 730 239	1 730 239	1 730 239	1 936 628	2 150 104	2 367 849
Total Property, plant and equipment (PPE)	2	4 750 606	5 057 061	5 468 573	5 877 209	5 757 823	5 757 823	5 757 823	5 948 788	6 115 122	6 270 622

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		(14 502)	(25 870)	(26 311)	(31 078)	(31 078)	(31 078)	(31 078)	(36 078)	(41 078)	(46 078)
Total Current liabilities - Borrowing		(14 502)	(25 870)	(26 311)	(31 078)	(31 078)	(31 078)	(31 078)	(36 078)	(41 078)	(46 078)
Trade and other payables											
Trade Payables		(243 316)	(269 021)	(254 131)	(234 131)	(234 131)	(234 131)	(234 131)	(214 131)	(194 131)	(194 131)
Other Creditors		-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers		(100 324)	(148 234)	-	-	-	-	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	2	(343 640)	(417 255)	(254 131)	(234 131)	(234 131)	(234 131)	(234 131)	(214 131)	(194 131)	(194 131)
Non current liabilities - Borrowing											
Borrowing	4	(158 800)	(292 930)	(449 591)	(521 293)	(521 293)	(521 293)	(521 293)	(463 087)	(545 204)	(630 321)
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		(158 800)	(292 930)	(449 591)	(521 293)	(521 293)	(521 293)	(521 293)	(463 087)	(545 204)	(630 321)
Provisions - non-current											
Retirement benefits		(217 471)	(201 831)	(247 335)	(274 453)	(274 453)	(274 453)	(274 453)	(303 469)	(334 517)	(351 243)
List other major provision items		-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		(79 165)	(101 702)	(46 888)	(53 770)	(53 770)	(53 770)	(53 770)	(60 961)	(68 476)	(71 900)
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions - non-current		(296 636)	(303 532)	(294 223)	(328 223)	(328 223)	(328 223)	(328 223)	(364 430)	(402 993)	(423 143)
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		5 162 592	5 287 154	5 537 458	5 712 342	5 712 342	5 712 342	5 712 342	5 860 594	5 995 811	6 225 715
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		5 162 592	5 287 154	5 537 458	5 712 342	5 712 342	5 712 342	5 712 342	5 860 594	5 995 811	6 225 715
Surplus/(Deficit)		404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 114	135 360	123 944
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		(244 888)	(171 617)	(57 682)	22 556	22 556	22 556	22 556	119 954	94 545	51 060
Accumulated Surplus/(Deficit)	1	5 322 106	5 234 768	5 567 027	5 860 594	5 835 603	5 835 603	6 127 781	6 088 662	6 225 715	6 400 720
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Compensation for Occupational Injuries and Diseases											
Employee Benefit Reserve											
Non-current Provisions Reserve											
Valuation Reserve											
Investment in associate account											
Capitalisation Reserve											
Equity											
Non-Controlling Interest											
Share Premium											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	5 322 106	5 234 768	5 567 027	5 860 594	5 835 603	5 835 603	6 127 781	6 088 662	6 225 715	6 400 720

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services											
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References

1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Must reconcile with Table A6 Budgeted Financial Position
3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases
4. Borrowing must reconcile to Table A17
5. Trade Payable should only include Trade Payables from Exchange Transactions ("True Creditors")
6. Inventory Consumed - Water - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1
7. Inventory Consumed Other - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1
8. Inventory Transfers/Adjustments (Include under gains/losses on Table A4)
9. Inventory Write-offs (Include under losses on Table A4)

WC024 Stellenbosch - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand													
Green and Sustainable Valley	Green and Sustainable Valley			75 684	79 450	92 235	93 750	92 587	92 587				
Valley of Possibility	Valley of Possibility			915 435	925 987	1 166 851	1 136 193	1 040 890	1 040 890				
Dignified Living	Dignified Living			74 131	70 875	89 235	119 526	115 178	115 178	1 156 097	1 237 779	1 317 078	
Safe Valley	Safe Valley			132 098	116 610	120 736	167 192	191 600	191 600	545 875	531 591	516 863	
Good Governance and Compliance	Good Governance and Compliance			412 565	419 217	450 678	496 499	487 154	487 154	423 633	449 051	475 994	
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contributions)				1	1 609 913	1 612 139	1 919 735	2 013 160	1 927 409	1 927 409	2 125 605	2 218 421	2 309 934

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective

WC024 Stellenbosch - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
R thousand													
Green and Sustainable Valley	Green and Sustainable Valley			148 521	152 907	124 590	56 240	52 856	52 856	8 913	9 475	10 046	
Valley of Possibility	Valley of Possibility			558 757	681 988	832 004	56 488	176 380	176 380	55 910	57 162	65 134	
Dignified Living	Dignified Living			144 272	152 099	174 137	1 195 754	1 059 158	1 059 158	1 385 798	1 402 437	1 443 976	
Safe Valley	Safe Valley			227 413	226 987	225 159	252 153	240 158	240 158	8 186	7 957	8 238	
Good Governance and Compliance	Good Governance and Compliance			267 371	287 092	298 746	326 827	298 152	298 152	558 683	606 030	658 596	
Allocations to other priorities													
Total Expenditure				1	1 346 334	1 501 073	1 654 635	1 887 463	1 826 704	1 826 704	2 017 490	2 083 061	2 185 990

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective

WC024 Stellenbosch - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand												
Green and Sustainable Valley	Green and Sustainable Valley	A		19 856	25 981	58 660	20 900	22 135	22 135	32 903	38 030	27 950
Valley of Possibility	Valley of Possibility	B		128 935	135 095	216 006	147 140	153 789	153 789	200 441	201 583	199 015
Dignified Living	Dignified Living	C		262 590	320 676	197 023	178 319	225 894	225 894	141 373	120 620	127 500
Safe Valley	Safe Valley	D		10 596	9 654	42 900	8 850	10 581	10 581	12 595	7 250	12 443
Good Governance and Compliance	Good Governance and Compliance	E		11 705	1 898	97 908	20 542	42 065	42 065	18 742	16 978	14 586
Allocations to other priorities			3									
Total Capital Expenditure			1	433 682	493 304	612 498	375 750	454 464	454 464	406 054	384 460	381 495

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36
3. Balance of allocations not directly linked to an IDP strategic objective

WC024 Stellenbosch - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Vote 1 - Municipal Manager										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		148 801	32 557	285 000	40 000	40 000	40 000	44 000	49 000	56 000
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		17 254 619	18 393 857	33 607 414	47 883 653	44 811 506	44 811 506	39 988 673	41 439 540	42 823 424
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		-	-	360 000	-	327 853	327 853	-	-	-
<i>Insert measure/s description</i>										
Vote 2 - Planning and Development Services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		2 860 286	5 570 904	13 517 538	12 310 800	18 088 078	18 088 078	11 513 800	4 540 000	13 400 000
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		56 227 204	55 540 580	118 915 222	105 525 499	96 886 122	96 886 122	100 874 836	101 205 158	104 439 929
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		10 266 502	11 227 770	89 260 819	82 896 473	33 538 469	33 538 469	30 453 892	24 222 668	31 327 668
<i>Insert measure/s description</i>										
Vote 3 - Human Settlements										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		36 410 428	-	-	-	-	-	-	-	-
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		65 441 660	-	-	-	-	-	-	-	-
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		38 679 360	-	-	-	-	-	-	-	-
<i>Insert measure/s description</i>										
Vote 4 - Community & Protection										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		19 302 239	337 743 802	45 902 450	27 640 000	44 297 748	44 297 748	24 024 370	22 510 000	22 055 000
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		261 992 054	736 873 119	364 119 842	359 246 182	357 735 417	357 735 417	374 481 006	388 417 554	405 261 758
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		126 660 294	147 486 883	137 269 341	192 984 637	169 908 962	169 908 962	190 526 242	196 222 028	205 653 969
<i>Insert measure/s description</i>										
Vote 5 - Infrastructure services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		347 392 959	80 696 265	470 553 955	317 259 511	317 493 027	317 493 027	342 514 745	339 361 268	330 223 643
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		727 774 390	61 463 447	912 529 941	1 094 794 771	1 056 140 371	1 056 140 371	1 188 821 414	1 227 901 178	1 299 253 698
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		968 043 473	36 445 615	1 064 407 034	1 245 015 966	1 228 147 095	1 228 147 095	1 394 599 407	1 457 528 974	1 502 875 656
<i>Insert measure/s description</i>										
Vote 5 - Corporate services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		3 934 279	5 950 664	32 391 287	17 650 000	73 695 157	73 695 157	27 757 000	17 800 000	15 550 000
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		114 053 416	302 208 434	176 481 880	181 429 497	180 172 266	180 172 266	198 282 948	204 736 966	210 940 697
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		2 090 375	-	360 000	4 302 674	5 591 627	5 591 627	6 339 253	6 074 134	6 395 236
<i>Insert measure/s description</i>										
Vote 7 - Financial services										
Function 1 - Budget Performance										
Sub-function 1 - Capital Expenditure		154 201	446 150	900 000	850 000	850 000	850 000	200 000	200 000	210 000
<i>Insert measure/s description</i>										
Sub-function 2 - Operational Expenditure		96 539 452	115 809 302	113 450 151	110 583 800	91 858 500	91 858 500	115 041 547	119 360 772	123 270 265
<i>Insert measure/s description</i>										
Sub-function 3 - Operational Revenue		405 271 470	3 809 785	437 435 138	487 960 122	490 895 216	490 895 216	503 685 785	534 372 981	563 681 545
<i>Insert measure/s description</i>										
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
 2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
 3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

WC024 Stellenbosch - Entities measurable performance objectives

Description	Unit of measurement	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Entity 1 - (name of entity)										
<i>Insert measure/s description</i>										
Entity 2 - (name of entity)										
<i>Insert measure/s description</i>										
Entity 3 - (name of entity)										
<i>Insert measure/s description</i>										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))
2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

WC024 Stellenbosch - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Borrowing Management											
Credit Rating	Interest & Principal Paid /Operating Expenditure	2.6%	2.1%	2.4%	3.2%	2.9%	2.9%	3.9%	4.0%	4.5%	5.0%
Capital Charges to Operating Expenditure	Expenditure										
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.3%	2.3%	2.7%	3.5%	3.2%	3.2%	3.3%	4.5%	4.9%	5.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	10.3%	0.0%	69.4%	32.5%	32.5%	23.5%	47.9%	48.7%	50.7%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	2.1	1.6	2.2	2.3	2.4	2.2	2.7	2.5	2.8	3.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.1	1.6	2.2	2.3	2.4	2.2	2.7	2.5	2.8	3.7
Liquidity Ratio	Monetary Assets/Current Liabilities	1.3	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.1	1.7
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		98.4%	97.1%	107.4%	96.0%	98.3%	98.3%	141.9%	99.1%	99.1%	99.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	21.1%	15.9%	22.4%	20.6%	21.3%	17.8%	37.3%	22.3%	23.4%	21.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		-1176.4%	-158.7%	-60.8%	-79.4%	-103.4%	-66.7%	-66.7%	-65.3%	-53.5%	-44.8%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	374764358	379353123	21177668.7	383146654.2	383146654.2	383146654.2	383146654.2	386978120.8	390847902	390847902
	Total Cost of Losses (Rand '000)	21 488	28 627	1 525	26 820	26 820	26 820	26 820	27 088	27 359	27 359
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
	Total Volume Losses (kℓ)	8 645	9 051	9 141	9 233	9 233	9 233	9 233	9 325	9 418	9 418
	Total Cost of Losses (Rand '000)	1867832	2535288	2011055	2031166	2031166	2031166	2031166	2051477	2071992	2071992
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.3%	30.4%	30.9%	30.5%	28.9%	28.9%	28.8%	30.1%	29.3%	28.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.5%	31.5%	32.0%	31.6%	30.1%	30.1%		31.2%	30.4%	29.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.9%	0.5%	3.1%	4.8%	4.6%	4.6%		4.3%	4.0%	3.9%
Finance charges & Depreciation	FCAD/(Total Revenue - capital revenue)	2.8%	13.8%	14.4%	12.9%	12.7%	12.7%	1.2%	12.7%	12.1%	11.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	21.0	25.0	20.2	24.1	24.1	24.1	19.5	25.1	21.4	22.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	27.1%	20.5%	28.3%	26.2%	27.2%	22.7%	47.6%	28.1%	29.0%	26.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.2	1.7	3.6	2.3	1.9	2.9	5.1	2.4	2.6	2.9

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data

Debtors > 90 days	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Monthly fixed operational expenditure	88 037	99 450	114 648	126 904	121 478	121 478	68 732
Fixed operational expenditure % assumption	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex	(65 089)	1 550 313	761 202	230 410	369 598	369 598	510 521
Borrowing	-	160 000	-	160 000	120 000	120 000	144 000

WC024 Stellenbosch - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework	2022/23	2023/24
						Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Demographics												
Population		Statistics South Africa	200 524	155 718	170 654	184	195	207	207	207	207	207
Females aged 5 - 14		Statistics South Africa	17 865	11 020	12 077	13	14	15	15	15	15	15
Males aged 5 - 14		Statistics South Africa	16 352	11 092	12 157	13	14	15	15	15	15	15
Females aged 15 - 34		Statistics South Africa	38 791	33 191	36 374	40	42	45	45	45	45	45
Males aged 15 - 34		Statistics South Africa	41 919	32 718	35 856	39	42	44	44	44	44	44
Unemployment		Statistics South Africa	16	10	11	12	13	14	14	14	14	14
Monthly household income (no. of households)												
No income	1, 12	Statistics South Africa, regional economic growth	3 557	8 961	9 820	10 731	11 375	12 058	12 299	12 545	12 796	13 052
R1 - R1 600		Statistics South Africa, regional economic growth	245	914	2 065	2 219	2 352	2 493	2 543	2 594	2 646	2 699
R1 601 - R3 200		Statistics South Africa, regional economic growth	1 126	1 517	1 614	1 766	1 872	1 984	2 024	2 065	2 107	2 150
R3 201 - R6 400		Statistics South Africa, regional economic growth	3 728	4 415	4 699	5 140	5 448	5 775	5 891	6 009	6 129	6 251
R6 401 - R12 800		Statistics South Africa, regional economic growth	4 484	7 160	7 620	8 336	8 836	9 366	9 553	9 744	9 939	10 138
R12 801 - R25 600		Statistics South Africa, regional economic growth	6 463	6 742	7 176	7 850	8 321	8 821	8 997	9 177	9 361	9 549
R25 601 - R51 200		Statistics South Africa, regional economic growth	4 144	4 994	5 316	5 815	6 164	6 534	6 665	6 799	6 936	7 076
R52 201 - R102 400		Statistics South Africa, regional economic growth	2 578	3 671	3 907	4 274	4 530	4 802	4 898	4 996	5 096	5 198
R102 401 - R204 800		Statistics South Africa, regional economic growth	1 680	2 874	3 058	3 345	3 546	3 759	3 834	3 911	3 990	4 071
R204 801 - R409 600		Statistics South Africa, regional economic growth	69	1 432	1 523	1 666	1 766	1 872	1 910	1 948	1 987	2 027
R409 601 - R819 200		Statistics South Africa, regional economic growth	242	430	458	501	531	563	575	587	599	611
> R819 200		Statistics South Africa, regional economic growth	245	305	325	355	376	399	407	415	423	431
Poverty profiles (no. of households)												
< R2 060 per household per month	13		8 656	15 807	16 824	18403,72	19507,94	20678,42	21256,00	21850,00	22461,00	23089,00
	2				<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600
Household/demographics (000)												
Number of people in municipal area		Statistics South Africa, regional population growth rate	200 524	155 718	170 654	187	198	210	210	210	210	210
Number of poor people in municipal area		Statistics South Africa, regional population growth rate	36 413	43 417	47 582	52	55	58	58	58	58	58
Number of households in municipal area		Statistics South Africa, regional population growth rate	8 656	15 807	17 323	19	20	21	21	21	21	21
Number of poor households in municipal area		Statistics South Africa, regional population growth rate				<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600
Definition of poor household (R per month)												
Housing statistics												
Formal	3		32 918	32 620	35 749	39 068	41 413	43 897	46 531	49 323	52 283	55 421
Informal			3 496	10 796	11 832	12 931	13 707	14 529	15 401	16 325	17 304	18 342
Total number of households			36 413	43 417	47 581	51 999	55 119	58 426	61 932	65 648	69 587	73 763
Dwellings provided by municipality	4		-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s			-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6					5,3%	5,3%	5,2%	4,5%	4,6%	4,6%	4,6%
Interest rate - borrowing						11,0%	10,5%	10,5%	10,5%	10,5%	10,5%	10,5%
Interest rate - investment						8,0%	8,5%	8,5%	8,5%	8,5%	8,5%	8,5%
Remuneration increases						7,0%	7,0%	7,0%	6,3%	7,0%	7,0%	7,0%
Consumption growth (electricity)						-1,0%	1,0%	1,0%	1,0%	1,0%	1,0%	1,0%
Consumption growth (water)						0,5%	-1,0%	-1,0%	1,0%	1,0%	1,0%	1,0%
Collection rates												
Property tax/service charges	7					97,0%	96,0%	96,0%	96,0%	96,0%	96,0%	96,0%
Rental of facilities & equipment						83,0%	97,0%	97,0%	97,0%	97,0%	97,0%	97,0%
Interest - external investments						100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Interest - debtors						97,0%	96,0%	96,0%	96,0%	96,0%	96,0%	96,0%
Revenue from agency services						100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2017/18	2018/19	2019/20	Current Year: 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
		Household service targets (000)										
		Water:										
		Piped water inside dwelling	38 618	39 599	40 626	40 626	40 626	40 626	40 676	40 726	40 776	
		Piped water inside yard (but not in dwelling)	4 047	4 249	4 461	4 461	4 461	4 461	4 561	4 664	4 769	
8		Using public tap (at least min.service level)	7 169	4 528	4 778	4 778	4 778	4 778	4 878	4 980	5 084	
10		Other water supply (at least min.service level)	-	1 774	684	684	684	684	834	1 017	1 240	
		<i>Minimum Service Level and Above sub-total</i>	49 834	50 150	50 950	50 950	50 950	50 950	50 950	51 387	51 869	
9		Using public tap (< min.service level)	1 370	1 270	1 170	1 170	1 170	1 170	1 070	979	896	
10		Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-	
		No water supply	307	257	207	207	207	207	157	119	90	
		<i>Below Minimum Service Level sub-total</i>	1 677	1 527	1 377	1 377	1 377	1 377	1 227	1 098	986	
		Total number of households	51 511	51 677	51 927	51 927	51 927	51 927	52 177	52 485	52 855	
		Sanitation/sewerage:										
		Flush toilet (connected to sewerage)	45 863	46 206	46 256	46 256	46 256	46 256	46 306	46 356	46 406	
		Flush toilet (with septic tank)	1 967	2 065	2 165	2 165	2 165	2 165	2 265	2 370	2 480	
		Chemical toilet	370	388	407	407	407	407	420	433	446	
		Pit toilet (ventilated)	240	150	50	50	50	50	-	-	-	
		Other toilet provisions (> min.service level)	1 194	1 468	1 898	1 898	1 898	1 898	2 236	2 633	3 101	
		<i>Minimum Service Level and Above sub-total</i>	49 634	50 277	50 777	50 777	50 777	50 777	51 227	51 792	52 433	
		Bucket toilet	1 231	900	800	800	800	800	700	613	537	
		Other toilet provisions (< min.service level)	191	150	50	50	50	50	-	-	-	
		No toilet provisions	456	350	300	300	300	250	208	173	173	
		<i>Below Minimum Service Level sub-total</i>	1 877	1 400	1 150	1 150	1 150	1 150	950	821	710	
		Total number of households	51 511	51 677	51 927	51 927	51 927	51 927	52 177	52 613	53 143	
		Energy:										
		Electricity (at least min.service level)	14 321	14 571	14 821	14 821	14 821	14 821	15 071	15 325	15 583	
		Electricity - prepaid (min.service level)	34 503	34 753	35 003	35 003	35 003	35 003	35 253	35 505	35 759	
		<i>Minimum Service Level and Above sub-total</i>	48 824	49 324	49 824	49 824	49 824	49 824	50 324	50 830	51 342	
		Electricity (< min.service level)	234	150	150	150	150	150	150	150	150	
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	
		Other energy sources	2 453	2 203	1 953	1 953	1 953	1 953	1 703	1 485	1 295	
		<i>Below Minimum Service Level sub-total</i>	2 687	2 353	2 103	2 103	2 103	2 103	1 853	1 635	1 445	
		Total number of households	51 511	51 677	51 927	51 927	51 927	51 927	52 177	52 465	52 787	
		Refuse:										
		Removed at least once a week	39 475	47 149	47 649	47 649	47 649	47 649	48 149	48 654	49 164	
		<i>Minimum Service Level and Above sub-total</i>	39 475	47 149	47 649	47 649	47 649	47 649	48 149	48 654	49 164	
		Removed less frequently than once a week	-	-	-	-	-	-	-	-	-	
		Using communal refuse dump	1 128	1 078	1 028	1 028	1 028	1 028	978	930	885	
		Using own refuse dump	2 369	2 200	2 100	2 100	2 100	2 100	2 000	1 905	1 815	
		Other rubbish disposal	884	800	750	750	750	700	653	609	563	
		No rubbish disposal	481	450	400	400	400	350	306	268	228	
		<i>Below Minimum Service Level sub-total</i>	4 862	4 528	4 278	4 278	4 278	4 028	3 794	3 576	3 358	
		Total number of households	44 337	51 677	51 927	51 927	51 927	51 927	52 177	52 448	52 740	

Municipal in-house services	Ref.	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework					
					Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Household service targets (000)											
		Water:											
		38 618	39 599	40 626	40 626	40 626	40 626	40 676	40 726	40 776			
		4 047	4 249	4 461	4 461	4 461	4 461	4 561	4 664	4 769			
8		7 169	4 528	4 778	4 778	4 778	4 778	4 878	4 980	5 084			
10			1 774	684	684	684	684	834	1 017	1 240			
		<i>Minimum Service Level and Above sub-total</i>											
		49 834	50 150	50 550	50 550	50 550	50 550	50 950	51 387	51 869			
9		1 370	1 270	1 170	1 170	1 170	1 170	1 070	979	896			
10													
		307	257	207	207	207	207	157	119	90			
		<i>Below Minimum Service Level sub-total</i>											
		1 677	1 527	1 377	1 377	1 377	1 377	1 227	1 098	986			
		51 511	51 677	51 927	51 927	51 927	51 927	52 177	52 485	52 855			
		Sanitation/sewerage:											
		45 863	46 206	46 256	46 256	46 256	46 256	46 306	46 356	46 406			
		1 967	2 065	2 165	2 165	2 165	2 165	2 265	2 370	2 480			
		370	388	407	407	407	407	420	433	446			
		240	150	50	50	50	50	-	-	-			
		1 194	1 468	1 898	1 898	1 898	1 898	2 236	2 633	3 101			
		<i>Minimum Service Level and Above sub-total</i>											
		49 634	50 277	50 777	50 777	50 777	50 777	51 227	51 792	52 433			
		1 231	900	800	800	800	800	700	613	537			
		191	150	50	50	50	50	-	-	-			
		456	350	300	300	300	300	250	208	173			
		<i>Below Minimum Service Level sub-total</i>											
		1 877	1 400	1 150	1 150	1 150	1 150	950	821	710			
		51 511	51 677	51 927	51 927	51 927	51 927	52 177	52 613	53 143			
		Energy:											
		14 321	14 571	14 821	14 821	14 821	14 821	15 071	15 325	15 583			
		34 503	34 753	35 003	35 003	35 003	35 003	35 253	35 505	35 759			
		<i>Minimum Service Level and Above sub-total</i>											
		48 824	49 324	49 824	49 824	49 824	49 824	50 324	50 830	51 342			
		234	150	150	150	150	150	150	150	150			
		-	-	-	-	-	-	-	-	-			
		2 453	2 203	1 953	1 953	1 953	1 953	1 703	1 485	1 295			
		<i>Below Minimum Service Level sub-total</i>											
		2 687	2 353	2 103	2 103	2 103	2 103	1 853	1 635	1 445			
		51 511	51 677	51 927	51 927	51 927	51 927	52 177	52 465	52 787			
		Refuse:											
		39 475	47 149	47 649	47 649	47 649	47 649	48 149	48 654	49 164			
		39 475	47 149	47 649	47 649	47 649	47 649	48 149	48 654	49 164			
		-	-	-	-	-	-	-	-	-			
		1 128	1 078	1 028	1 028	1 028	1 028	978	930	885			
		2 369	2 200	2 100	2 100	2 100	2 100	2 000	1 905	1 815			
		884	800	750	750	750	750	700	653	609			
		481	450	400	400	400	400	350	306	268			
		<i>Below Minimum Service Level sub-total</i>											
		4 862	4 528	4 278	4 278	4 278	4 278	4 028	3 794	3 576			
		44 337	51 677	51 927	51 927	51 927	51 927	52 177	52 448	52 740			

Municipal entity services	Ref.		2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
Name of municipal entity		Household service targets (000)										
		Water:										
		Piped water inside dwelling	-	-	-	-	-	-	-	-	-	-
		Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-	-
	8	Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-	-
	10	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-
	9	Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-	-
	10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-
Name of municipal entity		Sanitation/sewerage:										
		Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-	-
		Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-	-
		Chemical toilet	-	-	-	-	-	-	-	-	-	-
		Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-	-
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-
		Bucket toilet	-	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-	-
		No toilet provisions	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-
Name of municipal entity		Energy:										
		Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-
Name of municipal entity		Refuse:										
		Removed at least once a week	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week	-	-	-	-	-	-	-	-	-	-
		Using communal refuse dump	-	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-

Services provided by 'external mechanisms'	Ref.		2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Names of service providers		Household service targets (000)									
		Water:									
		Piped water inside dwelling	-	-	-	-	-	-	-	-	-
		Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
	8	Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
	10	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	9	Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
	10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Names of service providers		Total number of households	-	-	-	-	-	-	-	-	-
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
		Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
		Chemical toilet	-	-	-	-	-	-	-	-	-
		Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Bucket toilet	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
		No toilet provisions	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Names of service providers		Total number of households	-	-	-	-	-	-	-	-	-
		Energy:									
		Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Names of service providers		Total number of households	-	-	-	-	-	-	-	-	-
		Refuse:									
		Removed at least once a week	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
		Using communal refuse dump	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-

Detail of Free Basic Services (FBS) provided		2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
Electricity	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (50 kwh per indigent household per month Rands)	148 157	10 538 163	13 321 030	12 554 424	12 554 424	12 554 424	14 654 779	15 680 614	16 621 450
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-
Water	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month Rands)	5 467 955	15 664 003	21 106 158	15 854 076	15 854 076	15 854 076	17 804 127	19 940 623	22 333 497
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-	-
Sanitation	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (free sanitation service to indigent households)	7 009 333	8 556 762	9 607 052	10 297 777	10 297 777	10 297 777	10 884 750	11 537 835	12 230 105
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-	-
Refuse Removal	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (removed once a week to indigent households)	7 434 335	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-

References

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality
6. Insert actual or estimated % increases assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance <= 200m from dwelling
9. Stand distance > 200m from dwelling
10. Borehole, spring, rain-water tank etc.
11. Must agree to total number of households in municipal area
12. Household income categories assume an average 4 person household. Stats SA - Census 2011 Questionnaire
13. Based on National poverty line of R515 per capita per month (2008 prices), assuming an average household size of 4 persons

WC024 Stellenbosch Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	20 683	169 491	417 839	295 015	226 496	350 972	350 972	328 012	362 988	433 322
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 103 654	1 167 471	985 209	896 151	926 031	865 488	1 223 943	964 655	1 028 471	1 090 617
Cash year end/monthly employee/supplier payments	18(1)b	3	0,2	1,7	3,6	2,3	1,9	2,9	5,1	2,4	2,6	2,9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	404 402	119 231	87 251	125 696	100 705	100 705	392 883	108 114	135 360	123 944
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(7,8%)	1,9%	11,6%	(9,8%)	(6,0%)	(36,8%)	6,1%	0,8%	0,3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	87,7%	90,9%	101,8%	90,1%	93,4%	93,4%	140,6%	95,6%	96,5%	96,5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	4,1%	9,1%	9,9%	5,1%	5,3%	5,3%	0,0%	6,6%	6,5%	6,5%
Capital payments % of capital expenditure	18(1)c,19	8	0,0%	31,6%	44,4%	148,6%	100,0%	100,0%	81,4%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	10,3%	0,0%	69,4%	32,5%	32,5%	23,5%	47,9%	48,7%	50,7%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								101,5%	101,2%	101,3%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(25,8%)	48,9%	9,1%	(0,3%)	(16,8%)	45,5%	15,5%	10,5%	(1,8%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	40,1%	28,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	5,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0,9%	0,1%	0,9%	1,5%	1,5%	1,5%	1,5%	1,4%	1,4%	1,4%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	2,9%	1,1%	9,1%	6,0%	6,0%	0,0%	2,5%	6,1%	10,3%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			(1,8%)	7,9%	17,6%	(3,8%)	0,0%	(30,8%)	12,1%	6,8%	6,3%
% incr Property Tax	18(1)a			7,5%	8,7%	7,3%	1,8%	0,0%	(21,5%)	6,1%	6,0%	6,0%
% incr Service charges - electricity revenue	18(1)a			1,6%	5,8%	25,8%	(4,7%)	0,0%	(35,4%)	16,7%	7,0%	6,0%
% incr Service charges - water revenue	18(1)a			(25,4%)	16,5%	(1,7%)	(11,9%)	0,0%	(32,3%)	11,9%	5,5%	5,5%
% incr Service charges - sanitation revenue	18(1)a			(8,5%)	(0,7%)	42,1%	(8,5%)	0,0%	(36,5%)	5,7%	6,0%	6,0%
% incr Service charges - refuse revenue	18(1)a			10,2%	14,2%	24,4%	0,0%	0,0%	(27,2%)	12,3%	12,0%	12,0%
% incr in Service charges - other	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total billable revenue	18(1)a		1 174 818	1 154 085	1 245 801	1 465 017	1 409 017	1 409 017	975 657	1 579 729	1 686 830	1 793 071
Service charges			1 174 818	1 154 085	1 245 801	1 465 017	1 409 017	1 409 017	975 657	1 579 729	1 686 830	1 793 071
Property rates			312 816	336 325	365 675	392 239	399 239	399 239	313 330	423 633	449 051	475 994
Service charges - electricity revenue			523 068	531 494	562 275	707 441	674 441	674 441	435 814	787 275	842 384	892 927
Service charges - water revenue			197 306	147 276	171 632	168 720	148 720	148 720	100 748	166 400	175 552	185 207
Service charges - sanitation revenue			91 619	83 862	83 262	118 312	108 312	108 312	68 786	114 485	121 354	128 636
Service charges - refuse removal			50 008	55 128	62 957	78 305	78 305	78 305	56 980	87 936	98 489	110 307
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			10 556	11 412	10 275	16 292	10 592	10 592	8 773	11 175	11 789	12 438
Capital expenditure excluding capital grant funding			(65 089)	1 550 313	761 202	230 410	369 598	369 598	510 521	300 500	287 573	315 650
Cash receipts from ratepayers	18(1)a		1 179 109	1 208 281	1 431 900	1 516 802	1 498 584	1 498 584	1 498 584	1 723 599	1 853 053	1 968 346
Ratepayer & Other revenue	18(1)a		1 344 660	1 329 326	1 406 113	1 683 313	1 604 113	1 604 113	1 065 792	1 802 538	1 920 877	2 038 929
Change in consumer debtors (current and non-current)			(34 613)	(82 063)	117 498	32 360	31 278	(33 529)	112 941	58 665	47 018	(8 669)
Operating and Capital Grant Revenue	18(1)a		210 005	233 233	284 875	291 976	288 728	288 728	212 484	309 867	283 595	256 266
Capital expenditure - total	20(1)(vi)		-	1 562 156	913 087	375 750	454 464	454 464	558 109	406 054	384 460	381 495
Capital expenditure - renewal	20(1)(vi)		32 347	45 449	10 136	34 100	27 041	27 041		9 950	23 600	39 164
Supporting benchmarks												
Growth guideline maximum			6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline			4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY										164 684	171 280	174 671
DoRA capital grants total MFY										70 386	43 267	44 745
Provincial operating grants										34 574	12 187	12 381
Provincial capital grants										35 168	53 620	21 100
District Municipality grants										500	-	-
Total gazetted/advised national, provincial and district grants										305 312	280 354	252 897
Average annual collection rate (arrears inclusive)												

Description	MFMA section	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	
DoRA operating													
Operational Revenue: General Revenue: Equitable Share											157 136	169 730	173 121
Operational Revenue: General Revenue: Fuel Levy											-	-	-
2014 African Nations Championship Host City Operating Grant [Schedule 5B]											-	-	-
Agriculture Research and Technology											-	-	-
Agriculture, Conservation and Environmental											-	-	-
Arts and Culture Sustainable Resource Management											-	-	-
Community Library											-	-	-
Department of Environmental Affairs											-	-	-
Department of Tourism											-	-	-
Department of Water Affairs and Sanitation Masibambane											-	-	-
Emergency Medical Service											-	-	-
Energy Efficiency and Demand-side [Schedule 5B]											-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]											5 998	-	-
HIV and Aids											-	-	-
Housing Accreditation											-	-	-
Housing Top structure											-	-	-
Infrastructure Skills Development Grant [Schedule 5B]											-	-	-
Integrated City Development Grant											-	-	-
Khayelitsha Urban Renewal											-	-	-
Local Government Financial Management Grant [Schedule 5B]											1 550	1 550	1 550
Mitchell's Plain Urban Renewal											-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]											-	-	-
Municipal Disaster Grant [Schedule 5B]											-	-	-
Municipal Human Settlement Capacity Grant [Schedule 5B]											-	-	-
Municipal Systems Improvement Grant											-	-	-
Natural Resource Management Project											-	-	-
Neighbourhood Development Partnership Grant											-	-	-
Operation Clean Audit											-	-	-
Municipal Disaster Recovery Grant											-	-	-
Public Service Improvement Facility											-	-	-
Public Transport Network Operations Grant [Schedule 5B]											-	-	-
Restructuring - Seed Funding											-	-	-
Revenue Enhancement Grant Debtors Book											-	-	-
Rural Road Asset Management Systems Grant											-	-	-
Sport and Recreation											-	-	-
Terrestrial Invasive Alien Plants											-	-	-
Water Services Operating Subsidy Grant [Schedule 5B]											-	-	-
Health Hygiene in Informal Settlements											-	-	-
Municipal Infrastructure Grant [Schedule 5B]											-	-	-
Water Services Infrastructure Grant											-	-	-
Public Transport Network Grant [Schedule 5B]											-	-	-
Smart Connect Grant											-	-	-
Urban Settlement Development Grant											-	-	-
WiFi Grant [Department of Telecommunications and Postal Services]											-	-	-
Street Lighting											-	-	-
Traditional Leaders - Imbizion											-	-	-
Department of Water and Sanitation Smart Living Handbook											-	-	-
Integrated National Electrification Programme Grant											-	-	-
Municipal Restructuring Grant											-	-	-
Regional Bulk Infrastructure Grant											-	-	-
Municipal Emergency Housing Grant											-	-	-
Metro Informal Settlements Partnership Grant											-	-	-
Integrated Urban Development Grant											-	-	-
											4 555	3 241	3 369
											164 684	171 280	174 671
DoRA Capital													
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]											18 000	6 000	6 000
Municipal Infrastructure Grant [Schedule 5B]											-	-	-
Municipal Water Infrastructure Grant [Schedule 5B]											-	-	-
Neighbourhood Development Partnership Grant [Schedule 5B]											-	-	-
Public Transport Infrastructure Grant [Schedule 5B]											-	-	-
Rural Household Infrastructure Grant [Schedule 5B]											-	-	-
Rural Road Asset Management Systems Grant [Schedule 5B]											-	-	-
Urban Settlement Development Grant [Schedule 4B]											-	-	-
Municipal Human Settlement											-	-	-
Community Library											-	-	-
Integrated City Development Grant [Schedule 4B]											-	-	-
Municipal Disaster Recovery Grant											-	-	-
Energy Efficiency and Demand Side Management Grant											-	-	-
Khayelitsha Urban Renewal											-	-	-
Local Government Financial Management Grant [Schedule 5B]											-	-	-
Municipal Systems Improvement Grant [Schedule 5B]											-	-	-
Public Transport Network Grant [Schedule 5B]											-	-	-
Public Transport Network Operations Grant [Schedule 5B]											-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)											-	-	-
Water Services Infrastructure Grant [Schedule 5B]											-	-	-
WiFi Connectivity											-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]											-	-	-
Aquaponic Project											-	-	-
Restitition Settlement											-	-	-
Infrastructure Skills Development Grant [Schedule 5B]											-	-	-
Restructuring Seed Funding											-	-	-
Municipal Disaster Relief Grant											-	-	-
Municipal Emergency Housing Grant											-	-	-
Metro Informal Settlements Partnership Grant											-	-	-
Integrated Urban Development Grant											-	-	-
											52 386	37 267	38 745
											70 386	43 267	44 745

Description	MFMA section	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Trend												
Change in consumer debtors (current and non-current)			(34 613)	(82 063)	117 498	32 360	31 278	(33 529)	112 941	58 665	47 018	(8 669)
Total Operating Revenue			1 533 662	1 519 272	1 607 237	1 899 731	1 830 846	1 830 846	1 265 525	2 020 051	2 121 533	2 244 089
Total Operating Expenditure			1 205 938	1 501 073	1 654 635	1 887 463	1 826 704	1 826 704	904 368	2 017 490	2 083 061	2 185 990
Operating Performance Surplus/(Deficit)			327 724	18 198	(47 398)	12 267	4 142	4 142	361 157	2 560	38 472	58 099
Cash and Cash Equivalents (30 June 2012)												
Revenue										328 012		
% Increase in Total Operating Revenue				(0,9%)	5,8%	18,2%	(3,6%)	0,0%	(30,9%)	10,3%	5,0%	5,8%
% Increase in Property Rates Revenue				7,5%	8,7%	7,3%	1,8%	0,0%	(21,5%)	6,1%	6,0%	6,0%
% Increase in Electricity Revenue				1,6%	5,8%	25,8%	(4,7%)	0,0%	(35,4%)	16,7%	7,0%	6,0%
% Increase in Property Rates & Services Charges				(1,8%)	7,9%	17,6%	(3,8%)	0,0%	(30,8%)	12,1%	6,8%	6,3%
Expenditure												
% Increase in Total Operating Expenditure				24,5%	10,2%	14,1%	(3,2%)	0,0%	(50,5%)	10,4%	3,3%	4,9%
% Increase in Employee Costs				2,6%	7,4%	16,8%	(8,7%)	0,0%	(31,2%)	14,8%	2,3%	3,5%
% Increase in Electricity Bulk Purchases				11,6%	18,5%	9,8%	(5,5%)	0,0%	(42,4%)	18,0%	9,0%	9,0%
Average Cost Per Budgeted Employee Position (Remuneration)					371186,5082	466913,0419				489490,9702		
Average Cost Per Councillor (Remuneration)					444675,304	491455,5116				511113,6744		
R&M % of PPE			0,9%	0,1%	0,9%	1,5%	1,5%	1,5%		1,4%	1,4%	1,4%
Asset Renewal and R&M as a % of PPE			298,0%	71,0%	3,0%	4,0%	3,0%	3,0%		4,0%	4,0%	4,0%
Debt Impairment % of Total Billable Revenue			4,1%	9,1%	9,9%	5,1%	5,3%	5,3%	0,0%	6,6%	6,5%	6,5%
Capital Revenue												
Internally Funded & Other (R'000)			201 163	37 252	30 492	127 630	249 598	249 598	125 994	156 500	147 573	155 650
Borrowing (R'000)			(79 785)	16 097	(66 744)	102 780	120 000	120 000	21 895	144 000	140 000	160 000
Grant Funding and Other (R'000)			65 089	11 843	151 885	145 341	84 866	84 866	47 588	105 554	96 887	65 845
Internally Generated funds % of Non Grant Funding			165,7%	69,8%	(84,1%)	55,4%	67,5%	67,5%	85,2%	52,1%	51,3%	49,3%
Borrowing % of Non Grant Funding			(65,7%)	30,2%	184,1%	44,6%	32,5%	32,5%	14,8%	47,9%	48,7%	50,7%
Grant Funding % of Total Funding			34,9%	18,2%	131,4%	38,7%	18,7%	18,7%	24,3%	26,0%	25,2%	17,3%
Capital Expenditure												
Total Capital Programme (R'000)			188 246	75 399	132 972	375 750	454 464	454 464	195 477	406 054	384 460	381 495
Asset Renewal			32 347	45 449	10 136	34 100	27 041	27 041	-	9 950	23 600	39 164
Asset Renewal % of Total Capital Expenditure			17,3%	69,7%	8,8%	9,1%	6,0%	6,0%	0,0%	2,5%	6,1%	10,3%
Cash												
Cash Receipts % of Rate Payer & Other			87,7%	90,9%	101,8%	90,1%	93,4%	93,4%	140,6%	95,6%	96,5%	96,5%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			2,6%	2,1%	2,4%	3,2%	2,9%	2,9%	3,9%	4,0%	4,5%	5,0%
Borrowing Receipts % of Capital Expenditure			0,0%	10,3%	0,0%	69,4%	32,5%	32,5%	23,5%	47,9%	48,7%	50,7%
Reserves												
Surplus/(Deficit)			1 103 654	1 167 471	985 209	896 151	926 031	865 488	1 223 943	964 655	1 028 471	1 090 617
Free Services												
Free Basic Services as a % of Equitable Share			18,1%	28,0%	32,3%	25,8%	22,7%	22,7%		27,6%	27,8%	29,6%
Free Services as a % of Operating Revenue (excl operational transfers)			(10,5%)	3,4%	3,5%	0,0%	0,0%	0,0%		0,0%	0,0%	0,0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			1 533 662	1 519 272	1 607 237	1 899 731	1 830 846	1 830 846	1 265 525	2 020 051	2 121 533	2 244 089
Total Operating Expenditure			1 205 938	1 501 073	1 654 635	1 887 463	1 826 704	1 826 704	904 368	2 017 490	2 083 061	2 185 990
Surplus/(Deficit) Budgeted Operating Statement			327 724	18 198	(47 398)	12 267	4 142	4 142	361 157	2 560	38 472	58 099
Surplus/(Deficit) Considering Reserves and Cash Backing			1 103 654	1 167 471	985 209	896 151	926 031	865 488	1 223 943	964 655	1 028 471	1 090 617
MTREF Funded (1) / Unfunded (0)	15		1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

References

15. Subject to figures provided in Schedule.

WC024 Stellenbosch - Supporting Table SA11 Property rates summary

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Valuation:	1									
Date of valuation:					02/07/2016					
Financial year valuation used		02/07/2012	02/07/2012	01/07/2017	2019/2020			NEW		
Municipal by-laws s6 in place? (Y/N)	2	2015/2016	Y	Y	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Y	Y	Y	Yes			Yes		
Municipal partnership s38 used? (Y/N)		Y	N	N	N			N		
No. of assistant valuers (FTE)	3	2	2	2	-			-		
No. of data collectors (FTE)	3	8	8	8	5			5		
No. of internal valuers (FTE)	3	-	-	-	-			-		
No. of external valuers (FTE)	3	1	1	1	2			2		
No. of additional valuers (FTE)	4	-	-	-	-			-		
Valuation appeal board established? (Y/N)		Y	Y	Y	Yes			Yes		
Implementation time of new valuation roll (mths)		24	12	12	01/07/2017			01/07/2021		
No. of properties	5	32 363	33 403	34 428	34 925			35 022		
No. of sectional title values	5	7 105	7 617	7 930	8 074			8 066		
No. of unreasonably difficult properties s7(2)		-	-	-	-			-		
No. of supplementary valuations		2	2	2	513			550		
No. of valuation roll amendments		-	-	-	6			-		
No. of objections by rate payers		-	-	-	6			-		
No. of appeals by rate payers		-	-	-	-			-		
No. of successful objections	8	-	-	-	5			-		
No. of successful objections > 10%	8	-	-	-	-			-		
Supplementary valuation		-	-	-	-			-		
Public service infrastructure value (Rm)	5	0	33	69	48			48		
Municipality owned property value (Rm)		0	1 161	1 074	1 017			1 388		
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		10	33	69	48	-	-	48	50	53
Valuation reductions-nature reserves/park (Rm)		11	-	-	5	-	-	42	43	46
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		365	382	418	403	-	-	406	425	447
Valuation reductions-public worship (Rm)		334	189	370	363	-	-	453	475	500
Valuation reductions-other (Rm)		-	2	2	12	-	-	44	46	49
Total valuation reductions:		721	605	858	831	-	-	992	1 039	1 095
Total value used for rating (Rm)	5	48 963	69 851	70 957	71 426	-	-	92 348	96 964	101 813
Total land value (Rm)	5	20 656	10 583	-	9 897	-	-	85	90	94
Total value of improvements (Rm)	5	28 233	59 873	-	61 517	-	-	92 263	96 876	101 720
Total market value (Rm)	5	48 889	70 456	73 300	71 414	-	-	92 348	96 964	101 813
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Y	Y	Y	Yes			Yes		
Differential rates used? (Y/N)	5	Y	Y	Y	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)		Y	Y	Y	Yes			Yes		
Special rating area used? (Y/N)		Y	Y	Y	-			-		
Phasing-in properties s21 (number)		-	-	-	-			-	-	-
Rates policy accompanying budget? (Y/N)		Y	Y	Y	Yes			Yes		
Fixed amount minimum value (R'000)		-	200	200	-			-		
Non-residential prescribed ratio s19? (%)		-	25,0%	25,0%	25,0%			25,0%		
Rate revenue:										
Rate revenue budget (R'000)	6	164 300	377 638	410 028	385 856	392 856	392 856	415 359	440 281	466 698
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7	4 638	5 365	5 586	6 383	6 383	6 383	6 773	7 180	7 611
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	3 039	3 008	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		(143 879)	43 640	46 930	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		(143 879)	46 679	49 938	-	-	-	-	-	-

References

- All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
- To give effect to rates policy
- Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
- Required to implement new system (FTE)
- Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
- Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
- Included in rate revenue budget
- In favour of the rate-payer

WC024 Stellenbosch - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monumnts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum	
Current Year 2020/21																								
Valuation:																								
No. of properties		29 219	-	3 033	1 956	71	-	675	-	-	-	-	-	-	-	1	-	-	-	-	-	-	35	
No. of sectional title property values		7 057	-	1 017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of supplementary valuations		376	-	59	62	1	-	14	-	-	-	-	-	-	-	1	-	-	-	-	-	-	1	
Supplementary valuation (Rm)		678	-	1 409	381	38	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	3	
No. of valuation roll amendments		2	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
No. of objections by rate-payers		2	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of successful objections	5	1	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Years since last valuation (select)		3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Frequency of valuation (select)		4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Method of valuation used (select)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Base of valuation (select)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Combination of rating types used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Flat rate used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Is balance rated by uniform rate/variable rate?		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions:																								
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48 000	
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 000	
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-R15,000 threshold (Rm)		403	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	403 000	
Valuation reductions-public worship (Rm)		70	-	293	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	363 000	
Valuation reductions-other (Rm)	2	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11 000	
Total valuation reductions:																								
Total value used for rating (Rm)	6	44 834	-	13 358	12 245	768	-	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71 253 000	
Total land value (Rm)	6	717	-	522	8 563	83	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9 897 000	
Total value of improvements (Rm)	6	44 116	-	12 982	3 683	685	-	36	-	-	-	-	-	-	-	16	-	-	-	-	-	-	61 518 000	
Total market value (Rm)	6	44 833	-	13 504	12 245	768	-	48	-	-	-	-	-	-	-	16	-	-	-	-	-	-	71 414 000	
Rating:																								
Average rate	3	0,005411	-	0,011770	0,001353	0,011901	-	-	-	-	-	-	-	-	-	0,001354	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)		242 601	-	158 879	16 573	9 138	-	-	-	-	-	-	-	-	-	22	-	-	-	-	-	-	427 213	
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Expected cash collection rate (%)	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Special rating areas (R'000)		5 090	-	3 009	381	110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 590	
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - pensioners (R'000)		4 130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 130	
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27	
Rebates, exemptions - other (R'000)		22 474	-	12 066	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34 540	
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total rebates, exemptns, reductns, discs (R'000)		26 604	-	12 066	27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38 697	

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

WC024 Stellenbosch - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/nts	Public benefit organs.	Mining Props.	Small Holdings	Special Rating Areas	Agricultural	Multiple Purposes	Other Categories	Sum
Budget Year 2021/22																							
Valuation:																							
No. of properties		29 088	-	3 210	1 913	75	-	735	-	-	-	-	-	-	-	1	-	-	-	-	-	-	35
No. of sectional title property values		7 058	-	1 008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Frequency of valuation (select)		4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Method of valuation used (select)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Base of valuation (select)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flat rate used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Is balance rated by uniform rate/variable rate?		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions:																							
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48 000
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42 000
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		406	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	406 000
Valuation reductions-public worship (Rm)		89	-	364	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	453 000
Valuation reductions-other (Rm)	2	11	-	33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44 000
Total valuation reductions:																							
Total value used for rating (Rm)	6	57 922	-	17 324	16 038	995	-	48	-	-	-	-	-	-	-	21	-	-	-	-	-	-	92 348 000
Total land value (Rm)	6	5	-	41	39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85 000
Total value of improvements (Rm)	6	57 917	-	17 283	15 999	995	-	48	-	-	-	-	-	-	-	21	-	-	-	-	-	-	92 263 000
Total market value (Rm)	6	57 928	-	17 255	15 872	995	-	48	-	-	-	-	-	-	-	21	-	-	-	-	-	-	92 119 000
Rating:																							
Average rate	3	0,004507	-	0,009301	0,001118	0,009410	-	-	-	-	-	-	-	-	-	0,001120	-	-	-	-	-	-	-
Rate revenue budget (R '000)		261 025	-	161 131	17 935	9 361	-	-	-	-	-	-	-	-	-	24	-	-	-	-	-	-	449 476
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special rating areas (R'000)		5 310	-	2 964	370	-	-	97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 741
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		4 317	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 317
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12
Rebates, exemptions - other (R'000)		22 650	-	10 133	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32 783
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		26 967	-	10 133	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37 112

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

WC024 Stellenbosch - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2017/18	2018/19	2019/20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework		
							Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Property rates (rate in the Rand)									
Residential properties	1	Rate in rand	0,0045	0,0048	0,0051	0,0054	-0,0063	-0,0067	-0,0071
Residential properties - vacant land		Rate in rand	0,0090	0,0095	0,0102	0,0108	-0,0127	-0,0134	-0,0142
Formal/informal settlements		n/a	-	-	-	-	-	-	-
Small holdings		n/a	-	-	-	-	-	-	-
Farm properties - used		Rate in rand	0,0011	0,0012	0,0013	0,0014	-0,0016	-0,0017	-0,0018
Farm properties - not used		Rate in rand	0,0011	0,0012	0,0013	0,0014	-0,0016	-0,0017	-0,0018
Industrial properties		Rate in rand	0,0099	0,0105	0,0112	0,0119	-0,0139	-0,0148	-0,0157
Business and commercial properties		Rate in rand	0,0099	0,0105	0,0112	0,0119	-0,0144	-0,0153	-0,0162
Communal land - residential		n/a	n/a	n/a	n/a	-	-	-	-
Communal land - small holdings		n/a	n/a	n/a	n/a	-	-	-	-
Communal land - farm property		n/a	n/a	n/a	n/a	-	-	-	-
Communal land - business and commercial		n/a	n/a	n/a	n/a	-	-	-	-
Communal land - other		n/a	n/a	n/a	n/a	-	-	-	-
State-owned properties		Res or Bus	Res or Bus	Res or Bus	Res or Bus	-	-	-	-
Municipal properties		Res or Bus	Res or Bus	Res or Bus	Res or Bus	-	-	-	-
Public service infrastructure		Rate in rand	0,0011	0,0012	0,0013	0,0014	-0,0016	-0,0017	-0,0018
Privately owned towns serviced by the owner		n/a	n/a	n/a	n/a	-	-	-	-
State trust land		n/a	n/a	n/a	n/a	-	-	-	-
Restitution and redistribution properties		n/a	n/a	n/a	n/a	-	-	-	-
Protected areas		Rate in rand	0,0011	0,0012	0,0013	0,0014	-	-	-
National monuments properties		Rate in rand	0,0011	0,0012	0,0118	0,0125	-0,0213	-0,0225	-0,0239
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		Rate in rand	185 000	185 000	185 000	185 000	235 000	235 000	235 000
Indigent rebate or exemption		Rate in rand	185 000	185 000	185 000	185 000	235 000	235 000	235 000
Pensioners/social grants rebate or exemption		depends on	depends on	depends on	depends on	depends on	depends on	depends on	depends on
Temporary relief rebate or exemption		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bona fide farmers rebate or exemption		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other rebates or exemptions									
Water tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)		Rands	57	61	66	70	74	78	82
Service point - vacant land (Rands/month)		-	-	-	-	-	-	-	-
Water usage - flat rate tariff (c/k)		-	-	-	-	-	-	-	-
Water usage - life line tariff		(describe structure)	-	-	-	-	-	-	-
Water usage - Block 1 (c/k)		0 kilolitres to 6 kilolitres	5	5	6	6	6	7	7
Water usage - Block 2 (c/k)		7 kilolitres to 20 kilolitres	7	8	9	9	10	10	11
Water usage - Block 3 (c/k)		21 kilolitres to 40 kilolitres	12	13	15	16	16	17	18
Water usage - Block 4 (c/k)		41 kilolitres to 60 kilolitres	19	20	25	28	29	31	32
Other	2	61 kilolitres and above	26	27	53	61	65	68	72
Waste water tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)		-	-	-	-	-	-	-	-
Service point - vacant land (Rands/month)		-	-	-	-	-	-	-	-
Waste water - flat rate tariff (c/k)		-	-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/k)		0 - 250	1 213	1 310	1 428	1 521	1 612	1 709	1 811
Volumetric charge - Block 2 (c/k)		251 - 500	1 556	1 681	1 832	1 951	2 068	2 192	2 324
Volumetric charge - Block 3 (c/k)		501 - 600	1 753	1 893	2 064	2 198	2 330	2 470	2 618
Volumetric charge - Block 4 (c/k)		601 - 700	1 946	2 102	2 291	2 440	2 586	2 741	2 906
Other	2	-	-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)		-	-	-	-	-	-	-	-
Service point - vacant land (Rands/month)		-	-	-	-	-	-	-	-
FBE		(how is this targeted?)	-	-	-	-	-	-	-
Life-line tariff - meter		0 - 50 kwh (c/kWh)	84	87	-	-	-	-	-
Life-line tariff - prepaid		51 - 350 kwh (c/kWh)	131	108	-	-	-	-	-
Flat rate tariff - meter (c/kwh)		351 - 600 kwh (c/kWh)	169	165	-	-	-	-	-
Flat rate tariff - prepaid (c/kwh)		601 - 9999 kwh (c/kWh)	189	187	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	84	87	-	-	-	-	-
Meter - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	104	111	-	-	-	-	-
Meter - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	169	157	-	-	-	-	-
Meter - IBT Block 4 (c/kwh)		601 - 9999 kwh (c/kWh)	191	185	-	-	-	-	-
Meter - IBT Block 5 (c/kwh)		-	-	-	-	-	-	-	-
Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	84	87	-	-	-	-	-
Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	107	135	-	-	-	-	-
Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	161	165	-	-	-	-	-
Prepaid - IBT Block 4 (c/kwh)		601 - 9999 kwh (c/kWh)	189	185	-	-	-	-	-
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Other	2	-	-	-	-	-	-	-	-
Waste management tariffs									
Domestic									
Street cleaning charge		-	-	-	-	-	-	-	-
Basic charge/ fixed fee		-	-	-	-	-	-	-	-
80l bin - once a week		-	-	-	-	-	-	-	-
250l bin - once a week		Rands	127	135	176	205	230	257	288

References

1. If properties are not rated or zero rated this must be indicated as such
2. Please provide detailed descriptions on Sheet SA13b

WC024 Stellenbosch - Supporting Table SA14 Household bills

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22 % incr.	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		188,00	198,75	211,67	225,42	225,42	225,42	(25,5%)	168,04	178,12	188,81
Electricity: Basic levy		119,10	123,22	145,74	185,77	185,77	185,77	14,6%	212,87	227,77	243,71
Electricity: Consumption		1 534,87	1 647,23	1 838,80	1 939,36	1 939,36	1 939,36	14,6%	2 222,27	2 377,83	2 544,28
Water: Basic levy		56,50	64,98	65,58	69,84	69,84	69,84	5,5%	73,69	77,74	82,02
Water: Consumption		246,54	284,86	303,38	545,01	545,01	545,01	5,5%	574,84	606,46	639,81
Sanitation		169,92	185,21	196,33	162,59	162,59	162,59	6,0%	172,34	182,68	193,64
Refuse removal		138,65	151,13	176,06	205,11	205,11	205,11	12,0%	229,71	257,28	288,15
Other		-	-	-	-	-	-	-	-	-	-
sub-total		2 453,58	2 655,38	2 937,55	3 333,10	3 333,10	3 333,10	9,6%	3 653,76	3 907,88	4 180,42
VAT on Services		-	-	-	466,15	466,15	466,15	12,2%	522,86	586,65	658,22
Total large household bill:		2 453,58	2 655,38	2 937,55	3 799,25	3 799,25	3 799,25	9,9%	4 176,62	4 494,53	4 838,64
% increase/-decrease			8,2%	10,6%	29,3%	-	-		9,9%	7,6%	7,7%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		188,00	198,75	211,67	135,25	135,25	135,25	(31,0%)	93,35	98,95	104,89
Electricity: Basic levy		-	-	-	185,77	185,77	185,77	14,6%	212,87	227,77	243,71
Electricity: Consumption		722,27	775,14	865,29	804,55	804,55	804,55	14,6%	921,91	986,44	1 055,49
Water: Basic levy		56,50	64,98	65,58	69,84	69,84	69,84	5,5%	73,69	77,74	82,02
Water: Consumption		187,39	216,16	230,21	353,36	353,36	353,36	5,5%	372,69	393,19	414,81
Sanitation		153,07	166,84	176,86	162,59	162,59	162,59	6,0%	172,34	182,68	193,64
Refuse removal		138,65	151,13	176,06	205,11	205,11	205,11	12,0%	229,71	257,28	288,15
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1 445,87	1 573,00	1 725,67	1 916,47	1 916,47	1 916,47	8,4%	2 076,56	2 224,05	2 382,72
VAT on Services		-	-	-	267,18	267,18	267,18	11,3%	297,48	331,10	368,51
Total small household bill:		1 445,87	1 573,00	1 725,67	2 183,65	2 183,65	2 183,65	8,7%	2 374,04	2 555,15	2 751,23
% increase/-decrease			8,8%	9,7%	26,5%	-	-		8,7%	7,6%	7,7%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		37,60	39,75	42,33	45,08	45,08	45,08	(58,6%)	18,67	19,79	20,98
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		301,87	323,97	355,16	445,96	445,96	445,96	14,6%	511,03	585,59	671,03
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		128,24	147,46	157,04	179,10	179,10	179,10	5,5%	188,90	199,29	210,25
Sanitation		27,75	30,25	32,07	35,87	35,87	35,87	6,0%	38,02	40,30	42,72
Refuse removal		29,00	31,61	36,83	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		524,47	573,04	623,43	706,01	706,01	706,01	7,2%	756,62	844,97	944,97
VAT on Services		-	-	-	99,14	99,14	99,14	11,7%	110,69	123,64	138,11
Total small household bill:		524,47	573,04	623,43	805,15	805,15	805,15	7,7%	867,31	968,61	1 083,08
% increase/-decrease			9,3%	8,8%	29,1%	-	-		7,7%	11,7%	11,8%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)
4. Note this is for a SINGLE household.

WC024 Stellenbosch - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		505 618	398 164	306 637	331 339	321 339	321 339	307 764	313 553	333 553
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	505 618	398 164	306 637	331 339	321 339	321 339	307 764	313 553	333 553
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		505 618	398 164	306 637	331 339	321 339	321 339	307 764	313 553	333 553

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

WC024 Stellenbosch - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
Parent municipality														
ABSA Bank		Call Account	Call Account	Yes	Variable	4,22			26 April 2021	201 000 000,00	2 894 799,00	-100 000 000,00		103 894 799,00
First National Bank		6 mnths	Fixed Deposit	Yes	Fixed	4,24			10 August 2021	145 000 000,00	1 583 320,55			146 583 320,55
Nedbank		5 mnths	Fixed Deposit	Yes	Fixed	4,65				70 000 000,00	177 972,60			70 177 972,60
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
Municipality sub-total										416 000 000,00		-100 000 000,00		320 656 092,15
Entities														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
Entities sub-total														
TOTAL INVESTMENTS AND INTEREST	1									416 000 000,00		-100 000 000,00		320 656 092,15

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
2. List investments in expiry date order
3. If 'variable' is selected in column F, input interest rate range
4. Withdrawals to be entered as negative

WC024 Stellenbosch - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Parent municipality										
Annuity and Bullet Loans		173 302	318 800	292 930	552 370	392 047	392 047	499 164	586 281	676 398
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	173 302	318 800	292 930	552 370	392 047	392 047	499 164	586 281	676 398
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	173 302	318 800	292 930	552 370	392 047	392 047	499 164	586 281	676 398

Borrowing - Categorized by type	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Unspent Borrowing - Categorized by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

WC024 Stellenbosch - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		117 001	133 808	143 163	156 315	178 568	178 568	169 239	174 521	178 040
Local Government Equitable Share		110 631	124 176	136 177	149 804	170 632	170 632	157 136	169 730	173 121
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 820	5 722	5 227	4 961	4 961	4 961	5 998		
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Disaster Grant [Schedule 5B]				209						
Integrated Urban Development Grant						1 425	1 425	4 555	3 241	3 369
National Resources Management Grant			2 360							
Provincial Government:		14 446	16 735	14 509	21 791	20 620	20 620	34 574	12 187	12 381
Community Development Workers Operational Support Grant		56	56	56	56	93	93	38	38	38
Financial Management Capacity Building Grant		240	360	380	400	760	760	250		
Human Settlements Development Grant		2 850	1 705		7 570	7 570	7 570	17 940		
Libraries, Archives and Museums		11 045	12 210	12 454	13 077	9 595	9 595	11 144	11 435	11 629
Local Government Support Grant				900						
WC Financial Management Support Grant		255	255	255						
LG Graduate Internship Grant			72	80		74	74			
Maintenance and Construction of Transport Infrastructure			371	384	450	450	450	4 950	450	450
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)										
Municipal Accreditation and Capacity Building Grant			224		238	238	238	252	264	264
Spatial Development framework										
Title Deeds Restoration Grant			1 481			1 840	1 840			
Other transfers/grants [insert description]										
District Municipality:				472	440	2 471	2 031	500		
Cape Winelands District Grant				472		2 031	2 031			
Cape Winelands District Grant 2								500		
Safety Initiative Implementation-whole of society approach (WOSA)					440					
Other Grant Providers:		300	163	469		2 204	2 204			
LG SETA Discretionary grant				63		376	376			
Khaya Lam Free Market Research Foundation			163	102						
Taipei COVID 19 donation				132						
DBSA				172		1 828	1 828			
Arbor City		300								
Parent Municipality / Entity										
Total Operating Transfers and Grants	5	131 747	150 705	158 613	178 546	203 862	203 422	204 313	186 708	190 421
Capital Transfers and Grants										
National Government:		48 536	43 668	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		4 000	5 000	15 640	16 200	12 000	12 000	18 000	6 000	6 000
Integrated Urban Development Grant				46 886	47 490	46 065	46 065	52 386	37 267	38 745
Energy Efficiency and Demand Side Management Grant		7 236								
Municipal Infrastructure Grant [Schedule 5B]		36 358	35 107							
Regional Bulk Infrastructure										
Shared Economic infrastructure facility		942	3 561							
Provincial Government:		23 754	77 188	13 149	49 739	27 115	27 115	35 168	53 620	21 100
Human Settlements Development Grant		17 358	73 585	11 049	45 139	22 460	22 460	33 468	53 020	20 500
Library Services: Conditional Grant		2 000				55	55	100		
Integrated Transport Planning		600	600	600	600	600	600		600	600
Maintenance and Construction of Transport Infrastructure		2 176								
Fire services capacity building grant		800	3 003							
RSEP/ VPUU				1 500	4 000	4 000	4 000	1 000		
Development of Sport and Recreational Facilities								600		
Public Transport Non-Motorised Infrastructure		820								
District Municipality:										
Safety Initiative Implementation-whole of society approach (WOSA)										
Other Grant Providers:		230		151						
Donated Assets		230								
LOTTO				151						
Total Capital Transfers and Grants	5	72 520	120 856	75 826	113 429	85 181	85 181	105 554	96 887	65 845
TOTAL RECEIPTS OF TRANSFERS & GRANTS		204 267	271 561	234 439	291 975	289 043	288 603	309 867	283 595	256 266

WC024 Stellenbosch - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		117 001	131 719	143 254	156 315	178 568	178 568	169 239	174 521	178 040
Local Government Equitable Share		110 631	124 176	136 177	149 804	170 632	170 632	157 136	169 730	173 121
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		4 820	5 722	5 227	4 961	4 961	4 961	5 998	-	-
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Disaster Grant [Schedule 5B]		-	-	209	-	1 425	1 425	4 555	3 241	3 369
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
National Resources Management Grant		-	271	91	-	-	-	-	-	-
Provincial Government:		16 300	13 509	16 559	21 791	20 620	20 620	34 574	12 187	12 381
Community Development Workers Operational Support Grant		56	56	19	56	93	93	38	38	38
Financial Management Capacity Building Grant		-	139	380	400	760	760	250	-	-
Human Settlements Development Grant		4 929	-	-	7 570	7 570	7 570	17 940	-	-
Libraries, Archives and Museums		11 045	12 210	12 454	13 077	9 595	9 595	11 144	11 435	11 629
Local Government Support Grant		-	-	900	-	-	-	-	-	-
WC Financial Management Support Grant		255	255	255	-	-	-	-	-	-
LG Graduate Internship Grant		15	12	66	-	74	74	-	-	-
Maintenance and Construction of Transport Infrastructure		-	371	384	450	450	450	4 950	450	450
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)		-	-	-	-	-	-	-	-	-
Municipal Accreditation and Capacity Building Grant		-	56	168	238	238	238	252	264	264
Spatial Development framework		-	-	-	-	-	-	-	-	-
Title Deeds Restoration Grant		-	410	1 933	-	1 840	1 840	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	440	2 471	2 031	500	-	-
Cape Winelands District Grant		-	-	472	-	2 031	2 031	-	-	-
Cape Winelands District Grant 2		-	-	-	-	-	-	500	-	-
Safety Initiative Implementation-whole of society approach (WOSA)		-	-	-	440	440	-	-	-	-
Other Grant Providers:		-	223	367	-	2 204	2 204	-	-	-
LG SETA Discretionary grant		-	-	63	-	376	376	-	-	-
Khaya Lam Free Market Research Foundation		-	223	-	-	-	-	-	-	-
Taipei COVID 19 donation		-	-	132	-	-	-	-	-	-
DBSA		-	-	172	-	1 828	1 828	-	-	-
Arbor City		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		133 301	145 451	160 180	178 546	203 862	203 422	204 313	186 708	190 421
Capital expenditure of Transfers and Grants										
National Government:		48 647	43 668	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		4 000	5 000	15 640	16 200	12 000	12 000	18 000	6 000	6 000
Integrated Urban Development Grant		-	-	46 886	47 490	46 065	46 065	52 386	37 267	38 745
Energy Efficiency and Demand Side Management Grant		7 236	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		36 358	35 107	-	-	-	-	-	-	-
Regional Bulk Infrastructure		-	-	-	-	-	-	-	-	-
Shared Economic infrastructure facility		1 053	3 561	-	-	-	-	-	-	-
Provincial Government:		29 544	44 114	61 697	49 739	27 115	27 115	35 168	53 620	21 100
Human Settlements Development Grant		20 588	43 514	56 594	45 139	22 460	22 460	33 468	53 020	20 500
Library Services: Conditional Grant		3 714	-	-	-	55	55	100	-	-
Integrated Transport Planning		1 433	600	600	600	600	600	-	600	600
Maintenance and Construction of Transport Infrastructure		2 176	-	-	-	-	-	-	-	-
Fire services capacity building grant		800	-	3 003	-	-	-	-	-	-
RSEP/ VPUU		-	-	1 500	4 000	4 000	4 000	1 000	-	-
Development of Sport and Recreational Facilities		-	-	-	-	-	-	600	-	-
Public Transport Non-Motorised Infrastructure		833	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Safety Initiative Implementation-whole of society approach (WOSA)		-	-	-	-	-	-	-	-	-
Other Grant Providers:		498	200	151	-	-	-	-	-	-
Donated Assets		230	-	-	-	-	-	-	-	-
LOTTO		269	200	151	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		78 690	87 982	124 374	113 429	85 181	85 181	105 554	96 887	65 845
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		211 991	233 433	284 554	291 975	289 043	288 603	309 867	283 595	256 266

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

WC024 Stellenbosch - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	2 089	–	–	–	–	–	–
Current year receipts		117 001	133 808	143 254	156 315	178 568	178 568	169 239	174 521	178 040
Conditions met - transferred to revenue		117 001	131 719	145 343	156 315	178 568	178 568	169 239	174 521	178 040
Conditions still to be met - transferred to liabilities		–	2 089	0	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		12 276	1 136	4 361	4 341	4 341	–	–	–	–
Current year receipts		14 446	16 735	14 509	21 791	20 620	20 620	34 574	12 187	12 381
Conditions met - transferred to revenue		25 585	13 509	16 559	21 791	20 620	20 620	34 574	12 187	12 381
Conditions still to be met - transferred to liabilities		1 136	4 361	2 311	4 341	4 341	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	2 031	2 031	–	–	–	–
Current year receipts		–	–	2 503	440	440	–	500	–	–
Conditions met - transferred to revenue		–	–	472	440	2 471	2 471	500	–	–
Conditions still to be met - transferred to liabilities		–	–	2 031	2 031	(0)	(2 471)	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	288	610	610	–	–	–	–
Current year receipts		300	163	469	–	2 204	2 204	–	–	–
Conditions met - transferred to revenue		300	223	367	–	2 204	2 204	–	–	–
Conditions still to be met - transferred to liabilities		–	(60)	390	610	610	–	–	–	–
Total operating transfers and grants revenue		142 886	145 451	162 741	178 546	203 862	203 862	204 313	186 708	190 421
Total operating transfers and grants - CTBM	2	1 136	6 391	4 732	6 982	4 952	(2 471)	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		2 915	1 953	–	–	–	–	–	–	–
Current year receipts		48 536	43 668	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Conditions met - transferred to revenue		49 499	45 621	62 526	63 690	58 065	58 065	70 386	43 267	44 745
Conditions still to be met - transferred to liabilities		1 953	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		21 579	15 789	48 863	315	315	315	–	–	–
Current year receipts		23 754	77 188	13 149	49 739	26 800	26 800	35 168	53 620	21 100
Conditions met - transferred to revenue		29 544	44 114	61 697	49 739	27 115	27 115	35 168	53 620	21 100
Conditions still to be met - transferred to liabilities		15 789	48 863	315	315	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		1 216	864	664	375	375	375	–	–	–
Current year receipts		230	–	151	–	–	–	–	–	–
Conditions met - transferred to revenue		581	200	220	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		864	664	596	375	375	375	–	–	–
Total capital transfers and grants revenue		79 624	89 935	124 443	113 429	85 181	85 181	105 554	96 887	65 845
Total capital transfers and grants - CTBM	2	18 606	49 527	911	690	375	375	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		222 510	235 386	287 184	291 975	289 043	289 043	309 867	283 595	256 266
TOTAL TRANSFERS AND GRANTS - CTBM		19 742	55 918	5 642	7 673	5 327	(2 095)	–	–	–

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

WC024 Stellenbosch - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Transfers to other municipalities											
Operational	1	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
Operational	2	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
Operational	3	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
Operational		1 547	3 816	5 391	3 869	4 113	4 113	4 113	6 803	6 185	6 317
Capital		3 714	4 124	4 600	5 000	5 000	5 000	5 000	5 561	5 728	5 900
		1 000	1 050	1 113	1 200	1 200	1 200	1 200	1 236	1 310	1 389
Total Cash Transfers To Organisations		6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606
Cash Transfers to Groups of Individuals											
Operational		-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Non-Cash Transfers to other municipalities											
Operational	1	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
Operational	2	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
Operational	3	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
Operational	4	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Groups of Individuals											
Operational	5	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	6 261	8 990	11 104	10 069	10 313	10 313	10 313	13 600	13 223	13 606

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

WC024 Stellenbosch - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	11 326	11 322	12 108	13 710	13 710	13 710	14 258	14 828	15 422
Pension and UIF Contributions		342	132	559	848	848	848	882	917	954
Medical Aid Contributions		367	50	215	92	92	92	96	100	104
Motor Vehicle Allowance		4 060	4 139	4 331	4 947	4 947	4 947	5 145	5 351	5 565
Cellphone Allowance		1 058	1 740	1 754	1 339	1 339	1 339	1 392	1 448	1 506
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		155	154	155	197	197	197	205	213	222
Sub Total - Councillors		17 308	17 538	19 121	21 133	21 133	21 133	21 978	22 857	23 771
% increase	4		1,3%	9,0%	10,5%	-	-	4,0%	4,0%	4,0%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	2 909	3 029	5 410	7 532	7 532	7 532	8 512	8 809	9 118
Pension and UIF Contributions		707	580	179	1 374	1 374	1 374	1 552	1 607	1 663
Medical Aid Contributions		79	72	24	235	235	235	266	275	285
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		323	591	710	300	300	300	339	351	363
Motor Vehicle Allowance	3	867	493	161	1 188	1 188	1 188	1 343	1 390	1 438
Cellphone Allowance	3	138	104	51	132	132	132	149	154	160
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	22	18	0	61	61	61	69	71	73
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	7 488	(4 041)	21 200	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		12 533	846	27 735	10 822	10 822	10 822	12 229	12 657	13 100
% increase	4		(93,2%)	3 176,9%	(61,0%)	-	-	13,0%	3,5%	3,5%
Other Municipal Staff										
Basic Salaries and Wages		288 163	298 384	316 733	331 738	306 703	306 703	349 256	354 267	366 439
Pension and UIF Contributions		43 938	47 154	51 074	59 886	59 886	59 886	67 671	70 040	72 491
Medical Aid Contributions		19 948	21 580	23 313	27 727	27 727	27 727	31 331	32 428	33 563
Overtime		40 713	44 111	52 117	55 059	48 455	48 455	54 754	56 671	58 654
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	9 147	9 026	9 133	14 398	10 436	10 436	11 793	12 205	12 632
Cellphone Allowance	3	806	1 237	1 579	1 011	1 011	1 011	1 143	1 183	1 224
Housing Allowances	3	2 233	2 853	2 916	3 165	3 165	3 165	3 576	3 701	3 831
Other benefits and allowances	3	28 372	31 149	32 923	42 188	38 420	38 420	43 415	44 935	46 507
Payments in lieu of leave		4 240	858	(2)	2 246	2 246	2 246	2 538	2 627	2 719
Long service awards		-	(6)	6	72	72	72	82	85	88
Post-retirement benefit obligations	6	-	4 462	(21 622)	31 126	20 126	20 126	29 669	30 798	31 853
Sub Total - Other Municipal Staff		437 559	460 809	468 170	568 617	518 248	518 248	595 229	608 940	630 002
% increase	4		5,3%	1,6%	21,5%	(8,9%)	-	14,9%	2,3%	3,5%
Total Parent Municipality		467 399	479 193	515 026	600 572	550 203	550 203	629 436	644 454	666 874
			2,5%	7,5%	16,6%	(8,4%)	-	14,4%	2,4%	3,5%

Summary of Employee and Councillor remuneration	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		467 399	479 193	515 026	600 572	550 203	550 203	629 436	644 454	666 874
% increase	4		2,5%	7,5%	16,6%	(8,4%)	-	14,4%	2,4%	3,5%
TOTAL MANAGERS AND STAFF	5,7	450 091	461 655	495 905	579 439	529 070	529 070	607 458	621 597	643 102

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

WC024 Stellenbosch - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	601 300	-	-	-	-	601 300
Chief Whip		-	-	-	-	-	-	-
Executive Mayor		1	724 068	-	333 792	-	-	1 057 860
Deputy Executive Mayor		1	601 300	107 182	276 430	-	-	984 912
Executive Committee		-	4 249 373	870 355	2 030 917	-	-	7 150 645
Total for all other councillors		-	8 082 101	-	4 101 070	-	-	12 183 171
Total Councillors	8	3	14 258 142	977 537	6 742 209			21 977 888
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 394 549	310 971	142 800	257 839	-	2 106 159
Chief Finance Officer		1	928 089	280 800	200 960	25 457	-	1 435 307
Director: Community and Protection Services		1	1 323 040	1 896	82 800	23 143	-	1 430 880
Director: Corporate Services		1	1 244 615	1 896	162 000	152 744	-	1 561 255
Director: Infrastructure Services		1	1 264 765	1 896	142 800	152 744	-	1 562 205
Director: Planning and Economic Development		1	1 126 162	116 567	22 800	14 583	-	1 280 112
		1	1 230 358	1 131 761	491 235	-	-	2 853 354
<i>List of each official with packages >= senior manager</i>								
Designation - 05		-	-	-	-	-	-	-
Designation - 06		-	-	-	-	-	-	-
Designation - 07		-	-	-	-	-	-	-
Designation - 08		-	-	-	-	-	-	-
Designation - 09		-	-	-	-	-	-	-
Designation - 10		-	-	-	-	-	-	-
Designation - 11		-	-	-	-	-	-	-
Designation - 12		-	-	-	-	-	-	-
Designation - 13		-	-	-	-	-	-	-
Designation - 14		-	-	-	-	-	-	-
Designation - 15		-	-	-	-	-	-	-
Total Senior Managers of the Municipality	8,10	7	8 511 578	1 845 789	1 245 395	626 510		12 229 272

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
A Heading for Each Entity	6,7							
List each member of board by designation			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
Total for municipal entities	8,10	-	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	10	22 769 720	2 823 326	7 987 604	626 510		34 207 160

References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

WC024 Stellenbosch - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2019/20			Current Year 2020/21			Budget Year 2021/22		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		43	43	-	43	43	-	43	43	-
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5									
Municipal Manager and Senior Managers	3	5	5	-	5	5	-	5	5	-
Other Managers	7	11	11	2	11	11	-	11	11	-
Professionals		110	74	6	110	74	6	110	74	6
Finance		27	17	3	27	17	3	27	17	3
Spatial/town planning		10	15	-	10	15	-	10	15	-
Information Technology		7	7	-	7	7	-	7	7	-
Roads		5	2	1	5	2	1	5	2	1
Electricity		2	1	-	2	1	-	2	1	-
Water		3	3	-	3	3	-	3	3	-
Sanitation		1	-	-	1	-	-	1	-	-
Refuse		4	1	-	4	1	-	4	1	-
Other		51	28	2	51	28	2	51	28	2
Technicians		177	163	-	177	163	-	177	163	-
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		11	11	-	11	11	-	11	11	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		23	23	-	23	23	-	23	23	-
Electricity		29	29	-	29	29	-	29	29	-
Water		59	59	-	59	59	-	59	59	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		11	11	-	11	11	-	11	11	-
Other		44	30	-	44	30	-	44	30	-
Clerks (Clerical and administrative)		241	241	85	241	241	85	241	241	85
Service and sales workers		160	160	96	160	160	96	160	160	96
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		58	58	-	58	58	-	58	58	-
Elementary Occupations		479	423	12	479	423	12	479	423	12
TOTAL PERSONNEL NUMBERS	9	1 284	1 178	201	1 284	1 178	199	1 284	1 178	199
% increase							(1,0%)			
Total municipal employees headcount	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	-	-	-

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number of persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions
9. Correct as at 30 June
10. Must account for all budgeted positions, as per the municipal organogram

WC024 Stellenbosch - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2021/22											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand																
Revenue By Source																
Property rates		42 053	33 597	33 444	33 609	33 693	33 621	33 617	33 149	36 338	36 338	36 338	37 838	423 633	449 051	475 994
Service charges - electricity revenue		59 871	61 001	63 363	55 296	57 177	59 312	56 034	58 146	79 269	79 269	79 269	79 269	787 275	842 384	892 927
Service charges - water revenue		10 604	11 365	10 400	7 485	11 021	9 310	10 918	12 225	20 768	20 768	20 768	20 768	166 400	175 552	185 207
Service charges - sanitation revenue		12 073	5 520	5 542	5 445	5 550	5 392	5 447	5 422	16 024	16 024	16 024	16 024	114 485	121 354	128 636
Service charges - refuse revenue		13 356	3 616	3 892	3 756	3 665	3 698	3 684	3 692	12 144	12 144	12 144	12 144	87 936	98 489	110 307
Rental of facilities and equipment		755	827	935	825	797	751	755	805	1 181	1 181	1 181	1 181	11 175	11 789	12 438
Interest earned - external investments		282	4 429	2 255	2 111	251	1 517	2 682	1 144	(368)	(368)	(368)	(368)	13 200	13 948	14 739
Interest earned - outstanding debtors		441	1 030	1 034	1 031	1 053	1 077	1 108	1 074	1 547	1 547	1 547	1 547	14 034	14 830	15 671
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		10 821	10 822	10 821	10 828	10 851	10 834	10 827	10 840	10 823	10 823	10 823	28 313	147 425	154 796	162 536
Licences and permits		5	5	469	536	1 337	460	114	437	571	571	571	702	5 778	6 056	6 348
Agency services		-	-	285	291	756	190	54	155	337	337	337	337	3 077	3 231	3 393
Transfers and subsidies		63 556	3 497	2 334	3 942	3 480	62 198	2 926	3 403	14 744	14 744	14 744	14 744	204 313	186 708	190 421
Other revenue		3 358	2 736	2 549	2 918	2 382	2 156	2 461	2 480	5 070	5 070	5 070	5 070	41 319	43 344	45 472
Gains		125	125	125	125	125	125	125	125	125	125	(1 375)	-	-	-	
Total Revenue (excluding capital transfers and contributions)		217 299	138 568	137 448	128 200	132 139	190 642	130 751	133 096	198 571	198 571	198 571	216 193	2 020 051	2 121 533	2 244 089
Expenditure By Type																
Employee related costs		38 373	38 407	41 000	39 645	53 747	42 096	42 101	39 839	50 412	50 412	50 412	121 015	607 458	621 597	643 102
Remuneration of councillors		1 852	1 852	1 837	1 837	1 837	1 837	1 772	1 668	1 864	1 864	1 864	1 895	21 978	22 857	23 771
Debt impairment		-	-	1 145	41 010	4	3 006	-	4	-	-	-	58 731	103 900	110 134	116 742
Depreciation & asset impairment		-	-	-	-	-	70 514	-	-	70 514	-	-	70 514	211 541	215 772	220 087
Finance charges		-	42	42	42	42	21 963	42	42	42	42	-	21 963	44 260	41 630	39 409
Bulk purchases		-	46 699	48 648	49 189	50 520	46 883	50 637	49 356	48 524	48 524	48 524	48 524	536 029	583 428	636 025
Other materials		730	955	2 222	2 072	1 875	3 020	2 138	3 948	6 086	6 086	6 086	6 087	41 303	43 202	45 757
Contracted services		1 376	7 346	16 956	23 573	16 578	16 047	23 846	21 868	34 998	35 198	34 998	44 698	277 481	264 324	275 231
Transfers and subsidies		559	6 324	647	559	559	559	559	989	559	559	559	1 165	13 600	13 223	13 606
Other expenditure		3 677	12 521	6 297	14 321	11 155	9 033	8 422	13 204	1 922	35 022	36 066	8 303	159 940	166 894	172 258
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		46 567	114 145	118 792	172 247	136 317	214 958	129 517	130 917	214 921	177 707	178 509	382 895	2 017 490	2 083 061	2 185 990
Surplus/(Deficit)		170 733	24 424	18 656	(44 048)	(4 178)	(24 316)	1 235	2 179	(16 349)	20 865	20 062	(166 702)	2 560	38 472	58 099
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6 746	6 746	6 746	9 252	11 727	6 746	6 746	6 881	10 991	10 991	10 991	10 991	105 554	96 887	65 845
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		177 479	31 170	25 402	(34 796)	7 549	(17 570)	7 981	9 060	(5 358)	31 856	31 053	(155 711)	108 114	135 360	123 944
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	177 479	31 170	25 402	(34 796)	7 549	(17 570)	7 981	9 060	(5 358)	31 856	31 053	(155 711)	108 114	135 360	123 944

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

WC024 Stellenbosch - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue by Vote																
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		1 506	1 699	1 419	3 585	6 244	1 086	1 271	1 255	3 097	3 097	3 097	3 097	30 454	24 223	31 328
Vote 3 - INFRASTRUCTURE SERVICES		144 354	90 759	92 519	82 021	86 726	124 397	85 410	89 346	149 767	149 767	149 767	149 767	1 394 599	1 457 529	1 502 876
Vote 4 - COMMUNITY AND PROTECTION SERVICES		12 725	13 649	13 305	14 821	15 715	13 214	13 350	13 916	15 583	15 583	15 583	33 083	190 526	196 222	205 654
Vote 5 - CORPORATE SERVICES		491	444	532	534	491	509	439	445	614	614	614	614	6 339	6 074	6 395
Vote 6 - FINANCIAL SERVICES		64 970	38 764	36 419	36 491	34 689	58 182	37 029	35 015	40 501	40 501	40 501	40 623	503 686	534 373	563 682
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		224 045	145 315	144 195	137 451	143 866	197 388	137 498	139 977	209 562	209 562	209 562	227 184	2 125 605	2 218 421	2 309 934
Expenditure by Vote to be appropriated																
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		1 446	1 571	2 293	1 615	2 151	2 905	2 974	2 953	3 112	5 235	5 193	8 540	39 989	41 440	42 823
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		4 330	9 101	4 607	5 682	5 024	7 200	4 637	5 492	9 314	8 944	8 532	28 013	100 875	101 205	104 184
Vote 3 - INFRASTRUCTURE SERVICES		15 287	65 731	74 800	83 863	83 099	152 824	85 591	79 979	148 668	96 021	96 645	206 313	1 188 821	1 227 901	1 299 254
Vote 4 - COMMUNITY AND PROTECTION SERVICES		11 497	16 449	17 673	57 755	22 033	26 779	17 616	20 539	30 316	28 165	27 569	98 091	374 481	388 418	405 262
Vote 5 - CORPORATE SERVICES		8 465	14 428	11 464	15 139	14 012	16 327	11 055	13 313	16 021	25 272	26 955	25 831	198 283	204 737	210 941
Vote 6 - FINANCIAL SERVICES		5 451	6 773	7 864	8 103	9 907	8 832	7 553	8 551	7 398	13 979	13 524	17 107	115 042	119 361	123 270
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		46 476	114 054	118 701	172 156	136 226	214 867	129 426	130 826	214 830	177 616	178 418	383 895	2 017 490	2 083 061	2 185 734
Surplus/(Deficit) before assoc.		177 570	31 261	25 493	(34 705)	7 640	(17 479)	8 072	9 151	(5 267)	31 947	31 144	(156 711)	108 114	135 360	124 201
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	177 570	31 261	25 493	(34 705)	7 640	(17 479)	8 072	9 151	(5 267)	31 947	31 144	(156 711)	108 114	135 360	124 201

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

WC024 Stellenbosch - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2021/22											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Multi-year expenditure to be appropriated	1															
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		4	4	4	4	4	4	4	4	4	4	4	4	44	49	56
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		877	875	875	877	880	875	875	985	912	890	875	(7 111)	2 685	100	3 100
Vote 3 - INFRASTRUCTURE SERVICES		2 727	5 777	5 777	6 827	5 927	2 939	6 873	5 103	5 517	4 691	6 838	17 755	76 750	83 098	88 048
Vote 4 - COMMUNITY AND PROTECTION SERVICES		738	738	738	738	738	738	738	738	738	738	738	738	8 850	10 700	7 050
Vote 5 - CORPORATE SERVICES		1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	1 158	13 900	7 500	6 000
Vote 6 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	5 503	8 551	8 551	9 603	8 706	5 714	9 648	7 988	8 328	7 480	9 613	12 543	102 229	101 447	104 254
Single-year expenditure to be appropriated																
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		726	724	744	744	744	749	724	767	724	729	724	724	8 829	4 440	10 300
Vote 3 - INFRASTRUCTURE SERVICES		18 222	19 737	19 922	23 008	19 931	18 684	19 072	22 604	21 761	27 032	25 916	29 875	265 765	256 263	242 176
Vote 4 - COMMUNITY AND PROTECTION SERVICES		1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 952	15 174	11 810	15 005
Vote 5 - CORPORATE SERVICES		1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	1 055	2 255	13 857	10 300	9 550
Vote 6 - FINANCIAL SERVICES		17	17	17	17	17	17	17	17	17	17	17	17	200	200	210
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	21 222	22 735	22 940	26 026	22 949	21 707	22 070	25 645	24 759	30 035	28 914	34 823	303 825	283 013	277 241
Total Capital Expenditure	2	26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527	47 367	406 054	384 460	381 495

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC024 Stellenbosch - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2021/22											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital Expenditure - Functional	1															
Governance and administration		2 233	2 233	2 233	2 233	2 233	2 233	2 233	2 233	2 233	2 233	2 233	3 433	28 001	18 049	15 816
Executive and council		4	4	4	4	4	4	4	4	4	4	4	4	44	49	56
Finance and administration		2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	2 230	3 430	27 957	18 000	15 760
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		2 082	2 080	2 100	2 100	2 100	2 105	2 080	2 123	2 080	2 085	2 080	6 299	29 313	19 145	28 205
Community and social services		180	180	180	180	180	180	180	180	180	180	180	180	2 155	7 230	11 055
Sport and recreation		408	408	408	408	408	408	408	408	408	408	408	408	4 900	4 750	2 200
Public safety		804	804	804	804	804	804	804	804	804	804	804	1 554	10 395	2 950	4 900
Housing		690	688	708	708	708	713	688	731	688	693	688	4 157	11 863	4 215	10 050
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		5 514	8 027	6 512	11 026	7 548	6 414	8 262	8 121	7 394	10 653	10 818	11 279	101 568	124 025	31 150
Planning and development		1 662	4 160	2 660	4 972	3 318	2 413	4 360	3 681	2 697	3 718	5 214	3 539	42 394	54 045	20 450
Road transport		3 321	3 336	3 321	5 523	3 698	3 470	3 371	3 909	4 166	6 404	5 073	7 209	52 800	62 500	8 650
Environmental protection		531	531	531	531	531	531	531	531	531	531	531	531	6 374	7 480	2 050
Trading services		16 896	18 946	20 646	20 269	19 774	16 668	19 142	21 155	21 380	22 544	23 395	26 356	247 172	223 241	306 324
Energy sources		4 581	5 631	6 631	6 581	6 681	4 681	6 728	6 958	6 971	5 770	5 981	7 552	74 748	59 446	85 561
Water management		5 167	6 167	6 767	6 320	5 945	4 832	5 267	6 967	7 231	7 467	9 167	8 555	79 850	79 550	105 818
Waste water management		6 533	6 533	6 533	6 553	6 533	6 540	6 533	6 617	6 563	8 593	7 533	9 633	84 700	55 500	91 500
Waste management		614	614	714	814	614	614	614	614	614	714	714	614	7 874	28 745	23 445
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527	47 367	406 054	384 460	381 495
Funded by:																
National Government		5 365	6 365	6 365	5 365	5 365	5 673	6 365	6 365	6 365	5 765	5 465	5 558	70 386	43 267	44 745
Provincial Government		1 073	3 573	2 073	4 383	2 727	1 826	3 773	2 984	2 073	3 116	4 627	2 938	35 168	53 620	21 100
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		6 439	9 939	8 439	9 748	8 092	7 499	10 139	9 350	8 439	8 882	10 093	8 496	105 554	96 887	65 845
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		10 733	10 733	11 233	11 233	10 733	9 733	9 980	11 510	11 623	14 521	15 633	16 333	144 000	140 000	160 000
Internally generated funds		9 553	10 614	11 819	14 647	12 830	10 188	11 599	12 774	13 025	14 112	12 801	22 538	156 500	147 573	155 650
Total Capital Funding		26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527	47 367	406 054	384 460	381 495

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC024 Stellenbosch - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand															
Cash Receipts By Source													1		
Property rates	42 178	33 722	33 569	33 734	33 818	33 746	33 742	33 274	36 463	36 463	36 463	19 517	406 687	431 088	456 954
Service charges - electricity revenue	60 470	62 309	64 759	57 016	58 542	59 436	58 593	59 473	81 726	81 726	81 726	49 426	775 203	829 367	879 080
Service charges - water revenue	10 604	11 365	10 400	7 485	11 021	9 310	10 918	12 225	20 768	20 768	20 768	14 112	159 744	168 530	177 799
Service charges - sanitation revenue	12 938	6 383	6 412	6 321	6 430	6 275	6 329	6 301	16 995	16 995	16 995	11 981	120 355	127 577	135 231
Service charges - refuse revenue	14 839	5 203	5 480	5 354	5 260	5 297	5 282	5 289	13 845	13 845	13 845	9 549	103 088	115 359	129 096
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	755	827	935	825	797	751	755	805	1 181	1 181	1 181	(1 054)	8 940	9 431	9 950
Interest earned - external investments	0	395	386	383	398	413	426	427	810	810	810	567	5 824	6 155	6 504
Interest earned - outstanding debtors	282	4 429	2 255	2 111	251	1 517	2 682	1 144	368	368	368	(3 101)	12 672	13 391	14 150
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	10 821	10 822	10 821	10 828	10 851	10 834	10 827	10 840	10 823	10 823	10 823	(15 164)	103 948	123 837	130 029
Licences and permits	5	5	469	536	1 337	460	114	437	571	571	571	702	5 778	6 056	6 348
Agency services	-	-	285	291	756	190	54	155	337	337	337	337	3 077	3 231	3 393
Transfers and Subsidies - Operational	61 625	586	403	672	543	60 266	403	403	10 036	10 036	10 036	10 036	165 045	173 009	176 528
Other revenue	2 759	2 736	2 494	2 522	2 349	2 141	2 461	2 467	4 213	4 213	4 213	4 213	36 779	38 577	40 466
Cash Receipts by Source	217 276	138 782	138 669	128 078	132 354	190 636	132 586	133 238	198 134	198 134	198 134	101 121	1 907 140	2 045 607	2 165 527
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	4 365	4 365	4 365	4 743	4 365	4 365	4 365	4 445	8 751	8 751	8 751	8 751	70 386	43 867	45 345
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	144 000	-	144 000	140 000	160 000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	221 641	143 147	143 034	132 821	136 719	195 001	136 952	137 683	206 885	206 885	350 885	109 872	2 121 526	2 229 475	2 370 872
Cash Payments by Type															
Employee related costs	38 373	38 407	41 000	39 645	53 747	42 096	42 101	39 839	50 412	50 412	50 412	121 015	607 458	621 597	643 102
Remuneration of councillors	1 852	1 852	1 837	1 837	1 837	1 837	1 772	1 668	1 864	1 864	1 864	1 895	21 978	22 857	23 771
Finance charges	-	42	42	42	42	21 963	42	42	42	42	42	-	21 963	41 630	39 409
Bulk purchases - Electricity	-	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 154	46 155	507 699	553 392	603 198
Bulk purchases - Water & Sewer	-	544	2 493	3 034	4 366	729	4 482	3 201	2 370	2 370	2 370	2 370	28 330	30 036	32 827
Other materials	730	955	2 222	2 072	1 875	3 020	2 138	3 948	6 086	6 086	6 086	6 087	41 303	43 202	45 757
Contracted services	1 376	7 346	16 956	23 573	16 578	16 047	23 846	21 868	34 998	35 198	34 998	44 698	277 481	264 324	275 231
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	559	6 324	647	559	559	559	559	989	559	559	559	1 165	13 600	13 223	13 606
Other expenditure	3 677	12 521	6 297	14 321	11 155	9 033	8 422	13 204	1 922	35 022	36 066	7 803	159 440	166 894	172 258
Cash Payments by Type	46 567	114 145	117 648	131 237	136 312	141 438	129 517	130 913	144 407	177 707	178 509	253 150	1 701 549	1 757 155	1 849 160
Other Cash Flows/Payments by Type															
Capital assets	26 725	31 286	31 491	35 629	31 656	27 421	31 718	33 633	33 087	37 516	38 527	47 367	406 054	384 460	381 495
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	36 883	36 883	52 883	69 883
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	73 292	145 431	149 139	166 866	167 968	168 859	161 235	164 546	177 493	215 222	217 036	337 400	2 144 486	2 194 498	2 300 538
NET INCREASE/(DECREASE) IN CASH HELD	148 349	(2 284)	(6 105)	(34 044)	(31 249)	26 143	(24 283)	(26 862)	29 391	(8 338)	133 849	(22 528)	(22 960)	34 976	70 334
Cash/cash equivalents at the month/year begin:	350 972	499 321	497 037	490 933	456 888	425 640	451 782	427 499	400 637	430 028	421 691	555 540	328 012	328 012	362 988
Cash/cash equivalents at the month/year end:	499 321	497 037	490 933	456 888	425 640	451 782	427 499	400 637	430 028	421 691	555 540	328 012	328 012	362 988	433 322

References

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTREF it is now directly linked to A7.

WC024 Stellenbosch - NOT REQUIRED - municipality does not have entities

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R million										
Financial Performance										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-
Investment revenue		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		-	-	-	-	-	-	-	-	-
Other own revenue		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (interest-free)		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	-	-
Employee costs		-	-	-	-	-	-	-	-	-
Remuneration of Board Members		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-
Finance charges		-	-	-	-	-	-	-	-	-
Materials and bulk purchases		-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		-	-	-	-	-	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
Total sources		-	-	-	-	-	-	-	-	-
Financial position										
Total current assets		-	-	-	-	-	-	-	-	-
Total non current assets		-	-	-	-	-	-	-	-	-
Total current liabilities		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-
Equity		-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating		-	-	-	-	-	-	-	-	-
Net cash from (used) investing		-	-	-	-	-	-	-	-	-
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end		-	-	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
DBSA	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	31 December 2020	-
DBSA	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2025	13 425
DBSA	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2026	40 314
DBSA	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	18 February 2030	73 446
NEDBANK	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	29 June 2029	138 992
PENDING TENDER	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2031	120 000
FNB	Yrs	Ongoing	Provisioning of banking services.	30 June 2025	Rates approved

References

1. Total agreement period from commencement until end
2. Annual value

WC024 Stellenbosch - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
		Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand														
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
HCB Valuers			1 701	425	271	279	279							2 954
FNB			728	761	795	831	868							3 983
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Expenditure Implication		-	2 429	1 186	1 066	1 109	1 147	-	-	-	-	-	-	6 938
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	2 429	1 186	1 066	1 109	1 147	-	-	-	-	-	-	6 938

Description	Ref	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
		Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand		1,3												
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Revenue Implication			-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Operating Expenditure Implication			-	-	-	-	-	-	-	-	-	-	-	-

Description	Ref	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
		Total	Original Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand		1,3												
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3														-
Contract 4														-
Contract 5														-
Contract 6														-
Contract 7														-
Contract 8														-
Contract 9														-
Contract 10														-
Contract 11														-
Contract 12														-
Contract 13														-
Contract 14														-
Contract 15														-
Contract 16														-
Contract 17														-
Contract 18														-
Contract 19														-
Contract 20														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

References
1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)
3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million.
For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

WC024 Stellenbosch - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		125 278	238 336	141 396	142 335	163 081	163 081	182 297	144 517	164 485
Roads Infrastructure		36 740	78 484	34 038	39 530	50 882	50 882	28 966	41 290	20 700
Roads		20 133	62 757	15 824	24 430	23 553	23 553	24 466	38 490	18 600
Road Structures		15 265	8 923	15 711	13 550	25 631	25 631	2 700	2 000	1 300
Road Furniture		1 342	6 804	2 503	1 550	1 697	1 697	1 800	800	800
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	835	-	-	-	-	-	-	-
Drainage Collection		-	835	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		5 580	31 774	16 098	30 250	27 380	27 380	56 643	15 827	69 385
Power Plants		-	-	8 107	-	-	-	15 000	1 500	1 500
HV Substations		-	2 000	880	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	19 141
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	1 500	1 500	1 500	9 572	1 427	35 000
MV Switching Stations		297	992	-	-	-	-	-	-	-
MV Networks		2 005	11 058	4 428	16 650	17 211	17 211	18 000	6 000	6 450
LV Networks		2 589	17 078	1 886	5 700	5 269	5 269	5 500	6 000	6 193
Capital Spares		689	646	797	6 400	3 400	3 400	8 571	900	1 100
Water Supply Infrastructure		48 030	35 223	10 095	34 805	36 094	36 094	72 000	60 000	45 400
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		19 088	19 583	4 354	12 000	19 710	19 710	42 000	38 000	26 000
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	87	-	400	400	400	-	400	400
Bulk Mains		-	4 095	1 749	2 580	11 751	11 751	15 000	5 000	-
Distribution		28 942	11 459	3 991	19 825	4 233	4 233	15 000	16 500	19 000
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	100	-
Sanitation Infrastructure		33 368	90 551	59 018	32 200	36 403	36 403	17 888	1 800	8 800
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		2 127	21 937	259	1 000	2 200	2 200	11 288	-	2 000
Waste Water Treatment Works		-	-	499	200	200	200	200	1 800	6 800
Outfall Sewers		31 242	68 614	58 260	31 000	34 003	34 003	6 400	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1 559	1 090	21 518	5 500	12 155	12 155	6 700	25 500	20 200
Landfill Sites		723	344	20 881	2 000	9 888	9 888	2 000	10 000	10 000
Waste Transfer Stations		503	384	182	2 000	1 067	1 067	1 000	3 000	3 000
Waste Processing Facilities		-	-	-	-	-	-	-	100	-
Waste Drop-off Points		-	-	169	500	500	500	500	600	200
Waste Separation Facilities		333	362	87	500	200	200	500	500	-
Electricity Generation Facilities		-	-	199	500	500	500	2 700	11 300	7 000
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	379	630	50	166	166	100	100	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	379	-	-	-	-	-	-	-
Capital Spares		-	-	630	50	166	166	100	100	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Community Assets		18 986	18 663	9 509	5 500	13 228	13 228	5 950	3 150	2 200
Community Facilities		18 905	18 589	6 631	1 500	9 749	9 749	3 800	1 000	200
Halls		8 383	684	73	-	254	254	-	-	-
Centres		596	57	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	341	393	-	900	900	-	-	-
Libraries		4 221	472	33	200	447	447	100	-	-
Cemeteries/Crematoria		664	17	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	150	150	150	-	-	-
Public Open Space		1 851	3 525	1 500	1 150	1 872	1 872	1 200	1 000	200
Nature Reserves		-	937	260	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	2 190	130	-	-	-	-	-	-
Stalls		3 158	5 367	3 402	-	6 126	6 126	2 500	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	2 532	-	-	-	-	-	-	-
Capital Spares		32	2 469	840	-	-	-	-	-	-
Sport and Recreation Facilities		82	74	2 878	4 000	3 479	3 479	2 150	2 150	2 000
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		82	74	2 878	4 000	3 479	3 479	2 150	2 150	2 000
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		1 337	1 274	100	-	1 019	1 019	870	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		1 337	1 274	100	-	1 019	1 019	870	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		904	466	2 303	1 000	5 436	5 436	700	200	3 000
Revenue Generating		-	-	972	800	3 550	3 550	500	-	-
Improved Property		-	-	972	800	3 550	3 550	500	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		904	466	1 331	200	1 886	1 886	200	200	3 000
Improved Property		904	466	1 331	200	1 886	1 886	200	200	3 000
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		1 269	570	9 942	51 109	112 425	112 425	61 269	19 580	7 000
Operational Buildings		139	182	9 742	42 350	58 984	58 984	48 100	200	3 000
Municipal Offices		139	49	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	9 742	42 350	58 984	58 984	48 100	200	3 000
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	133	-	-	-	-	-	-	-
Housing		1 130	389	200	8 759	53 441	53 441	13 169	19 380	4 000
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		1 130	389	200	8 759	53 441	53 441	13 169	19 380	4 000
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		120	67	-	-	-	-	-	-	-
Biological or Cultivated Assets		120	67	-	-	-	-	-	-	-
Intangible Assets		50	840	-	-	-	-	-	450	250
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		50	840	-	-	-	-	-	450	250
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		50	295	-	-	-	-	-	450	250
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	545	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Computer Equipment		2 363	–	66 547	100	400	400	1 250	50	50
Computer Equipment		2 363	–	66 547	100	400	400	1 250	50	50
Furniture and Office Equipment		3 614	3 163	2 159	2 967	3 979	3 979	2 428	3 114	1 736
Furniture and Office Equipment		3 614	3 163	2 159	2 967	3 979	3 979	2 428	3 114	1 736
Machinery and Equipment		6 572	3 583	18 136	6 110	14 372	14 372	5 250	6 830	3 400
Machinery and Equipment		6 572	3 583	18 136	6 110	14 372	14 372	5 250	6 830	3 400
Transport Assets		14 908	14 779	19 520	7 225	16 809	16 809	4 825	6 075	9 600
Transport Assets		14 908	14 779	19 520	7 225	16 809	16 809	4 825	6 075	9 600
Land		299	–	–	–	–	–	–	–	–
Land		299	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	175 701	281 741	269 612	216 345	330 749	330 749	264 838	183 966	191 721

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expenditure

WC024 Stellenbosch - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		31 031	44 759	10 136	34 000	26 456	26 456	9 350	22 550	38 664
Roads Infrastructure		17 117	24 611	12 579	13 400	21 545	21 545	5 100	9 100	2 000
Roads		17 117	24 611	12 579	8 400	18 443	18 443	5 100	9 100	2 000
Road Structures		-	-	-	5 000	3 102	3 102	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		6 300	17 898	(4 747)	3 600	600	600	250	4 950	5 664
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		361	399	(6 567)	600	600	600	250	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		5 939	19 100	821	3 000	-	-	-	4 950	5 184
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	(1 602)	999	-	-	-	-	-	480
Water Supply Infrastructure		5 349	1 146	473	4 000	3 000	3 000	4 000	4 000	4 000
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		5 349	1 146	473	4 000	3 000	3 000	4 000	4 000	4 000
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		2 266	1 104	1 831	13 000	1 310	1 310	-	4 000	27 000
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	1 826	12 000	-	-	-	-	20 000
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		2 266	652	5	1 000	1 310	1 310	-	4 000	7 000
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	452	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	500	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	500	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Community Assets		373	407	-	-	385	385	-	550	-
Community Facilities		10	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		10	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		363	407	-	-	385	385	-	550	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		363	407	-	-	385	385	-	550	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		449	253	-	100	200	200	300	200	200
Operational Buildings		449	253	-	100	200	200	300	200	200
Municipal Offices		449	253	-	100	200	200	300	200	200
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	30	-	-	-	-	300	300	300
Furniture and Office Equipment		-	30	-	-	-	-	300	300	300
Machinery and Equipment		493	-	-	-	-	-	-	-	-
Machinery and Equipment		493	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	32 347	45 449	10 136	34 100	27 041	27 041	9 950	23 600	39 164
Renewal of Existing Assets as % of total capex		13,6%	9,4%	2,5%	9,1%	6,0%	6,0%	2,5%	6,1%	10,3%
Renewal of Existing Assets as % of deprecn"		132,9%	23,5%	5,3%	16,6%	13,5%	13,5%	4,7%	10,9%	17,8%

References

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expenditure

WC024 Stellenbosch - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure	1	21 477	(13 047)	17 859	46 399	51 889	51 889	52 242	49 315	50 826
Roads Infrastructure		5 510	6 420	8 008	11 218	12 648	12 648	20 920	16 937	17 354
Roads		33	509	8 008	10 615	12 465	12 465	20 890	16 906	17 322
Road Structures		4 205	4 658	-	-	-	-	-	-	-
Road Furniture		1 271	1 253	-	603	183	183	30	31	32
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		161	495	6 810	2 253	2 100	2 100	1 300	1 340	1 382
Drainage Collection		8	-	-	-	-	-	-	-	-
Storm water Conveyance		153	495	563	-	-	-	-	-	-
Attenuation		-	-	6 246	2 253	2 100	2 100	1 300	1 340	1 382
Electrical Infrastructure		7 510	(27 623)	998	107	107	107	100	105	110
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	107	107	107	100	105	110
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		7 263	(27 830)	998	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		248	207	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		1 224	6 069	100	10 387	7 322	7 322	7 015	7 229	7 449
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		499	4 182	18	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		25	194	-	5 922	2 912	2 912	2 472	2 550	2 630
Bulk Mains		-	-	-	4 465	4 410	4 410	4 543	4 679	4 819
Distribution		700	1 693	81	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		6 306	1 302	1 944	9 692	15 794	15 794	8 314	8 609	8 915
Pump Station		-	3	-	-	-	-	-	-	-
Reticulation		2 814	297	-	-	-	-	-	-	-
Waste Water Treatment Works		3 492	1 003	-	5 054	11 578	11 578	3 840	3 994	4 155
Outfall Sewers		-	-	1 944	4 638	4 216	4 216	4 474	4 615	4 760
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		767	290	-	1 409	3 199	3 199	3 040	3 154	3 272
Landfill Sites		767	290	-	394	344	344	40	41	42
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	1 015	2 855	2 855	3 000	3 113	3 230
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	11 332	10 718	10 718	11 553	11 942	12 345
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	10 965	10 352	10 352	11 053	11 442	11 845
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	366	366	366	500	500	500

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Community Assets		48	-	2 686	14 062	12 713	12 713	13 990	14 336	14 891
Community Facilities		48	-	2 686	12 641	11 456	11 456	12 552	12 836	13 326
Halls		-	-	-	30	30	30	100	11	112
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		47	-	9	10	13	13	14	14	15
Cemeteries/Crematoria		-	-	-	1 009	759	759	1 039	1 070	1 102
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	3 004	3 116	3 116	3 167	3 263	3 363
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	793	343	343	821	844	871
Public Ablution Facilities		1	-	-	7 795	7 195	7 195	7 411	7 634	7 863
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	2 677	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	1 421	1 257	1 257	1 438	1 500	1 564
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	1 421	1 257	1 257	1 438	1 500	1 564
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		4	3	-	11 044	10 421	10 421	11 920	12 215	12 719
Operational Buildings		4	3	-	10 577	9 731	9 731	11 746	12 035	12 533
Municipal Offices		4	3	-	10 577	9 731	9 731	11 746	12 035	12 533
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	466	690	690	175	180	185
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	466	690	690	175	180	185
Biological or Cultivated Assets		22	14	-	-	-	-	-	-	-
Biological or Cultivated Assets		22	14	-	-	-	-	-	-	-
Intangible Assets		151	317	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		151	317	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		151	317	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		15 969	10 503	11 027	5 858	3 886	3 886	3 257	3 384	3 521
Furniture and Office Equipment		15 969	10 503	11 027	5 858	3 886	3 886	3 257	3 384	3 521
Machinery and Equipment		-	-	-	9 536	536	536	552	569	586
Machinery and Equipment		-	-	-	9 536	536	536	552	569	586
Transport Assets		7 104	9 610	18 036	3 925	4 156	4 156	4 141	4 399	4 576
Transport Assets		7 104	9 610	18 036	3 925	4 156	4 156	4 141	4 399	4 576
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	44 774	7 400	49 608	90 823	83 602	83 602	86 101	84 217	87 119
R&M as a % of PPE		0,9%	0,1%	0,9%	1,5%	1,5%	1,5%	1,5%	1,4%	1,4%
R&M as % Operating Expenditure		3,7%	0,5%	3,0%	4,8%	4,6%	4,6%	9,5%	4,2%	4,2%

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

WC024 Stellenbosch - Supporting Table SA34d Depreciation by asset class

Description	Ref	Current Year 2020/21					2021/22 Medium Term Revenue & Expenditure Framework			
		2017/18	2018/19	2019/20	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Audited Outcome	Audited Outcome	Audited Outcome						
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure										
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revelments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets										
Community Facilities										
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Investment properties		–	489	15	472	472	472	260	265	271
Revenue Generating		–	489	15	472	472	472	260	265	271
Improved Property		–	489	15	472	472	472	260	265	271
Unimproved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		6 398	8 902	9 984	6 684	6 684	6 684	9 705	9 899	10 097
Operational Buildings		6 398	5 010	6 078	3 428	3 428	3 428	6 021	6 141	6 264
Municipal Offices		–	5 010	6 078	3 385	3 385	3 385	6 021	6 141	6 264
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	44	44	44	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		6 398	–	–	–	–	–	–	–	–
Housing		–	3 892	3 906	3 256	3 256	3 256	3 685	3 758	3 834
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	3 892	3 906	–	–	–	3 685	3 758	3 834
Capital Spares		–	–	–	3 256	3 256	3 256	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		1 715	1 848	1 973	2 490	2 490	2 490	1 991	2 031	2 072
Servitudes		–	1 695	1 591	–	–	–	1 638	1 671	1 705
Licences and Rights		1 715	153	383	2 490	2 490	2 490	353	360	367
Water Rights		–	–	–	20	20	20	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		(3)	153	383	2 469	2 469	2 469	353	360	367
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		1 717	–	–	–	–	–	–	–	–
Computer Equipment		4 316	7 318	7 646	3 527	3 527	3 527	7 386	7 534	7 684
Computer Equipment		4 316	7 318	7 646	3 527	3 527	3 527	7 386	7 534	7 684
Furniture and Office Equipment		1 859	4 377	3 864	3 086	3 086	3 086	3 582	3 653	3 726
Furniture and Office Equipment		1 859	4 377	3 864	3 086	3 086	3 086	3 582	3 653	3 726
Machinery and Equipment		2 549	7 709	6 469	5 044	5 044	5 044	6 618	6 750	6 885
Machinery and Equipment		2 549	7 709	6 469	5 044	5 044	5 044	6 618	6 750	6 885
Transport Assets		7 489	10 713	10 392	9 176	9 176	9 176	10 527	10 738	10 953
Transport Assets		7 489	10 713	10 392	9 176	9 176	9 176	10 527	10 738	10 953
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Depreciation	1	24 333	193 119	191 851	205 628	200 779	200 779	211 541	215 772	220 087

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.

WC024 Stellenbosch - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		218 599	121 760	107 005	82 405	52 561	52 561	90 559	142 344	126 730
Roads Infrastructure		25 763	12 606	29 797	12 200	8 425	8 425	36 000	43 750	4 000
Roads		24 364	7 996	29 297	8 200	6 050	6 050	4 000	10 750	3 500
Road Structures		898	-	-	2 500	1 875	1 875	30 000	30 000	-
Road Furniture		501	4 610	500	1 500	500	500	2 000	3 000	500
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		1 233	3 252	835	4 000	2 496	2 496	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		1 233	3 252	835	4 000	2 496	2 496	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		39 710	13 748	23 523	8 000	16 139	16 139	16 221	37 025	9 962
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	8 000	500	950
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		27 642	13 438	20 891	6 500	14 790	14 790	7 721	7 042	7 100
LV Networks		8 302	309	2 473	1 500	1 349	1 349	-	28 983	1 412
Capital Spares		3 766	-	160	-	-	-	500	500	500
Water Supply Infrastructure		107 701	40 781	20 309	30 500	16 630	16 630	5 750	10 500	50 268
Dams and Weirs		-	390	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	10 000
Water Treatment Works		20 365	15 759	3 041	4 500	6 319	6 319	750	4 000	24 250
Bulk Mains		19 135	10 377	9 776	19 500	4 500	4 500	-	-	2 000
Distribution		68 201	12 791	4 978	4 000	3 310	3 310	3 000	4 000	11 518
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	1 465	2 514	2 500	2 500	2 500	2 000	2 500	2 500
Sanitation Infrastructure		41 867	50 206	31 173	24 155	8 436	8 436	30 100	49 500	62 000
Pump Station		8	268	144	1 000	-	-	100	1 500	2 000
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		41 771	49 867	30 960	17 155	7 636	7 636	30 000	41 000	42 500
Outfall Sewers		-	-	-	5 000	-	-	-	7 000	17 000
Toilet Facilities		88	71	69	1 000	800	800	-	-	500
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		719	321	370	2 000	292	292	929	-	-
Landfill Sites		650	321	370	2 000	292	292	929	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		69	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		1 605	847	999	1 550	144	144	1 559	1 569	500
Data Centres		1 605	847	999	1 550	144	144	1 559	1 569	500
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand	1									
Community Assets		13 556	12 130	5 855	15 700	12 937	12 937	11 204	12 000	12 680
Community Facilities		4 353	8 091	4 003	7 650	10 731	10 731	7 854	10 700	12 380
Halls		1 744	2 904	2 322	5 150	6 103	6 103	3 600	1 200	2 200
Centres		-	-	-	-	-	-	1 000	500	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		1 656	-	35	500	3 465	3 465	50	-	-
Testing Stations		138	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		201	424	-	500	200	200	200	-	180
Cemeteries/Crematoria		614	326	1 002	1 500	843	843	1 000	7 000	9 000
Police		-	3 282	-	-	-	-	-	-	-
Parks		-	85	-	-	-	-	-	-	-
Public Open Space		-	100	-	-	-	-	-	-	-
Nature Reserves		-	823	158	-	50	50	2 004	2 000	1 000
Public Ablution Facilities		-	148	334	-	70	70	-	-	-
Markets		-	-	153	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		9 203	4 039	1 852	8 050	2 206	2 206	3 350	1 300	300
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		9 203	4 039	1 852	8 050	2 206	2 206	3 350	1 300	300
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	423	1 000	263	263	1 807	3 000	2 000
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	423	1 000	263	263	1 807	3 000	2 000
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		296	4 138	3 771	16 500	12 095	12 095	8 000	4 000	5 000
Revenue Generating		296	2 132	2 962	3 500	3 912	3 912	-	1 000	-
Improved Property		296	2 132	2 962	3 500	3 912	3 912	-	1 000	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	2 006	808	13 000	8 183	8 183	8 000	3 000	5 000
Improved Property		-	2 006	808	13 000	8 183	8 183	8 000	3 000	5 000
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		1 039	4 792	2 559	4 900	11 718	11 718	15 495	6 050	-
Operational Buildings		1 039	2 372	472	1 900	9 365	9 365	15 495	6 050	-
Municipal Offices		10	-	-	1 900	4 920	4 920	11 050	6 050	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		138	159	-	-	-	-	-	-	-
Stores		125	284	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		766	1 929	472	-	4 445	4 445	4 445	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	2 420	2 087	3 000	2 353	2 353	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	2 420	2 087	3 000	2 353	2 353	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	163	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	163	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	163	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Computer Equipment		4 295	12 025	8 891	4 600	6 900	6 900	4 100	4 200	4 200
Computer Equipment		4 295	12 025	8 891	4 600	6 900	6 900	4 100	4 200	4 200
Furniture and Office Equipment		-	-	146	200	200	200	100	300	-
Furniture and Office Equipment		-	-	146	200	200	200	100	300	-
Machinery and Equipment		-	-	-	-	-	-	-	5 000	-
Machinery and Equipment		-	-	-	-	-	-	-	5 000	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	237 784	154 845	128 814	125 305	96 674	96 674	131 265	176 894	150 610
Upgrading of Existing Assets as % of total capex		0,0%	32,1%	31,5%	33,3%	21,3%	21,3%	32,3%	46,0%	39,5%
Upgrading of Existing Assets as % of deprechn"		977,2%	80,2%	67,1%	60,9%	48,1%	48,1%	62,1%	82,0%	68,4%

References

1. Total Capital Expenditure on upgrading of existing assets (SA34e) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expen

WC024 Stellenbosch - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2021/22 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Present value
R thousand								
Capital expenditure	1							
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		44	49	56				
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		11 514	4 540	13 400				
Vote 3 - INFRASTRUCTURE SERVICES		342 515	339 361	330 224				
Vote 4 - COMMUNITY AND PROTECTION SERVICES		24 024	22 510	22 055				
Vote 5 - CORPORATE SERVICES		27 757	17 800	15 550				
Vote 6 - FINANCIAL SERVICES		200	200	210				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		406 054	384 460	381 495	-	-	-	-
Future operational costs by vote	2							
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		39 945	41 391	42 767				
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		89 361	96 665	90 784				
Vote 3 - INFRASTRUCTURE SERVICES		846 307	888 540	969 030				
Vote 4 - COMMUNITY AND PROTECTION SERVICES		350 457	365 908	383 207				
Vote 5 - CORPORATE SERVICES		170 526	186 937	195 391				
Vote 6 - FINANCIAL SERVICES		114 842	119 161	123 060				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total future operational costs		1 611 437	1 698 601	1 804 239	-	-	-	-
Future revenue by source	3							
Property rates		423 633	449 051	475 994				
Service charges - electricity revenue		787 275	842 384	892 927				
Service charges - water revenue		166 400	175 552	185 207				
Service charges - sanitation revenue		114 485	121 354	128 636				
Service charges - refuse revenue		87 936	98 489	110 307				
Service charges - other		-	-	-				
Rental of facilities and equipment		11 175	11 789	12 438				
Interest earned - external investments		13 200	13 948	14 739				
Interest earned - outstanding debtors		14 034	14 830	15 671				
Dividends received		-	-	-				
Fines, penalties and forfeits		147 425	154 796	162 536				
Licences and permits		5 778	6 056	6 348				
Agency services		3 077	3 231	3 393				
Transfers and subsidies		204 313	186 708	190 421				
Other revenue		41 319	43 344	45 472				
Gains		-	-	-				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		105 554	96 887	65 845				
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-				
Transfers and subsidies - capital (in-kind - all)		-	-	-				
List entity summary if applicable								
Total future revenue		2 125 605	2 218 421	2 309 934	-	-	-	-
Net Financial Implications		(108 114)	(135 360)	(124 201)	-	-	-	-

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

WC024 Stellenbosch - Supporting Table SA36 Detailed capital budget

R thousand	Function	Project Description	Project Number	Own Strategic Objectives	2021/22 Medium Term Revenue & Expenditure Framework		
					Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:							
<i>List all capital projects grouped by Function</i>							
	Municipal Manager	Furniture, Tools and Equipment	712972186	Good Governance and Compliance	44	49	56
	Economic Development and Tourism	Furniture tools and equipment	712973243	Good Governance and Compliance	180	100	150
	Economic Development and Tourism	Local Economic Development Hub Jamesto	712976962	Valley of Possibility	-	-	3 000
	Economic Development and Tourism	Establishment of the Kayamandi Informal Tr	712973272	Valley of Possibility	2 500	-	-
	IHS: Housing Development	Kayamandi Town Centre	712975696	Dignified Living	3 000	3 000	6 000
	IHS: Housing Development	Enkanini Planning and Implementation	712973342	Dignified Living	1 500	-	3 000
	IHS: Housing Development	Furniture, Tools and Equipment	712972279	Good Governance and Compliance	59	25	50
	IHS: Housing Development	Jamestown: Housing (Phase 2, 3 & 4)	712973470	Dignified Living	500	-	-
	HIS: Housing Development	Northern Extension: Feasibility	712972277	Dignified Living	2 000	-	-
	IHS: Housing Development	Erf 7001 and other possible sites for mix-use	712972276	Dignified Living	1 000	1 000	1 000
	IHS: Housing Development	Erf 64 Klyemore	712975579	Dignified Living	200	-	-
	Housing Administration	Furniture, Tools and Equipment: Housing Ad	712972272	Good Governance and Compliance	135	190	-
	Spatial Planning: Planning and Development	Furniture, Tools & Equipment	712972187	Good Governance and Compliance	130	-	-
	Land Use Management	Furniture, Tools & Equipment	712976909	Good Governance and Compliance	125	125	100
	Building Development Management	Furniture, Tools & Equipment	New	Good Governance and Compliance	185	100	100
	Executive Support: Engineering Services: G	Furniture, Tools & Equipment	712972378	Good Governance and Compliance	75	75	50
	Electrical Services	Ad-Hoc Provision of Street lighting and Ligh	712972284	Safe Valley	2 000	2 150	2 843
	Electrical Services	Alternative Energy	NEW	Green and Sustainable Valley	15 000	1 500	1 500
	Electrical Services	Automatic Meter Reader	712972290	Green and Sustainable Valley	-	400	400
	Electrical Services	Bien don 66/11kV substation new (new dev	712980416	Valley of Possibility	1 200	1 000	35 000
	Electrical Services	Buildings & Facilities Electrical Supply - Stel	712972282	Valley of Possibility	-	412	412
	Electrical Services	Cable replacement 66kV oil MN - US - MK	712980387	Valley of Possibility	-	-	480
	Electrical Services	Cloetesville - University New 66kV cable	712973458	Valley of Possibility	-	-	450
	Electrical Services	Data Network	712975577	Valley of Possibility	-	-	-
	Electrical Services	DSM Geysers Control	712972309	Green and Sustainable Valley	-	100	100
	Electrical Services	Electricity Network: Pniel	712972310	Valley of Possibility	3 500	3 500	3 000
	Electrical Services	Energy Balancing Between Metering and Mi	712972288	Valley of Possibility	-	250	250
	Electrical Services	Energy Efficiency and Demand Side Manag	712972302	Green and Sustainable Valley	-	1 000	1 000
	Electrical Services	General System Improvements - Franscho	712972299	Valley of Possibility	2 000	2 000	2 000
	Electrical Services	General Systems Improvements - Stellenbo	712972285	Valley of Possibility	6 392	3 542	3 600
	Electrical Services	Infrastructure Improvement - Franschoek	712972297	Valley of Possibility	1 500	1 500	1 500
	Electrical Services	Integrated National Electrification Programm	712972312	Valley of Possibility	18 000	6 000	6 000
	Electrical Services	Jan Marais Upgrade: Remove Existing Tx 1	712973160	Valley of Possibility	8 000	500	500
	Electrical Services	Kayamandi(Costa grounds)new substation (712973173	Valley of Possibility	-	-	300
	Electrical Services	Kwarentyn Sub cables: 11kV 3 core 185mm	712973165	Valley of Possibility	5 700	-	-
	Electrical Services	Lattera Sub Station	712980413	Valley of Possibility	8 372	427	-
	Electrical Services	Main substation - Tx upgrade: Remove Exis	712973163	Valley of Possibility	-	27 571	-
	Electrical Services	Meter Panels	712972289	Green and Sustainable Valley	-	500	400
	Electrical Services	Network Cable Replace 11 Kv	712972287	Valley of Possibility	-	3 000	3 000
	Electrical Services	Replace Ineffective Meters	712972301	Green and Sustainable Valley	250	-	-
	Electrical Services	Small Capital: Fte Electrical Services	712972283	Good Governance and Compliance	500	500	500
	Electrical Services	Substation 66kV equipment, control, VT's, C	712972306	Valley of Possibility	-	1 950	2 184
	Electrical Services	Substation upgrade US 66 /11kv 20MVA Tra	712980374	Valley of Possibility	-	-	450
	Electrical Services	Switchgear - Stellenbosch (11kV replace oil	712975670	Valley of Possibility	-	-	14 334
	Electrical Services	Switchgear 66kV US - MN - Outdoor Breake	712980372	Valley of Possibility	-	-	4 807
	Electrical Services	System Control Centre & Upgrade Telemetr	712972286	Good Governance and Compliance	1 559	1 569	500
	Electrical Services	Update Electrical Master document	NEW	Valley of Possibility	700	-	-
	Infrastructure Plan, Dev and Implement	Access to Basic Services	712972568	Dignified Living	1 746	600	2 000
	Infrastructure Plan, Dev and Implement	Adam Tas Transit Oriented Development (3	NEW	Dignified Living	-	-	3 500
	Infrastructure Plan, Dev and Implement	Basic Improvements: Langrug	712972572	Dignified Living	2 490	-	-
	Infrastructure Plan, Dev and Implement	Computer – Hardware/Equipment	712972271	Good Governance and Compliance	50	50	50
	Infrastructure Plan, Dev and Implement	Droe Dyke (1000)	NEW	Dignified Living	-	-	2 000
	Infrastructure Plan, Dev and Implement	Furniture, Tools and Equipment	712972569	Good Governance and Compliance	20	50	50

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Infrastructure Plan, Dev and Implement	Franschoek Langrug (1900) UISP ERF 32	NEW	Dignified Living	4 500	17 880	–
Infrastructure Plan, Dev and Implement	Housing Projects	712972278	Dignified Living	3 469	–	500
Infrastructure Plan, Dev and Implement	Kayamandi: Zone O (±711 services)	712972268	Dignified Living	4 680	32 140	9 000
Infrastructure Plan, Dev and Implement	Kayamandi Watergang Basic Services	NEW	Dignified Living	6 500	–	–
Infrastructure Plan, Dev and Implement	Stellenbosch Idas Valley (166) FLISP ERF 3	NEW	Dignified Living	11 288	–	–
Infrastructure Plan, Dev and Implement	Upgrading of The Steps/Orlean Lounge	712980356	Dignified Living	8 000	3 000	–
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	712977010	Green and Sustainable Valley	2 000	10 000	10 000
Waste Management: Solid Waste Management	Formalize skip areas in Franschoek and K	712972582	Green and Sustainable Valley	–	500	–
Waste Management: Solid Waste Management	Furniture, Tools and Equipment : Solid Was	712972370	Good Governance and Compliance	45	45	45
Waste Management: Solid Waste Management	Integrated Waste Management Plan	712973455	Green and Sustainable Valley	–	100	–
Waste Management: Solid Waste Management	Landfill Gas To Energy	712972377	Green and Sustainable Valley	2 000	8 000	6 000
Waste Management: Solid Waste Management	Mini Waste drop-off facilities at inf. Settleme	712973449	Green and Sustainable Valley	–	100	200
Waste Management: Solid Waste Management	Skips (5,5KI)	712972369	Green and Sustainable Valley	200	200	200
Waste Management: Solid Waste Management	Street Refuse Bins	712979098	Green and Sustainable Valley	500	500	–
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and	712973451	Green and Sustainable Valley	1 000	3 000	3 000
Waste Management: Solid Waste Management	Upgrade Refuse disposal site (Existing Cell)	712972579	Green and Sustainable Valley	929	–	–
Waste Management: Solid Waste Management	Vehicles	712972375	Good Governance and Compliance	–	2 000	3 000
Waste Management: Solid Waste Management	Waste Biofuels	712972376	Green and Sustainable Valley	–	300	–
Waste Management: Solid Waste Management	Waste Management Software	712972383	Green and Sustainable Valley	–	200	–
Waste Management: Solid Waste Management	Waste Minimization Projects	712972367	Green and Sustainable Valley	500	500	–
Waste Management: Solid Waste Management	Waste to Energy - Implementation	712973452	Green and Sustainable Valley	500	3 000	1 000
Waste Management: Solid Waste Management	Waste to Energy - Planning	712973453	Green and Sustainable Valley	200	300	–
Water and Wastewater Services: Water	Bulk water supply Klapmuts	712973356	Valley of Possibility	15 000	5 000	–
Water and Wastewater Services: Water	Bulk water Supply Pipe : Cloeteville/ Idas V	712972596	Valley of Possibility	–	1 000	1 000
Water and Wastewater Services: Water	Bulk water supply pipe and Reservoir: Kaya	712972594	Valley of Possibility	–	–	2 000
Water and Wastewater Services: Water	Bulk water Supply Pipe Line & Pumpstations	712972595	Valley of Possibility	–	–	10 000
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Idas Valley/Papega	712972492	Valley of Possibility	–	–	1 000
Water and Wastewater Services: Water	Bulk Water Supply Pipeline & Reservoir - Ja	712972478	Valley of Possibility	10 000	9 000	9 000
Water and Wastewater Services: Water	Chlorination Installation: Upgrade	712972483	Valley of Possibility	–	500	750
Water and Wastewater Services: Water	Dwarsriver Bulk Supply Augmentation and M	712980161	Valley of Possibility	–	–	7 518
Water and Wastewater Services: Water	Furniture, Tools and Equipment : Reticulatio	712972490	Good Governance and Compliance	100	150	150
Water and Wastewater Services: Water	New Developments Bulk Water Supply WCC	712972479	Valley of Possibility	–	1 000	3 000
Water and Wastewater Services: Water	New Reservoir & Pipeline: Vlotenburg	712973442	Valley of Possibility	40 000	38 000	26 000
Water and Wastewater Services: Water	Northern Extension: Phase 2 Water Infrastr	712973486	Valley of Possibility	4 000	5 000	–
Water and Wastewater Services: Water	Raithby WWTW	NEW	Valley of Possibility	–	5 000	–
Water and Wastewater Services: Water	Reservoirs and Dam Safety	712972485	Valley of Possibility	–	1 500	2 000
Water and Wastewater Services: Water	Stellenbosch WWTW	NEW	Valley of Possibility	–	–	6 000
Water and Wastewater Services: Water	Update Water Masterplan and IMQS	712972496	Valley of Possibility	1 000	1 000	1 000
Water and Wastewater Services: Water	Upgrade and Replace Water Meters	712972486	Valley of Possibility	2 000	2 500	2 500
Water and Wastewater Services: Water	Upgrading of Koelenhof Water Scheme	712976905	Valley of Possibility	–	500	5 000
Water and Wastewater Services: Water	Water Conservation & Demand Managemen	712972484	Valley of Possibility	3 000	3 000	3 000
Water and Wastewater Services: Water	Water Telemetry Upgrade	712972476	Valley of Possibility	750	1 500	1 500
Water and Wastewater Services: Water	Water Treatment Works: Idasvalley	712972497	Valley of Possibility	–	–	15 000
Water and Wastewater Services: Water	Water Treatment Works: Paradyskloof and A	712972481	Valley of Possibility	–	500	5 000
Water and Wastewater Services: Water	Waterpipe Replacement	712972477	Valley of Possibility	4 000	4 000	4 000
Water and Wastewater Services: Water	WSDP (tri-annually)	712973530	Valley of Possibility	–	400	400
Water and Wastewater Services: Sanitation	Bulk Sewer Outfall: Jamestown	712972494	Dignified Living	6 400	–	–
Water and Wastewater Services: Sanitation	Bulk Sewer Upgrade: Dwarsriver Area (Kyle	712979157	Dignified Living	–	–	6 000
Water and Wastewater Services: Sanitation	Cloeteville Bulk Sewer Upgrade	712979158	Dignified Living	–	–	1 000
Water and Wastewater Services: Sanitation	Effluent Recycling of Waste Water 10MI per	712976911	Dignified Living	–	500	–
Water and Wastewater Services: Sanitation	Franschoek Sewer Network Upgrade	712979159	Dignified Living	–	6 000	6 000
Water and Wastewater Services: Sanitation	Furniture, Tools and Equipment : Sanitation	712973422	Good Governance and Compliance	200	300	300
Water and Wastewater Services: Sanitation	Industrial Effluent Monitoring	712976906	Dignified Living	–	1 500	1 500
Water and Wastewater Services: Sanitation	Kayamandi Bulk Sewer	712979155	Dignified Living	–	–	5 000
Water and Wastewater Services: Sanitation	Klapmuts Bulk Sewer Upgrade	712979156	Dignified Living	–	1 000	4 000
Water and Wastewater Services: Sanitation	Northern Extension: Phase 2 Sanitation Infra	712973464	Dignified Living	–	–	2 000
Water and Wastewater Services: Sanitation	Sewer Pumpstation & Telemetry Upgrade	712972488	Dignified Living	100	1 500	2 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement	712972489	Dignified Living	–	4 000	7 000

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Straat	712973372	Dignified Living	-	-	20 000
Water and Wastewater Services: Sanitation	Update Sewer Masterplan and IMQS	712973289	Dignified Living	-	500	500
Water and Wastewater Services: Sanitation	Upgrade Auto-Samplers	712972387	Dignified Living	-	200	200
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	712972585	Dignified Living	30 000	30 000	30 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Klapmuts	712972389	Dignified Living	-	10 000	6 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Pniel & Decommissioni	712972388	Dignified Living	48 000	-	-
Roads and Stormwater	Adhoc Reconstruction Of Roads (WC024)	712972391	Valley of Possibility	2 000	2 000	-
Roads and Stormwater	Bridge Construction	NEW	Valley of Possibility	30 000	30 000	-
Roads and Stormwater	Furniture, Tools and Equipment : Tr&Stw	712972411	Good Governance and Compliance	250	500	300
Roads and Stormwater	Reseal Roads - Jamestown & Technopark	712980462	Valley of Possibility	-	1 100	-
Roads and Stormwater	Reseal Roads - Klappmuts, Raithby, Meerlus	712980460	Valley of Possibility	-	1 000	-
Roads and Stormwater	Reseal Roads - Kylemore & Surrounding	712973393	Valley of Possibility	-	1 000	-
Roads and Stormwater	Reseal Roads - Stellenbosch & Surrroundin	712972394	Valley of Possibility	2 500	2 500	-
Roads and Stormwater	Reseal Roads - Franschoek & Surrroundin	712972586	Valley of Possibility	2 000	1 000	2 000
Roads and Stormwater	Technopark Access Road	712980427	Valley of Possibility	1 000	1 000	-
Traffic Engineering	Furniture tool and equipment	NEW	Good Governance and Compliance	100	100	100
Traffic Engineering	Main road intersection improvements: Helsh	712973391	Valley of Possibility	-	3 000	-
Traffic Engineering	Main road intersection improvements: R44 /	712973389	Valley of Possibility	100	100	-
Traffic Engineering	Main Road Intersection Improvements: R44	712972453	Valley of Possibility	500	3 000	-
Traffic Engineering	Main Road Intersection Improvements: Stra	712972452	Valley of Possibility	1 000	3 000	-
Traffic Engineering	Pedestrian Crossing Implementation	712973398	Safe Valley	300	300	300
Traffic Engineering	Road Transport Safety Master Plan - WC02	712972448	Safe Valley	500	-	-
Traffic Engineering	Signalisation implementation	712973397	Good Governance and Compliance	500	500	500
Traffic Engineering	Traffic Calming Projects: Implementation	712972433	Safe Valley	500	300	300
Traffic Engineering	Traffic Management Improvement Program	712972460	Safe Valley	1 000	1 000	1 000
Traffic Engineering	Traffic Signal Control: Installation and Upgra	712972393	Safe Valley	500	500	500
Traffic Engineering	Universal Access Implementation	712973403	Valley of Possibility	300	200	200
Transport Planning	Adam Tas Road	712975689	Valley of Possibility	-	750	-
Transport Planning	Bicycle Lockup Facilities	712972422	Safe Valley	200	200	-
Transport Planning	Comprehensive Integrated Transport Plan	712972412	Green and Sustainable Valley	600	1 000	600
Transport Planning	Cycle Plan - Design & Implementation	712973534	Valley of Possibility	500	500	-
Transport Planning	Freight Strategy for Stellenbosch & Fransch	712979136	Valley of Possibility	-	200	-
Transport Planning	Jamestown Transport Network	712980353	Green and Sustainable Valley	3 000	-	-
Transport Planning	Non-Motorised Transport Implementation	712977014	Good Governance and Compliance	1 000	1 000	1 000
Transport Planning	Pedestrian and Cycle paths Design and Ph	712973411	Valley of Possibility	500	-	-
Transport Planning	Public Transport Facilities	712979137	Valley of Possibility	-	2 000	-
Transport Planning	Public Transport Infrastructure (Public Tran	712972417	Valley of Possibility	400	500	-
Transport Planning	Public Transport Service (Inclusive of Disab	NEW	Valley of Possibility	500	-	-
Transport Planning	Re-design of Bergzicht Public Transport Fac	712980230	Valley of Possibility	1 500	2 500	-
Transport Planning	Stellenbosch NMT: Jamestown - new sidew	712973405	Good Governance and Compliance	1 000	-	-
Transport Planning	Taxi Rank - Franschoek	712972415	Valley of Possibility	100	-	-
Transport Planning	Taxi Rank: Klappmuts	712980354	Valley of Possibility	250	250	-
Transport Planning	Tour Bus Parking	712972438	Valley of Possibility	-	400	-
Transport Planning	Update Roads Master Plan for WC024	712973412	Valley of Possibility	-	1 000	-
Information and Communications Technolog	Public WI-FI Network	712973438	Valley of Possibility	600	700	700
Information and Communications Technolog	Purchase and Replacement of Computer/sc	712975599	Good Governance and Compliance	1 800	600	800
Information and Communications Technolog	Upgrade and Expansion of IT Infrastructure	712972509	Good Governance and Compliance	3 500	3 500	3 500
Properties and Municipal Building Maintena	Airconditioners	712972196	Dignified Living	300	300	300
Properties and Municipal Building Maintena	Furniture Tools and Equipment: Property M	712973285	Good Governance and Compliance	250	500	250
Properties and Municipal Building Maintena	Kaymandi: Upgrading of Makapula Hall	712980152	Dignified Living	2 000	-	-
Properties and Municipal Building Maintena	Purchasing of land	712975621	Dignified Living	2 700	500	-
Properties and Municipal Building Maintena	Structural Improvement: General	712972195	Valley of Possibility	1 000	1 000	2 000
Properties and Municipal Building Maintena	Structural improvements at the Van der Stel	712976939	Valley of Possibility	2 600	1 000	-
Properties and Municipal Building Maintena	Structural Upgrade: Heritage Building	712972357	Valley of Possibility	1 807	3 000	2 000
Properties and Municipal Building Maintena	Structural Upgrade: Jamestown Ward Offic	712980576	Valley of Possibility	1 000	1 000	-
Properties and Municipal Building Maintena	Structural Upgrade: Kayamandi Corridor	712980406	Valley of Possibility	1 000	500	-
Properties and Municipal Building Maintena	Upgrading Fencing	712972363	Safe Valley	200	200	1 000
Properties and Municipal Building Maintena	Upgrading of New Office Space: Ryneveld	712980409	Valley of Possibility	9 000	5 000	-

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Properties and Municipal Building Maintenance	Upgrading of Traffic Offices: Stellenbosch	712977017	Valley of Possibility	-	-	5 000
Community and Protection Services: General	Enlarge Office Space (Jan Marais Reserve)	712975733	Valley of Possibility	250	-	-
Community Development	Furniture Tools and Equipment	712972188	Good Governance and Compliance	85	50	55
Community Services: Library Services	Pniel: Furniture, Tools and Equipment	712972262	Good Governance and Compliance	-	-	20
Community Services: Library Services	Upgrading: Cloetesville Library	712972259	Valley of Possibility	200	-	180
Community Services: Library Services	Libraries: Small Capital	712972256	Valley of Possibility	100	-	-
Community Services: Library Services	Library Books	712972250	Valley of Possibility	170	180	-
Disaster Management	Specialized Vehicles: Incident command vehicles	712980200	Good Governance and Compliance	-	-	1 500
Disaster Management	Vehicle Fleet	712972324	Good Governance and Compliance	600	-	-
Environmental Management: Nature Conservation	Hiking Trails in Nature Areas	712973508	Green and Sustainable Valley	-	1 000	-
Environmental Management: Nature Conservation	Jan Marais Nature Reserve: Upgrading and	712975733	Green and Sustainable Valley	500	2 000	-
Environmental Management: Nature Conservation	Mont Rochelle Nature Reserve: Upgrade of	712975734	Green and Sustainable Valley	1 504	-	1 000
Environmental Management: Nature Conservation	Papegaaiberg Nature Reserve	712973490	Green and Sustainable Valley	870	-	-
Environmental Management: Nature Conservation	Upgrade office space: Simonsberg Road	712980391	Valley of Possibility	800	-	-
Environmental Management: Nature Conservation	Furniture, Tools and Equipment	712978091	Good Governance and Compliance	100	100	-
Environmental Management: Nature Conservation	Workshop: Furniture, Tools and Equipment	712979091	Good Governance and Compliance	100	-	-
Environmental Management: Nature Conservation	Workshop: Community Services Tractors	712979096	Good Governance and Compliance	-	800	800
Environmental Management: Nature Conservation	Workshop: Specialized equipment	712980385	Good Governance and Compliance	1 000	1 500	-
Environmental Management: Urban Greening	Design and implement electronic Urban For	712980392	Green and Sustainable Valley	-	250	250
Environmental Management: Urban Greening	Irrigation Systems	712973239	Green and Sustainable Valley	-	100	-
Environmental Management: Urban Greening	Storage Containers: Fertilisers & Pesticides	712975725	Green and Sustainable Valley	-	30	-
Environmental Management: Urban Greening	Urban Forestry: Furniture, Tools and Equipm	712980276	Good Governance and Compliance	-	500	-
Environmental Management: Urban Greening	Urban Forestry Specialized equipment	712980393	Good Governance and Compliance	-	1 200	-
Environmental Management: Urban Greening	Urban Forestry: Vehicle Fleet	712980390	Good Governance and Compliance	1 500	-	-
Fire and Rescue Services	Furniture Tools and Equipment	712973297	Good Governance and Compliance	200	200	200
Fire and Rescue Services	Upgrading of Stellenbosch Fire Station	712973306	Safe Valley	4 445	-	-
Fire and Rescue Services	Rapid Response Vehicle	712973298	Safe Valley	-	-	2 500
Fire and Rescue Services	Rescue equipment	712973300	Safe Valley	300	300	300
Law Enforcement and Security	Furniture Tools and Equipment	712972338	Good Governance and Compliance	150	150	150
Law Enforcement and Security	Install and Upgrade CCTV/ LPR Cameras In	712972316	Safe Valley	1 000	1 000	1 000
Law Enforcement and Security	Install Computerized Access Security System	712972335	Safe Valley	500	500	500
Law Enforcement and Security	Law Enforcement Tools and Equipment	712972336	Safe Valley	750	300	-
Law Enforcement and Security	Vehicle Fleet	712972344	Good Governance and Compliance	2 750	-	-
Law Enforcement and Security	Neighbourhood Watch Safety equipment	712980423	Safe Valley	300	500	250
Parks and Cemeteries	Artificial grass on parks and gardens	712980262	Green and Sustainable Valley	-	-	300
Parks and Cemeteries	Extension of Cemetery Infrastructure	712972247	Dignified Living	1 000	7 000	9 000
Parks and Cemeteries	Facilities upgrade- Nursery	712980380	Green and Sustainable Valley	-	50	-
Parks and Cemeteries	Fencing on Various Parks and Gardens	712980253	Safe Valley	-	-	200
Parks and Cemeteries	Pathways on Parks & gardens	712980256	Green and Sustainable Valley	100	200	-
Parks and Cemeteries	Upgrading of Parks	712975618	Green and Sustainable Valley	1 000	1 000	-
Parks and Cemeteries	Integrated and Spray Parks	712978093	Green and Sustainable Valley	2 000	2 000	2 000
Parks and Cemeteries	Urban Greening: Beautification: Main Route	712972217	Green and Sustainable Valley	200	-	-
Recreation, Sports Grounds & Halls	Upgrading of swimming pool	712973304	Valley of Possibility	50	-	-
Recreation, Sports Grounds & Halls	Furniture, Tools & Equipment	712979123	Good Governance and Compliance	150	150	-
Recreation, Sports Grounds & Halls	Recreational Equipment Sport	712972241	Valley of Possibility	50	50	-
Recreation, Sports Grounds & Halls	Re-Surface of Netball/Tennis Courts	712972223	Valley of Possibility	-	550	-
Recreation, Sports Grounds & Halls	Sight Screens/Pitch Covers Sports Grounds	712972224	Valley of Possibility	100	100	-
Recreation, Sports Grounds & Halls	Cricket/Tennis Nets	712980600	Valley of Possibility	150	150	-
Recreation, Sports Grounds & Halls	Sport: Community Services Special Equipm	712972205	Valley of Possibility	200	300	-
Recreation, Sports Grounds & Halls	Upgrade of Irrigation System	712972225	Green and Sustainable Valley	50	200	-
Recreation, Sports Grounds & Halls	Upgrade of Sport Facilities	712972227	Valley of Possibility	600	-	-
Traffic Services	Furniture, Tools & Equipment	712972325	Good Governance and Compliance	100	100	100

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Traffic Services	Mobile Radios	712972330	Safe Valley	100	-	-
Traffic Services	Towing Vehicles	712980426	Safe Valley	-	-	1 750
Financial Services: General	Furniture, Tools & Equipment	712972505	Good Governance and Compliance	200	200	210
Parent Capital expenditure				406 054	384 460	381 495
Entities: <i>List all capital projects grouped by Entity</i>						
Entity A Water project A						
Entity B Electricity project B						
Entity Capital expenditure				-	-	-
Total Capital expenditure				-	-	-

References

Must reconcile with Budgeted Capital Expenditure

Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by Function Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

Distinguish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13

406 054 384 460 381 495

Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)

WC024 Stellenbosch - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand				Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Own Strategic Objectives	Original Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Parent municipality:								
<i>List all capital projects grouped by Function</i>								
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	712972369	Green and Sustainable Valley	2 000	1 051	2 000	10 000	10 000
Waste Management: Solid Waste Management	Upgrade Refuse disposal site (Existing Cell)- Reh	712973453	Green and Sustainable Valley	929	-	929	-	-
Electrical Services	Kwarentyn Sub cables: 11kV 3 core 185mmsq co	712975668	Valley of Possibility	5 500	2 500	5 700	-	-
Infrastructure Plan, Dev and Implement	Basic Improvements: Langrug	712972572	Dignified Living	1 610	1 430	2 490	-	-
Infrastructure Plan, Dev and Implement	Smartie Town	712980356	Dignified Living	3 000	2 353	-	-	-
Infrastructure Plan, Dev and Implement	Upgrading of The Steps/ Orlean Lounge	712977010	Dignified Living	8 000	5 000	8 000	3 000	-
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Straat	712972388	Dignified Living	1 200	-	-	-	20 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	712973385	Dignified Living	15 000	3 000	30 000	30 000	30 000
Water and Wastewater Services: Sanitation	Access to Basic Services	712972585	Dignified Living	1 465	-	1 746	600	2 000
Water and Wastewater Services: Sanitation	Franschhoek Sewer Network Upgrade	712972399	Dignified Living	5 000	-	-	6 000	6 000
Water and Wastewater Services: Sanitation	Industrial Effluent Monitoring	712973393	Dignified Living	750	-	-	1 500	1 500
Water and Wastewater Services: Sanitation	New Development Bulk Sewer Supply WC024	712976986	Valley of Possibility	1 000	-	-	-	-
Water and Wastewater Services: Sanitation	Sewer Pumpstation & Telemetry Upgrade	712972394	Dignified Living	1 000	-	100	1 500	2 000
Water and Wastewater Services: Water	Bulk water supply pipe and Reservoir: Kayamand	712972594	Valley of Possibility	19 500	4 500	-	-	2 000
Properties and Municipal Building Maintenance	Kaymandi: Upgrading of Makapula Hall	712980152	Dignified Living	1 000	100	2 000	-	-
Properties and Municipal Building Maintenance	Structural Upgrade: Heritage Building	712972357	Valley of Possibility	1 000	263	1 807	3 000	2 000
Properties and Municipal Building Maintenance	Structural improvements at the Van der Stel Spor	712976939	Valley of Possibility	800	100	2 600	1 000	-
Entities:								
<i>List all capital projects grouped by Entity</i>								
<i>Entity Name</i>								
<i>Project name</i>								

References

List all projects with planned completion dates in current year that have been re-budgeted in the MTREF

Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

WC024 Stellenbosch - Supporting Table SA38 Consolidated detailed operational projects

Municipal Vote/Operational project R thousand	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2021/22 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2019/20	Current Year 2020/21 Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24	Ward location
Parent municipality: <i>List all operational projects grouped by Municipal Vote</i>															
					No										
Parent operational expenditure															
	1											-	-	-	
Entities: <i>List all operational projects grouped by Entity</i>															
Entity A Water project A															
Entity B Electricity project B															
Entity Operational expenditure															
										-	-	-	-	-	
Total Operational expenditure															
										-	-	-	-	-	

References

1. Must reconcile with Budgeted Operating Expenditure
2. As per Table SA5

Q: QUALITY CERTIFICATE

I, Geraldine Mettler, Municipal Manager of the Stellenbosch Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

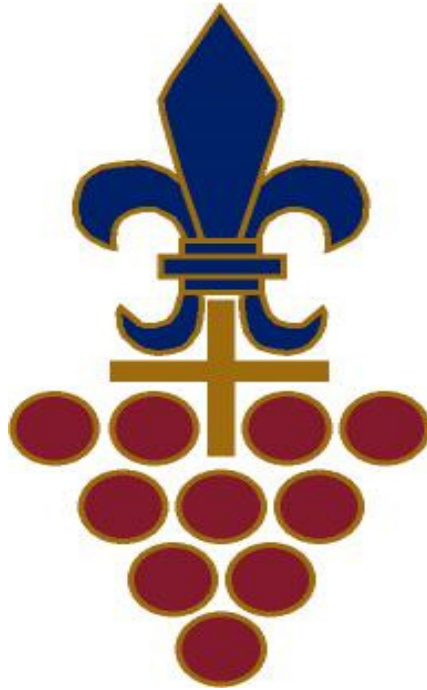
Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality

Signature _____

Date _____

STELLENBOSCH MUNICIPALITY



**MONTHLY HOUSEHOLD AND BUSINESS
ACCOUNTS SCENARIOS**

2021/2022

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS BY MEANS OF RANDOM SAMPLE

Account numbers use as basis

SMALL HOUSEHOLD (NON-INDIGENT)

Stand - sq.m	416
Buildings - sq.m	57
Elec. - Kwh/pm (Dom2)	237
Electricity-Basic	Dom 2** Pre-paid
Water - Kl./pm - 10% RS	12
Water-Basic	Domestic
Valuation	180000/New - 216 000
Free Water	0
Free Elec.	0

Erf 36

Monthly Account	
Property Rates	
Electricity - Units	
Electricity - Basic	
Water	
Water Basic	
Sewerage	
Refuse Removal	
A/c Excluding VAT	
% Increase	
Effect on Municipal account	

EXCL VAT	
2020/2021	2021/2022
-	-
319.61	366.23
-	-
91.38	96.36
69.84	73.69
162.59	172.34
205.11	229.71
848.53	938.33
10.58%	89.88%

SMALL HOUSEHOLD (NON-INDIGENT)

Stand - sq.m	416
Buildings - sq.m	57
Elec. - Kwh/pm (Dom 4)	237
Electricity-Basic	Dom 4** Credit meter
Water - Kl./pm - 10% RS	18
Water-Basic	Domestic
Valuation	180000/New - 216 000
Free Water	0
Free Elec.	0

Erf 36

Monthly Account	
Property Rates	
Electricity - Units	
Electricity - Basic	
Water	
Water Basic	
Sewerage	
Refuse Removal	
A/c Excluding VAT	
% Increase	
Effect on Municipal account	

EXCL VAT	
2020/2021	2021/2022
-	-
318.34	364.78
185.77	212.87
184.44	194.52
69.84	73.69
162.59	172.34
205.11	229.71
1 126.09	1 247.91
10.82%	121.82%

MEDIUM HOUSEHOLD

Stand - sq.m	626
Buildings - sq.m (Dom 2)	189
Elec. - Kwh/pm	598
Electricity-Basic	Dom 2 - No Basic Fee
Water - Kl./pm - 10% RS	25
Water-Basic	Domestic
Valuation	864000/New-1 105 000
Free Water	0
Free Elec.	0

Erf 7018 Monthly Account

	2020/2021	2021/2022
EXCL VAT		
Property Rates	299.35	319.27
Electricity - Units	1 001.77	1 147.91
Water	353.36	372.69
Water Basic	69.84	73.69
Sewerage	203.32	215.52
Refuse Removal	205.11	229.71
A/c Excluding VAT	2 132.75	2 358.79
% Increase		10.60%
Effect on Municipal account		226.04

LARGE HOUSEHOLD

Stand - sq.m	1255
Buildings - sq.m	293
Elec. - Kwh/pm	791
Electricity-Basic	Dom 4** Credit meter
Water - Kl./pm - 10% RS	70
Water-Basic	Domestic
Valuation	5635000/New-7 990 000
Free Water	0
Free Elec.	0

Erf 1480 Monthly Account

	2020/2021	2021/2022
EXCL VAT		
Property Rates	2 533.68	2 977.99
Electricity - Basic	185.77	212.87
Electricity - Units	1 450.26	1 661.82
Electricity Demand Levy	-	-
Water	2 765.51	2 917.44
Water Basic	69.84	73.69
Sewerage	289.67	307.05
Refuse Removal	205.11	229.71
A/c Excluding VAT	7 499.84	8 380.57
% Increase		11.74%
Effect on Municipal account		880.73

LARGE HOUSEHOLD

Stand - sq.m	520
Buildings - sq.m	207
Elec. - Kwh/pm	791
Electricity-Basic	Dom 4** Credit meter
Water - Kl./pm - 10% RS	70
Water-Basic	Domestic
Valuation	2717000/New-5575000
Free Water	0
Free Elec.	0

150540005

Eff 2401

Monthly Account

	2020/2021	2021/2022
Property Rates	1 134.74	2 076.20
Electricity - Basic	185.77	212.87
Electricity - Units	492.54	564.39
Electricity Demand Levy	-	-
Water	545.01	574.84
Water Basic	69.84	73.69
Sewerage	183.16	194.15
Refuse Removal	205.11	229.71
A/c Excluding VAT	2 816.17	3 925.85
% Increase		39.40%
Effect on Municipal account		1 109.68

EXCL VAT

SMALL BUSINESS

Stand - sq.m	500
Buildings - sq.m	411
Elec. - Kwh/pm	783
Electricity-Basic	Regular PP Com 3
Water - Kl./pm - 10% RS	9
Water-Basic	Other
Valuation	1877000/New-2605000
Free Water	0
Free Elec.	0

Eff 8721

Monthly Account

Property Rates
Electricity - Basic
Electricity - Units
Electricity Demand Levy
Water
Water Basic
Sewerage -500+ADD17-3
Refuse Removal

A/c Excluding VAT

% Increase

Effect on Municipal account

EXCL VAT

	2020/2021	2021/2022
Property Rates	1 861.51	2 042.75
Electricity - Basic	318.77	365.28
Electricity - Units	1 774.04	2 032.90
Electricity Demand Levy	-	-
Water	198.63	209.52
Water Basic	80.00	84.40
Sewerage -500+ADD17-3	735.40	779.52
Refuse Removal	727.78	815.04
A/c Excluding VAT	5 696.13	6 329.41

11.12%

633.28

191

INDUSTRIAL

IND 2	341000004/107
Stand - sq.m	252 740
Buildings - sq.m	76 054
Elec. - Kwh/pm	664319
Electricity-Basic	IND 2 /2581/2581
Water - Kl./pm 10% RS	12453
Water-Basic	Other
Valuation	180821000/New-224654000
Free Water	0
Free Elec.	0

Eff 6284

Monthly Account

Property Rates
Electricity - Basic
Electricity - Units
Electricity Demand Levy
Water
Water Basic
Sewerage
Refuse Removal

A/c Excluding VAT

% Increase

Effect on Municipal account

EXCL VAT

	2020/2021	2021/2022
Property Rates	179 329.23	176 166.18
Electricity - Basic	3 691.84	4 230.48
Electricity - Units	680 528.38	779 844.07
Electricity Demand Levy	796 754.70	913 002.94
Water	274 837.71	289 905.84
Water Basic	80.00	84.40
Sewerage	37 677.32	39 941.38
Refuse Removal	3 638.90	4 075.20
A/c Excluding VAT	1 976 538.08	2 207 250.49

11.67%

230 712.41

Time of Use (Medium Voltage)TOU2

Stand - sq.m	252 740
Buildings - sq.m	76 054
Peak	187842
Standard	502191
Off-Peak	438833
Demand	3001
Access	3500
Electricity-Basic	
Water - Kl./pm 10% RS	12453
Water-Basic	Other
Valuation	180821000/New-224654000
Free Water	0
Free Elec.	0

341000004/107

Erf 6284

Monthly Account

	2020/2021	2021/2022
Property Rates	179 329.23	176 166.18
Electricity Units	296 677.65	339 956.45
Electricity Units	518 813.52	594 493.71
Electricity Units	339 788.39	389 376.52
Electricity Demand Max	151 850.60	173 997.98
Electricity Demand Access	168 455.00	193 025.00
Electricity - Basic	6 951.96	7 966.25
Water	274 837.71	289 905.84
Water Basic	80.00	84.40
Sewerage-20+A2,A17,A20	37 677.32	39 941.38
Refuse Removal	3 638.90	4 075.20
A/c Excluding VAT	1 978 100.28	2 208 988.91

EXCL VAT

% Increase

2.55%

11.67%

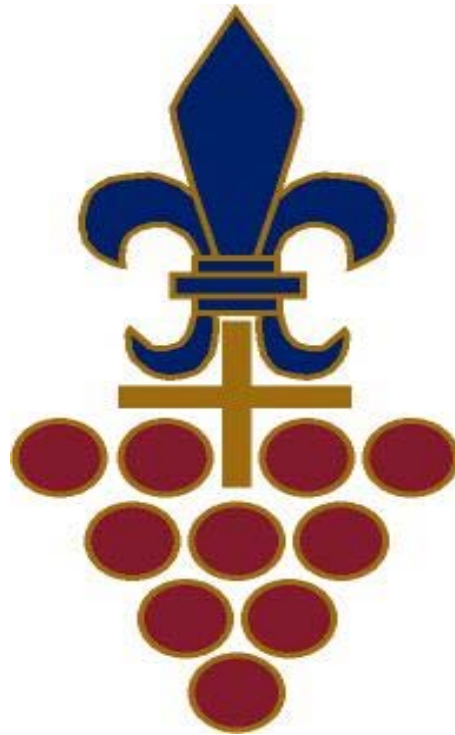
Effect on Municipal account

49 272.25

230 888.63

A2=14241
A17=89
A20=6

STELLENBOSCH MUNICIPALITY



TARIFFS

2021/2022

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STELLENBOSCH MUNICIPALITY

PROPERTY TAX RATES FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022

For the applicable provisions refer to the approved Rates Policy and Special Rating Areas Policy of the Municipality

PROPERTY RATES:

Property rates are levied in terms of Section 14(1) of the Local Government : Municipal Property Rates Act 6 of 2004 (the MPRA)

Category of Property	Tariff
Residential	R 0.004481
Industrial	R 0.009858
Business and Commercial	R 0.009410
Agricultural	R 0.001120
Mining	R 0.010306
Public Service Purposes	R 0.009410
Public Service Infrastructure	R 0.001120
Public Benefit Organisation	R 0.001120
Heritage	R 0.003585
Vacant Residential	R 0.008962
Vacant Other (not Residential nor Agricultural)	R 0.017924
Multiple Use Purpose (Each Component is categorised and rated as per above)	Multi Tariff

SPECIAL RATING AREAS (SRA):

Additional rates, for each SRA as approved by Council, are levied in terms of Section 22(1) of the MPRA

Special Rating Area	Tariff (Incl VAT)
Jonkershoek	R 0.0008192
Technopark	R 0.0014435

Relief measures for Special Rating Areas may be granted according to the approved Special Rating Area Policy.

RELIEF MEASURES:

Relief Measures are generally described in paragraph 8 of approved Rates Policy, and will be granted according to the approved Rates Policy. This includes the specific undermentioned relief measures:

1. Gross Monthly Household Income (Qualifying Senior Citizens & Disabled Persons)

A rebate as per the table below may be granted as per paragraph 8.3 of the approved Rates Policy

Gross Monthly Household Income (Income bands)				% Rebate
Up to			R 8 000	100%
From	R 8 001	To	R 10 000	75%
From	R 10 001	To	R 12 000	50%
From	R 12 001	To	R 15 000	25%

2. Municipal Valuation Threshold

On qualifying residential properties, up to a maximum valuation of R 250 000, which amount includes the R15 000 as per Section 17(1)(h) of the MPRA and the R 235 000 Reduction granted as per paragraph 8.2.1(ii) of the approved Rates Policy.

3. Stellenbosch Special Rebates

A rebate of 20% may be granted as per paragraph 8.6 of the approved Rates Policy.

STELLENBOSCH MUNICIPALITY

ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022

Applicable to services rendered from 1 July 2021

	Approved 2020/2021	Application 2021/2022
1. Domestic		
Domestic: Life Line PP - 0 to 60amp single phase only (For qualifying indigent customers and receiving the first 100 units free per month) (DOM1)		
Fixed Charge per month	-	-
Domestic PP Lifeline DOM1 (c/kWh) (<= 50 kWh)	109.82	125.84
Domestic PP Lifeline DOM1 (c/kWh) (51 – 300 kWh)	137.42	157.47
Domestic PP Lifeline DOM1 (c/kWh) (300 – 600 kWh)	204.82	234.70
Domestic PP Lifeline DOM1 (c/kWh) (> 600 kWh)	235.86	270.27
Domestic PP Lifeline DOM1 BSST	-	-
Domestic: Regular PP meters- (0 to 60amp single and three phase AND Less than 600kWh per month average consumption during the previous financial year and for generation for own use) (DOM2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh) (<= 50kWh)	110.00	126.05
Energy Rate (c/kWh) (51 - 300kWh)	141.50	162.14
Energy Rate (c/kWh) (301 - 600kWh)	199.00	228.03
Energy Rate (c/kWh) (> 600kWh)	234.00	268.14
Domestic: Regular PP meters- (0 to 60 Amp single and three phase using more than 600 kWh per month average consumption during the previous financial year and for generation for own use) (DOM3)		
Fixed Charge per month	150.60	172.57
Energy Rate (c/kWh) (<= 50kWh)	109.82	125.84
Energy Rate (c/kWh) (51 - 300kWh)	140.87	161.42
Energy Rate (c/kWh) (301 - 600kWh)	198.73	227.72
Energy Rate (c/kWh) (> 600kWh)	234.02	268.16
Domestic: Regular (Using Credit Meters 60 Ampere single and three phase maximum and for generation for own use) (DOM4)		
Fixed Charge per month	185.77	212.87
Energy Rate (c/kWh) (<= 50kWh)	109.82	125.84
Energy Rate (c/kWh) (51 - 300kWh)	140.87	161.42
Energy Rate (c/kWh) (301 - 600kWh)	198.73	227.72
Energy Rate (c/kWh) (> 600kWh)	234.02	268.16
Domestic: Renewable Energy (DOM5) Generation for own use and export		
Reading cost R/pm	84.07	96.34
Basic Charge	185.77	212.87
Import		
Energy Rate (c/kWh) (<= 50kWh)	109.82	125.84
Energy Rate (c/kWh) (51 - 300kWh)	140.87	161.42
Energy Rate (c/kWh) (301 - 600kWh)	198.73	227.72
Energy Rate (c/kWh) (> 600kWh)	234.02	268.16
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37

	Approved 2020/2021	Application 2021/2022
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
2. Commercial		
Commercial: Life Line (<20Ampere maximum, Single & three phase Pre Paid Only for micro entrepreneurial businesses) (COM1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	237.81	272.51
Commercial: Low (40Ampere maximum, Pre Paid single & three phase only and for generation for own use) (COM2)		
Fixed Charge per month	186.16	213.32
Energy Rate (c/kWh)	190.96	218.82
Commercial: Regular PP only (80Ampere, single and three phase and for generation for own use) (COM3)		
Fixed Charge per month	318.77	365.28
Energy Rate (c/kWh)	226.57	259.63
Commercial: Credit meters (80Ampere, single and three phase and for generation for own use) (COM4)		
Fixed Charge per month	345.81	396.26
Energy Rate (c/kWh)	211.14	241.95
Commercial: Renewable Energy (COM 5) Generation for own use and export		
Reading cost R/pm	84.07	96.34
Basic Charge	345.81	396.26
Import		
Energy Rate (c/kWh)	211.14	241.95
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
3. Agricultural		
Agricultural: Regular (Prepaid and Credit meters maximum 80Amp 3 phase and for generation for own use) (AGR1)		
Fixed Charge per month	377.73	432.84
Energy Rate (c/kWh)	229.87	263.41
AGRICULTURAL: Renewable Energy (AGRI 1.1) Generation for own use and export		
Tariff similar as AGRI 1		
Reading cost R/pm	84.07	96.34
Fixed Charge per month R/pm	377.73	432.84
Import		
Energy Rate (c/kWh)	229.87	263.41
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37

	Approved 2020/2021	Application 2021/2022
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
4. Industrial		
Industrial: Low Voltage > 80 Amp and for generation for own use (IND1)		
Fixed Charge per month	1 947.12	2 231.20
Energy Rate (c/kWh)	103.84	118.99
Notified Demand (R/kVA)	47.52	54.45
Maximum Demand Charge (R/kVA)	263.88	302.38
Industrial (IND 1.1): Low Voltage>80 Amp: Renewable Energy- Generation for own use and export		
Fixed Charge per month	1 947.12	2 231.20
Reading cost R/pm	84.07	96.34
Import		
Energy Rate (c/kWh)	103.84	118.99
Notified Demand (R/kVA)	47.52	54.45
Maximum Demand Charge (R/kVA)	263.88	302.38
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
Industrial: Medium Voltage and for generation for own use (IND2)		
Fixed Charge per month	3 691.84	4 230.48
Energy Rate (c/kWh)	102.44	117.39
Notified Demand (R/kVA)	46.77	53.59
Maximum Demand Charge (R/kVA)	261.93	300.15
Industrial Medium Voltage (IND 2.1): Renewable Energy - Generation for own use and export		
Tariff similar as IND2		
Fixed Charge per month	3 691.84	4 230.48
Reading cost R/pm	84.07	96.34
Import		
Energy Rate (c/kWh)	102.44	117.39
Notified Demand (R/kVA)	46.77	53.59
Maximum Demand Charge (R/kVA)	261.93	300.15
Reactive Energy Rate (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.		

	Approved 2020/2021	Application 2021/2022
5. Municipal		
Municipal: Street and Traffic lights (MUN1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	237.17	271.77
Municipal: Low Voltage <80 Amp (MUN2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	215.58	247.03
Municipal: Low Voltage >80 Amp (MUN3)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	98.81	113.23
Maximum Demand Charge (R/kVA)	292.52	335.20
Municipal: Medium Voltage (MUN4)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	-	-
Maximum Demand Charge (R/kVA)	-	-
6. Non Profit Organisations		
Non Profit Organisations : Single Phase 20 Amp Prepaid (NPO1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	237.81	272.51
Non Profit Organisations : Low Voltage Max 60 Amp Prepaid SARS Approved (NPO2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	228.15	261.44
7. Sport		
Sport: Low All Consumers (<80A) and Prepaid (SPO1)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	202.13	231.62
Sport: High Consumers (>80A) Maximum Demand (SPO2)		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	92.50	106.00
Notified Demand	-	-
Maximum Demand Charge (R/kVA)	291.54	334.08
8. Time-of-Use		
Time of Use (Low Voltage>80Amp and for generation for own use) TOU1		
Fixed Charge per month	3 720.79	4 263.65
SUMMER: Demand Charge (R/kVA)	50.44	57.80
Access Charge (R/kVA)	50.44	57.80
Peak Energy (c/kWh)	165.02	189.10
Standard Energy (c/kWh)	108.74	124.61
Off-peak Energy (c/kWh)	81.55	93.45
Reactive Energy (c/kVArh)	-	-
WINTER: Demand Charge (R/kVA)	50.44	57.80
Access Charge (R/kVA)	50.44	57.80
Peak Energy (c/kWh)	517.48	592.98
Standard Energy (c/kWh)	155.31	177.97
Off-peak Energy (c/kWh)	91.25	104.56
Reactive Energy (c/kVArh)	21.58	24.73
Time of Use Low Voltage (TOU 1.1): Renewable Energy - Generation for own use and export		
Reading Cost R/pm	84.07	96.34
Fixed Charge per month	3 720.79	4 263.65

	Approved 2020/2021	Application 2021/2022
Import		
SUMMER: Demand Charge (R/kVA)	50.44	57.80
Access Charge (R/kVA)	50.44	57.80
Peak Energy (c/kWh)	165.02	189.10
Standard Energy (c/kWh)	108.74	124.61
Off-peak Energy (c/kWh)	81.55	93.45
Reactive Energy (c/kVArh)	21.58	24.73
WINTER: Demand Charge (R/kVA)	50.44	57.80
Access Charge (R/kVA)	50.44	57.80
Peak Energy (c/kWh)	517.48	592.98
Standard Energy (c/kWh)	155.31	177.97
Off-peak Energy (c/kWh)	91.25	104.56
Reactive Energy (c/kVArh)	21.58	24.73
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
Time of Use (Medium Voltage and for generation for own use) TOU2		
Fixed Charge per month	6 951.96	7 966.25
SUMMER: Demand Charge (R/kVA)	50.61	57.99
Access Charge (R/kVA)	48.13	55.15
Peak Energy (c/kWh)	157.94	180.98
Standard Energy (c/kWh)	103.31	118.38
Off-peak Energy (c/kWh)	77.43	88.73
Reactive Energy (c/kVArh)	-	-
WINTER: Demand Charge (R/kVA)	50.61	57.99
Access Charge (R/kVA)	48.13	55.15
Peak Energy (c/kWh)	521.72	597.84
Standard Energy (c/kWh)	148.20	169.82
Off-peak Energy (c/kWh)	87.11	99.82
Reactive Energy (c/kVArh)	22.38	25.65
Time of Use Medium Voltage (TOU 2.1): Renewable Energy - Generation for own use and export		
Fixed Charge per month	6 951.96	7 966.25
Reading Cost R/pm	84.07	96.34
Import		
SUMMER: Demand Charge (R/kVA)	50.61	57.99
Access Charge (R/kVA)	48.13	55.15
Peak Energy (c/kWh)	157.94	180.98
Standard Energy (c/kWh)	103.31	118.38
Off-peak Energy (c/kWh)	77.43	88.73
Reactive Energy (c/kVArh)	22.38	25.65
WINTER: Demand Charge (R/kVA)	50.61	57.99
Access Charge (R/kVA)	48.13	55.15
Peak Energy (c/kWh)	521.72	597.84
Standard Energy (c/kWh)	148.20	169.82
Off-peak Energy (c/kWh)	87.11	99.82
Reactive Energy (c/kVArh)	22.38	25.65
Export		
Low Season		
Peak c/kWh	104.67	119.94
Standard c/kWh	72.03	82.54
Off Peak c/kWh	45.70	52.37

	Approved 2020/2021	Application 2021/2022
High Season		
Peak c/kWh	320.91	367.73
Standard c/kWh	97.22	111.40
Off Peak c/kWh	52.79	60.49
<p>PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.</p>		
9. Co-generation/small scale embedded generation tariff		
Buyback rates for surplus renewable energy that can be sold back to the municipality. Available on DOM4, COM4, AGR1, IND1, IND2, TOU1 and TOU2 tariffs		
Reading Cost (R/month)	84.07	96.34
Import (low and high season)		
Reactive Energy Rate (c/kVArh) (all except TOU2)	21.58	24.73
Reactive Energy Rate (c/kVArh) (TOU2 only)	22.38	25.65
Export		
Low Season		
Peak (c/kWh)	104.67	119.94
Standard (c/kWh)	72.03	82.54
Off Peak (c/kWh)	45.70	52.37
High Season	-	-
Peak (c/kWh)	320.91	367.73
Standard (c/kWh)	97.22	111.40
Off Peak (c/kWh)	52.79	60.49
10. Pilot Internal Wheeling Tariffs		
Customer received power at low voltage (<400V) in c/kWh	22.65	25.95
Customer received power at medium voltage (>400V) in c/kWh	19.62	22.48
<p>Upon a successful application Stellenbosch Municipality will permit the retail wheeling of electricity through its network by another electricity supplier that is licensed for the trading of electricity in terms of the Electricity Regulation Act to the customers of this electricity supplier.</p>		
11. Generation for Own Use		
<p>Customers that want to connect their own generation system to the municipal electrical grid without being compensated for reverse power flow can remain on their current tariff and continue to use their current meter.</p>		
12. Generation for Own Use and Export		
<p>Customers that want to connect their own generation system to the municipal electrical grid for own use and export and who want to be reimbursed for exported energy will have to do the following:</p> <ol style="list-style-type: none"> 1 The Municipality shall provide and install the requisite meters at the customer's cost. 2 The customer will stay on the existing purchase tariff. 3 For reimbursement the basic charge will be increased to include the automated meter reading cost 4 The reimbursement will only be for the export energy. 5 Customer not allowed to generate more than his total consumption per financial year. 		
13. Availability Fees (Per Annum)		
Availability (R/year)		0.00
14. Time of use periods		
1. Low Demand - Summer September to May Monday to Friday 00:00 - 06:00 Off Peak 06:00 - 07:00 Standard 07:00 - 10:00 Peak 10:00 - 18:00 Standard 18:00 - 20:00 Peak 20:00 - 22:00 Standard 22:00 - 24:00 Off Peak		2. High Demand - Winter June to August Monday to Friday 00:00 - 06:00 Off Peak 06:00 - 09:00 Peak 09:00 - 17:00 Standard 17:00 - 19:00 Peak 19:00 - 22:00 Standard 22:00 - 24:00 Off Peak

	Approved 2020/2021	Application 2021/2022
Saturday 00:00 - 07:00 Off Peak 07:00 - 12:00 Standard 12:00 - 18:00 Off Peak 18:00 - 20:00 Standard 20:00 - 24:00 Off Peak Sunday 00:00 - 24:00 Off Peak		Saturday 00:00 - 07:00 Off Peak 07:00 - 12:00 Standard 12:00 - 18:00 Off Peak 18:00 - 20:00 Standard 20:00 - 24:00 Off Peak Sunday 00:00 - 24:00 Off Peak
All tariffs exclusive of VAT		

STELLENBOSCH MUNICIPALITY

WATER TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

Monthly consumption	2020/2021										2021/2022									
	Normal consumption periods		10% Water restriction periods		20% Water restriction periods		30% Water restriction periods		40% Water restriction periods		Normal consumption periods		10% Water restriction periods		20% Water restriction periods		30% Water restriction periods		40% Water restriction periods	
	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT
DOMESTIC Includes single residential erven as well as single residential erven managed by body corporates.																				
0 kilolitres to 6 kilolitres	R 6.06	per kl.	R 6.06	per kl.	R 6.06	per kl.	R 6.06	per kl.	R 6.45	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.81	per kl.
> 6 kilolitres to 12 kilolitres	R 9.17	per kl.	R 9.91	per kl.	R 10.06	per kl.	R 10.96	per kl.	R 11.85	per kl.	R 9.67	per kl.	R 10.46	per kl.	R 10.62	per kl.	R 11.56	per kl.	R 12.51	per kl.
> 12 kilolitres to 18 kilolitres																				
> 18 kilolitres to 20 kilolitres	R 15.51	per kl.	R 18.70	per kl.	R 20.88	per kl.	R 25.36	per kl.	R 35.20	per kl.	R 16.36	per kl.	R 19.73	per kl.	R 22.03	per kl.	R 26.75	per kl.	R 37.14	per kl.
> 20 kilolitres to 25 kilolitres																				
> 25 kilolitres to 40 kilolitres	R 27.58	per kl.	R 31.96	per kl.	R 34.56	per kl.	R 45.72	per kl.	R 63.86	per kl.	R 29.09	per kl.	R 33.72	per kl.	R 36.46	per kl.	R 48.24	per kl.	R 67.37	per kl.
> 40 kilolitres to 70 kilolitres	R 38.33	per kl.	R 42.57	per kl.	R 44.33	per kl.	R 64.20	per kl.	R 90.05	per kl.	R 40.43	per kl.	R 44.91	per kl.	R 46.77	per kl.	R 67.73	per kl.	R 95.00	per kl.
70 kilolitres and above	R 61.24	per kl.	R 75.48	per kl.	R 85.73	per kl.	R 132.68	per kl.	R 204.13	per kl.	R 64.61	per kl.	R 79.63	per kl.	R 90.45	per kl.	R 139.97	per kl.	R 215.36	per kl.
	R 95.85	per kl.	R 150.09	per kl.	R 198.09	per kl.	R 300.33	per kl.	R 402.57	per kl.	R 101.12	per kl.	R 158.34	per kl.	R 208.98	per kl.	R 316.85	per kl.	R 424.71	per kl.
DOMESTIC CLUSTER Refers to a cluster (block of flats) served by a single water connections																				
0 kilolitres to 6 kilolitres	R 6.06	per kl.	R 6.25	per kl.	R 6.06	per kl.	R 6.06	per kl.	R 6.06	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.	R 6.39	per kl.
> 6 kilolitres to 12 kilolitres	R 9.17	per kl.	R 9.91	per kl.	R 10.06	per kl.	R 10.96	per kl.	R 11.85	per kl.	R 9.67	per kl.	R 10.46	per kl.	R 10.62	per kl.	R 11.56	per kl.	R 12.51	per kl.
> 12 kilolitres to 18 kilolitres	R 15.51	per kl.	R 18.70	per kl.	R 20.88	per kl.	R 25.36	per kl.	R 35.20	per kl.	R 16.36	per kl.	R 19.73	per kl.	R 22.03	per kl.	R 26.75	per kl.	R 37.14	per kl.
> 18 kilolitres to 25 kilolitres	R 27.58	per kl.	R 31.96	per kl.	R 34.56	per kl.	R 45.72	per kl.	R 63.86	per kl.	R 29.09	per kl.	R 33.72	per kl.	R 36.46	per kl.	R 48.24	per kl.	R 67.37	per kl.
Above 25 kilolitres	R 38.33	per kl.	R 42.57	per kl.	R 44.33	per kl.	R 64.20	per kl.	R 90.05	per kl.	R 40.43	per kl.	R 44.91	per kl.	R 46.77	per kl.	R 67.73	per kl.	R 95.00	per kl.
BUSINESS, COMMERCIAL AND INDUSTRIAL (Include University)	R 22.07	per kl.	R 29.41	per kl.	R 35.32	per kl.	R 48.56	per kl.	R 61.81	per kl.	R 23.28	per kl.	R 31.03	per kl.	R 37.26	per kl.	R 51.23	per kl.	R 65.21	per kl.
MUNICIPAL TARIFF FOR MUNICIPAL BUILDINGS AND ALL LEAKAGES																				
0 kilolitres to 20 kilolitres	R 9.69	per kl.	R 11.48	per kl.	R 12.64	per kl.	R 15.59	per kl.	R 18.54	per kl.	R 10.22	per kl.	R 12.11	per kl.	R 13.33	per kl.	R 16.45	per kl.	R 19.56	per kl.
> 21 kilolitres to 50 kilolitres	R 10.17	per kl.	R 11.90	per kl.	R 12.96	per kl.	R 15.75	per kl.	R 18.54	per kl.	R 10.73	per kl.	R 12.55	per kl.	R 13.67	per kl.	R 16.62	per kl.	R 19.56	per kl.
Above 50 kilolitres	R 11.06	per kl.	R 12.66	per kl.	R 13.55	per kl.	R 16.05	per kl.	R 18.54	per kl.	R 11.66	per kl.	R 13.36	per kl.	R 14.30	per kl.	R 16.93	per kl.	R 19.56	per kl.
MISCELLANEOUS AND ALL OTHER USERS (Schools, Sportbodies, Churches and Charity Organisations)	R 20.70	per kl.	R 21.79	per kl.	R 22.87	per kl.	R 25.03	per kl.	R 27.20	per kl.	R 21.84	per kl.	R 22.98	per kl.	R 24.13	per kl.	R 26.41	per kl.	R 28.69	per kl.
BASIC CHARGE Domestic (per erven) Domestic cluster (per flat) All other (per erven)	R 69.84 R 8.49 R 80.00		n/a n/a n/a		n/a n/a n/a		n/a n/a n/a		n/a n/a n/a	R 73.69 R 8.96 R 84.40		n/a n/a n/a		n/a n/a n/a		n/a n/a n/a		n/a n/a n/a		
MASO 0 kilolitres to 24 kilolitres per household 25 kilolitres to 40 kilolitres per household Above 40 kilolitres per household	R 1.37 R 18.88 R 20.51	per kl. per kl. per kl.	R 4.28 R 24.58 R 32.59	per kl. per kl. per kl.	R 7.09 R 29.07 R 43.34	per kl. per kl. per kl.	R 12.82 R 39.26 R 66.17	per kl. per kl. per kl.	R 18.54 R 49.45 R 89.00	per kl. per kl. per kl.	R 1.45 R 19.91 R 21.64	per kl. per kl. per kl.	R 4.51 R 25.94 R 34.39	per kl. per kl. per kl.	R 7.48 R 30.66 R 45.73	per kl. per kl. per kl.	R 13.52 R 41.42 R 69.81	per kl. per kl. per kl.	R 19.56 R 52.17 R 93.90	per kl. per kl. per kl.
TREATED EFFLUENT WATER Infrastructure provided by Council:																				
Irrigation	R 0.11	per kl.		n/a		n/a		n/a		n/a	R 0.11	per kl.		n/a		n/a		n/a		n/a
Commercial / Industrial users / Domestic	R 4.52	per kl.		n/a		n/a		n/a		n/a	R 4.76	per kl.		n/a		n/a		n/a		n/a
Schools	R 5.08	per kl.		n/a		n/a		n/a		n/a	R 5.36	per kl.		n/a		n/a		n/a		n/a
Departmental	R 4.52	per kl.		n/a		n/a		n/a		n/a	R 4.76	per kl.		n/a		n/a		n/a		n/a

STELLENBOSCH MUNICIPALITY

WATER TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

Golf Clubs	R 4.52 R 4.52	per kl. per kl.		n/a n/a		n/a n/a		n/a n/a		n/a n/a		n/a n/a		n/a n/a		n/a n/a		n/a n/a		
Infrastructure provided by User:																				
Irrigation	R 0.05	per kl.		n/a		n/a		n/a		R 0.06	per kl.		n/a		n/a		n/a			
Commercial / Industrial users / Domestic	R 1.24	per kl.		n/a		n/a		n/a		R 1.31	per kl.		n/a		n/a		n/a			
Schools	R 1.69	per kl.		n/a		n/a		n/a		R 1.79	per kl.		n/a		n/a		n/a			
Departmental	R 1.24	per kl.		n/a		n/a		n/a		R 1.31	per kl.		n/a		n/a		n/a			
Golf Clubs	R 1.24 R 1.24	per kl. per kl.		n/a n/a		n/a n/a		n/a n/a		R 1.31 R 1.31	per kl. per kl.		n/a n/a		n/a n/a		n/a n/a			
Current Agreements:																				
Special Users	As per agreement		As per agreement		As per agreement		As per agreement		As per agreement	As per agreement		As per agreement		As per agreement		As per agreement		As per agreement		
BULK USERS Water consumption for irrigation of sportsgrounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds by Council's Departments. of Parks and Recreation:																				
To 2000 kilolitres	R 11.73	per kl	R 20.46	per kl	R 28.42	per kl	R 45.12	per kl	R 61.52	per kl	R 12.38	per kl	R 21.58	per kl	R 29.99	per kl	R 47.60	per kl	R 64.90	per kl
Above 2000 kilolitres	R 15.28	per kl	R 33.83	per kl	R 51.39	per kl	R 87.50	per kl	R 123.03	per kl	R 16.12	per kl	R 35.70	per kl	R 54.22	per kl	R 92.32	per kl	R 129.80	per kl
WATER AVAILABILITY FEE	R 1 506.15	per annum									R 1 588.99	per annum								

STELLENBOSCH MUNICIPALITY

WASTE MANAGEMENT TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

11.99%

	SERVICES RENDERED	UNIT	COMMENTS	Tariff 2020/2021 (VAT Excl.)	Tariff 2021/2022 (VAT Excl.)
Residential Waste Collection (Households, Flats, Hostels, Retirement homes, Churches, Schools, Welfare Organisations, etc.)					
Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags					
Indigent subsidy: A monthly subsidy (to be determined by Council) to be credited to a registered indigent consumer's account					
Black bags (only where wheelie bins have not been introduced and/or stolen or lost)					
	Single residential properties for indigent households.	per month	Account payable by property owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 205.11	R 229.71
	Basic residential collection based on 3 standard refuse bags once per week - 1st refuse unit - One dwelling on erf	per month	Account payable by property owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 205.11	R 229.71
	Basic residential collection based on 3 standard refuse bags per dwelling (1 refuse unit) for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. Max 3 additional closed bags. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued. At cluster housing, flats, etc. 1 refuse unit to be charged for every living unit (per month)	R 205.11	R 229.71
	Additional collection based on an additional 3 standard refuse bags once per week - 2nd refuse unit or more	per month	Account payable by property owner. Max 3 additional closed bags. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 205.11	R 229.71
Mobile bins (240ℓ Wheelie bin)					
Black Bin (Black lid Black bin)					
	Basic residential collection based on 1 X 240ℓ per week - 1 st bin - one dwelling per erf	per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. (units to be charged per quantity of bins used. Only WC024 bins will be collected	R 205.11	R 229.71
	Basic residential collection based on 1 X 240ℓ per week for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used. Only WC024 bins will be collected.	R 205.11	R 229.71
	Basic residential collection based on 1 X 240ℓ bin per week for additional dwellings	per refuse unit per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used. Only WC024 bins will be collected.	R 205.11	R 229.71
Blue Bin (Blue lid Black bin)					
	Three times per week removal with a blue lid 240ℓ refuse bin (sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages - NOT HOUSEHOLDS)	Per add 240ℓ bin per month	Account payable by property owner. No extras beside bin. (Sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages).(Businesses to be charged per quantity of bins)	R 727.78	R 815.04

	SERVICES RENDERED	UNIT	COMMENTS	Tariff 2020/2021 (VAT Excl.)	Tariff 2021/2022 (VAT Excl.)
Non Residential Waste Collections (Business and Commercial)					
Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags					
Black bags (Only were Wheelie bins have not been introduced)					
	Collection based on three (3) standard refuse bags once (x1) per week	per month	Account payable by business owner. Max 3 closed bags. No other extras. `Black BAG Service will cancel when 240ℓ bin is issued.	R 242.59	R 271.68
	Collection based on 3 standard refuse bags 3 x per week - three refuse units per month	per month	Account payable by business owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 727.78	R 815.04
	Additional collection based on additional refuse bags, once (x1) per week - measured in the number of additional refuse units ((3) standard refuse bags) per week	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 242.59	R 271.68
	Additional collection based on an additional refuse bags, 3 x per week - measured in the number of additional refuse units (3 standard refuse bags) per week	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 727.78	R 815.04
Mobile bins (240ℓ Wheelie bin)					
Blue Bin (Blue lid Black bin)					
	Collection based on 1 X 240ℓ once (x1) per week measured as one blue bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 242.59	R 271.68
	Additional 240ℓ removal/s once per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 242.59	R 271.68
	Collection based on 1 X 240ℓ three times per week measured as one blue bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 727.78	R 815.04
	Additional 240ℓ removals three times per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 727.78	R 815.04
Mobile bins (240ℓ Wheelie bin)					
Red Bin (Red lid Black Bin)					
	Collection based on 1 X 240ℓ five times per week measured as one red bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 1 212.94	R 1 358.37
	Additional 240ℓ removals five times per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 1 212.94	R 1 358.37
Charges and Levies					
	Solid Waste availability charge	per annum	Vacant erven and to all households, <u>farm dwellings</u> , businesses, flats, developments not making use of municipal collection services	R 1 286.79	R 1 441.08
Collection of garden waste					
	Collection of clean garden waste placed in green refuse bags.	per collection of a maximum of 6 refuse bags	Limited to household properties only	New	R 86.95
Cleaning of private erven					
	Hiring of plant, equipment and staff to clean private erf/ erven	per hour	Residents will be required to pay per hour for the clean-up operation of all general waste including green waste builder's rubble	New	R 1 200.00
	Disposal waste from cleaning operation	per ton	All waste will be transported and disposed of at a licenced waste disposal facility and will be charged per ton.	New	R 1 053.00

STELLENBOSCH MUNICIPALITY

SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

A. PROPERTIES UTILISED FOR DWELLING PURPOSES ONLY : (Residential Tariff)

Size of erf in m ²	Sewerage levy (Per annum)	
	2020/21 (Excl VAT)	2021/22 (Excl VAT)
0 - 250	R 1 520.68	R 1 611.92
251 - 500	R 1 951.06	R 2 068.13
501 - 600	R 2 197.92	R 2 329.80
601 - 700	R 2 439.81	R 2 586.20
701 - 800	R 2 684.14	R 2 845.19
801 - 900	R 2 928.26	R 3 103.95
901 - 1 000	R 3 170.48	R 3 360.71
Above - 1 000 for each additional 500m ² or part thereof	R 3 170.48 R 305.55	R 3 360.71 R 323.88

Should there be more than one dwelling unit on a property, the area is divided equally by the number of dwellings and a levy is calculated for each such portion as if it constitutes a separate erf. The above formula is applied i.r.o. each portion.

B. ALL VACANT ERVEN : (Availability Tariff)

Size of erf in m ²	Sewerage availability levy (Per annum)	
	2020/21 (Excl VAT)	2021/22 (Excl VAT)
To - 1 000	R 1 901.74	R 2 015.84
Above - 1 000	R 2 460.50	R 2 608.13

C. ALL OTHER DEVELOPED ERVEN : (Non-residential Tariff - Only applicable in absence of industrial effluent agreement.)

Size of erf in m ²	Sewerage levy (Per annum)	
	2020/21 (Excl VAT)	2021/22 (Excl VAT)
0 - 500	R 1 987.75	R 2 107.01
501 - 1 000	R 2 299.62	R 2 437.60
1 001 - 1 500	R 2 571.77	R 2 726.08
1 501 - 2 000	R 3 154.22	R 3 343.47
2 001 - 3 000	R 4 090.48	R 4 335.91
3 001 - 4 000	R 4 908.06	R 5 202.54
4 001 - 5 000	R 5 493.23	R 5 822.82
5 001 - 7 500	R 6 721.55	R 7 124.84
7 501 - 10 000	R 7 831.04	R 8 300.90
10 001 - 15 000	R 9 639.47	R 10 217.84
15 001 - 20 000	R 11 101.09	R 11 767.16
Above - 20 000	R 12 732.97	R 13 496.95

STELLENBOSCH MUNICIPALITY

SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

In addition to the above charges, the following fees, based on the area and usage of the buildings are payable

LEVIES BASED ON USAGE AND FLOOR AREAS OF BUILDINGS (Only applicable in absence of industrial effluent agreement.) (Per annum)

DESCRIPTION	AREA		SEWERAGE TARIFFS			REMARKS
			2020/2021	2021/2022		
	Intervals (m ²)	Code	Amount Excl VAT	Amount Excl VAT	UNIT	
Use of buildings						
a) Offices, Consulting rooms, Power-station, Ambulance station, Fire-station	To - 2 500 2 501 - 5 000 Above 5 000	ADD02	R 15.89 R 15.75 R 15.60	R 16.85 R 16.69 R 16.54	per m ² per m ² per m ²	
b) Halls for the purposes of letting, Cinemas, Theatres, Venues for Meetings	To - 2 500 2 501 - 5 000 5 001 - 10 000 Above 10 000	ADD03	R 15.89 R 15.75 R 15.60 R 15.46	R 16.85 R 16.69 R 16.54 R 16.39	per m ² per m ² per m ² per m ²	
c) Shops not included under (d)		ADD04	R 15.75	R 16.69	per m ²	
d) Fish shops, Greengrocer shops, Butcheries		ADD06	R 40.00	R 42.40	per m ²	Only applicable in absence of industrial effluent agreement.
e) Cafe's, Restaurants		ADD05	R 15.75	R 16.69	per m ²	Only applicable in absence of industrial effluent agreement.
f) Educational & Research buildings,		ADD07	R 15.75	R 16.69	per m ²	
g) Private hostels, Boarding homes, Hostels		ADD08	R 25.86	R 27.41	per m ²	
h) Licenced hotels, Guest-houses		ADD10	R 19.94	R 21.14	per m ²	
i) Hospitals, Prisons, Clinics, Old age and other homes, Hospices, Shelters		ADD09	R 25.86	R 27.41	per m ²	
j) Religious institutions, Sports clubs, Youth organisations, Libraries, Museums, Halls not for letting, Physical fitness centres, Health centres, Messes, Under cover parking		ADD12 ADD11	R 710.15 R 390.11	R 752.76 R 413.52	per unit per unit	Per water closet, or per urinal, or 0.5m of urinal wall or part thereof, whichever is the greatest.
k) Garages, Dry cleaners, Laundries, Workshops,		ADD18	R 1 142.00	R 1 210.52	per unit	Only applicable in absence of industrial effluent agreement.
l) Factories, Warehouses,		ADD17	R 2 279.01	R 2 415.75	per unit	Per water closet, or per urinal, or 0.5m of urinal wall or part thereof, whichever is the greatest. Only applicable in absence of industrial effluent agreement.
m) Dwelling units that are part of buildings described under (a) to (l)		ADD20	R 2 217.23	R 2 350.26	per unit	
n) Rooms used for dwelling purposes, forming part of buildings under (a) to (l)		ADD13	R 390.11	R 413.52	per m ²	

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

DIREKTORAAT: FINANSIËLE DIENSTE DIRECTORATE: FINANCIAL SERVICES

GENERAL	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Electronic Rates clearance fee(valuation certificate included) - New	New	R 191,30	R 28,70	R 220,00
Manuel Rates clearance fee(valuation certificate included) - New	New	R 478,26	R 71,74	R 550,00
Not rated clearance (Sectional title units)	R 220,00	R 200,00	R 30,00	R 230,00
Administrasiekoste Onteerde betaling/Admin Fee for dishonoured payment	R 220,00	R 191,30	R 28,70	R 220,00
Spesiale meterlesings per verbruikersrekening (per geleentheid) / occasion	R 145,00	R 130,43	R 19,57	R 150,00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non-payments: Conventional meters	R 400,00	R 391,30	R 58,70	R 450,00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non-payments: Pre-paid meters	R 180,00	R 173,91	R 26,09	R 200,00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non-payments: Bulk meters	R 2 450,00	R 2 608,70	R 391,30	R 3 000,00
Ongeïdentifiseerde/foutiewe deposito's op bankstaat / Unidentified/incorrect deposits on bank statement	R 125,00	R 130,43	R 19,57	R 150,00
Administratiewe fooi vir Aanmanings SMS'e en Kennisgewings / Administration fee for "Reminder" SMS's and Notices	R 22,00	R 21,74	R 3,26	R 25,00
Re-issue Rates clearance certificate : Refer to normal fees	R 90,00	R -	R -	R -
VERSKAFFING VAN INLIGTING/PROVISION OF INFORMATION				
Uitrek van waardasiesertifikaat / Issue of valuation certificate	R 110,00	R 100,00	R 15,00	R 115,00
Uittreksels uit rekeninge - per maandstaat	R 55,00	R 47,83	R 7,17	R 55,00
Extracts from accounts - per monthly statement				
Extracts from records : rate per hour or part thereof	R 160,00	R 143,48	R 21,52	R 165,00
Fotostate / Copies : per A4 - bladsy / page	R 3,00	R 2,61	R 0,39	R 3,00
Fotostate / Copies : per A3 - bladsy / page	R 15,00	R 13,04	R 1,96	R 15,00
Waardasie Inligting / Valuation Information	R 27,00	R -	R -	R -
Waardasie Inligting / Valuation Information - Sea-Info	R 11,00	R 9,57	R 1,43	R 11,00
DEPOSITO'S VIR DIENSTE/DEPOSIT FOR SERVICES				
Water/Water	R 800,00	R -	N/A	R 800,00
Elektrisiteit (huishoudelik) / Electricity (domestic)	R 1 600,00	R -	N/A	R 1 600,00
Elektrisiteit (ander): Grootmaat verbruikers bereken met minimum van/				
Electricity (other): Bulk users calculate with a minimum of	R 9 000,00	R -	N/A	R 10 000,00
Indigent Household/Low cost Housing Deernis Huishouding/Lae Koste Behuising	R 300,00	R -	N/A	R 150,00
Electricity (other) excluding Bulkusers Elektrisiteit (ander) uitgesluit Grootmaatverbruikers	R 5 000,00	R -	N/A	R 5 500,00
Aanpassing van deposito's as gevolg van wanbetaling : Ingevolge Kredietbeheer Beleid				
Adjustment of deposits due to non-payment : In terms of Credit Control and Debt Collection Policy				
** When on cut-off list and residential; deposit may be adjusted to 10% of minimum deposit, *** When on cut-off list and not residential, deposit may be adjusted to 25 % of risk.				
TENDER DEPOSITO'S / TENDER DEPOSIT (COMPUTER PRINTS BLACK & WHITE)				
Fotostate / Copies : per A4 - bladsy / page	R 3,00	R 2,61	R 0,39	R 3,00
Fotostate / Copies : per A3 - bladsy / page	R 15,00	R 13,04	R 1,96	R 15,00
Fotostate / Copies : per A2 - bladsy / page	R 60,00	R 52,17	R 7,83	R 60,00
Fotostate / Copies : per A1 - bladsy / page	R 80,00	R 69,57	R 10,43	R 80,00
Fotostate / Copies : per A0 - bladsy / page	R 95,00	R 82,61	R 12,39	R 95,00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSAPDIENSTE
DIRECTORATE: COMMUNITY SERVICES

	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Director: Community and Protection Services has the delegation to authorise tariff discounts on any park or public open spaces for events, to the maximum of 30% off the firm tariff after receiving a recommendation from the Manager: Community Services.				
TOEGANGSGELDE / ENTRANCE FEES:				
JONKERSHOEK PIEKNIKTERREIN / PICNIC SITE				
Persone / Persons	29.21	26.96	4.04	31.00
Voertuie / Vehicles	23.60	21.74	3.26	25.00
Kinders onder 5 jaar oud/ Children below 5 years of age	Free	Free	Free	Free
Official year end function for Council employees (by prior arrangement only)	Free	Free	Free	Free
Pensioners (It is a person who, in the case of a male, is 65 years of age and older and, in the case of a female, is 60 years of age or older.)	21.35	19.65	2.95	22.60
CLOETESVILLE SWEMBAD / SWIMMING POOL				
Kinders onder die ouderdom van 5 jaar vergesel deur volwassenes. Children under the age of 5 years accompanied by adults.	Gratis/ Free			Gratis/ Free
Kinders 6 tot 17 jaar / Children 6-17 years	6.18	5.65	0.85	6.50
Volwassenes / Adults	11.80	10.87	1.63	12.50
Pensioners (It is a person who, in the case of a male, is 65 years of age and older and, in the case of a female, is 60 years of age or older.)	8.43	7.39	1.11	8.50
Group bookings must be pre-arranged at (021) 808 8295				
30 - 40 persons	404.50	373.04	55.96	429.00
41 - 60 persons	537.08	495.65	74.35	570.00
61 - 80 persons	801.13	739.13	110.87	850.00
81 - maximum 100	1 073.04	991.30	148.70	1 140.00
Group bookings only within official hours.				
Braai facility coupon	43.82	40.43	6.07	46.50
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: WC024				
Waar 'n familie as behoeftige geregistreer is by die Munisipaliteit, kan die familie (slegs naaste familie) kwalifiseer vir 50% afslag, na goedkeuring van die relevante Direkteur, op die tarief vir 'n grafperseel. Die familie of delegasie moet skriftelik aansoek doen en rig aan die betrokke Direkteur Hierdie vergunning is slegs van toepassing Maandae tot Saterdag- Vakansiedae uitgesluit. Plaaswerkers: brief ter bevestiging van plaaseienaar.				
When a family has been registered as an indigent beneficiary at the Municipality, the members of the family (not including extended members) qualifies for 50% discount, after approval by the relevant Director, on the tariff of a gravesite. The family or a delegate must apply in writing to the relevant Director. This concession is only applicable Mondays to Saturdays, excluding Public Holidays. Farm workers: must provide written confirmation from the farm owner.				
1. Grafperseel : kinders onder 12 jaar oud / Grave site children under the age of 12 years	775.28	674.16	101.12	775.28
2. Grafperseel : persone 12 jaar en ouer / Grave site persons 12 years and older	955.06	830.49	124.57	955.06
3. Teraarbestelling : kinders onder 12 / Burial : children under 12 years	404.50	351.74	52.76	404.50
4. Teraarbestelling : persone bo 12 jaar en ouer / Burial : Persons 12 years and older	831.46	723.01	108.45	831.46
5. Ekstra grafwydte per 100mm of gedeelte daarvan: tot maks 2.4m (standaardwydte = 550mm onder 12 jaar / 750mm bo 12 jaar) Additional excavation of grave width per 100mm or part thereof: to a max. of 2.4m Standard width = 550mm under 12 years / 750mm over 12 years)	144.94	126.04	18.91	144.94
6. Opgrawings / Disinterments (Exhumation)	1 073.04	933.08	139.96	1 073.04
7. Begrawe van veraste oorblyfsels in bestaande grafte / Burial of ashes in existing grave	132.58	115.29	17.29	132.58
8. Herbevestiging van grafpersele / Reconfirmation of grave site (Papegaalberg)	214.61	186.62	27.99	214.61
9. Wysiging of oordrag van eienskaps van grafperseel / Change in ownership of gravesite	69.66	60.58	9.09	69.66
10. Addisionele heffing vir dienste aangevra vir Sondae / Additional levy for services on Sundays:				
10a. Groepe vrygestel deur Munisipale Verordening/Groups exempted by Municipal By-Law		0.00	0.00	
10b. Groepe nie vrygestel deur Munisipale Verordening / Groups not exempted by Municipal By-Law	4 797.77	4 171.98	625.80	4 797.77
11. Addisionele heffing vir dienste aangevra vir Saterdag / Additional levy for services on Saturdays: (weekly tariff to apply if no municipal services are rendered)	1 539.33	1 338.55	200.78	1 539.33
12. Nisse/ Niches				
12a. Verkoop van losstaande nisse / Sale of free-standing niches	2 741.58	2 383.99	357.60	2 741.58
12b. Ingeboude nisse / Built-in niches	668.54	581.34	87.20	668.54
13. Nuwe Grafsteenpermit (Messelwerk) / New Permit for gravestone (Masonry)	280.90	244.26	36.64	280.90
Admin cost for record enquiries	0.00	0.00	0.00	0.00
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: OUTSIDE WC024				
Tariewe vir persone wat buite die munisipale grense gewoon het met sterfte datum = 4 maal die tariewe hierbo, behalwe die verkoop van nisse, waarop 'n 50% belading geld. Indien sulke persone reeds 'n graf besit, geld hierdie belading steeds op die maak van grafte. / Tariffs for persons residing outside of the municipal area at the time of death = 4 times the tariffs above, with the exception of the sale of niches, to which a 50% surcharge applies. Should such a person already possess a grave site, the excess still applies to the digging of the grave and other related chores.				

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

Normale tariewe geld ten opsigte van begrafnisse op Sondag en Openbare Vakansiedae vir geloofsgroepe soos vervat in die Verordening/
Normal tariffs will apply for burials on Sundays and public holidays for certain religious groups as determined by the By-Law.

TARIFFS FOR ANY PARK OR PUBLIC OPEN SPACE FOR EVENTS:

Birthday parties, creches & school events, religious events, festivals, markets, cycling events
Event = one (1) day or if otherwise stated. All applications in writing.
Lessees are not entitled to exclusive rights of the venue at a time

TARIFFS FOR THE BRAAK

Tariff for non-profitable organisations per day.	803.37	740.87	111.13	852.00
Tariff for religious events per day (maximum of 7 days) (Include set up and breakdown per day)	758.43	699.13	104.87	804.00
Tariff for profitable organisations within WC024 per day	3 752.82	3 460.87	519.13	3 980.00
Tariff for profitable organisations outside WC024 per day	8 033.74	7 405.22	1 110.78	8 516.00

TARIFFS FOR ALL OTHER PUBLIC OPEN SPACES/ GARDENS/ NATURE RESERVES/ PLANTATIONS/ DEVELOPED PARKS

Tariff for non-profitable organisations -religious events per day and maximum 7 days (Include set up and breakdown per day) (PARKS AND PUBLIC OPEN SPACES ONLY)	348.32	321.74	48.26	370.00
Tariff for birthday parties and picnics (PARKS AND PUBLIC OPEN SPACES ONLY)	348.32	321.74	48.26	370.00
Tariff for birthday parties and picnics INSIDE WC024 (JMNR ONLY)	348.32	321.74	48.26	370.00
Tariff for birthday parties and picnics OUTSIDE WC024 (JMNR ONLY)	696.63	643.48	96.52	740.00
Tariff for PHOTOSHOOTS INSIDE WC024 (Excl. Wedding photos)	0.00	826.09	123.91	950.00
Tariff for PHOTOSHOOTS OUTSIDE WC024 (Excl. Wedding photos)	0.00	1 652.17	247.83	1 900.00
Tariff for profitable organisations WITHIN WC024 per day	3 752.82	3 460.87	519.13	3 980.00
Tariff for profitable organisations OUTSIDE WC024 per day	8 023.63	7 395.65	1 109.35	8 505.00
WEDDING CEREMONY ONLY with a maximum of 100 pax INSIDE WC024	1 539.33	1 419.13	212.87	1 632.00
WEDDING CEREMONY ONLY with a maximum of 100 pax OUTSIDE WC024	3 078.66	2 838.26	425.74	3 264.00
WEDDING PHOTOS ONLY with a maximum of 100 pax INSIDE WC024	0.00	826.09	123.91	950.00
WEDDING PHOTOS ONLY with a maximum of 100 pax OUTSIDE WC024	0.00	1 652.17	247.83	1 900.00
Tariff for profitable organisations WITHIN WC024 per day (for example: seminars, workshops, strategic sessions, year-end funtions, parties)	1 144.80	1 055.65	158.35	1 214.00
Tariff for profitable organisations OUTSIDE WC024 per day (for example: seminars, workshops, strategic sessions, year-end funtions, parties)	2 289.60	2 111.30	316.70	2 428.00
Tariff for non profitable organisations WITHIN WC024 per day (seminars, workshops, strategic sessions, year-end funtions, parties, weddings)	228.96	211.30	31.70	243.00
Tariff for non profitable organisations OUTSIDE WC024 per day (seminars, workshops, strategic sessions, year-end funtions, parties, weddings)	457.92	422.61	63.39	486.00
Weddings with a maximum of 100 pax WITHIN WC024 per day (PARADYSKLOOF CLUBHOUSE)	4 618.00	4 257.39	638.61	4 896.00
Weddings a maximum of 100 pax OUTSIDE WC024 per day (PARADYSKLOOF CLUBHOUSE)	9 236.00	8 514.78	1 277.22	9 792.00
Initiations in plantations (tariff as per Council decision) PER CALENDER MONTH	2 139.33	1 972.17	295.83	2 268.00
Rastafarian	2 139.33	1 972.17	295.83	2 268.00
Eco Centre Rental - per day (max 25 people)	757.31	698.26	104.74	803.00
Eco Centre Rental - per day- (max 25 people) per hour R150.00	150.00	138.26	20.74	159.00

REMOVAL OF DEAD AND DANGEROUS TREES

Removal of trees on private property and land that pose risk to property and possible loss of life. Only applicable to registered indigent households. (WORK WILL BE SUBCONTRACTED)

STILL/ FILM SHOOTS

Event= Per day. Includes all parks, public open spaces, sportsgrounds, nature reserves/ plantations and gardens

Non-commercial shoots	893.26	823.48	123.52	947.00
Commercial	8 029.63	7 401.74	1 110.26	8 512.00

Other

Admin Fee	224.72	207.83	31.17	239.00
Base camp parking only (when using an area for parking of vehicles but no filming.	3 394.40	3 130.43	469.57	3 600.00
Helipad Parking per day	3 394.40	3 130.43	469.57	3 600.00
Access through Forestry or Conservation Areas for when filming at a nearby farms: plus permit fee (passing through our Nature Reserve)	1 017.98	939.13	140.87	1 080.00
Stellenbosch Municipality ECO OFFICER per hour	1 017.98	939.13	140.87	1 080.00

FORESTRY PRODUCTS

All wattles/ tonne (per bakkie load)

Eucalyptus Species/ tonne INSIDE WC024 (per bakkie load)	410.11	378.26	56.74	435.00
Eucalyptus Species/ tonne OUTSIDE WC024 (per bakkie load)	449.44	414.78	62.22	477.00
Fire Wood per tonne Self cut/ tonne INSIDE WC024 (per bakkie load)	337.08	311.30	46.70	358.00
Fire Wood per tonne Self cut/ tonne OUTSIDE WC024 (per bakkie load)	393.26	362.61	54.39	417.00
Fire Wood per tonne cut by municipality/ tonne INSIDE WC024 (per bakkie load)	337.08	311.30	46.70	358.00
Fire Wood per tonne cut by municipality/ tonne OUTSIDE WC024 (per bakkie load)	393.26	362.61	54.39	417.00
Latte for screens/ tonne self-cut INSIDE WC024 (per a bakkie load)	449.44	414.78	62.22	477.00
Latte for screens/ tonne self-cut OUTSIDE WC024 (per a bakkie load)	505.62	466.09	69.91	536.00
Mushrooms per 5 litre container.	59.55	54.78	8.22	63.00
Medicinal herbs or plant material per 5 litre container.	59.55	54.78	8.22	63.00
Protea flowers per head.	12.36	11.30	1.70	13.00

Softwood Sawlogs

Poplars poles 80mm- 100mm diamtre at thin end/ tonne INSIDE WC024(per bakkie load)	280.90	259.13	38.87	298.00
Poplars poles 80mm- 100mm diamtre at thin end/ tonne OUTSIDE WC024(per bakkie load)	337.08	311.30	46.70	358.00

INDUSTRIAL ROUNDWOOD

includes all commercial wood in situ small volumes up to R200 000.00 (pine sawlogs, woodchips, and wood residues.)

Class A= 13,5cm-17cm diametre at thin end/ m3 INSIDE WC024	370.79	342.61	51.39	394.00
Class A= 13,5cm-17cm diametre at thin end/ m3 OUTSIDE WC024	393.26	362.61	54.39	417.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

Class B= 19cm-25cm diametre at thin end/ m3 INSIDE WC024	505.62	466.09	69.91	536.00
Class B= 19cm-25cm diametre at thin end/ m3 OUTSIDE WC024	561.80	518.26	77.74	596.00
Class C= 27cm-33cm diametre at thin end/m3 INSIDE WC024	707.87	653.04	97.96	751.00
Class C= 27cm-33cm diametre at thin end/m3 OUTSIDE WC024	786.52	725.22	108.78	834.00
Class D= 35cm> diametre at thin end/m3 INSIDE WC024	764.05	704.35	105.65	810.00
Class D= 35cm> diametre at thin end/m3 OUTSIDE WC024	842.70	777.39	116.61	894.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
LIBRARY SERVICES				
Printing Services				
Printing fee for a A4 black and white page	1.17	1.13	0.17	1.30
Faxes				
Fee for receiving a fax - per page	2.44	2.61	0.39	2.50
Scan and email				
Scan and email per page	2.44	2.61	0.39	3.00
LIBRARY HALL RENTALS				
CONDITIONS FOR USAGE OF A LIBRARY HALL				
Not available for the following: weddings, birthdays, christening and parties				
Library halls only available during library hours				
No equipment and catering supplies are available at the halls				
Plein Street, Idas Valley & Cloeteville Library Hall				
Rental charged - per session	477.00	439.67	65.95	506.00
Rental charged for a Non Profitable Organisation - per session	477.00	439.67	65.95	506.00
Rental of kitchen facility per session	81.09	74.74	11.21	86.00
Kayamandi Library Hall				
Rental charged - per session	477.00	439.67	65.95	506.00
Rental charged for a Non Profitable Organisation - per session	477.00	439.67	65.95	506.00
Rental of kitchen facility per session	81.09	74.74	11.21	86.00
Groendal Library Hall				
Rental charged - per session	477.00	439.67	65.95	506.00
Rental charged for a Non Profitable Organisation - per session	477.00	439.67	65.95	506.00
Rental of kitchen facility per session	81.09	74.74	11.21	86.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

	Full Tariff 2020/2021			Full Tariff 2021/2022			Discounted Tariff 2021/22			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
Town Halls											
Stellenbosch	Foyer not available on its own										
Hall and Foyer	R 2 936.20	R 4 910.98	R 6 033.52	R 3 112.37	R 5 205.64	R 6 395.53	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Kitchen (including all appliances), Bar	R 1 924.96	R 1 470.22	R 1 966.30	R 2 040.46	R 1 558.43	R 2 084.28					
Kitchen (including all electrical & gas appliances-new installation), Bar	R 1 924.96	R 1 470.22	R 1 966.30	R 2 040.45	R 1 708.40	R 2 234.28	percentage to be determined by application	percentage to be determined by application	percentage to be determined by application	percentage to be determined by application	percentage to be determined by application
Franschhoek	Foyer not available on its own										
Hall	R 3 081.42	R 3 282.82	R 4 213.50	R 3 266.31	R 3 479.79	R 4 466.31	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Facilities: Kitchen (including all appliances)	R 964.60	R 1 071.66	R 1 707.66	R 1 022.48	R 1 135.96	R 1 810.12	percentage to be determined by application	percentage to be determined by application	percentage to be determined by application	percentage to be determined by application	percentage to be determined by application
Community Hall, Kylemore											
Hall	R 442.02	R 442.02	R 631.76	R 468.54	R 468.54	R 669.67	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Eikestad Hall, Cloetesville											
Hall	R 442.02	R 442.02	R 631.76	R 468.54	R 468.54	R 669.67	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Admin Hall, Kayamandi											
Hall (As per Council Decision)	R 126.14	R 126.14	R 126.14	R 133.71	R 133.71	R 133.71	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, Kayamandi											
Hall (As per Council Decision)	R 126.14	R 126.14	R 126.14	R 133.71	R 133.71	R 133.71	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Pniel Banquet Hall											
Hall	R 442.02	R 442.02	R 631.76	R 468.54	R 468.54	R 669.67	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, La Motte											
Hall	R 252.81	R 252.81	R 378.63	R 267.98	R 267.98	R 401.35	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, Wemmershoek											
Hall	R 253.34	R 253.34	R 378.42	R 268.54	R 268.54	R 401.13	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application

STELLENBOSCH MUNICIPALITY

1.06

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

	Full Tariff 2020/2021			Full Tariff 2021/2022			Discounted Tariff 2021/22			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
Community Hall, Groendal											
Hall	R 442.02	R 442.02	R 481.24	R 468.54	R 468.54	R 510.11	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Klapmuts Multi-purpose centre											
Hall	R 442.02	R 442.02	R 481.24	R 468.54	R 468.54	R 510.11	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall kitchen rental	R 124.02	R 124.02	R 124.02	R 131.46	R 131.46	R 131.46	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Outside braai area with kitchen	R 213.06	R 213.06	R 213.06	R 225.84	R 225.84	R 225.84	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Outside braai kitchen rental	R 124.02	R 124.02	R 124.02	R 131.46	R 131.46	R 131.46	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Boardroom	R 213.06	R 213.06	R 213.06	R 225.84	R 225.84	R 225.84	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Kitchen rental	R 124.02	R 124.02	R 124.02	R 131.46	R 131.46	R 131.46	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Priel Millinium Hall											
Hall	R 442.02	R 442.02	R 631.76	R 468.54	R 468.54	R 669.67	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Other facilities											
Old Age Facility Kayamandi	Free of charge		Free of charge	Free of charge		Free of charge	Free of charge	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Banquet Hall, Cloetesville	R169/per day		R169/per day	R169/per day		R169/per day		Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application

The following groups have been identified for the discounted tariffs:

- (i) Schools located within the WC024 for an official school function: discounted tariff of 30% on the rental of a hall for the function to a maximum of one (1) function per financial year. Deposit fees must be paid in full.
- (ii) Churches located within WC024 for an official church function: discounted tariff of 30% on the rental of a hall for the function to a maximum of one (1) function per financial year. Deposit fees must be paid in full. Proof of location/residence will be required.
- (iii) Churches using a hall on a regular basis:
 - a Sermons are limited to 2 (two) hours per Sunday to accommodate other denominations/religious groups at the venue.
 - b The two Town Halls (Stellenbosch and Franschhoek), are excluded.
 - c The grant is subject to availability of the hall.
 - d A formal agreement will be entered into between the parties.
A once-off deposit fee per financial year applies as per the approved tariffs. If forfeited due to damage, etc, this will have to be repaid before access for the next event/ service will be granted.
 - e In addition, a rental fee equivalent to the tariff for 1 day applies as a monthly fee. The fee specific to the specific hall will apply.
To accommodate churches during the week, the halls may be used for a maximum of two (2) additional bookings during the week over and above the Sunday sermon. This will be at no additional charge (included in e) above).
 - f Furniture will be free of charge, but must be arranged and put back after the sermon by the hirer.
 - g
 - h Due to the constraints on municipal overtime, no municipal officials will be available on weekdays or weekends to perform any supervisory functions or assistance.
 - i Proof of NPO/NPC registration to be submitted with the application.
- (iv) Non-Governmental Organisations: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge.
- (v) Government Departments in other spheres of Government: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge.
- (vi) The six recognised vulnerable groups namely Aged, Disabled, Children, Youth, Women and People living on the Streets: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge. This discount is not available to individuals but is focused on interest groups representing the vulnerable groups.
- (vii) Individual families registered as indigent at the Municipality will be entitled to a 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full): Furniture, kitchen and utensils are free of charge. This rebate is for a maximum of one (1) booking per financial year per indigent family and the two Town Halls (Stellenbosch and Franschhoek are excluded).
- (viii) Organisations promoting the Greater Stellenbosch: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge. The following are examples of rebates that will be approved:
 - Van Der Stel Festival
 - Wine Festival (Previously Food and Wine Festival)
 - Flower Show (Stellenbosch and Pniel)
 - Stellenbosch Festival
 - Bastille Festival
 - CANSA sub-organizations within the WC024.

- (ix) Free access to municipal halls for youth activities. Provided that prior arrangement is made with the relevant staff.
- (x) Free access to municipal halls for Ward Councillors for functions such as: Meetings, Workshops or any other Ward-related activities. This access will only be granted to a maximum of 2 (two) events per month. This is not transferable for any other festivals, parties, dances, fund raisers, etc.
- (xi) The rebates mentioned in paragraphs i), ii), iv), v), vi) and vii) will only be considered for weekdays. All applications must be in writing and submitted to the Director: Community and Protection Services.
- (xii) The Director: Community and Protection Services may consider motivated applications for discount in line with the abovementioned and approve rebates.

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to service rendered from 1 July 2021

DIREKTORAAT: GEMEENSAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

Sports Fields	2020/21			Rental of Facilities 2021/22			Additional levy: consumers outside WC024; Sports Unions and Private Companies.		
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend
Category A Van der Stel	Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.		
Category B Kylemore, Pniel, Idas Valley, Raithby, Klapmuts, Jamestown and Cloetesville	Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.		
Category C Wemmershoek Groendal Kayamandi	Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.		
Category D La Motte Jonkershoek Papplaas Lanquedoc	Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.			Tariffs and tariff structures to be established and determined with the executing of the newly adopted Hybrid Sport Facility Management Plan.		

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 - 30 JUNE 2022
Applicable to service rendered from 1 July 2021

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Verkeersbystanddienste / Traffic Assistance at special occasions/events				
Uitreiking van Permit / Issue of Permit	253.00	233.00	34.95	267.95
Uurtarief : Maandag - Saterdag / Hourly tariff : Monday - Saturday	368.00	339.00	50.85	389.85
Uurtarief: Sondae en openbare vakansiedae/Hourly tariff: Sunday and public holidays	595.70	547.00	82.05	629.05
Spesiale verkeersbystanddienste / Special Traffic Assistance at funeral procession				
Per funeral - per hour, per officer	368.00	338.00	50.70	388.70
Verfilming of video- advertensies / Filming or video- commercials (public roads)				
Uitreiking van Permit / Issue of Permit	246.10	227.00	34.05	261.05
Uitreiking van Permit / Issue of Permit - Stillshoot	1 572.05	1 445.00	216.75	1 661.75
Minimum: Residential / Industrial up to 3 hours	3 370.54	3 106.75	466.01	3 572.76
Maximum: Residential / industrial more than 3 hours	12 615.50	11 629.00	1 744.35	13 373.35
Minimum:Rural up to 3 hours	3 919.20	3 613.00	541.95	4 154.95
Maximum:Rural more than 3 hours	16 798.00	15 483.32	2 322.50	17 805.82
Minimum High Risk Areas (eg, Franschoek Pass + CBD areas) up to 3 hours	17 529.00	16 157.00	2 423.55	18 580.55
Maximum High Risk Areas (eg, Franschoek Pass + CBD areas) more than 3 hours	23 092.00	21 285.00	3 192.75	24 477.75
Die Direkteur: Gemeenskaps en Beskermingsdienste mag gemotiveerde aansoeke vir afslag tot 50% oorweeg vir die verfilming van video-advertensies (publieke paaie).				
The Director: Community and Protection Services may consider motivated applications for a discount up to 50% for filming or video-commercials (public roads).				
Verwydering van verlate voertuie : Insleepgelde				
Removal of abandoned vehicles : Tow-in charges				
Binne Stellenbosch / In Stellenbosch	1 828.00	1 850.00	277.50	2 127.50
Buite Stellenbosch / Outside Stellenbosch	1 828.00	2 100.00	315.00	2 415.00
Skutgeld per dag / Impoundment fee per day	150.00	145.00	21.75	166.75
Die Direkteur: Gemeenskaps en Beskermingsdienste mag gemotiveerde aansoeke vir die afslag van 50% oorweeg vir skutkoste.				
The Director Community and Protection Services may consider motivated applications for a discount up to 50% for impoundment costs.				
Wiel vasklem / Wheel clamping				
Vrylatingsfooi / Release fee	235.75	217.39	32.61	250.00
Algemeen / General				
Voertuigongeluk inligting / Vehicle accident information (i.t.o. PN5867/10-5-2002)	165.00	165.00	0.00	165.00
Gestremde parkeer disket/ Disabled Parking Disc	75.00	70.00	10.50	80.50

The Manager Traffic Services in consultation with the Director Community & Protection Services may agree not to charge tariffs and fees in cases where charges have been levied erroneously. Criteria for exemptions/concession: Parties must make written applications to the Director Community & Protection Services, outlining the reasons why charges were levied incorrectly and why exemptions/concessions should be considered.

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 - 30 JUNE 2022

Applicable to service rendered from 1 July 2021

DIREKTORAAT:GEMEENSKAPSDIENSTE

DIRECTORATE: COMMUNITY SERVICES

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Eikestad Parking Area Zone 1(CBD):				
Operating hours: 07:00 - 00:00 (Mon - Sat) ; Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	0.00
31- 59 min	8.00	6.96	1.04	8.00
1-2 hours	16.00	13.91	2.09	16.00
2-3 hours	20.00	17.39	2.61	20.00
3-4 hours	28.00	24.35	3.65	28.00
4-5 hours	36.00	31.30	4.70	36.00
5-6 hours	44.00	38.26	5.74	44.00
6-7 hours	52.00	45.22	6.78	52.00
7-8 hours	64.00	55.65	8.35	64.00
8-9 hours	68.00	59.13	8.87	68.00
9-12 hours	88.00	76.52	11.48	88.00
12-24 hours	120.00	104.35	15.65	120.00
Lost Ticket	120.00	104.35	15.65	120.00
Parking Areas Zone 2 (CBD):				
Borchard Road Parking area(New Parking)				
Operating hours: 07:00-18:00 (Mon - Fri) and 08:00 - 14:00 (Sat.) ; Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	0.00
31- 59 min	0.00	3.48	0.52	4.00
1-2 hours	0.00	6.09	0.91	7.00
2-3 hours	0.00	8.70	1.30	10.00
3-4 hours	0.00	10.43	1.57	12.00
4-5 hours	0.00	13.04	1.96	15.00
5-6 hours	0.00	17.39	2.61	20.00
6-7 hours	0.00	19.13	2.87	22.00
7-8 hours	0.00	21.74	3.26	25.00
8-9 hours	0.00	26.09	3.91	30.00
9-12 hours	0.00	27.83	4.17	32.00
Lost Ticket	0.00	30.43	4.57	35.00
Maandelikse permit / Month permit	0.00	347.83	52.17	400.00
Parking Areas Zone 3 (CBD):				
Stelkor				
Operating hours: 07:00-18:00 (Mon - Fri) and 08:00 - 14:00 (Sat.) ; Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	0.00
31- 59 min	8.00	8.00	0.00	8.00
1-2 hours	16.00	13.91	2.09	16.00
2-3 hours	20.00	17.39	2.61	20.00
3-4 hours	28.00	24.35	3.65	28.00
4-5 hours	36.00	31.30	4.70	36.00
5-6 hours	44.00	38.26	5.74	44.00
6-7 hours	52.00	45.22	6.78	52.00
7-8 hours	64.00	55.65	8.35	64.00
8-9 hours	68.00	59.13	8.87	68.00
9-12 hours	88.00	76.52	11.48	88.00
Lost Ticket	120.00	104.35	15.65	120.00
Maandelikse permit / Month permit	800.00	695.65	104.35	800.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 - 30 JUNE 2022

Applicable to service rendered from 1 July 2021

DIREKTORAAT:GEMEENSKAPSDIENSTE

DIRECTORATE: COMMUNITY SERVICES

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
On Street Parking per hour				
Operating hours: 08:00 - 17:00 (Mon.- Fri.) and 08:00 - 14:00 (Sat.)				
Sunday/Public Holidays - Free				
Kerk Street/Church Street	8.00	6.96	1.04	8.00
Plein Street	8.00	6.96	1.04	8.00
Blom Street	8.00	6.96	1.04	8.00
Bird Street (Dorp/Dennesig)	8.00	6.96	1.04	8.00
Ryneveldt Street	8.00	6.96	1.04	8.00
Andringa Street (Dorp/Banhoek)	8.00	6.96	1.04	8.00
Alexander Dienspad/Service road	8.00	6.96	1.04	8.00
Alexander Street	8.00	6.96	1.04	8.00
Meul Street (Dorp/Plein)	8.00	6.96	1.04	8.00
Dorp Street	8.00	6.96	1.04	8.00
Crozier Street	8.00	6.96	1.04	8.00
Piet Retief street	8.00	6.96	1.04	8.00
Mark Street	8.00	6.96	1.04	8.00
Drostdy Street	8.00	6.96	1.04	8.00
Banghoek Road (Andringa/Bird) PNP entry	8.00	6.96	1.04	8.00
Victoria Street (Between Andringa & Ryneveldt)	8.00	6.96	1.04	8.00
Stelkor on-Street- entry to stelkor parking area	8.00	6.96	1.04	8.00
Du-toit Street & entry to Bergzicht parking area	8.00	6.96	1.04	8.00
Helderberg Street	8.00	6.96	1.04	8.00
Bloemhof Parking Area				
Operating hours: 08:00 - 17:00 (Mon.- Fri.) and 08:00 - 14:00 (Sat.),				
After 17:00 (Mon- Fri)-Free, After 14:00 (Saturdays)-Free				
& Sunday/Public Holidays - Free				
Daaglikse permit / Day permit	45.00	39.13	5.87	45.00
Maandelikse permit / Month permit	530.00	460.87	69.13	530.00
Huur van parkeervakke per dag / Hiring of Parking Bays per day	220.00	200.00	30.00	230.00
Parking Disc - Medical Practitioners per year	210.00	191.30	28.70	220.00
Resident Parking Permit per year	220.00	434.78	65.22	500.00
Temporary Parking Permit per application	165.00	147.83	22.17	170.00
Work Zone Permit per application	220.00	200.00	30.00	230.00
Taxi rank permit (WCO24 area) per jaar/year	385.00	347.83	52.17	400.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 - 30 JUNE 2022
Applicable to service rendered from 1 July 2021

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

BRANDWEER DIENSTE / FIRE SERVICES	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Brandweerwaens / Fire Engine Per uur of gedeelte daarvan / Per hour or part thereof	980.00	904.35	135.65	1040.00
Hidroliese Platform / Hydraulic Platforms Per uur of gedeelte daarvan / Per hour or part thereof	2420.00	2 234.78	335.22	2570.00
Reddingsvoertuig / Emergency Vehicle (excluding Accidents/Rescue) Per uur of gedeelte daarvan / Per hour or part thereof	800.00	739.13	110.87	850.00
Diensvoertuie / Service Vehicle Per uur of gedeelte daarvan / Per hour or part thereof	600.00	556.52	83.48	640.00
Draagbare Pompe & Kragopwekker / Portable pumps & Generators Per uur of gedeelte daarvan / Per hour or part thereof	480.00	443.48	66.52	510.00
Sleepwaens / Trailers Per uur of gedeelte daarvan / Per hour or part thereof	700.00	646.09	96.91	743.00
Bergingseile / Storage Covers Per uur of gedeelte daarvan / Per hour or part thereof	270.00	249.57	37.43	287.00
Bos , veld , rommel (Boseenhede) / Bush , field , rubble (Bush units) Per uur of gedeelte daarvan / Per hour or part thereof	660.00	609.57	91.43	701.00
Personeel / Personnel Per uur of gedeelte daarvan / Per hour or part thereof	410.00	378.26	56.74	435.00
Instandhouding en Brandslangherstel / Maintenance & Fire-Hose Repair				
Skrop , toets & droog / Scrub , test & dry	220.00	203.48	30.52	234.00
Herstel / Repair	110.00	101.74	15.26	117.00
Koppelingbinding : Brandslang / Linkage : Fire-Hose	110.00	101.74	15.26	117.00
Koppelingbinding : Suigslang / Linkage : Suction hose	215.00	199.13	29.87	229.00
Koppelingbinding : Hoë druk / Linkage : High Pressure	215.00	199.13	29.87	229.00
Brandvoorkomingsinspeksies / Fire prevention inspection				
Tenkinstallasies -Per tenk / Tank installation	450.00	415.65	62.35	478.00
VP Gas -Per installasie / Per installation	450.00	415.65	62.35	478.00
Sprinklaar ens : per jaar / Sprinkler ect per annum	450.00	415.65	62.35	478.00
Fire prevention inspections relating to events applications	450.00	415.65	62.35	478.00
Patrolliedienste & Ander / Patrol Services & Other				
Nie Operasionele dienste/ Non Operational Services				
Per Brandbestryder / Per Firefighter	410.00	378.26	56.74	435.00
Per Offisier / Per Officer	410.00	378.26	56.74	435.00
Kinder partytjies / Kiddies parties	1600.00	1 476.52	221.48	1698.00
Fire and life safety education programs (Educational visits to and from schools)				
Planne of Ontwikkeling Konsultasiefooie (per uur) /Plans or Development Consultation fee (per hour)	550.00	507.83	76.17	584.00

STELLENBOSCH MUNICIPALITY

**DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES**

BRANDWEERDIENSTE/ FIRE SERVICES

BY LAW	OFFENCE	FINE 2020/2021	FINE Excl. VAT 2021/2022	No VAT applicable	FINE 2021/2022
Failure to comply with provisions					
6(1) read with 62(1)	Failure to comply with written notice	R1 600.00	-	-	R 1 600.00
Reporting a fire hazard and other threatening danger					
10 read with 62(1)	Failure to report a fire hazard or other threatening danger	R1 600.00	-	-	R 1 600.00
Access for emergency vehicles					
12(1)(a) read with 62(1)	Failure to provide emergency vehicle access where premises are not readily accessible from public roads	R1 100.00	-	-	R 1 100.00
Division and occupancy separating elements					
13 read with 62(1)	Altering a division or occupancy separating element in such a way that it renders less effective or allow to flame, heat or combustion products from penetrating into adjacent compartment or structure	R1 600.00	-	-	R 1 600.00
Fire doors and assemblies					
14(1) read with 62(1)	Failure to maintain a fire door in a manner that it will retain integrity, insulation and stability in the event of a fire	R1 600.00	-	-	R 1 600.00
14(2) read with 62(1)	Keeping a fire door open other than with an automatic releasing hold-open device	R1 600.00	-	-	R 1 600.00
14(3) read with 62(1)	Rendering a fire door an assembly less effective	R1 600.00	-	-	R 1 600.00
Escape Routes					
15(1) read with 62(1)	Obstruction of or rendering component of escape route less effective	R1 600.00	-	-	R 1 600.00
15(2) read with 62(1)	Non approved locking device fitted to access door	R1 600.00	-	-	R 1 600.00
15(3) read with 62(1)	Failure to required signage on an escape route	R1 600.00	-	-	R 1 600.00
Tents					
16(1)(a)	Failure to submit an application for the erection and usage of a tent in terms of the National Building Regulations to the Municipality for approval	R1 600.00	-	-	R 1 600.00
16(1)(b) read with 62(1)	Failure to submit an application for temporary population certificate prior to erection and usage of a tent	R1 100.00	-	-	R 1 100.00
16(1)	Erecting a tent without first obtaining a temporary Population certificate	R1 100.00	-	-	R 1 100.00
16(2)(a) read with 62(1)	Failure to maintain/provide sufficient safety distances between a tent, and any building or boundary	R1 600.00	-	-	R 1 600.00
16(2)(b) read with 62(1)	Failure to erect a tent 4,5m from any combustible material or dangerous goods	R1 600.00	-	-	R 1 600.00
16(2)(d) read with 62(1)	Failure to comply with the National Building Regulations where the population exceeds 25 people, occupied during night time, seating arrangements, aisle widths or fire extinguishers	R1 100.00	-	-	R 1 100.00
16(2)(d) read with 62(1)	Exceeding allowable population density	R1 100.00	-	-	R 1 100.00
16(2)(e) read with 62(1)	Cooking inside a tent occupied by the public	R1 600.00	-	-	R 1 600.00
16(2)(f) read with 62(1)	Allowing an open fire in a tent/failure to obtain permission for flame emitting devices	R1 600.00	-	-	R 1 600.00
16(2)(g) read with 62(1)	Making an open fire within 5 metres of a tent, stake or guideline	R1 600.00	-	-	R 1 600.00
16(2)(c) read with 62(1)	Smoking in a tent/failure to display "No Smoking" sign	R1 600.00	-	-	R 1 600.00
16(2)(i) read with 62(1)	Lighting and wiring not complying with SABS 0142	R1 600.00	-	-	R 1 600.00
16(3) read with 62(1)	Failure to comply with additional requirements as per controlling authority	R1 600.00	-	-	R 1 600.00
Fire Extinguishers					
17(1) read with 62(1)4	Failure to provide and/or install required fire extinguishers	R1 100.00	-	-	R 1 100.00
17(2) read with 62(1)	Failure to maintain fire extinguishers in accordance with requirements	R1 100.00	-	-	R 1 100.00
17(3) read with 62(1)	Filling, recharging, reconditioning, modifying, repairing, inspecting or testing a fire extinguisher without the necessary permit	R1 100.00	-	-	R 1 100.00
17(4) read with 62(1)	Owner or person in charge of premises permitting filling, recharging, reconditioning, modifying, repairing, inspecting or testing a fire extinguisher by a person not in possession of the necessary permit	R1 100.00	-	-	R 1 100.00
17(7) read with 62(1)	Removal of fire extinguisher from premises for filling etc. without replacing it without temporarily replacing it with a similar device in good working order	R1 100.00	-	-	R 1 100.00
17(8) read with 62(1)	Installation, dismantling, recharging, disconnection, servicing, modifying, repair or testing of a fire extinguisher in area where such action would create danger/hazard	R1 100.00	-	-	R 1 100.00
Testing and maintenance of fire protection systems					
18(1) read with 62(1)	Failure to test and maintain fire protection system on a regular basis	R1 100.00	-	-	R 1 100.00
18(1) read with 62(1)	Failure to keep detailed record of test and maintenance of fire protection system	R1 100.00	-	-	R 1 100.00
18(2) read with 62(1)	Failure to notify occupants of premises and/or monitoring parties of the fire protection system test	R1 100.00	-	-	R 1 100.00
18(3) read with 62(1)	Failure to maintain fire protection system	R1 100.00	-	-	R 1 100.00
18(4) read with 62(1)	Installing, dismantling, recharging, disconnecting, servicing, repairing or testing a fire protection system in areas where such an action would create a danger or hazard	R1 100.00	-	-	R 1 100.00
18(5) read with 62(1)	Failure to notify controlling authority where fire protection system or component thereof is inoperable or taken out of service	R1 100.00	-	-	R 1 100.00
18(7) read with 62(1)	Failure by owner/person in charge to take all the steps necessary to provide alternative equipment	R1 100.00	-	-	R 1 100.00
19 read with 62(1)	Render less effective, inoperative, inaccessible, or tamper or interfere with a fire protection system except as necessary in emergency/maintenance/drills or prescribed testing	R1 600.00	-	-	R 1 600.00
Fire alarms and fire hydrants					
20(4) read with 62(1)	Unauthorised person remove, defacing, altering, tampering or damaging a fire alarm, transmission instrument, boar, decal, metal plate or painted market	R1 600.00	-	-	R 1 600.00
20(5) read with 62(1)	Rendering less effective, inoperative, inaccessible, or tampering or interfere with a fire hydrant	R1 600.00	-	-	R 1 600.00

STELLENBOSCH MUNICIPALITY

**DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES**

BRANDWEERDIENSTE/ FIRE SERVICES

BY LAW	OFFENCE	FINE 2020/2021	FINE Excl. VAT 2021/2022	No VAT applicable	FINE 2021/2022
Prevention and control of overcrowding					
21(1) read with 62(1)	Failure to apply for population certificate prior to usage of premises for entertainment or public assembly (owner/person in charge)	R1 600.00	-	-	R 1 600.00
21(1) read with 62(1)	Utilization of premises for which a population certificate is required and a population certificate has not been issued by the Controlling Authority	R1 600.00	-	-	R 1 600.00
21(3) read with 62(1)	Failure to comply with instruction to apply for temporary/permanent population certificate (owner/person in charge)	R1 600.00	-	-	R 1 600.00
21(7) read with 62(1)	Failure to apply for occupation certificate when change of occupancy or alterations to the premises for which the population certificate exists	R1 600.00	-	-	R 1 600.00
21(8) read with 62(1)	Failure to display population certificate in clearly visible position in or on premises for which it was issued.	R1 600.00	-	-	R 1 600.00
21(9) read with 62(1)	Failure to limit maximum population to that specified on population certificate	R1 600.00	-	-	R 1 600.00
21(10)	Failure to vacate overcrowded premises when instructed to do so by the controlling authority	R1 600.00	-	-	R 1 600.00
Formulation of an emergency evacuation plan					
23(1) read with 62(1)	Failure by owner/person in charge of school/hospital/residential institution/guest house/hotel or similar occupancy with population in excess of 25 persons to formulate emergency evacuation plan	R1 100.00	-	-	R 1 100.00
23(2) read with 62(1)	Failure to comply with an order to formulate an emergency evacuation plan (premises other than listed in 23(1))	R1 100.00	-	-	R 1 100.00
23(3) read with 62(1)	Failure to revise emergency evacuation plan when aspect no longer applicable or building changed	R1 100.00	-	-	R 1 100.00
23(4) read with 62(1)	Failure to test emergency evacuation plan six monthly/upon revisions	R1 100.00	-	-	R 1 100.00
23(6) read with 62(1)	Failure to keep register of testing and emergency evacuation plan available on the premises for inspection	R1 100.00	-	-	R 1 100.00
Displaying of escape route plans					
24(1) read with 62(1)	Failure to display emergency evacuation plan in room designed for sleeping purposes in following hospitals, residential institutions, hotels or similar occupancy designed for use by patients, residents or transient persons (irrespective of population)	R1 600.00	-	-	R 1 600.00
Barricading of vacant buildings					
25 read with 62(1)	Failure by owner/person in charge to of building or portion thereof which is vacant to remove all combustible waste or refuse therefrom and lock/barricade/secure to satisfaction of municipality	R1 600.00	-	-	R 1 600.00
CHAPTER 6: HOUSEKEEPING					
Combustible waste and refuse					
26(1) read with 62(1)	Allowing accumulation of waste or refuse in any area or any manner so as to create a fire hazard or any other threatening danger	R1 600.00	-	-	R 1 600.00
26(2) read with 62(1)	Failure to store combustible waste and refuse in manner determined by controlling authority	R1 600.00	-	-	R 1 600.00
27 read with 62(1)	Allowing accumulation of dust in quantities sufficient to create a fire or threatening danger	R1 600.00	-	-	R 1 600.00
Accumulations in chimneys, flues and ducts					
29 read with 62(1)	Allowing soot or other combustible substance to accumulate in a chimney, flue or duct in quantities/manner as to constitute a fire hazard or threatening danger	R1 600.00	-	-	R 1 600.00
Sources of ignition					
30(1) read with 62(1)	Smoking/carrying of matches/use of flame emitting devices or spark producing equipment in area containing combustible or flammable substances	R1 100.00	-	-	R 1 100.00
30(2) read with 62(1)	Failure to place hot ashes, cinders or smouldering coals in a non-combustible container	R1 100.00	-	-	R 1 100.00
30(3) read with 62(1)	Failure to ensure adequate distance between combustible substances and or flammable substances	R1 100.00	-	-	R 1 100.00
30(4) read with 62(1)	Use of portable heaters where prohibited by the controlling authority	R1 600.00	-	-	R 1 600.00
Smoking					
31(1) read with 62(1)	Failure to display a No Smoking sign/s as directed by the controlling authority	R1 600.00	-	-	R 1 600.00
31(2) read with 62(1)	Removal of a No Smoking sign	R1 600.00	-	-	R 1 600.00
31(3) read with 62(1)	Light of smoke of a cigar, cigarette, pipe, tobacco or other substance or ignite or set fire to hold, possess, throw or deposit any lighted or smouldering substance in any place where expressly prohibited	R1 600.00	-	-	R 1 600.00
31(3A) read with 62(1)	Owner or person in charge allow or permit lighting or smoke a cigar, cigarette, pipe, tobacco or other substance or ignite or set fire to other material in any place where expressly prohibited.	R1 600.00	-	0.00	R 1 600.00
31(4) read with 62(1)	Failure to provide for safe disposal of smoking materials where smoking is allowed.	R1 600.00	-	0.00	R 1 600.00
31(5) read with 62(1)	Throwing/dropping/putting down burning match/cigarette/material/or material capable of spontaneous combustion or self-ignition in a road or other place.	R1 600.00	-	0.00	R 1 600.00
Electrical fittings, equipment and appliances					
32(1) read with 62(1)	Cause or permit an electrical supply outlet to be overloaded.	R1 600.00	-	0.00	R 1 600.00
32(2) read with 62(1)	Cause or permit electrical appliance or extension lead to be used in manner likely to create a fire hazard or other threatening danger	R1 600.00	-	0.00	R 1 600.00
Flame-emitting device					
33 read with 62(1)	Cause or permit flame-emitting device (eg candle/lantern/torch/etc.) to be used in a manner likely to create a fire hazard or other threatening danger	R1 600.00	-	0.00	R 1 600.00

STELLENBOSCH MUNICIPALITY

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

BRANDWEERDIENSTE/ FIRE SERVICES

BY LAW	OFFENCE	FINE 2020/2021	FINE Excl. VAT 2021/2022	No VAT applicable	FINE 2021/2022
CHAPTER 7:					
Combustible Material					
34(1) read with 62(1)	Storage/transport/use/display or permission thereof inside or outside any premises of combustible material or flammable substances in quantities or positions or manner likely to cause a fire hazard or other threatening danger.	R1 600.00	-	0.00	R 1 600.00
34(2) read with 62(1)	Permit vegetation to grow/accumulate or other combustible material to accumulate on a premise in a manner likely to cause fire hazard or other threatening danger (owner/person in charge).	R1 600.00	-	0.00	R 1 600.00
Lighting of fires and burning of combustible material					
35(1) read with 62(1)	Lighting of fires/disposal of combustible material by burning.	R1 600.00	-	0.00	R 1 600.00
35(3) read with 62(1)	Failure to ensure that a cooking fire or flame-emitting device is placed in designated areas in places of entertainment/public assembly so as to prevent a fire hazard or other threatening danger by the owner/person in charge	R1 600.00	-	0.00	R 1 600.00
35(4) read with 62(1)	Allowing burning to take place on state land, a farm, a small holding, or land within a proclaimed township that is not utilised for residential purposes, provided that the prior approval is obtained from the controlling authority by the owner/person in charge	R1 600.00	-	0.00	R 1 600.00
35(5) read with 62(1)	Entering a municipal nature reserve area, whilst in possession of any flammable substances, fireworks, lighters or matches	R1 600.00	-	0.00	R 1 600.00
Dealing in Fireworks					
38(1)(a) read with 62(1)	Dealing in fireworks without possessing the required fireworks license and written authority from the South African Police Services and the Chief Fire Officer.	R1 600.00	-	0.00	R 1 600.00
Approval of Fireworks Displays					
40(a) read with 62(1)	Presenting any fireworks display without written authorisation from the Fire Chief	R1 600.00	-	0.00	R 1 600.00
40(c) read with 62(1)	Presenting any fireworks display without supervision and control of person in charge at all times	R1 600.00	-	0.00	R 1 600.00
40(d) read with 62(1)	Presenting any fireworks display without attendance of suitably qualified explosives expert from the South African Police Services during its entire duration	R1 600.00	-	0.00	R 1 600.00
40(e) read with 62(1)	Presenting a fireworks out of a clearly demarcated area of a of at least 50 metres radius for the launching of fireworks, measures been taken to prevent any person not involved in the presentation of the display from entering such launching area and the presence of a pyro technician at all times and is responsible for the discharge of fireworks at such display.	R1 600.00	-	0.00	R 1 600.00
CHAPTER 9: FIRE SUBSTANCES					
Storage and use of a flammable substance					
44(1) read with 62(1)	Failure of the owner or person in charge to submit a building plan in accordance with the National Building Regulations to the municipality, prior to the construction of a new installation/alteration of an existing installation either temporary or permanent for the storage of a flammable substance	R1 600.00	-	0.00	R 1 600.00
44(1)A read with 62(1)	Failure of the owner or person in charge of an installation for the storage of a flammable substance to produce a copy of the municipal approved plan available at the site where the installation is being constructed	R1 600.00	-	0.00	R 1 600.00
44(3) read with 62(1)	Failure to pressure test storage tank/liquid petroleum gas installations/ associated pipework on request from the municipality prior to commissioning (owner/person in charge).	R1 600.00	-	0.00	R 1 600.00
44(5) read with 62(1)	Failure to notify controlling authority of alteration that impacts on fire safety of storage tank installation.	R1 600.00	-	-	R 1 600.00
44(6)(i)	Storage/use of flammable gas in excess of 19kg flammable gas of a danger group without obtaining flammable substance certificate.	R1 600.00	-	-	R 1 600.00
Flammable substance certificate					
45(1) read with 62(1)	Failure to submit application for flammable substance certificate	R1 600.00	-	-	R 1 600.00
45(4) read with 62(1)	Failure to renew flammable substance certificate (annual/quantity or class of substance changed)	R1 600.00	-	-	R 1 600.00
45(7) read with 62(1)	Supply of flammable substance in respect of premises which is not in possession of a valid flammable substance certificate	R1 600.00	-	-	R 1 600.00
45(9) read with 62(1)	Failure to have flammable substance certificate available on premises for inspection.	R1 600.00	-	-	R 1 600.00
Permanent or temporary above ground storage tank for a flammable liquid					
46(2)(a) read with 62(1)	Temporary above ground storage tank in excess of 9000 litres/ on premises for period exceeding 6 months/without submitting necessary written application.	R1 600.00	-	-	R 1 600.00
46(3) read with 62(1)	Failure to submit rational design for above ground storage tank in excess of 9000 litres	R1 600.00	-	0.00	R 1 600.00
46(5) read with 62(1)	Permanent/temporary tank with insufficient ullage to permit expansion by reason of temperature rise during storage.	R1 600.00	-	0.00	R 1 600.00
46(6) read with 62(1)	Erection of permanent/temporary tank less than 3,5 metres from boundaries/buildings/other flammable substances/combustible materials.	R1 600.00	-	0.00	R 1 600.00
46(7) read with 62(1)	Permanent/temporary tank not located on firm ground level/ground not adequate strength to support mass of tank and contents	R1 600.00	-	0.00	R 1 600.00
46(8) read with 62(1)	No bund wall or permanent/temporary tank.	R1 600.00	-	0.00	R 1 600.00
46(9) read with 62(1)	Inadequate precautions to prevent spillage during filling of tank.	R1 600.00	-	0.00	R 1 600.00
46(10) read with 62(1)	Failure to provide sufficient fire extinguishers in weather proof boxes	R1 600.00	-	0.00	R 1 600.00
46(11) read with 62(1)	Failure to provide necessary symbolic safety (above ground tanks)	R1 600.00	-	0.00	R 1 600.00
46(12) read with 62(1)	Failure to clearly identify flammable liquid contents with Hazchem placards (above ground tanks).	R1 600.00	-	0.00	R 1 600.00

STELLENBOSCH MUNICIPALITY

**DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES**

BRANDWEERDIENSTE/ FIRE SERVICES

BY LAW	OFFENCE	FINE 2020/2021	FINE Excl. VAT 2021/2022	No VAT applicable	FINE 2021/2022
46(13) read with 62(1)	Electrical/internal combustion-driven pump not equipped/positioned to eliminate danger of flammable liquid igniting	R1 600.00	-	0.00	R 1 600.00
46(14) read with 62(1)	Electrical installation associated with the above ground storage tank not complying with SABS 0108 and SABS 089: Part 2.	R1 600.00	-	0.00	R 1 600.00
Underground Storage Tank					
47 read with 62(1)	Installation does not comply with NBR, SABS 089: Part 3, SABS 0131: Part 3.	R1 600.00	-	0.00	R 1 600.00
Bulk storage depot for flammable substances					
48 read with 62(1)	The handling, storage and distribution of flammable substances at bulk depot fails to comply with NBR, SABS 089: Part 1.	R1 600.00	-	0.00	R 1 600.00
Small installations for liquefied petroleum gas					
49 read with 62(1)	Liquefied petroleum gas installations involving gas storage combined capacity not exceeding 3 000 litres per installation not installed in accordance with SABS 087: Part 1.	R1 600.00	-	0.00	R 1 600.00
Liquid petroleum gas installation in mobile units and small non-permanent buildings					
50 read with 62(1)	Liquid petroleum gas installation in mobile unit/small non-permanent building not in accordance with SABS 087: Part 2.	R1 600.00	-	0.00	R 1 600.00
The fuelling of forklift trucks and other LP gas operated vehicles					
51 read with 62(1)	The fuelling of forklift trucks and other LP gas operated vehicles not in accordance with SABS 087: Part 8	R1 600.00	-	0.00	R 1 600.00
The storage and filling of refillable liquid petroleum gas containers					
52 read with 62(1)	Storage and filling site for refillable liquid petroleum gas containers of capacity not exceeding 9kg not in accordance with SABS 10087 Part 8	R1 600.00	-	-	R 1 600.00
Bulk storage vessel for liquid petroleum gas					
53 read with 62(1)	The layout, design and operation of installations for the storage of a bulk liquid petroleum vessel and allied facilities not in accordance with the National Building Regulations (T1), read in conjunction with SABS 087: Part 3.	R1 600.00	-	-	R 1 600.00
Termination of the storage and use of flammable substances					
54(1) read with 62(1)	Failure to take prescribed steps when above ground or underground tank installation, liquid petroleum gas installation or associated pipework no longer required.	R1 600.00	-	-	R 1 600.00
54(2) read with 62(1)	Failure to apply in writing to fill unstable installation with liquid cement slurry.	R1 600.00	-	-	R 1 600.00
Reporting accidents					
55 read with 62(1)	Failure to notify controlling authority of accident involving flammable substance.	R1 600.00	-	-	R 1 600.00
Flammable stores					
56 read with 62(1)	Flammable store not conforming to requirements (specify exactly).	R1 600.00	-	-	R 1 600.00
Container handling and storage					
57(1) read with 62(1)	Failure to keep flammable substance closed when not in use. 1500 1,590 0 1,590	R1 600.00	-	0.00	R 1 600.00
57(2) read with 62(1)	Extracting flammable liquids from container exceeding 20 litre capacity which does not have adequately sealed pump/ tap.	R1 600.00	-	0.00	R 1 600.00
57(3) read with 62(1)	Failure to label flammable liquid containers properly.	R1 600.00	-	0.00	R 1 600.00
57(5) read with 62(1)	Inadequate manufacture/maintenance of flammable substance containers allowing leakage of flammable substances or vapours.	R1 600.00	-	0.00	R 1 600.00
57(6) read with 62(1)	Failure to place empty flammable liquid container in a flammable store. 1500 1,590 0 1,590	R1 600.00	-	0.00	R 1 600.00
57(8) read with 62(1)	Failure to securely close empty flammable liquid container	R1 600.00	-	0.00	R 1 600.00
Spray rooms and booths					
58 read with 62(1)	A spray room, booth or area designated for the application of a flammable liquid not constructed compliance with the General Safety Regulations promulgated in terms of the Occupational Health and Safety Act.	R1 600.00	-	0.00	R 1 600.00
Liquid petroleum gas containers					
59(1) read with 62(1)	Manufacture/maintenance/testing of liquid petroleum gas container not in accordance with SABS 087: Part 1 and SABS 019.	R1 600.00	-	0.00	R 1 600.00
59(2) read with 62(1)	Liquid petroleum gas container used/stored in such a manner that damage or leakage of liquid or vapour is possible.	R1 600.00	-	0.00	R 1 600.00
59(3) read with 62(1)	Filling of liquid petroleum gas container not exceeding 9 kilograms not in accordance with SABS 087: Part 7. 1500	R1 600.00	-	0.00	R 1 600.00
CHAPTER 10: TRANSPORTATION OF DANGEROUS GOODS					
Dangerous goods certificate					
60(1) read with 62(1)	Operation of vehicle designated for the transportation of flammable material without a dangerous goods certificate. 1500 1,590 0 1,590	R1 600.00	-	0.00	R 1 600.00
60(2) read with 62(1)	Failure to submit application for dangerous goods certificate in prescribed form to controlling authority.	R1 100.00	-	0.00	R 1 100.00
60(5) read with 62(1)	Failure to renew dangerous goods certificate annually/when major maintenance or repairs made on vehicle.	R1 100.00	-	0.00	R 1 100.00
60(10) read with 62(1)	Failure to keep dangerous goods certificate available in vehicle for inspection.	R1 100.00	-	0.00	R 1 100.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

LAW ENFORCEMENT/ WETSTOEPASSING	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Skut van goedere gekonfiskeer / Impoundment of goods confiscated	848.00	782.61	117.39	900.00
Provision of CCTV video footage information/ Voorsiening van CCTV video inligting				
Aansoekfooi/ Application Fee	201.40	186.96	28.04	215.00
Beeldmateriaal opsporingsfooi / Video footage tracing fee	265.00	244.35	36.65	281.00
Voorsiening van bewysmateriaal (CCTV video) per CD/ Provision of evidentiary evidence (CCTV video footage) per CD	424.00	391.30	58.70	450.00
Animal Impoundment costs:				
Impoundment of animals				
Horses, cattle and pigs (per head)	265.00	244.78	36.72	281.50
Goats and Sheep (per head)	159.00	147.83	22.17	170.00
Pound Fees (includes sustenance)				
Horses, cattle and pigs (per head per day)	159.00	147.83	22.17	170.00
Goats and Sheep (per head per day)	159.00	147.83	22.17	170.00
Fees for animals to be separately herded				
For every stallion and bull (per head per day)	265.00	244.78	36.72	281.50
For every Sheep ram, goat ram or other separate animal (per head per day)	159.00	147.83	22.17	170.00
Transport costs				
All animals delivered to the pound per km per single trip (No sharing of costs for multiple owners)	22.00	20.43	3.07	23.50
Transport of animals to another municipality's pound per km per single trip (New)	35.00	32.35	4.85	37.20
EVENTS				
Events Application Fee: Non-refundable				
Youth Development	117.00	108.26	16.24	124.50
Schools and educational institutions	117.00	108.26	16.24	124.50
Welfare Organizations	117.00	108.26	16.24	124.50
Churches	117.00	108.26	16.24	124.50
Elderly	117.00	108.26	16.24	124.50
Inter-Governmental departments	117.00	108.26	16.24	124.50
All other applications:	895.00	826.09	123.91	950.00

STELLENBOSCH MUNICIPALITY

MISCELLANEOUS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

MISCELLANEOUS	Unit	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
Special meter reading					
Office hours (till 15:00)	per occasion	R 243.58	R 220.50	R 33.07	R 253.57
After Hours (After 15:00)	per occasion	R 371.96	R 336.70	R 50.51	R 387.21
Sunday and Public Holidays	per occasion	R 754.88	R 683.33	R 102.50	R 785.83
Disconnection or Reconnection of Low Voltage supply:					
Office hours (till 15:00)	per occasion	R 243.58	R 220.50	R 33.07	R 253.57
After Hours (After 15:00)	per occasion	R 371.96	R 336.70	R 50.51	R 387.21
Sunday and Public Holidays	per occasion	R 754.88	R 683.33	R 102.50	R 785.83
1st Call to fault on consumer's installation :					
Office hours (till 15:00)	per occasion	R 384.02	R 347.63	R 52.14	R 399.77
After Hours (after 15:00)	per occasion	R 673.69	R 609.84	R 91.48	R 701.31
Sunday's and Public Holidays	per occasion	R 779.02	R 705.18	R 105.78	R 810.96
2nd Call to fault on consumer's installation :					
Office hours (till 15:00)	per visit	R 534.35	R 483.70	R 72.55	R 556.25
After Hours (after 15:00)	per visit	R 715.39	R 647.58	R 97.14	R 744.72
Sunday's and Public Holidays	per visit	R 1 080.76	R 978.32	R 146.75	R 1 125.07
Service not ready for connection	per visit	R 719.77	R 651.55	R 97.73	R 749.28
Temporary supply at public venue:					
Existing kiosk with single phase plug point (where available)	per day	R 718.68	R 650.56	R 97.58	R 748.14
Existing kiosk with three phase plug point (where available)	per day	R 1 010.53	R 914.75	R 137.21	R 1 051.96
Supply temporary kiosk with single/three phase plug points where supply in close vicinity (Plus day tariff)	per occasion	R 3 798.56	R 3 438.52	R 515.78	R 3 954.30
Temporary supply at public venue: (Non-profit organisations only)					
Existing kiosk with single phase plug point (where available)	per day	R 163.49	R 147.99	R 22.20	R 170.19
Existing kiosk with three phase plug point (where available)	per day	R 268.82	R 243.34	R 36.50	R 279.84
Supply temporary kiosk with single/three phase plug points where supply in close vicinity (Plus day tariff)	per occasion	R 2 901.04	R 2 626.07	R 393.91	R 3 019.98
MV switching on Council's equipment :					
Office hours	per occasion	R 3 232.39	R 2 926.01	R 438.90	R 3 364.92
After Hours	per occasion	R 4 538.07	R 4 107.94	R 616.19	R 4 724.13
Sundays & Public Holidays	per occasion	R 6 752.26	R 6 112.26	R 916.84	R 7 029.10
Installation of banners	per banner	R 3 452.93	R 3 125.66	R 468.85	R 3 594.50
Load control equipment:					
Shifting of existing load control equipment(office hours 8:00 till 15:00)	each	R 594.00	R 0.00	N/A	R 620.73
Shifting of existing load control equipment(after hours(after 15:00) including weekends)	each	R 794.00	R 0.00	N/A	R 829.73
NEW SUPPLIES WHERE MUNICIPAL CABLE IS AT ERF BOUNDARY (INCLUDES ENERGY DISPENSER AND EXCLUDE CABLE JOINT ON PROPERTY BOUNDARY)					
60 A single phase energy dispenser	each	R 2 867.07	R 2 595.32	R 389.30	R 2 984.62
Three phase energy dispenser	each	R 4 790.84	R 4 336.75	R 650.51	R 4 987.26
User interface Unit (wired)	each	R 518.11	R 469.00	R 70.35	R 539.35
User interface Unit (wireless)	each	R 695.18	R 629.29	R 94.39	R 723.68
Single Phase Connection Informal Settlement (Energy Dispenser + Ready Board + Cable - max distance 30meter)	each	R 4 741.65	R 4 292.22	R 643.83	R 4 936.06
60 A single phase service connection installed to Non-Serviced Property from overhead line to erf boundary with a 60 A single phase energy dispenser distribution board	each	R 6 946.33	R 6 287.94	R 943.19	R 7 231.13
All other new installations or upgrades as per quotation supplied by the Electrical Engineering Services Directorate		Quotation			Quotation

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES					
MISCELLANEOUS	Unit	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
INSTALLATION OF ENERGY DISPENSERS					
Replacement of existing single phase credit meter with single phase energy dispenser	each	No Cost			No Cost
Replacement of existing three phase credit meter with a three phase electricity dispenser	each	No Cost			No Cost
Testing of single phase meter (on site verification)	each	R 793.55	R 718.34	R 107.75	R 826.09
Testing of three phase meters (on site verification)	each	R 1 422.06	R 1 287.27	R 193.09	R 1 480.36
Testing of three phase bulk meters (New Audit)	each	R 2 977.47	R 2 695.26	R 404.29	R 3 099.54
Tariff investigation - based on existing consumption data	each	R 1 841.79	R 1 667.22	R 250.08	R 1 917.30
Tariff or load profile investigation - requiring equipment and personnel/site visit's	each	R 3 566.62	R 3 228.57	R 484.29	R 3 712.85
Quality of supply investigation - requiring equipment and personnel/site visit's	each	R 4 212.61	R 3 813.33	R 572.00	R 4 385.33
Bulk metering (Ct's, Test Block, Fuses Complete and Modem) and site certification	each	R 14 934.94	R 13 246.64	R 1 987.00	R 15 233.64
Single phase AMI meter (including GPRS Modem)	each	R 5 175.00	R 4 590.00	R 688.50	R 5 278.50
Three phase AMI meter Max 120A (Including GPRS Modem)	each	R 7 877.50	R 6 987.00	R 1 048.05	R 8 035.05
Smart Metering Single phase when available max 80A	each	R 4 580.97	R 4 063.12	R 609.47	R 4 672.59
Smart Metering Three phase when available max 80A	each	R 6 174.64	R 5 476.64	R 821.50	R 6 298.13
DEVELOPMENT BULK LEVY CONTRIBUTIONS					
<i>Please Note: Any additional costs to make the supply available to the users are for the developers account</i>					
Developer Provides Minisub					
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 8 382.69	R 0.00	N/A	R 8 726.38
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 11 171.56	R 0.00	N/A	R 11 629.60
Luxury Class Homes >250m ² (Airconditioning, underfloor heating, more than one electrical hot water cylinder etc)max 60Amp Single Phase	6 kVA	R 16 757.88	R 0.00	N/A	R 17 444.96
Non Residential	per kVA	R 2 332.10	R 0.00	N/A	R 2 427.72
Residential > 60Amp Single Phase to max 60 Amp Three Phase	per kVA	R 2 332.10	R 0.00	N/A	R 2 427.72
Existing Municipal Minisub or Transformer					
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 10 745.89	R 0.00	N/A	R 11 186.47
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 14 336.79	R 0.00	N/A	R 14 924.60
Luxury Class Homes >250m ² (Airconditioning, underfloor heating, more than one electrical hot water cylinder etc)max 60Amp Single Phase	6 kVA	R 21 108.99	R 0.00	N/A	R 21 974.46
Non Residential per kVA	per kVA	R 3 111.61	R 0.00	N/A	R 3 239.19
Residential > 60Amp Single Phase to max 60 Amp Three Phase	per kVA	R 3 111.61	R 0.00	N/A	R 3 239.19

DC per land-use: Stellenbosch Town 2021.22

Usage Codes														Total (excl Vat)			
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities					
		kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost				
		factor	R27 144	factor	R26 033	factor	R102 215	factor	R53 125								
										factor	R6 541	factor	R3 355				
Residential	Single Residential >1000m2	dwelling unit	1.200	R32 573	0.700	R18 223	0.048	R4 906	0.040	R2 125	4.00	R26 163	4.0	R13 418	R	97 408	
	Single Residential >500m2	dwelling unit	0.800	R21 715	0.650	R16 922	0.028	R2 862	0.040	R2 125	4.00	R26 163	4.0	R13 418	R	83 205	
	Single Residential >250m2	dwelling unit	0.700	R19 001	0.600	R15 620	0.023	R2 351	0.040	R2 125	4.00	R26 163	4.0	R13 418	R	78 678	
	Single Residential <250m2	dwelling unit	0.600	R16 286	0.500	R13 017	0.018	R1 840	0.040	R2 125	4.00	R26 163	4.0	R13 418	R	72 849	
	Less Formal Residential >250m2	dwelling unit	0.600	R16 286	0.500	R13 017	0.023	R2 351	0.040	R2 125	0.75	R4 906	4.0	R13 418	R	52 103	
	Less Formal Residential <250m2	dwelling unit	0.450	R12 215	0.400	R10 413	0.018	R1 840	0.040	R2 125	0.75	R4 906	4.0	R13 418	R	44 917	
	Group Residential >250m2	dwelling unit	0.700	R19 001	0.600	R15 620	0.023	R2 351	0.040	R2 125	3.75	R24 528	4.0	R13 418	R	77 043	
	Group Residential <250m2	dwelling unit	0.600	R16 286	0.500	R13 017	0.018	R1 840	0.040	R2 125	3.25	R21 257	4.0	R13 418	R	67 943	
	Medium Density Residential >250m2	dwelling unit	0.700	R19 001	0.600	R15 620	0.023	R2 351	0.040	R2 125	2.75	R17 987	4.0	R13 418	R	70 502	
	Medium Density Residential <250m2	dwelling unit	0.600	R16 286	0.500	R13 017	0.018	R1 840	0.040	R2 125	3.25	R21 257	4.0	R13 418	R	67 943	
	High Density Residential - flats	dwelling unit	0.450	R12 215	0.400	R10 413	0.008	R818	0.040	R2 125	2.75	R17 987	4.0	R13 418	R	56 976	
	High Density Residential - student rooms	dwelling unit	0.180	R4 886	0.150	R3 905	0.004	R409	0.015	R797	1.25	R8 176	1.0	R3 355	R	21 527	
										factor	R7 267	factor	R1 491				
Commercial	Local Business - office	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	Local Business - retail	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	General Business - office	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	General Business - retail	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	Community	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	Education	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
										factor	R9 448	factor	R1 491				
Industrial	Light Industrial	100m2 GLA	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	6.00	R56 686	1.0	R1 491	R	81 805	
	General Industrial - light	100m2 GLA	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	6.00	R56 686	1.0	R1 491	R	81 805	
	Warehousing	100m2 GLA	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	3.00	R28 343	1.0	R1 491	R	53 462	
	General Industrial - heavy	100m2 GLA	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	2.00	R18 895	1.0	R1 491	R	44 014	
	Noxious Industrial - heavy	100m2 GLA	0.400	R10 858	0.350	R9 112	0.015	R1 533	0.040	R2 125	2.00	R18 895	1.0	R1 491	R	44 014	
										factor	R7 267	factor	R1 491				
Other	Resort	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	Public Open Space	ha	R	-	R	-	0.200	R20 443		R0		R	-	R	-	R	20 443
	Private Open Space	ha	R	-	R	-	0.200	R20 443		R0		R	-	R	-	R	20 443
	Natural Environment	ha	R	-	R	-	0.200	R20 443		R0		R	-	R	-	R	20 443
	Utility Services	100m2 GLA	0.400	R10 858	0.350	R9 112	0.008	R818	0.040	R2 125	9.00	R65 407	1.0	R1 491	R	89 810	
	Public Roads and Parking	ha	R	-	R	-	0.700	R71 551		R0		R	-	R	-	R	71 551
	Transport Facility	ha	R	-	R	-	0.700	R71 551		R0		R	-	R	-	R	71 551
	Limited Use		R	-	R	-		R0		R0		R	-	R	-	R	-
Special	To be calculated based on equivalent demands																

DC per land-use: Dwars River 2021.22

Usage Codes														Total (excl Vat)
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities		
		kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost	
		factor	R21 276	factor	R30 329	factor	R97 530	factor	R45 946					
										factor	R3 687	factor	R3 355	
Single Residential >1000m2	dwelling unit	1.200	R25 531	0.700	R21 230	0.048	R4 681	0.040	R1 838	4.00	R14 748	4.0	R13 418	R 81 447
Single Residential >500m2	dwelling unit	0.800	R17 021	0.650	R19 714	0.028	R2 731	0.040	R1 838	4.00	R14 748	4.0	R13 418	R 69 470
Single Residential >250m2	dwelling unit	0.700	R14 893	0.600	R18 197	0.023	R2 243	0.040	R1 838	4.00	R14 748	4.0	R13 418	R 65 338
Single Residential <250m2	dwelling unit	0.600	R12 766	0.500	R15 165	0.018	R1 756	0.040	R1 838	4.00	R14 748	4.0	R13 418	R 59 690
Less Formal Residential >250m2	dwelling unit	0.600	R12 766	0.500	R15 165	0.023	R2 243	0.040	R1 838	0.75	R2 765	4.0	R13 418	R 48 195
Less Formal Residential <250m2	dwelling unit	0.450	R9 574	0.400	R12 132	0.018	R1 756	0.040	R1 838	0.75	R2 765	4.0	R13 418	R 41 483
Group Residential >250m2	dwelling unit	0.700	R14 893	0.600	R18 197	0.023	R2 243	0.040	R1 838	3.75	R13 826	4.0	R13 418	R 64 416
Group Residential <250m2	dwelling unit	0.600	R12 766	0.500	R15 165	0.018	R1 756	0.040	R1 838	3.25	R11 983	4.0	R13 418	R 56 924
Medium Density Residential >250m2	dwelling unit	0.700	R14 893	0.600	R18 197	0.023	R2 243	0.040	R1 838	2.75	R10 139	4.0	R13 418	R 60 729
Medium Density Residential <250m2	dwelling unit	0.600	R12 766	0.500	R15 165	0.018	R1 756	0.040	R1 838	3.25	R11 983	4.0	R13 418	R 56 924
High Density Residential - flats	dwelling unit	0.450	R9 574	0.400	R12 132	0.008	R780	0.040	R1 838	2.75	R10 139	4.0	R13 418	R 47 881
High Density Residential - student rooms	dwelling unit	0.180	R3 830	0.150	R4 549	0.004	R390	0.015	R689	1.25	R4 609	1.0	R3 355	R 17 422
										factor	R4 097	factor	R1 491	
Local Business - office	100m2 GLA	0.400	R8 510	0.350	R10 615	0.008	R780	0.040	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
Local Business - retail	100m2 GLA	0.400	R8 510	0.350	R10 615	0.008	R780	0.040	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
General Business - office	100m2 GLA	0.400	R8 510	0.350	R10 615	0.008	R8 510	0.040	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
General Business - retail	100m2 GLA	0.400	R8 510	0.350	R10 615	0.008	R780	0.040	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
Community	100m2 GLA	0.400	R8 510	0.350	R10 615	0.008	R780	0.040	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
Education	100m2 GLA	0.400	R8 510	0.350	R10 615	0.008	R780	0.040	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
										factor	R5 326	factor	R1 491	
Light Industrial	100m2 GLA	0.400	R8 510	0.350	R10 615	0.015	R1 463	0.040	R1 838	6.00	R31 954	1.0	R1 491	R 55 871
General Industrial - light	100m2 GLA	0.400	R8 510	0.350	R10 615	0.015	R1 463	0.040	R1 838	6.00	R31 954	1.0	R1 491	R 55 871
Warehousing	100m2 GLA	0.400	R8 510	0.350	R10 615	0.015	R1 463	0.040	R1 838	3.00	R15 977	1.0	R1 491	R 39 894
General Industrial - heavy	100m2 GLA	0.400	R8 510	0.350	R10 615	0.015	R1 463	0.040	R1 838	2.00	R10 651	1.0	R1 491	R 34 569
Noxious Industrial - heavy	100m2 GLA	0.400	R8 510	0.350	R10 615	0.015	R1 463	0.040	R1 838	2.00	R10 651	1.0	R1 491	R 34 569
										factor	R4 097	factor	R1 491	
Resort	100m2 GLA	0.400	R8 510	0.350	R10 615	0.008	R780	0.040	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
Public Open Space	ha		R -		R -	0.200	R19 506		R0		R -		R -	R 19 506
Private Open Space	ha		R -		R -	0.200	R19 506		R0		R -		R -	R 19 506
Natural Environment	ha		R -		R -	0.200	R19 506		R0		R -		R -	R 19 506
Utility Services	100m2 GLA	0.400	R8 510	0.350	R10 615	0.008	R780	0.040	R1 838	9.00	R36 870	1.0	R1 491	R 60 104
Public Roads and Parking	ha		R -		R -	0.700	R68 271		R0		R -		R -	R 68 271
Transport Facility	ha		R -		R -	0.700	R68 271		R0		R -		R -	R 68 271
Limited Use			R -		R -		R0		R0		R -		R -	-
Special														
To be calculated based on equivalent demands														

DC per land-use: Franschhoek 2021.22

Usage Codes														Total (excl Vat)
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities		
		kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost	
		factor	R25 290	factor	R16 740	factor	R71 994	factor	R57 531					
										factor	R6 694	factor	R3 355	
Single Residential >1000m2	dwelling unit	1.200	R30 348	0.700	R11 718	0.048	R3 456	0.040	R2 301	4.00	R26 775	4.0	R13 418	R 88 016
Single Residential >500m2	dwelling unit	0.800	R20 232	0.650	R10 881	0.028	R2 016	0.040	R2 301	4.00	R26 775	4.0	R13 418	R 75 623
Single Residential >250m2	dwelling unit	0.700	R17 703	0.600	R10 044	0.023	R1 656	0.040	R2 301	4.00	R26 775	4.0	R13 418	R 71 897
Single Residential <250m2	dwelling unit	0.600	R15 174	0.500	R8 370	0.018	R1 296	0.040	R2 301	4.00	R26 775	4.0	R13 418	R 67 334
Less Formal Residential >250m2	dwelling unit	0.600	R15 174	0.500	R8 370	0.023	R1 656	0.040	R2 301	0.75	R5 020	4.0	R13 418	R 45 939
Less Formal Residential <250m2	dwelling unit	0.450	R11 380	0.400	R6 696	0.018	R1 296	0.040	R2 301	0.75	R5 020	4.0	R13 418	R 40 112
Group Residential >250m2	dwelling unit	0.700	R17 703	0.600	R10 044	0.023	R1 656	0.040	R2 301	3.75	R25 102	4.0	R13 418	R 70 224
Group Residential <250m2	dwelling unit	0.600	R15 174	0.500	R8 370	0.018	R1 296	0.040	R2 301	3.25	R21 755	4.0	R13 418	R 62 314
Medium Density Residential >250m2	dwelling unit	0.700	R17 703	0.600	R10 044	0.023	R1 656	0.040	R2 301	2.75	R18 408	4.0	R13 418	R 63 530
Medium Density Residential <250m2	dwelling unit	0.600	R15 174	0.500	R8 370	0.018	R1 296	0.040	R2 301	3.25	R21 755	4.0	R13 418	R 62 314
High Density Residential - flats	dwelling unit	0.450	R11 380	0.400	R6 696	0.008	R576	0.040	R2 301	2.75	R18 408	4.0	R13 418	R 52 780
High Density Residential - student rooms	dwelling unit	0.180	R4 552	0.150	R2 511	0.004	R288	0.015	R863	1.25	R8 367	1.0	R3 355	R 19 936
										factor	R7 438	factor	R1 491	
Local Business - office	100m2 GLA	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282
Local Business - retail	100m2 GLA	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282
General Business - office	100m2 GLA	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282
General Business - retail	100m2 GLA	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282
Community	100m2 GLA	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282
Education	100m2 GLA	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282
										factor	R9 669	factor	R1 491	
Light Industrial	100m2 GLA	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	6.00	R58 014	1.0	R1 491	R 78 860
General Industrial - light	100m2 GLA	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	6.00	R58 014	1.0	R1 491	R 78 860
Warehousing	100m2 GLA	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	3.00	R29 007	1.0	R1 491	R 49 854
General Industrial - heavy	100m2 GLA	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	2.00	R19 338	1.0	R1 491	R 40 185
Noxious Industrial - heavy	100m2 GLA	0.400	R10 116	0.350	R5 859	0.015	R1 080	0.040	R2 301	2.00	R19 338	1.0	R1 491	R 40 185
										factor	R7 438	factor	R1 491	
Resort	100m2 GLA	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282
Public Open Space	ha		R -		R -	0.200	R14 399		R0		R -		R -	R 14 399
Private Open Space	ha		R -		R -	0.200	R14 399		R0		R -		R -	R 14 399
Natural Environment	ha		R -		R -	0.200	R14 399		R0		R -		R -	R 14 399
Utility Services	100m2 GLA	0.400	R10 116	0.350	R5 859	0.008	R576	0.040	R2 301	9.00	R66 939	1.0	R1 491	R 87 282
Public Roads and Parking	ha		R -		R -	0.700	R50 396		R0		R -		R -	R 50 396
Transport Facility	ha		R -		R -	0.700	R50 396		R0		R -		R -	R 50 396
Limited Use			R -		R -		R0		R0		R -		R -	-
Special														
To be calculated based on equivalent demands														

DC per land-use: Klappmuts 2021.22

Usage Codes														Total (excl Vat)			
Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities					
		kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost				
		factor	R11 105	factor	R22 298	factor	R134 879	factor	R67 752								
										factor	R7 723	factor	R3 355				
Residential	Single Residential >1000m2	dwelling unit	1.200	R13 326	0.700	R15 609	0.048	R6 474	0.040	R2 710	4.00	R30 894	4.0	R13 418	R	82 431	
	Single Residential >500m2	dwelling unit	0.800	R8 884	0.650	R14 494	0.028	R3 777	0.040	R2 710	4.00	R30 894	4.0	R13 418	R	74 176	
	Single Residential >250m2	dwelling unit	0.700	R7 774	0.600	R13 379	0.023	R3 102	0.040	R2 710	4.00	R30 894	4.0	R13 418	R	71 277	
	Single Residential <250m2	dwelling unit	0.600	R6 663	0.500	R11 149	0.018	R2 428	0.040	R2 710	4.00	R30 894	4.0	R13 418	R	67 262	
	Less Formal Residential >250m2	dwelling unit	0.600	R6 663	0.500	R11 149	0.023	R3 102	0.040	R2 710	0.75	R5 793	4.0	R13 418	R	42 835	
	Less Formal Residential <250m2	dwelling unit	0.450	R4 997	0.400	R8 919	0.018	R2 428	0.040	R2 710	0.75	R5 793	4.0	R13 418	R	38 265	
	Group Residential >250m2	dwelling unit	0.700	R7 774	0.600	R13 379	0.023	R3 102	0.040	R2 710	3.75	R28 963	4.0	R13 418	R	69 346	
	Group Residential <250m2	dwelling unit	0.600	R6 663	0.500	R11 149	0.018	R2 428	0.040	R2 710	3.25	R25 101	4.0	R13 418	R	61 469	
	Medium Density Residential >250m2	dwelling unit	0.700	R7 774	0.600	R13 379	0.023	R3 102	0.040	R2 710	2.75	R21 239	4.0	R13 418	R	61 622	
	Medium Density Residential <250m2	dwelling unit	0.600	R6 663	0.500	R11 149	0.018	R2 428	0.040	R2 710	3.25	R25 101	4.0	R13 418	R	61 469	
	High Density Residential - flats	dwelling unit	0.450	R4 997	0.400	R8 919	0.008	R1 079	0.040	R2 710	2.75	R21 239	4.0	R13 418	R	52 363	
	High Density Residential - student rooms	dwelling unit	0.180	R1 999	0.150	R3 345	0.004	R540	0.015	R1 016	1.25	R9 654	1.0	R3 355	R	19 908	
										factor	R8 582	factor	R1 491				
Commercial	Local Business - office	100m2 GLA	0.400	R4 442	0.350	R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R	94 760	
	Local Business - retail	100m2 GLA	0.400	R4 442	0.350	R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R	94 760	
	General Business - office	100m2 GLA	0.400	R4 442	0.350	R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R	94 760	
	General Business - retail	100m2 GLA	0.400	R4 442	0.350	R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R	94 760	
	Community	100m2 GLA	0.400	R4 442	0.350	R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R	94 760	
	Education	100m2 GLA	0.400	R4 442	0.350	R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R	94 760	
										factor	R11 156	factor	R1 491				
Industrial	Light Industrial	100m2 GLA	0.400	R4 442	0.350	R7 804	0.015	R2 023	0.040	R2 710	6.00	R66 936	1.0	R1 491	R	85 407	
	General Industrial - light	100m2 GLA	0.400	R4 442	0.350	R7 804	0.015	R2 023	0.040	R2 710	6.00	R66 936	1.0	R1 491	R	85 407	
	Warehousing	100m2 GLA	0.400	R4 442	0.350	R7 804	0.015	R2 023	0.040	R2 710	3.00	R33 468	1.0	R1 491	R	51 939	
	General Industrial - heavy	100m2 GLA	0.400	R4 442	0.350	R7 804	0.015	R2 023	0.040	R2 710	2.00	R22 312	1.0	R1 491	R	40 783	
	Noxious Industrial - heavy	100m2 GLA	0.400	R4 442	0.350	R7 804	0.015	R2 023	0.040	R2 710	2.00	R22 312	1.0	R1 491	R	40 783	
										factor	R8 582	factor	R1 491				
Other	Resort	100m2 GLA	0.400	R4 442	0.350	R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R	94 760	
	Public Open Space	ha		R		R	0.200	R26 976		R0		R		R		R	26 976
	Private Open Space	ha		R		R	0.200	R26 976		R0		R		R		R	26 976
	Natural Environment	ha		R		R	0.200	R26 976		R0		R		R		R	26 976
	Utility Services	100m2 GLA	0.400	R4 442	0.350	R7 804	0.008	R1 079	0.040	R2 710	9.00	R77 234	1.0	R1 491	R	94 760	
	Public Roads and Parking	ha		R		R	0.700	R94 415		R0		R		R		R	94 415
	Transport Facility	ha		R		R	0.700	R94 415		R0		R		R		R	94 415
	Limited Use			R		R		R0		R0		R		R		R	-
Special	To be calculated based on equivalent demands																

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES

Water Services	Tarief/ Tariff 2020/21 (Incl. VAT)	Tarief/ Tariff Excl. VAT 2021/22	BTW/ VAT 15%	Tarief/ Tariff 2021/22 (Incl. VAT)
DIVERSE DIENSTE / SUNDRY SERVICES				
Water connections complete Contractor provided leading 22 mm Water connections (coupling and meter only)	4 260.65	3 908.69	586.30	4 494.99
Complete connection :				
15mm complete (stopcock + watermeter + box)	6 131.74	5 625.21	843.78	6 468.99
20mm complete (stopcock + watermeter + box)	6 385.18	5 857.71	878.66	6 736.37
25mm complete (stopcock + watermeter + box)	9 226.10	8 463.94	1 269.59	9 733.54
40mm complete (stopcock + watermeter + box)	17 019.21	15 613.27	2 341.99	17 955.27
Complete connection : Including road crossing				
15mm complete (stopcock + watermeter + box)	22 967.59	21 070.27	3 160.54	24 230.81
20mm complete (stopcock + watermeter + box)	23 242.50	21 322.47	3 198.37	24 520.84
25mm complete (stopcock + watermeter + box)	25 779.18	23 649.60	3 547.44	27 197.04
40mm complete (stopcock + watermeter + box)	32 785.85	30 077.45	4 511.62	34 589.07
Inspection fee on all connections done by Private Contractors (excluding water deposit)	2 159.68	1 981.28	297.19	2 278.47
Water Management Device 22 mm Water connection (stopcock + watermeter + box)	5 324.44	4 884.59	732.69	5 617.28
Water miscellaneous tariffs				
Moving of watermeter sizes up to 25mm diam. Max distance 2m.	1 775.49	1 628.82	244.32	1 873.14
Moving of watermeter size 40mm diam. Max distance 2m.	4 460.70	4 092.21	613.83	4 706.04
(Does not include reinstatement of paved areas - reinstatement of paved areas actual cost)				
Test of all water meters. Actual cost.	Actual cost			Actual cost
Hydrants Standpipes				
15mm-50mm hydrants standpipes rental/month or part of month	1 110.54	1 018.80	152.82	1 171.62
Refundable deposit per hydrant standpipe	12 717.36	11 666.80	1 750.02	13 416.82
Reconnection after disconnection due to non-payment:				
Normal hours	443.78	407.12	61.07	468.18
After hours	681.15	624.88	93.73	718.61
Replacement of damaged water meters:				
20 mm.	4 144.66	3 802.27	570.34	4 372.61
> 20 mm.	Actual cost			
Sewer Connections(Installed by Developer as development requirement)				
Applicant connects to existing connection.				
100mm connection by Developer (first connection)	1 672.29	1 534.14	230.12	1 764.26
150mm connection by Developer (first connection)	2 004.83	1 839.22	275.88	2 115.10
All new sewer connections (due to subdivision/developments)	Actual cost			
Clearing of block sewer:				
Owner responsible to clear private blockage by making use of private contractor				
Blockage teams only responsible for clearing municipal main sewer blockages				
Private blockages only to be cleared if health hazard occurs and clear instruction is given by Management				
Normal hours	706.87	648.47	97.27	745.74
After hours	980.18	899.21	134.88	1 034.09
Deliberate call out to private blockage (call out fee only)	914.06	838.55	125.78	964.33

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

SERVICES RENDERED	UNIT	COMMENTS	2020/21	2021/22
Waste Management Services			R VAT excl	
Stellenbosch Landfill Site (Devon Valley Site) and Klapmuts Waste Transfer Station (General Waste only - NO Medical or Hazardous Waste)				
Residents and private companies working within WC024				
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carry capacity of up to 1.5 tons.</u> Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	Free	Free
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicle with a carry capacity exceeding 1.5 tons.</u> Must show proof of where in WC024 work is being done	New	21.73
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of 1.5 tons and less.</u> No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	Free	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of more than 1.5 tons.</u> No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	17.39	21.73
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 652.18	R 717.40
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 326.09	R 358.70
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 163.05	R 179.35
Disposal of soil	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of less than 1.5 tons.</u> Only soil from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	NEW	Free
Disposal of soil	Per metric ton or part thereof	<u>Vehicles with a carrying capacity of more than 1.5 tons.</u> Only soil from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	NEW	21.73
Disposal Household Hazardous waste	Car, trailer, LDV	Vehicles with a carrying capacity of 1.5 tons and less. These are limited to items generated on residential properties. Proof of the latest account that reflects payment for refuse removal needs to be shown. Limited to one load per month.	NEW	Free
Interdepartmental Municipal Charges at Stellenbosch Landfill Site (Devon Valley Site) and Klapmuts Waste Transfer Station.				
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	R 626.58	R 717.40
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 500 kg or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	R 313.29	R 344.61
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 250 kg or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	R 156.65	R 172.30
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicles with a carry capacity of up to 1.5 tons and less.</u> Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	Free	Free
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	<u>Vehicle with a carry capacity more than 1.5 tons.</u> Must show proof of where in WC024 work is being done	New	21.73

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

SERVICES RENDERED	UNIT	COMMENTS	2020/21	2021/22
Waste Management Services			R VAT excl	
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	Vehicles with a carrying capacity of 1.5 tons and less. No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	Free	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	Vehicles with a carrying capacity of more than 1.5 tons. No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	17.39	21.73
Klapmuts Transfer Station				
Disposal of general waste	Per metric ton or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 652.02	R 717.40
Disposal of general waste	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 326.01	R 358.70
Disposal of general waste	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 163.01	R 179.35
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	Vehicles with a carry capacity of up to 1.5 tons or less. Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	New	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	Vehicles with a carrying capacity of 1.5 tons and less. No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood).	New	Free
Franschhoek Drop-off				
Residential properties ONLY				
Disposal of garage waste. * Garage waste is any household waste other than clean garden waste, clean builders' rubble, domestic waste or kitchen waste from residential properties.	Car, trailer, LDV	Vehicles with a carrying capacity of 1.5 tons and less. These are limited to items that cannot fit into a 240l wheelie bin. Proof of the latest account that reflects payment for refuse removal needs to be shown. Limited to one load per month.	New	Free
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	Vehicles with a carry capacity of up to 1.5 tons or less. Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done. Limited to one load per day.	New	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	Vehicles with a carrying capacity of 1.5 tons and less. No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood). Limited to one load per day.	New	Free
ALL VEHICLES WITH A CARRY CAPACITY OF 1.5 TONS OR MORE FOR BUILDER'S RUBBLE AND VEHICLES WITH A CARRY CAPACITY OF 2 TONS OR MORE FOR GARDEN WASTE MUST BE DISPOSED OF AT THE SETTLENBOSCH LANDFILL SITE				
Stellenbosch Waste Material Recovery facility				
Disposal of garage waste. * Garage waste is any household waste other than clean garden waste, clean builders' rubble, domestic waste or kitchen waste from residential properties.	Car, trailer, LDV	Vehicles with a carrying capacity of 1.5 tons and less. These are limited to items that cannot fit into a 240l wheelie bin. Proof of the latest account that reflects payment for refuse removal needs to be shown. Limited to one load per day.	New	Free
Clean recyclable waste material	Per metric ton or part thereof	Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	New	Free
Replacement of bin or lid or wheel or axel				
For bin age up to 5 years		For malicious damage where there is negligence on the part of the owner.		

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DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

SERVICES RENDERED	UNIT	COMMENTS	2020/21	2021/22
Waste Management Services			R VAT excl	
For the replacement of a complete bin	Replacement	Applicable to malicious damage Lost or stolen bin must be reported to the nearest Police Station and a case number be presented to Council before replacement commences. The replacement due to theft on refuse removal day will be excluded from this arrangement. Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect. Maximum of twice per year.	Cost + 15% applicable to malicious damage, lost or theft. Must be reported to the SAPS and a case number and payment to be presented to Council before replacement. The replacement due to theft on refuse removal day will be excluded from this arrangement (Maximum two replacement allowed during the financial year, thereafter payment to be presented before replacement). Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect.	Cost + 15% applicable to malicious damage, lost or theft. Must be reported to the SAPS and a case number and payment to be presented to Council before replacement. The replacement due to theft on refuse removal day will be excluded from this arrangement (Maximum two replacement allowed during the financial year, thereafter payment to be presented before replacement). Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect.
Hiring and servicing of 240ℓ bins				
Hiring of 240ℓ wheelie bin	Per bin per day	For the hiring of 240ℓ bins to a third party within WC024 (includes delivery, collection and servicing of the bin). Subject to prior approval and availability.	R 54.52	R 61.06
Servicing of event bins	Per lift	A charge to empty a event bin.	New	R53.05
Hiring of 240ℓ wheelie bins: Basic charge for collection and/or delivery on Saturday	Once-off per event	Compulsory fee to be paid when hiring municipal wheelie bins for events taking place over a weekend in WC024	R 2 758.80	3 034,68
Hiring of 240ℓ wheelie bins: Basic charge for collection and/or delivery on Sunday	Once-off per event	Compulsory fee to be paid when hiring municipal wheelie bins for events taking place over a weekend in WC024	R 3 636.60	4 000,26

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SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

	Tarief/ Tariff 2020/21 (Incl. VAT)	Tarief/ Tariff Excl. VAT 2021/22	BTW/ VAT 15%	Tarief/ Tariff 2021/22 (Incl. VAT)
*Industrial Effluent Treatment Basic Tariff (T): R/kl effluent discharge excluding penalties and contract arrangements.	R 14.28	R 13.10	R 1.97	R 15.07
*Industrial Effluent Conveyancy Basic Tariff (C): R/kl effluent discharge excluding penalties and contract arrangements.	R 6.49	R 5.95	R 0.89	R 6.85
Clearance of septic tanks: per 5 000 litre of part thereof	R 1 812.63	R 1 662.89	R 249.43	R 1 912.32
Waste Water disposal at designated facility per kl	R 114.24	R 104.81	R 15.72	R 120.53
Chemical toilet disposal at designated facility per toilet	R 111.65	R 102.43	R 15.36	R 117.79
* Special agreements when industry do pre-treatment	N/A	N/A	N/A	N/A

FORMULA FOR THE CALCULATION OF EFFLUENT DISCHARGE CHARGES (Schedule C of Bylaws)

Discharge Cost = Basic Tariff + COD Surcharge + Substance Limit Surcharge

Discharge Cost = (Vw) (SVC) + (Vie) (T) ((COD - 1000)/1000) + (Vie) (T) (SF)

SVC = Sewerage Volumetric Charge (T + C) in terms of above tariffs (Conveyancy and Treatment)

Surcharge Factor (SF) = ((X - L) / L)

X = Concentration in discharge of one or more of parameters listed in Schedule A of Bylaws

L = Limit of applicable parameter as listed in Schedule A of Bylaws

* Special agreements to be approved by council

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SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

SCIENTIFIC SERVICES/WETENSKAPLIKE DIENSTE	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
PARAMETERS				
PHYSICAL ANALYSIS				
Temperature	45.22	47.26	7.09	54.35
Ph @ 25°C	45.22	47.26	7.09	54.35
Electrical conductivity @ 25°Cms ⁻¹	45.22	47.26	7.09	54.35
Turbidity (NTU)	45.22	47.26	7.09	54.35
Total suspended solids (TSS) 105°C mg/1	116.29	121.53	18.23	139.75
Total dissolved solids (TDS-gravimetric) mg/1	116.29	121.53	18.23	139.75
Inorganic dissolved solids (VSS) @600°Cmg/1	180.90	189.04	28.36	217.40
Settle able solids@ 30min in ml	116.29	121.53	18.23	139.75
Volatile organic matter percentage (%)	180.90	189.04	28.36	217.40
CHEMICAL ANALYSIS				
NITRATE (NO ⁻³) mg/1	148.60	155.28	23.29	178.58
NITRITE (NO ⁻²) mg/1	148.60	155.28	23.29	178.58
ORTHO PHOSPHATE (PO ⁻³ ₄) mg/1	85.28	89.12	13.37	102.49
TOTAL PHOSPHATE (PO ⁻³ ₄) mg/1	335.96	351.07	52.66	403.74
AMMONIA as N (NH ₃) mg/1	85.28	89.12	13.37	102.49
SULPHIDES (S) mg/1	219.66	229.55	34.43	263.98
SULPHATE (SO ⁻² ₄) (total) mg/1	90.45	94.52	14.18	108.70
FREE & TOTAL residual chlorine (CL ⁻²)	64.61	67.51	10.13	77.64
CHLORIDE as Cl mg/1	90.45	94.52	14.18	108.70
PHENOLIS (C ₆ H ₅ OH)	426.41	445.59	66.84	512.43
COD unfiltered mg/1	180.90	189.04	28.36	217.40
COD filtered mg/1	206.74	216.05	32.41	248.45
COD dilution (included in unfiltered) mg/1	180.90	189.04	28.36	217.40
PHENOLIS C ₆ H ₅ OH (total) mg/1	426.41	445.59	66.84	512.43
CHROMATE TEST (CHROMIUM cr ₆₊) as Cr mg/1	515.56	538.76	80.81	619.58
CYANIDE as CN	426.41	445.59	66.84	512.43
SULPHIDES (SO ⁻² ₃) mg/1	426.41	445.59	66.84	512.43
MICROBIOLOGICAL & BACTERIOLOGICAL ANALYSIS				
FAECAL COLIFORMS COUNT/100ml	317.87	332.17	49.83	382.00
E.COLI COUNT/100ml	317.87	332.17	49.83	382.00

STELLENBOSCH MUNICIPALITY

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DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

	Tariff 2020/21 (Excl. VAT)	2020/21 VAT 15%	Tariff 2020/21 (Incl. VAT)	Tariff 2021/22 (Excl. VAT)	2021/22 VAT 15%	Tariff 2021/22 (Incl. VAT)
ROADS TRANSPORT & STORMWATER						
Lowering of kerbs	595.05	89.26	684.31	595.05	89.26	684.31
Inspection fee for the construction of facility signs	278.93	41.84	320.77	278.93	41.84	320.77
Construction of facility sign	991.76	148.76	1140.52	991.76	148.76	1140.52
Construction of vehicle access over stormwater/irrigation channels	Actual Cost/Werklike koste + 10%			Actual Cost/Werklike koste + 10%		
Temporary road closures undertaken by the Municipality (12 hours)	Actual cost /plus 10%			7 500.00	978.26	8 478.26
Development Charge (DC) - Parking						
Per parking bay	158 647.41	23 797.11	182 444.52	174 512.15	22 762.45	197 274.60

STELLENBOSCH MUNICIPALITY					
WAYLEAVE TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022 Applicable to services rendered from 1 July 2021					
DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES					
ASSET MANAGEMENT AND SYSTEMS SECTION WAYLEAVE ADMINISTRATION TARIFFS	Unit	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
1.1 Administration fee for a miscellaneous wayleave to use the road reserve for a period of one month or less other than to install an underground service PLUS: Inspection Fee (once-off) For the temporary use of the road reserve for less than one month other than for the installation of an underground service, including for: the placement or storage of an item such as a chemical toilet, container, ladder, scaffolding, mobile crane or materials, pumping of concrete, excavation of trial holes. The fee is payable in advance. PLUS: The cost of all inspections during the course of the wayleave from services verification to the site rehabilitation after construction. The fee is payable in advance.	per application	R 500.00	R 454.35	R 68.15	R 522.50
	per application	R 1 000.00	R 908.70	R 136.30	R 1 045.00
1.2 Administration fee for a wayleave or permit to use the road reserve to install an underground service (total construction duration is less than ten working days) PLUS: Inspection Fee (once-off) For the use of the road reserve to install a pipe, tunnel, cable or duct for water, electricity, communication, or any other service – where the total construction duration is less than ten working days. The fee is payable in advance. PLUS: The cost of all inspections during the course of the wayleave from services verification to the site rehabilitation after construction. The fee is payable in advance.	per application	R 1 000.00	R 908.70	R 136.30	R 1 045.00
	per application	R 2 000.00	R 1 817.39	R 272.61	R 2 090.00
1.3 Administration fee for a wayleave or permit to use the road reserve to install an underground service PLUS: Inspection Fee (per month, based on the total construction duration) For the use of the road reserve to install a pipe, tunnel, cable or duct for water, electricity, communication, or any other service. The fee is payable in advance. PLUS: The cost of all inspections during the course of the wayleave from services verification to the site rehabilitation after construction. The fee is payable in advance.	per application	R 3 000.00	R 2 726.09	R 408.91	R 3 135.00
	per month of construction,				
	per application	R 2 000.00	R 1 817.39	R 272.61	R 2 090.00
1.4 Tariff for authorised trenching across a municipal roadway (per metre of trenching) For using an open trench to cross a roadway to install a pipe, cable or duct for water, electricity, communication or any other service. This tariff applies if the municipality grants written authorisation for a roadway trench before digging of the trench commences. The applicant may not begin roadway trenching before paying the roadway open trench fee and the Municipality issues written authorisation. The fee is payable when the written authorisation is issued. The roadway open trench fee is for the increased maintenance and reconstruction costs and inherent degradation of the roadway caused by roadway trenching. It applies even if the trench is reinstated in compliance with the Municipality's requirements and standards.	Per m measured from 0.5m behind the kerb or road edge	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
1.5 Tariff for unauthorised use of the road reserve for a period of more than one month other than to install an underground service (100% of admin & inspection fee under tariff 1.1) For the use of the road reserve beyond the one month allowed by the miscellaneous wayleave application. This is for holders of an approved miscellaneous wayleave that has expired and has not been renewed.	per month	R 1 500.00	R 1 363.04	R 204.46	R 1 567.50
1.6 Tariff for unauthorised commencement of use of the road reserve For the commencement of use of the road reserve (i.e. encroachment) without an approved wayleave or before Stellenbosch Municipality issues a wayleave.	per month	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
1.7 Tariff for unauthorised use of the road reserve to install an underground service Where construction period was 10 working days or less (200% of admin & inspection fee under tariff 1.2) Where construction period was more than 10 working days (200% of admin & inspection fee under tariff 1.3) For the commencement of an installation of an underground service without an approved wayleave or before Stellenbosch Municipality issues a wayleave. Includes a 100% surcharge which applies regardless of whether Stellenbosch Municipality issues a wayleave.	per application	R 6 000.00	R 5 452.17	R 817.83	R 6 270.00
	per application	R 10 000.00	R 9 086.96	R 1 363.04	R 10 450.00

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES					
ASSET MANAGEMENT AND SYSTEMS SECTION WAYLEAVE ADMINISTRATION TARIFFS	Unit	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
<p>1.8 Tariff for unauthorised trenching across a municipal roadway (per metre of trenching) (200% of tariff 1.6)</p> <p>For commencement of a roadway trench without written authorisation or before the Municipality issues written authorisation for the roadway trench. Includes a 100% surcharge. The surcharge applies regardless of whether the Municipality issues a written</p>	Per m measured from 0.5m behind the kerb or road edge	R 10 000.00	R 9 086.96	R 1 363.04	R 10 450.00
<p>1.9 Tariff for unauthorised after-hours use of the road reserve for the installation of an underground service</p> <p>For the commencement of use of the road reserve to install an underground service outside of business hours. Work performed under an approved wayleave can only be performed in regular working hours (Mondays – Thursdays 08:00-17:00 and Fridays 08:00-15h00). Working after hours, on public holidays or the weekend is not permitted.</p>	per occasion	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
<p>1.10 Tariff for excavations being left open for longer than ten working days</p> <p>On completion of the Work, all trenches and excavations in the public road reserves must be backfilled and reinstated as soon as possible in accordance with the technical specifications. Failure to do so represents an unacceptable safety hazard.</p>	per occasion	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
<p>1.11 Tariff for unauthorised site abandonment for a period exceeding 14 days</p> <p>The wayleave holder may not leave the site for more than fourteen days without permanently reinstating the site.</p>	per occasion	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
<p>1.12 Tariff for not cleaning or reinstating the road reserve within 14 days of completion</p> <p>The construction site's cleaning up, and the reinstatement to its previous condition is considered part of the Work. It must be completed within 14 days after the construction work has been completed.</p>	per occasion	R 5 000.00	R 4 543.48	R 681.52	R 5 225.00
WAYLEAVE ADMINISTRATION REFUNDABLE DEPOSITS					
<p>2.1 Services Deposit</p> <p>A services deposit is required where there is a risk of damage to municipal services. It is determined by the service co-ordinator and is based on the replacement value of the services in close proximity to the Works e.g. Cost of cable repairs: LV – R 40 000, MV – R 240,000, HV – R 1,250,000, 66 KV R – R 2,500,000, etc. This deposit is paid into the recoverable cost account of Stellenbosch Municipality. After completion, damages will be assessed, the site will be inspected, and all additional costs will be communicated to the applicant. Stellenbosch Municipality will refund the balance of the deposit once all works are complete, and upon final inspection where the Municipality's engineers are satisfied that the reinstatement meets the Municipality's standard and requirements.</p>	per application	Determined by Service Co-ordinator			
<p>2.2 Bank Guarantee / Appropriate Business Insurance</p> <p>Another acceptable form of partial deposit is a bank guarantee as surety in favour of Stellenbosch Municipality or appropriate business insurance. NB: The first R25,000 of the Services Deposit must be paid into the recoverable cost account of Stellenbosch Municipality. A Bank Guarantee or appropriate business insurance can cover the balance of the required Services Deposit.</p>	per application	Determined by Service Co-ordinator			
WAYLEAVE ADMINISTRATION TARIFF NOTES					
<p>3.1 Unless the context indicates otherwise, 'road reserve' includes a roadway, sidewalk footway and verge. 3.2 Suppose Stellenbosch Municipality incurs any costs resulting from Work in or use of the road reserve including remedying substandard or non-compliant reinstatement repairing damage, 3rd party claims, or cleaning of the site. In that case, the actual costs will be offset against the deposit (plus 10% administration fee, including VAT). The Municipality will refund the balance if any. 3.3 All internal Departments or State Funded Projects (National or Provincial), where Stellenbosch Municipality will take over the infrastructure, will be exempted from paying the Administrative Fee, Refundable Deposits Non-Refundable Payments and/or 3.4 No micro trenching is allowed in the WC024.</p>					

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022
Applicable to services rendered from 1 July 2021

DIREKTORAAT: BEPLANNING EN ONTWIKKELING DIENSTE
DIRECTORATE: PLANNING AND DEVELOPMENT SERVICES

SERVICES RENDERED	TYPE		INTERVAL m2	R/M2	TOTAL PER MONTH	TOTAL PER DAY	TOTAL PER WEEK	TOTAL PER YEAR	DEPOSIT REQUIRED
Rentals : Kayamandi Economic Corridor									
	Formal Kiosks	30% discount for Non-Profitable Organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%	10	R 40	R 400	R 0	R 0	R 0	R 400
			12	R 40	R 460	R 0	R 0	R 0	R 460
			12.5	R 40	R 500	R 0	R 0	R 0	R 500
			13	R 40	R 520	R 0	R 0	R 0	R 520
			13.5	R 40	R 540	R 0	R 0	R 0	R 540
			14	R 40	R 560	R 0	R 0	R 0	R 560
			14.5	R 40	R 580	R 0	R 0	R 0	R 580
			15	R 40	R 600	R 0	R 0	R 0	R 600
			15.5	R 40	R 620	R 0	R 0	R 0	R 620
	Internet Café		16	R 40	R 640	R 0	R 0	R 0	R 640
	Restaurant		17.3	R 40	R 692	R 0	R 0	R 0	R 692
			22	R 40	R 880	R 0	R 0	R 0	R 880
	ATM's	As per negotiated agreement							
	Informal Kiosks		10	R 0	R 0	R 30	R 0	R 0	R 0
	Conference facility	30% discount for Non-Profitable organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%	per day	R 0	R 0	R 10 000	R 0	R 0	R 0
	Amphi Theatre	30% discount for Non-Profitable organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%	per day	R 0	R 0	R 1 000	R 0	R 0	R 0
Rentals: Local Economic Development Hubs									
	Erf 2235 Homestead Mooiwater	Businee Support Incubator/centre	235	R 45	R 10 575	N/A	N/A	R 126 900	R 31 725
	Erven 2751 & 6314 Agricultural Hall Old	Incubator and affordable rentals for Arts, crafts and tourism activities	400	R 45	R 18 000	R 0	R 0	R 18 000	R 18 000
	Erven 288, Triangle Site Franschhoek	Affordable space rentals for shops and tourism activities	210	R 45	R 9 450	R 0	R 0	R 9 450	R 9 450
	Old Clinic building Stellenbosch	Business Development, , incubator and rental space (arts, crafts, shops, offices, tourism activities	293	R 45	R 13 185	R 0	R 0	R 13 185	R 13 185
Rentals: Informal Trading sites									
Stellenbosch Town									
	Open Kiosks		per kiosk		R 216	R 30	R 72	R 1 500	R 0
Idas Valley									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Cloetesville									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Kayamandi									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Klapmuts									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Franschhoek Town									
	Open Kiosks		per kiosk		R 216	R 30	R 72	R 1 500	R 0
Groendal & Langrug									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	R 0
Foodtrucks									
	Mobile		per mobile		R 0	R 90	R 210	R 1 800	R 0
Use of Informal Trading Site for Events / Conference Facility	Conference / Events Facility	30% discount for Non-Profitable organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%						R 3 500	

SERVICES RENDERED	UNIT	REMARKS	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
LAND USE MANAGEMENT FEES						
REZONING & DETERMINATION OF A ZONING						
Rezoning, inclusive of a determination of a zoning	Per application per property		R 10 000.00	R 8 695.65	R 1 304.35	R 10 000.00
PERMANENT DEPARTURE						
Departure applications including but not limited to building lines, coverage, height, bulk, parking.	Per application per property	Per Property. All indigent residents who are registered as such with the Municipality and with proof submitted together with application will be exempted from applicable fees	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
TEMPORARY DEPARTURE / OCCASIONAL USE OF LAND / CONSENT USE IN TERMS OF THE ZONING SCHEME / TECHNICAL APPROVAL / PERMISSION IN TERMS OF ZONING SCHEME / PERMISSION REQUIRED IN TERMS OF THE TITLE DEED						
Submitted in urban and rural areas	Per application per property		R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
House shops/Early Childhood Development Centres (ECD's)/ Occasional Use of Land	Per application per property (per use)		R 200.00	R 173.91	R 26.09	R 200.00
SUBDIVISION & CONSOLIDATION (AMENDMENT/CANCELLATION OF SUBDIVISIONAL PLAN/GENERAL PLAN/DIAGRAM)						
Subdivision/Consolidation/amendment/cancellation of an approved subdivision plan (or part thereof), including a general plan or diagram	Per application		R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
EXEMPTION CERTIFICATES (SUBDIVISION/CONSOLIDATION) ADMINISTRATIVE FEE						
Exemption certificates for Subdivision or Consolidation	Per request		R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
REMOVAL, RELAXATION, SUSPENSION OR AMENDMENT OF RESTRICTIVE TITLE DEED CONDITIONS						
Removal, relaxation, suspension or amendment	Per application		R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
AMENDMENT, DELETION OR IMPOSITION OF CONDITIONS IN RESPECT OF AN EXISTING APPROVAL						
Amendment of conditions of approval (by the deletion, imposition or amendment of conditions)	Per application	Per application	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
EXTENSION OF VALIDITY OF APPROVAL						
Extension of validity period of an approval	Per application	Per application	50% of current application fee inclusive of VAT	50% of current application fee inclusive of VAT		50% of current application fee inclusive of VAT
PERMISSION IN TERMS OF CONDITION OF APPROVAL/ ADMINISTRATIVE PERMISSIONS OR APPROVALS						
All permissions required in terms of a condition of approval or administrative permission or approval inclusive of but not limited to: Site Development Plans; HOA Constitutions; Architectural / Design / Aesthetic Manuals or Guidelines, Landscaping Plans & Phasing Plans.	Per application	Per application. All permissions or approvals that is required and originates from a condition of an approval attached to an land use application granted by the municipality, will be exempted from this tariff. Any subsequent applications for the amendment to such permissions/ approvals on the initiative of the applicant will not be exempted	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
CLOSURE OF PUBLIC PLACE OR PART THEREOF						
Closure of Public Place / Roads or Part thereof	Per application	Per application	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
DISESTABLISHMENT OF HOME OWNERS ASSOCIATION						
Disestablishment of HOA	Per application	Per application	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
RECTIFY A FAILURE OF A HOME OWNERS ASSOCIATION TO MEET ITS OBLIGATIONS						
Rectification	Per application	Per application	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
PERMISSION FOR RECONSTRUCTION OF EXISTING BUILDING CONSTITUTING A NON-CONFORMING USE						
Permission for reconstruction of existing building constituting a non-conforming use	Per application	A permission required for the reconstruction of an existing building that constitutes a non-conforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
NAMING AND NUMBERING OF STREETS AND PUBLIC PLACES/BUILDINGS						
Naming and numbering of streets, Places and Buildings	Per application	Per application	R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
Renaming of Streets, Places and Buildings	Per application	Per application	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
ADVERTISING FEES						
Advertisements in the press (All advertisements) Local weekly newspaper (per placement)	Basic per placement	This is a basic advertising fee. Should the actual costs be more, the applicant is liable for such extra costs upon receipt of a quote	R 14 000.00	R 12 608.70	R 1 391.30	R 14 500.00
Advertisements in the press(All other advertisements) Daily newspaper (per placement)	Per Quotation		0.00	per quotation		Per Quotation
Serving of notices	For every 10 letters or part thereof		R 750.00	R 695.65	R 104.35	R 800.00
OTHER						
Deviation from Council Policies & By-laws	Per application per property	Per application per property	R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
Appeals submitted by Applicant	Administration cost per appeal		R 2 500.00	R 2 173.91	R 326.09	R 2 500.00
Appeals submitted by parties other than the applicant.		Refundable if Appeal results in successful review of the decision on the grounds of the Appeal submitted.		R 869.57	R 130.43	R 1 000.00
Intervener Status for all applicants	Per application		R 5 000.00	R 4 347.83	R 652.17	R 5 000.00
Transfer Clearance	Per transferable erf		R 400.00	R 434.78	R 65.22	R 500.00
Zoning Certificate	Per erf		R 400.00	R 434.78	R 65.22	R 500.00
Business Licence	Per application		R 25.00	R 26.09	R 3.91	R 30.00

SERVICES RENDERED	UNIT	REMARKS	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
CONTRAVENTION PENALTY						
Contravention penalty is applied in accordance with a Council Policy, By-law and/or any such enabling planning legislation and associated provisions	Per application (refer to tariff rules 5.1- 5.4.12)	<i>Formula for Contravention Penalty: ((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m² The area of the construction activity (actual area per square meter x penalty rate A) and/or land area (indirect area per square meter x penalty rate B) that is unlawfully utilised in terms of the relevant zoning of the property) multiplied by (the municipal value per square meter (m²) of the land and/or building as stipulated in the current valuation roll of the municipality as on the date that is indicated on the contravention notice)</i>	((actual area/m ² multiply by penalty rate A) + (indirect area /m ² multiply by penalty rate B)) x (valuation/m ²) = R/m ²	(area/m ²) x (valuation/m ²) = R/m ²		((actual area/m ² multiply by penalty rate A) + (indirect area /m ² multiply by penalty rate B)) x (valuation/m ²) = R/m ²
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Mono (back and white)						
A4	per copy		R 5.00	R 4.35	R 0.65	R 5.00
A3	per copy		R 13.00	R 11.30	R 1.70	R 13.00
A2	per copy		R 60.00	R 52.17	R 7.83	R 60.00
A1	per copy		R 80.00	R 69.57	R 10.43	R 80.00
A0	per copy		R 95.00	R 82.61	R 12.39	R 95.00
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Colour line prints						
A4	per copy		R 8.00	R 6.96	R 1.04	R 8.00
A3	per copy		R 14.00	R 12.17	R 1.83	R 14.00
A2	per copy		R 80.00	R 69.57	R 10.43	R 80.00
A1	per copy		R 100.00	R 86.96	R 13.04	R 100.00
A0	per copy		R 180.00	R 156.52	R 23.48	R 180.00
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Full colour prints (photo)						
A4	per copy		R 9.00	R 7.83	R 1.17	R 9.00
A3	per copy		R 16.00	R 13.91	R 2.09	R 16.00
A2	per copy		R 180.00	R 156.52	R 23.48	R 180.00
A1	per copy		R 230.00	R 200.00	R 30.00	R 230.00
A0	per copy		R 400.00	R 347.83	R 52.17	R 400.00
Electronic information	per document		R 110.00	R 95.65	R 14.35	R 110.00
HERITAGE RESOURCE MANAGEMENT FEES						
ADVISORY COMMITTEE SCRUTINY FEE						
	Minor alterations to existing buildings and/or demolitions < 500m ²	Building plans for buildings older than 60 years or situated in the historical core Per Application	R 1 000.00	R 869.57	R 130.43	R 1 000.00
	Major alterations to existing buildings and or demolitions >500m ² and new developments	Building plans for buildings older than 60 years or situated in the historical core Per Application	R 1 500.00	R 1 304.35	R 195.65	R 1 500.00
SPATIAL PLANNING FEES						
COMPLEXITY FEES						
All Impact Assessments		Per study/assessment	R 4 300.00	R 3 739.13	R 560.87	R 4 300.00
APPLICATION FOR SIGNAGE (ALL ADVERTISING SIGNS ARE SUBJECT TO ADVERTISING AND SIGNAGE BY-LAW AS WELL AS FORMAL BUILDING PLAN APPROVAL)						
Signs < 1m ² (minimum fee)	per sign		R 430.00	R 373.91	R 56.09	R 430.00
Signs > 1m ² minimum fee plus additional fee/additional m ²	minimum fee plus an additional fee per additional m ²		R 1 100.00	R 956.52	R 143.48	R 1 100.00
Flag (<5 flags) (minimum fee)	Up to 5 Flags	All Advertising signs are subject to Outdoor Advertising Policy	R 1 100.00	R 956.52	R 143.48	R 1 100.00
Flag (>5 Flags)	More than 5 Flags	Minimum flag fee (R1 100.00) plus an additional fee per flag	R 150.00	R 130.43	R 19.57	R 150.00
BUILDING DEVELOPMENT FEES						
ALL BUILDING PLAN FEES						
<ul style="list-style-type: none"> ■ Plan valid for 12 months ■ Where covered areas such as carpools, patios, entertainment areas etc. are enclosed to create additional floor area the fees are charged as for new floor area. ■ All exemptions on applicable building plan fees as per Building Development Management Traiff Rules 						
ALTERNATIVE BUILDING PLAN FEE APPLICABLE TO ALL CATEGORIES OF STANDARD BUILDING PLAN FEES						
Applied to all building plan applications where building works has commenced without prior building plan approval or written provisional authorisations to commence with building works prior to building plan approval.		Per Building Plan Application	Per Building Plan Application: This tariff will be exempted if the current registered owner can demonstrate with documentary proof that he/ she aquired the property with the illegal building works and was consequently not personally responsible for such illegal building works.			4x the applicable standard building plan fee for application
MINOR BUILDING WORKS (NATIONAL BUILDING REGULATIONS)						
Minor building works - Residential		Exemptions as per relevant Tariff Rules	R 520.00	R 478.26	R 71.74	R 550.00
Minor building works - Other than residential		Exemptions as per relevant Tariff Rules	R 680.00	R 626.09	R 93.91	R 720.00
CATEGORIES						
SINGLE RESIDENTIAL BUILDINGS						
0 - 25m ²		Includes Double Dwellings, Second Dwellings and Outbuildings and Additions	R 520.00	R 478.26	R 71.74	R 550.00
> 25m			R 30.00	R 26.09/m ²	R 4.17	R 32.00
OTHER RESIDENTIAL						
0 - 25m ²		Block of flats, Townhouses, Group housing, Single Title	R 680.00	R 626.09	R 93.91	R 720.00
>25m ²		Minimum fee	R 39.00	R 33.04/m ²	R 5.09	R 39.00
		Calculate the total m ² with the appropriate tariff				
NON RESIDENTIAL						
NON RESIDENTIAL: COMMERCIAL						
0 - 25m ²		Includes shops, offices, service stations, hotels	R 680.00	R 626.09	R 93.91	R 720.00
>25m ²		Minimum fee	R 39.00	R 33.04/m ²	R 5.48	R 42.00
		Calculate the total m ² with the appropriate tariff				
NON RESIDENTIAL: OTHER						
		Schools, Churches, Place of Education (i.e. Daycares, technicians etc.)				

SERVICES RENDERED	UNIT	REMARKS	Tariff 2020/21 (Incl. VAT)	Excl. VAT 2021/22	VAT 15%	Tariff 2021/22 (Incl. VAT)
0 - 25m ²	Minimum fee		R 680.00	R 626.09	R 93.91	R 720.00
>25m ²	R/m ²	tariff	R 30.00	R 25.22/m ²	R 4.17	R 32.00
NON RESIDENTIAL: INDUSTRIAL Includes Factories, Warehouses, Offices in Industrial Areas						
0 - 25m ²	Minimum fee		R 680.00	R 626.09	R 93.91	R 720.00
>25m ²	R/m ²	Calculate the total m ² with the appropriate tariff	R 30.00	R 25.22/m ²	R 4.17	R 32.00
NON RESIDENTIAL: RURAL BUILDINGS Limited to bona-fide agriculture structures. All residential or other uses to be rated at the applicable tariff category.						
0 - 75m ²	Minimum fee		R 680.00	R 626.09	R 93.91	R 720.00
> 75m ²	R/m ²	Calculate the total m ² with the appropriate tariff	14.00	R 11.30/m ²	R 2.09	16.00
INTERNAL ALTERATIONS -- ALL CATEGORIES						
		To be calculated as estimated value of alteration (Qs/Architect Estimate) X 0.008	Estimated value x 0.008	Estimated value x 0.008	Estimated value x 0.008	Estimated value x 0.008
SKETCH PLAN FEE						
Single Residential	Per application	Fee not deductible from final plan fee.	R 680.00	R 626.09	R 93.91	R 720.00
All other categories	Per application	Fee not deductible from final plan fee.	R 680.00	R 626.09	R 93.91	R 720.00
INSTALLATIONS						
MAJOR HAZARD INSTALLATIONS						
	Per application	As prescribed by Building Development	R 680.00	R 626.09	R 93.91	R 720.00
LPG INSTALLATIONS (ALL INSTALLATIONS)						
	Per application	As prescribed by Building Development	R 680.00	R 626.09	R 93.91	R 720.00
MASTS						
Greenfield	Per application		R 900.00	R 869.57	R 130.43	R 1 000.00
Roof Top	Per application		R 900.00	R 869.57	R 130.43	R 1 000.00
Sports fields	Per application		R 900.00	R 869.57	R 130.43	R 1 000.00
OTHER						
PROVISIONAL AUTHORISATION						
	Per application	Application for provisional authorisation to commence work before approval has been granted in terms of Section 7(1) of the Act. Applications to be in writing. Conditions apply. <u>Not Refundable</u>	R 680.00	R 695.65	R 104.35	R 800.00
EXTENSION OF VALIDITY						
	Per application	For consideration of extending plan validity. Extensions must be applied for prior to <u>lapse date of the plan</u>	R 680.00	R 626.09	R 93.91	R 720.00
REQUEST : OCCUPANCY CERTIFICATE AFTER OCCUPANCY OF COMPLETED BUILDING						
		Where an application is received for the issuing of an occupancy certificate for an existing building where such certificate was not issued on completion of building work and prior to occupancy. No tariff for occupancy certificate prior to occupancy of the completed building.	R 680.00	R 1 304.35	R 195.65	R 1 500.00
SECTIONAL TITLE PRIOR TO 1964 SCRUTINY FEE						
	Per unit	For the consideration of plans for existing structures pre 1964 for Sectional Title purposes	R 680.00	R 626.09	R 93.91	R 720.00
SPECIAL EVENTS: TEMPORARY GRANDSTAND,						
	Per application	One application per event.	R 680.00	R 626.09	R 93.91	R 720.00
DEMOLITIONS (ALL APPLICATIONS)						
	Per application		R 680.00	R 626.09	R 93.91	R 720.00

TARIFF RULES BUILDING DEVELOPMENT MANAGEMENT TARIFF STRUCTURE FOR 2021/2022
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1. EFFECTIVE DATE

1.1 Fees are effective from 1 July 2021.

1.1. These tariffs replace all previous tariffs charged by the Building Development Management branch of Council.

2. METHOD OF PAYMENT

2.1 Fees can be paid in cash or electronically.

3. TIME OF PAYMENT

3.1 Fees are due on submission of the building plan application.

3.2 Building plan applications will only be deemed to have been submitted and no processing of applications will commence until receipt of payment of the fee/s is verified by finance.

4. PROOF OF PAYMENT

4.1 A receipt must be issued to the applicant for all fees received. A copy of the receipt must be attached to the application.

5. REFUNDS

5.1 All fees payable are set fees and are not deposits.

5.2 Applications are valid for 12 months from date of payment [and building plan fees on lapsed plans are not refundable.](#)

6. SUBJECT TO CHANGE

6.1 All fees and business rules are subject to change.

6.2 The fees applicable at the time of submission of the application are payable.

7. EXEMPTIONS

7.1 The following applications are exempt from the payment of scrutiny fees:

- Applications from Central or Provincial Government for work funded by the Government and for use by Government Departments. Building plan applications must however still be submitted and approved prior to commencement of any building works.
- Building Plans for all buildings and structures erected for and by the Local Authority. Building plan applications must however still be submitted and approved prior to commencement of any building works.
- All applications required to address / give effect to successful resettlement claims in terms of the Restitution of Land Rights Act, as well as in cases where land has been allocated to a successful claimant, such claimant is allowed to submit only one application (building plan), for residential development only, which application(s) will be exempted from building plan fees as per normal fees.

- Applications from Orphanages and Homes for the Aged registered under the **National Welfare Act 79 of 1965 (As amended)**, as well as any welfare institutions in the discretion of the Director.

Building plan applications must however still be submitted and approved prior to commencement of any building works.

- The Director: Planning & Economic Development may grant or refuse applications for the exemption of some or all the applicable Building Development application fees of a particular application which are necessitated due to changes to developments made at the request of the Spatial Development Planning department of the Stellenbosch Municipality in the interests of environmental or heritage conservation.

- In cases where a successful land claimant submits a building plan for a purely non-residential development (which does not include any residential development) on land so obtained, such non-residential application is subject to all the fees applicable to any other similar application which was not obtained by way of the Restitution of Land Rights Act.

- If a successful land claimant submits a building plan for a mixed use development (which includes non-residential development) on land so obtained, such non-residential building plan gets charged the normal fees as specific for such application as if the non-residential part of the application is a separate application from the residential part of the development.

8. OTHER FEES

- 8.1 Requests for information: if information is specifically requested in terms of the “Access of Information Act,” the relevant fees as prescribed in terms of that Act apply.

- 8.2 Printing fees:

- a) Printing fees are charged per page according to size in accordance with the applicable tariffs. Copies will only be made in the sizes that are available at a particular office.

9. APPLICATION OF THE TARIFFS

- 9.1 Minor Building Work: As defined in the Building Regulations:

Each item charged for separately even if part of a full plan submission.

- Aviary
- Solid fuel store not exceeding 10m² in area and 2 m in height
- Tool shed not exceeding 10m² in area
- Child’s playhouse not exceeding 5m² in area
- Cycle shed not exceeding 5m² in area
- Greenhouse not exceeding 15m² in area
- Open sided car, caravan or boat shelter or a carport where such shelter or carport does not exceed 40m² in area
- Any pergola
- Private swimming pool
- Change room, not exceeding 10m² in area, at a private swimming pool
- Lapas and gazebos (with any type of roof covering) under 40m² in area
- Any free-standing wall

- Reconstruction of fire and natural disaster damaged buildings at applicable rate as per single/other/non-residential categories
- Any other structure, not being a Minor Building Work as per definition, are charge per meter square of the applicable category

9.2 Applications for Alterations and Additions: Plans will be assessed as follows:

- Additions: assessed on the area (square metres) per category
- Alterations: assessed on the QS/Architect estimated value and calculated at 0.008% of the value

9.3 Applications for Provisional Authorisation to Commence with the erection of a Building:

Applications for provisional authorisation to proceed with the erection of a building prior to final building plan approval will be considered on condition that:

- The application has been formally submitted (the full scrutiny fees paid) and the plans have been circulated to the applicable service branches.
- The application for provisional authority is in writing and is fully motivated.
- The prescribed provisional authorisation fee is paid. This fee is not refundable.
- The application is for specific items of work clearly defined on the working drawings accompanying the building plan submission.
- The architectural area of the building under consideration (as defined in Section 1 of Act 103 of 1977) is greater than 500 square metres.
- Full Planning (Zoning) approval has been obtained or is otherwise in compliance with all applicable zoning provisions.
- The property must be not encumbered by private restrictive title deed conditions.
- Provisional authorisation may be subject to applicable conditions and may include to limit the extent to which the subject building works may be implemented under such provisional authorisation prior to final approval of the building plan application.
- Any work done prior to the approval the building plans is entirely at the applicants risk and should the plans require amendments or should the application be refused for any reason the work already completed will have to altered or removed as the case may be at the applicant's expense.

**TARIFF RULES
LAND USE MANAGEMENT & SPATIAL PLANNING, HERITAGE AND ENVIRONMENT
TARIFF STRUCTURE FOR 2021/2022**

1 GENERAL

Period applicable

- 1.1 Fees effective from 1 July 2021.
- 1.2 The fees replace all previous fees charged by Council.

Method of payment

- 1.3 Fees can be paid in cash or electronically.

Time of payment

- 1.5 Applicants must pay the fee/s when an invoice for the submitted application/s is/are presented for payment, except in the case of Impact statements and assessments, which become payable when the need for such an Impact statement / assessment becomes known to Council. The applicant must then be notified in writing of further payments and processing of the application may then only commence once payment is made which must be clearly stipulated in the notification.
- 1.6 An application will only be deemed valid and the processing thereof will only commence once receipt of payment for the application is verified by Finance.
- 1.7 All application fees are payable in the case of multiple applications.

Proof of payment

- 1.8 A receipt must be issued to the applicant for all fees received. A copy of the receipt must be filed on the relevant file.

Refunds

- 1.9 All fees payable are set fees and not deposits.
- 1.10 In the case of the withdrawal of applications, refunds will be paid as follows:
 - a) Before advertising takes place (in the case where the municipality undertakes the advertising) – the full advertising component/fee and 50% of the total of all the other application fees is refunded.
 - b) After advertising has taken place – no refund.
- 1.11 If an exemption or reduction of fees is granted in terms of the provisions of subsection 10, refunds will be given as per the decision.

Subject to change

- 1.12 All fees and business rules are subject to change.
- 1.13 The specific fee applicable at the time when the application is accepted by Council, is payable

LAND USE MANAGEMENT

2 APPLICATION FEES

Description

- 2.1 Application fees are the minimum fee payable for submitted applications.
- 2.2 All fees are payable per item applied for (each consent, departure, rezoning, etc, charged separately) per property in line with the Stellenbosch Land Use Planning By-law (2015), where applicable. Unless application is simultaneously made for the consolidation or subdivision of more than one property, which is directly adjacent, cadastrally bounded to each other, owned by the same property owner and submitted as one application for consideration. Only one application fee will be applicable for all erven included in the application.

Rezoning & Determination of a zoning

- 2.3 Rezoning fee is payable per application.
- 2.3.1 Determination of a zoning is payable per application.

Permanent Departure fee

- 2.4 The departure fee must be charged per application per property (i.e. if a building departs from the street and lateral building lines, coverage as well as from height, then the applicable fee must be charged as a single fee per property). In the case of residential erven 250m² or less for registered indigent owners, as well as subsidised housing schemes, no departure fee at all would be payable.

Temporary Departure, Permission in terms of the Zoning Scheme (Additional Uses/ Consent Uses/ Technical Approvals), Permission in terms of condition in the Title Deed, Occasional Use of Land, Consent in terms of the Zoning Scheme

- 2.5 Temporary departure, Permissions, Occasional use of land, Consent uses and Technical approvals, etc. are charged separately per application per property in addition to any departures (regulations) applied for.
- 2.5.1 A separate fee is applicable in respect of applications for temporary departure, consent use or special development in order to establish a house shop and/or early childhood development centres (ECD's) and all Occasional use of Land applications.

Subdivision & Consolidation / Amendment of subdivision plan (inclusive of general plan/diagram)

- 2.6 Application fee is payable per application submitted.

Exemption Certificates (subdivision/consolidation)

- 2.7 This fee is payable for subdivisions/consolidations which are exempted in terms of the applicable legislation. This fee is payable per application submitted.

Removal, Relaxation, Suspension and Amendment of Restrictive Title Deed conditions

- 2.8 This fee is payable per application submitted.

Amendment/Deletion/Imposition of conditions in respect of an existing approval

- 2.9 This fee is payable per application submitted.

Extension of validity period of approval

- 2.10 Fees should be paid as depicted on the tariff schedule. For all applications for extension the fee will be 50% of the current application fee, for the financial year in which the application for extension is submitted, inclusive of VAT.

Permission in terms of condition of approval or Administrative permission or approval inclusive of but not limited to: Site Development Plans; HOA Constitutions; Architectural / Design / Aesthetic Manuals or Guidelines, Landscaping Plans & Phasing Plans.

- 2.11 This fee is payable per application submitted. All permissions or approvals that is required and originates from a condition of an approval attached to a land use application granted by the municipality, will be exempted from this tariff. Any subsequent applications for the amendment to such permissions/ approvals on the initiative of the applicant will not be exempted.

Closure of Public Place / Roads or part thereof

- 2.12 This fee is payable per application submitted.

Disestablishment of Home-Owners Association

- 2.13 This fee is payable per application.

Rectify failure of a Home-Owners Association to meet its obligations

- 2.14 This fee is payable per application.

Permission for reconstruction of existing building constituting a non-conforming use

- 2.15 Permission required for the reconstruction of an existing building that constitutes a non-conforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building. This fee is payable per application.

Naming and numbering of Streets, Places and Buildings

- 2.16 This fee is payable per application submitted.

Renaming of Streets, Places and Buildings

- 2.17 This fee is payable per application submitted.

3 ADVERTISING FEES

Advertising framework

- 3.1 Advertising: is required in terms of the relevant land use legislation.
- 3.2 Advertising will be done in accordance with the land use legislation and fees will be charged accordingly.

- 3.3 Advertising in the press and advertising which consists of the serving of notices to interested and affected parties are charged independently (with different fees being applicable). No 'serving of notice' fee is applicable when notifying the applicant of the outcome of an application or notifying any objectors of the right of appeal.

Advertising in the press

- 3.4 The fee for advertising in the press is applicable whenever press advertising is required in a local weekly newspaper or daily newspaper and/or Provincial Gazette. This fee is only payable when Council undertakes the advertising.
- 3.5 Advertising in the press is a basic advertising fee. Should the actual costs be more, the applicant is liable for such extra costs upon receipt of a quote.
- 3.6 Composite applications for the same property when advertised collectively in the press carry a single advertising fee.

Serving of notices

- 3.7 The fee for serving of notices is payable when Council conducts the serving of notices. This fee is not applicable when the applicant conducts the advertising.
- 3.8 The fee applicable for every 10 notices or part thereof to be served by Council is depicted in the schedule.
- 3.9 The 'serving of notices' fee is also applicable when notices are delivered by Council to interested and affected parties.

4 OTHER

Deviation from Council Policies and By-laws

- 4.1 Deviation from Council Policies and By-laws are charged per application per property.

Appeal

- 4.2 Appeal fees are charged and are payable per appeal submitted in respect of any decision taken by Council.

Intervener Status

- 4.3 This fee is payable per application submitted.

Transfer clearance

- 4.4 Transfer clearance fees are payable per erf for which application is made for clearance in terms of the applicable land use legislation.

Zoning Certificate

- 4.5 This fee is payable when a formal zoning certificate is issued. Payment of this fee is required in respect of each erf for which a zoning certificate is requested.

Business Licence

- 4.6 This fee is payable in respect of each application received for the issuing of a business licence.

5 CONTRAVENTION PENALTY

- 5.1 Contravention penalty is applied in accordance with a Council Policy, By-law and/or any such enabling planning legislation and associated provisions.
- 5.2 A contravention penalty as stipulated in terms of section 88 (1) (g) of the Stellenbosch Municipal Land Use Planning By-Law, dated 20 October 2015, is payable within 30 days after approval of the utilization of the land and/or construction activity.
- 5.3 The Contravention penalty is payable within 30 days from date of approval of the land use application that was submitted as a result of a contravention notice that was served.
- 5.4 If the property is to be transferred, the Municipality will only issue a certificate in terms of section 28 of the Stellenbosch Municipal Land Use Planning By-Law dated 20 October 2015, upon proof of payment of the contravention penalty.
- 5.5 No occupancy certificate for the building construction will be issued unless proof of the payment of the contravention penalty is submitted by the applicant.
- 5.6 Formula for Contravention Penalty: **((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m²**
The area of the construction activity (actual area per square meter x penalty rate A) and/or land area (indirect area per square meter x penalty rate B) that is unlawfully utilised in terms of the relevant zoning of the property) multiplied by (the municipal value per square meter (m²) of the land and/or building as stipulated in the current valuation roll of the municipality as on the date that is indicated on the contravention notice)
- 5.7 **Definitions :**
- 5.7.1 “Area” refers to the utilisation of the land and/or work on the land and/or construction activity on the land and/or any building on the land and/or structure on the land that is being utilised in a manner other than permitted in the zoning scheme without the prior approval of the municipality.
- 5.7.2 “Valuation” refers to the municipal valuation of any land and/or building as indicated in the current Municipal Valuation Roll.
- 5.7.3 “Date” refers to the date as indicated on the contravention notice.
- 5.7.4 “Property value” refers to the Value of property as reflected in the most recent municipal valuation roll.
- 5.7.5 “Valuation year” refers to the year of the last municipal valuation.
- 5.7.6 “Annual adjustment” refers to the Value adjustment (if any) on house price index or any other approved by the municipality.
- 5.7.7 “Size of property” refers to the area in square meters of the property as indicated on the title deed.
- 5.7.8 “Direct area of contravention” refers to the area in which the contravention occurs, e.g. rooms, floor area, coverage, and contravention measured in square meters.
- 5.7.9 “Indirect area of contravention” refers to the area complementary to the contravention, e.g. area used for parking, storage, outdoor activities or purposes.
- 5.7.10 “Penalty Rate A” refers to the rate at which penalty amount will be calculated on area of contravention as approved annually by Council.
- 5.7.11 “Penalty Rate B” refers to the rate at which penalty amount will be calculated on indirect area of contravention as approved annually by Council.
- 5.7.12 “Amount payable” refers to the total amount payable as a contravention penalty in terms of the relevant bylaw.

6 PRINTING FEES

- 6.1 Printing fees are charged per page according to size and colour. The three types of copies/prints are mono (black & white), Colour line prints and Full Colour prints (photo). Copies will only be made in the sizes that are available at a particular office.
- 6.2 The fee charged for electronic information does not include the CD, which must be supplied by the applicant.
- 6.3 If information is specifically requested in terms of the Access of Information Act, the relevant fees as prescribed in terms of that Act applies.

SPATIAL PLANNING, HERITAGE AND ENVIRONMENT

7 PLANNING ADVISORY COMMITTEE SCRUTINY FEE

- 7.1 Planning Advisory Committee Scrutiny fees (Aesthetics Committee) are charged when a matter needs to be submitted to the Planning Advisory Committee (Heritage/Aesthetics Committee) for scrutiny, when buildings are older than 60 years or situated in the historical core. The fees are payable per application and are categorized as follows:
 - 7.1.1 Minor alterations to existing buildings <500m²;
 - 7.1.2 Major alterations to existing buildings >500m² and new developments.

8 COMPLEXITY FEES (ADDITIONAL FEES FOR HIGH IMPACT APPLICATIONS) AND AMENDMENT OF URBAN EDGES.

Description

- 8.1 Additional fees are charged on top of the basic application fees when a Heritage Impact Assessment (HIA), Environmental Impact Assessment (EIA) and Traffic Impact Statement / Assessment (TIA/S) are required, since such applications are more complex and involve more work. The complexity fees are charged to cover additional expenses due to the processing of complex applications, resulting from the fact that such applications normally are more complicated to process and due to the fact that it requires input from specialised staff which would not normally be involved in the assessment of applications which doesn't require an impact statement/assessment. The EIA and HIA fees are charged up front like all other fees if the application requires assessment in terms of the NEMA and/or NHRA. If an EIA and/or HIA fee has been paid when the SPLUMA/LUPA/By-law application was submitted and it turns out in the end that it did not lead to a full EIA / HIA, the EIA/HIA fee is not refundable. Complexity fees are charged per assessment/study.

9 APPLICATION FOR SIGNAGE

- 9.1 Application fees for signage (including flags) are paid in respect of each sign applied for. A minimum fee for signs smaller than 1m² is in place, but when signs are larger than 1m², the minimum fee plus the enhancement fee will be payable for every additional m².

10 EXEMPTIONS

- 10.1 All indigent residents which are registered as such with the Municipality and with proof submitted together with all applications for all permanent Departures will be exempted from the application fees applicable to permanent Departures.
- 10.2 All applications submitted by or on behalf of Council are exempt from all the application, advertising and other fees in the attached table. This exemption only applies to applications made by Council or where Council is the developer. All other government institutions must pay the normal fees.
- 10.3 Applications for the establishment of state, provincial and/or council subsidised housing schemes are exempt from all the application and other fees in the attached table. Advertising fees are payable in this regard. Application fees are, however, applicable in subsidized housing areas after the establishment of the areas has been completed; subject to the conditions in the establishment of any of the less formal townships.
- 10.4 All applications required to address / give effect to successful resettlement claims in terms of the Restitution of Land Rights Act, as well as in cases where land has been allocated to a successful claimant, such claimant is allowed to submit only one application, for residential development only (but including subdivision, removal of restrictions, etc, related to such residential development), which application(s) are exempt from all the application and other fees in the attached table. Advertising fees are payable in this regard. If a successful land claimant submits a mixed use development application (which includes non-residential development) on land so obtained, such non-residential development gets charged the normal fees as specified for such application, including advertising and service of notice fees, as if the non-residential part of the application is a separate application from the residential part of the development. In cases where a successful land claimant submits a purely non-residential development application (which does not includes any residential development) on land so obtained, such non-residential development application is subject to all the fees applicable to any other similar application which wasn't obtained by way of the Restitution of Land Rights Act/Rural Act 9.
- 10.5 The above fees, if not specifically exempted, also applies to applications in the BCDA areas where Council is the commenting authority.
- 10.6 The Director: Planning & Economic Development may grant or refuse applications for the exemption of some or all the applicable fees of particular applications which are necessitated due to changes to the developments made at the request of the Environmental Management Services in the interest of environmental or heritage conservation.

These business rules must be read in conjunction with the "LAND USE MANAGEMENT & SPATIAL PLANNING, HERITAGE AND ENVIRONMENT TARIFF STRUCTURE FOR 2020/2021".



STELLENBOSCH

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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

TARIFF STRUCTURE: PROPERTY MANAGEMENT: 2021/2022

	DESCRIPTION	APPLICATION FEE	RENTAL/TARIFF
1.	Encroachment Agreements/Permits		
1.1	For commercial purposes, other than outdoor dining and parking purposes	R2 500.00	To be determined by an independent valuer: on an <i>ad hoc</i> basis
1.2	For commercial parking purposes* (a) Stellenbosch CBD, Franschhoek CBD and Technopark (b) Other Areas	R1 200.00	R300.00/parking bay/month R200.00/parking bay/month
	*Up to 10 parking buys, thereafter 50% of the approved tariff		
1.3	For residential parking purposes* *Up to 3 parking buys, thereafter 50% of the approved tariff	R600.00	R160.00/parking bay/month
1.4	Tertiary Institutions, schools and pre-schools	R1 200.00	R100.00/parking bay/month
1.5	For outdoor dining purposes* (a) Stellenbosch CBD and Franschhoek CBD (b) Other areas *Up to 50m ² , thereafter 50% of the approved tariff	R1 200.00	R105.00/m ² /month R40.00/m ² /month
1.6	For non – commercial purposes (such as garden purposes, gates, ect.)* Up to 50m ² 51 m ² to 100 m ² More than 100 m ²	R600.00	R60.00 per month R80.00 per month R150.00 per month

DESCRIPTION	APPLICATION FEE	RENTAL
1.7 Projections and projecting structures	R2 500.00	
(a) Onto street reserves/side walks		Once of payment of:
Up to 50 m ²		R400.00 per m ²
51 m ² to 100 m ²		R350.00 per m ²
More than 100 m ²		R300.00 per m ²
(b) Onto other council – owned property, where such projection has an impact on development value of council – owned property	R3 000.00	To be determined by an independent valuer (should the estimated value be more than R100 000.00, then the weighed average of 2 independent valuations must be obtained)
1.9 For temporary use of Council-owned property for construction work		
(a) Stellenbosch CBD and Franschoek CBD & Technopark	R3 000.00	
Up to 20 m ²		R500.00 per month
20 m ² - 100 m ²		R1 000.00 per month
101 m ² – 1000 m ²		R5 000.00 per month
More than 1000 m ²		R10 000.00 per month
(b) Other areas	R 500.00	
Up to 20 m ²		R200.00 per month
20 m ² - 100 m ²		R600.00 per month
101 m ² – 1000 m ²		R3 000.00 per month
More than 1000 m ²		R7 000.00 per month
Deposit:		An amount to be determined by MPM in relation to the potential risk to infrastructure/improvement with a minimum amount of R2 000.00

***Please note:** Where a new owner of a property want to apply for a change in name, 20% of application fees will be payable

2. Lease Agreements*

2.1	Temporary use of Council-owned property to a maximum of 30 days	R600.00	
	Daily tariff:		
	a) Up to 100m ²		R220.00 per day
	b) Between 100m ² and 1000m ²		R560.00 per day
	c) More than 1000m ²		R2 300.00 per day
	Deposit:		To be determined by MPM, depending on the possible risk associated with the event.
2.2	Short term lease agreements (up to 10 years)		
	(a) monthly rental not exceeding R2 000.00		To be determined by CFO
	(b) monthly rental not exceeding R5 000.00		To be determined by an independent valuer
	(c) monthly rental in excess of R5 000.00		To be determined by two independent valuers (weighed average)
2.3	Long term lease agreements (longer than 10 years)		
	(a) monthly rental not exceeding R2 000.00		To be determined by CFO
	(b) monthly rental not exceeding R10 000.00		To be determined by an independent valuer
	(c) monthly rental in excess of R10 000.00		To be determined by two independent valuers (weighed average)
2.4	Long term lease agreements concluded before 2003 (pre-MFMA)		To be determined by Council from time to time as per individual contract(s).
2.5	Telecommunication structure		
	- Application/Power of Attorney	R2 000.00	
	(a) Antennae only (on existing structure)		R6 000.00/pm
	(b) Site for mast and antennae		
	-up to 100m ²		R7 100.00/month
	-more than 100m ²		R71.00/m ² /month for each m ² in excess of 100m ²
	(c) Mobile antenna		R3150.00/pm
2.6	Temporary use of vacant Council-owned buildings*		
	*Not covered by approved tariff structure		
	To be considered by:	MPM: To a maximum of 1 month D:CS: To a maximum of 3 months MM: To a maximum of 6 months EM: To a maximum of 12 months	
			Per day: R10.00/m ² /day

Tariff :	Per week: R9.00/m ² /day Per month: R8.00/m ² /day
NPO's and individuals, for non-commercial purposes	20% of approved tariff

*** Please Note: -**

- All contracts with an annual contract value exceeding R1M: To be approved by Council, based on independent valuations being obtained.
- Non – profit organizations: 20% of fair market value

3. Servitudes*

3.1	In urban areas	R2 500.00	Once-off payment of 80% of municipal valuation of land
3.2	In rural areas	R2 500.00	Once-off payment of 60% of municipal land.

*** Please note:**

Where estimated servitude value exceeds R100 000.00, the fair market value is to be determined by an independent valuer.
Where estimated servitude value exceeds R1M, the fair market value is to be determined by two independent valuers (weighed average)

4. Posters

4.1	Political parties		R5 000.00 (deposit)
	85% of tariff refundable on removal of posters as per conditions.		
4.2	For Commercial purposes		
	(a) Up to 30 posters		R50.00 per poster
	(b) Between 30 and 60 posters		R60.00 per additional poster
	(c) Between 60 and 100 posters		R80.00 per additional poster
	(d) More than 100 posters		R100.00 per additional poster
4.3	Non-commercial purposes		
	(a) Up to 30 posters		R20.00 per poster
	(b) Between 30 and 60 posters		R30.00 per additional poster
	(c) Between 60 and 100 posters		R40.00 per additional poster
	(d) More than 100 posters		R50.00 per additional poster
4.4	Wordfees: Individual artists		
	(a) Per poster (to a maximum of 20 posters)		R55.00
4.5	Local Theaters		
	(a) Up to 500 posters for a season		R4 000.00
	(b) Up to 1000 posters for a season		R8 000.00
	(c) More than to 1000 posters for a season		R12 000.00

4.6 Newspapers

Local

- | | |
|--------------------------------------|--|
| a) Up to 1000 posters per annum: | R3 000.00 |
| b) Up to 2000 posters per annum: | R5 000.00 |
| c) More than 2000 posters per annum: | An additional amount of R7.50 per poster |

Other

- | | |
|--------------------------------------|--|
| a) Up to 1000 posters per annum: | R5 000.00 |
| b) Up to 2000 posters per annum: | R8 000.00 |
| c) More than 2000 posters per annum: | An additional amount of R8.00 per poster |

***Note:** The term posters include flags.

Please note:-

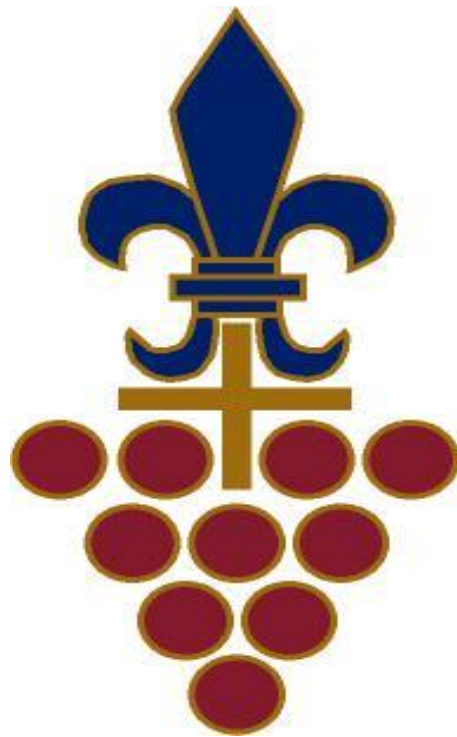
- a) Application fees listed in this tariff structure exclude professional fees such as legal fees, valuation fees, survey costs, publication of notices, etc. Where such costs are incurred, it is payable by the applicant, over and above the application fee as listed in this tariff structure.
- b) All fees include VAT

Exemption

The Municipal Manager may at his or her sole discretion, and after taking into consideration the merits of a specific application, exempt an applicant from paying the tariffs as set out above, or at a reduced rate.

APPENDIX 4

STELLENBOSCH MUNICIPALITY



SUMMARY OF POLICIES

2021/2022



STELLENBOSCH MUNICIPALITY

SUMMARY OF POLICIES

Policy/ By-law	Summarized Nature of change
Wayleave Policy	New Policy
Rates Policy	<p>Changes were made to the following sections within the policy</p> <p>4. DEFINITIONS</p> <p>Furthermore, specific terms or phrases used, but not defined in the MPRA are defined herein to explain said term or phrase for a specific perspective of the MPRA by the Municipality:</p> <p>“bed & breakfast” in relation to Accommodation Establishment means an enterprise operated on a property of which the residential character is maintained, where the owner or operator permanently resides in the same dwelling, where normally only breakfast is served and sleeping accommodation to transient guests is limited to no more than 3 guest bedrooms and provided further, that the enterprise has not been registered as a Guesthouse. This property will be deemed to be a Residential Category.</p> <p>“household income” means the gross sum of all monthly income from all sources. Income sources may include wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of financial contributions.</p> <p>“residential purposes” in relation to the use of the property means improved property primarily intended for human habitation and inhabited as such; taking cognisance of paragraph 7.9 of this Policy and provided that:</p> <ul style="list-style-type: none"> • the following properties are specifically excluded from this definition: hostels, old age homes, guesthouses, and vacant land; <p>6. CATEGORIES</p> <p>6.1 Categories of Property Property Categories, each of which correlates to a distinct use of a property, have been determined as described below. The codes that have been associated with each property Category are listed in paragraph 18.1 of this Policy. In addition, paragraph 18.1 identifies the attributes and criteria that determines the basis for application.</p> <p>The Municipality will apply the following property Categories: (j) Heritage Refer Section 15(2A)(b) in the MPRA.</p> <p>6.2 Categories for Relief Measures The Municipality will consider relief measures on rates, being Exemptions, Rebates and/or Reductions on properties, according to various criteria as described in this Policy. The codes (referred to as the Rebate Codes), associated with the specific relief measure, are listed in paragraph 18.2 of this Policy.</p> <p>8.RELIEF MEASURES</p> <p>8.2 Residential Property</p>

Policy/ By-law	Summarized Nature of change
	<p>8.2.1 The Municipality will not levy a rate on the initial portion of the valuation of a residential property being the sum of:</p> <p>(i) the first R15 000 exclusion on the basis set out in Section 17 (1) (h) of the MPRA; and</p> <p>(ii) on a further R235 000 reduction, provided it does not exceed the remaining valuation in respect of a residential property, or the primary component of a multiple use property, that is categorised for residential purposes, as per the definition in paragraph 4 of this Policy. This reduction will only apply if the total valuation of said property does not exceed R 5 000 000. All non-primary components of a multiple use property or the adjoining units of a sectional title scheme as per paragraph 7.9 of this policy, do not qualify.</p> <p>8.3 Senior Citizens and Disabled Persons</p> <p>Designated owners being registered owners of properties or allocated beneficiaries as per paragraph 7.6 of this Policy who are senior citizens or who are disabled persons may qualify for a rebate according to their household income.</p> <p>8.3.1 Occupy the property as his/her normal residence; and</p> <p>(b) be in receipt of a monthly household income not exceeding the highest income amount as referenced in the table of paragraph 8.3.4 of this Policy; and</p> <p>8.8 Non-Profit Organizations (NPO)</p> <p>Abovementioned organisations which have a total revenue/income not exceeding one million Rand per annum, will receive a 80% rebate. On the other hand, those organisations having a revenue/income exceeding one million Rand per annum will receive a rebate percentage of 20%.</p> <p>8.8.1 Prescribed not-for-gain organisations</p> <p>(f) WERE REMOVED FROM POLICY</p> <p>8.9 Heritage Properties – HEADING AND PARAGRAPH REMOVED</p> <p>16 CONTACT OF RESPONSIBLE OFFICE</p> <p>The contact details for Property Rates enquiries:</p> <p>E-mail Address: enquiries.navrae@stellenbosch.gov.za</p> <p>Telephone Numbers: See Municipal Account for relevant telephone numbers</p> <p>Postal Address: PO Box 17, Stellenbosch, 7601</p> <p>Any Municipal Office in the jurisdiction of Stellenbosch Municipality</p>

Policy/ By-law	Summarized Nature of change
	<p>18. CATEGORY AND REBATE CODES</p> <p>18.1 Category Codes</p> <p>RESIDENTIAL:</p> <p>RES RESA Adjoining residential; the Policy paragraph 7.9</p> <p>RES RESIF Municipal Owned: Informal settlements, 100% exclusion will apply</p> <p>Heritage: HER HER MPRA Section 15(2A)(b)</p> <p>Vacant Other: VACO: MUNV Vacant Municipal properties</p> <p>18.2 Rebate Codes</p> <p>NPO Non-Profit Organisation (80% rebate) Rates Policy paragraph 8.8</p> <p>EGVI Exceptional General Valuation Rates Increases Rates Policy paragraph 8.10</p>
Indigent Policy	Policy were reviewed ,with No major changes
Special Ratings By-law	<p>Changes were made within the following sections of the policy:</p> <p>18. SHORT TITLE AND EFFECTIVE DATE</p> <p>(1) This By-Law is called the Special Rating Area By-Law of Stellenbosch Municipality and shall take effect on 01 July 2021.</p> <p>(2) No new special rating area determined in terms of this By-Law may implement its implementation plan prior to 01 July 2020.</p>
Rates By-law	<p>Changes were made within the following sections of the policy:</p> <p>1. PREAMBLE</p> <p>(1) Section 229(1) of the Constitution authorizes a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of the municipality.</p> <p>(2) Section 13 of the Systems Act read with Section 162 of the Constitution requires a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province,</p> <p>(3) In terms of Section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the Property Rates Act on the levying of rates on rateable properties in the municipality.</p> <p>(4) In terms of Section 6(1) of the Property Rates Act, a municipality must adopt by laws to give effect to the implementation of its rates policy.</p> <p>(5) In terms of Section 6(2) of the Property Rates Act, by-laws adopted in terms of Section 6(1) may differentiate between different categories of properties; and different categories of owners of properties liable for the payment of rates.</p> <p>(6) To that effect the Council of Stellenbosch Municipality has enacted a Property Rates By law, as follows:</p> <p>2. INTERPRETATIONDEFINITIONS</p> <p>"Rates Policy" means the Municipality's Property Rates Policy adopted by the Council of the Municipality by a resolution for a specific financial year in terms of Section 3(1) of the Property Rates Act and in terms of this By Law.</p> <p>"Rates" means a municipal rate on property as envisaged in section Section 229(1)(a) of the Constitution.</p>

Policy/ By-law	Summarized Nature of change
	<p>3. OBJECTS The object of this By-Law is to give effect to the implementation of the Rates Policy as contemplated in Section 6 of the Property Rates Act.</p> <p>4. ADOPTION AND IMPLEMENTATION OF RATES POLICY</p> <p>(1) The Council shall adopt and implement a Rates Policy as contemplated in terms of the provisions of Section 3(1) and consistent with the Property Rates Act on the levying of Rates on rateable properties within the jurisdiction of the Municipality.</p> <p>(2) The Rates Policy outlines the Municipality's rating practices; therefore, it is not necessary for this By-law to restate and repeat same.</p> <p>(3) The Rates Policy applicable to a financial year is hereby incorporated by reference in this By-law. All amendments to the Rates Policy as the Council may approve/adopt from time to time, shall be deemed to be likewise incorporated.</p> <p>(4) The Municipality shall not be entitled to levy Rates other than in terms of the valid Rates Policy for an applicable financial year and the annually promulgated resolution which reflects the cent amount in the Rand rate for each category of rateable property.</p> <p>(5) The Rates Policy is available at the Municipality's head office, satellite offices, libraries and website.</p> <p>5. CONTENTS OF RATES POLICY The Municipality's Rates Policy shall, inter alia:</p> <p>(1) Apply to all the Rates levied by the Municipality pursuant to the adoption of the Municipality's annual budget.</p> <p>(2) Comply with requirements for;</p> <p>(a) the adoption and contents of a rates Rates Policy specified in Section 3 of the Property Rates Act.</p> <p>(b) the differentiation of categories of properties and categories of owners of properties as provided for in section Sections 6, 8 and 15 of the Property Rates Act.</p> <p>(c) the process of community participation specified in Section 4 of the Property Rates Act.</p> <p>(d) the annual review of a rates Rates Policy specified in terms of Section 5 of the Property Rates Act.</p> <p>(e) the publication of the adopted By-law in the Provincial Gazette as provided by Section 13 of the Systems Act.</p> <p>(3) Specify principles, criteria, and implementation measures for categories of rateable properties in terms of Section 8 and consistent with the Property Rates Act for the levying of Rates which the Council may wish to adopt.</p> <p>(4) Specify principles, criteria, and implementation measures for the judicious granting of relief measures by means of Exclusions, Exemptions, Reductions and/or Rebates consistent with Section 15 of the Property Rates Act which the Council may wish to adopt.</p> <p>(5) Include such further administrative, control and enforcement mechanisms if any that are consistent with the Property Rates Act and the Systems Act, as the Council may wish to impose in addition to those contained in the Credit Control and Debt Collection By-Law and its associated Policy.</p> <p>6. ENFORCEMENT OF RATES POLICY The Municipality's Rates Policy is enforced through the Municipality's Credit Control and Debt Collection By-Law and its associated Policy and any further enforcement mechanisms stipulated in the Property Rates Act and the Municipality's Rates Policy.</p> <p>7. REPEAL The provisions of any By-laws relating to Property Rates by the Municipality are hereby repealed insofar as they relate to matters provided for in this By-Law.</p>

Policy/ By-law	Summarized Nature of change																														
	<p>9. SHORT TITLE and EFFECTIVE DATE/COMMENCEMENT</p> <p>This By-Law is called the Stellenbosch Municipal Property Rates By-Law and shall take effect on 01 July 2021.</p>																														
Credit Control and Debt Collection Policy	<p>Changes were made within the following sections of the policy:</p> <p>3. ARRANGEMENTS</p> <p>(i) Arrears of Councillors and other Municipal Officials must be settled in full or arrangements to pay off such amounts, by means of salary deductions, may be entered into. This includes the seizure of bonuses or any other additional allowances (this paragraph (i) must be read in conjunction with the relevant sections of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)).</p> <p>The Stellenbosch Municipality is entitled to recover all arrears more than ninety days by means of salary deductions and proportionally from increases and/or the official's bonus/performance bonus. In this regard, all temporary contract workers are also regarded as municipal officials.</p> <p>12. PAYMENT OF ACCOUNTS – GENERAL</p> <table border="1" data-bbox="533 853 1425 1675"> <thead> <tr> <th><i>Facility</i></th> <th><i>Hours</i></th> <th><i>Payment methods accepted</i></th> </tr> </thead> <tbody> <tr> <td>Cash offices at Stellenbosch, Kayamandi, Franschhoek and Pniel</td> <td>Office hours: Monday to Friday</td> <td>Cash, , debit cards</td> </tr> <tr> <td>Cash offices at Klapmuts</td> <td>Office hours: Wednesdays only</td> <td>Cash, debit cards</td> </tr> <tr> <td>Debit orders</td> <td>Application during office hours</td> <td>Bank transfers</td> </tr> <tr> <td>Third Party Service Providers: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores</td> <td>Trading hours: 7 days per week</td> <td>Cash, , credit cards, debit cards</td> </tr> <tr> <td>Internet payments</td> <td>All hours</td> <td>Bank transfers</td> </tr> <tr> <td>Direct bank deposits</td> <td>Banking hours</td> <td>Bank transfers</td> </tr> <tr> <td>Personnel deductions</td> <td>Office hours</td> <td>Direct deductions from earnings</td> </tr> <tr> <td>24 hour Utility shops at petrol stations</td> <td>All hours</td> <td>Cash, , credit cards, debit cards</td> </tr> <tr> <td>Approved Pre-Paid Vending Agents</td> <td>Trading hours</td> <td>Cash,</td> </tr> </tbody> </table> <p>13. DISHONOURED PAYMENTS</p> <p>13.1 Receipts issued in respect of dishonoured payments must be written back upon receipt of such notices. Interest on arrears must be raised where applicable and administration costs be debited to debtors account. Debtors must be notified and debt recovery actions be instituted where necessary.</p> <p>13.2 Should payments be dishonoured twice, the debtors system must be encoded not to accept debit order transactions of such a debtor and he/she must be informed thereof in writing.</p>	<i>Facility</i>	<i>Hours</i>	<i>Payment methods accepted</i>	Cash offices at Stellenbosch, Kayamandi, Franschhoek and Pniel	Office hours: Monday to Friday	Cash, , debit cards	Cash offices at Klapmuts	Office hours: Wednesdays only	Cash, debit cards	Debit orders	Application during office hours	Bank transfers	Third Party Service Providers: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores	Trading hours: 7 days per week	Cash, , credit cards, debit cards	Internet payments	All hours	Bank transfers	Direct bank deposits	Banking hours	Bank transfers	Personnel deductions	Office hours	Direct deductions from earnings	24 hour Utility shops at petrol stations	All hours	Cash, , credit cards, debit cards	Approved Pre-Paid Vending Agents	Trading hours	Cash,
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Policy/ By-law	Summarized Nature of change
	<p>20 CONTACT OF RESPONSIBLE OFFICE</p> <p>CONTACT OF RESPONSIBLE OFFICE</p> <p>The contact details for Credit Control enquiries:</p> <p>E-mail Address: Creditcontrol.Notices@stellenbosch.gov.za</p> <p>Telephone Numbers : See Municipal Account for relevant telephone numbers</p> <p>Postal Address: PO Box 17, Stellenbosch, 7601</p> <p>Any Municipal Office in the jurisdiction of Stellenbosch Municipality</p>
Irrecoverable Debt Policy	<p>Changes were made within the following sections of the policy:</p> <p>PREAMBLE</p> <p>In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to the management of irrecoverable debt as set out hereinafter.</p>
Petty Cash Policy	<p>Changes were made within the following sections of the policy:</p> <p>Policy were reviewed and minor formatting and punctuation amendments were made.</p>
Travel and Subsistence Policy	<p>Changes were made within the following sections of the policy:</p> <p>Policy were reviewed and minor formatting and punctuation amendments were made.</p>
Cost Containment Policy	<p>Changes were made within the following sections of the policy:</p> <p>Policy were reviewed and minor formatting and punctuation amendments were made.</p>
Cash Management and Investment Policy	<p>Changes were made within the following sections of the policy:</p> <p>3.2.3.2 Electronic Funds Transfer (EFT)</p> <p>B-Signatories: Chief Accountant: Consumer Accounts and Valuations</p> <p>Senior Accountant: Cash Management and Credit Control</p> <p>Chief Accountant: MFMA Reporting and Compliance</p> <p>Chief Accountant: Financial Statements and Reconciliations</p> <p>Chief Accountant: Asset Management</p> <p>Chief Accountant: SDBIP Monitoring and Budget Control x2</p> <p>Senior Accountant: Creditors and Payroll</p>
Ward Allocation Policy	<p>Changes were made within the following sections of the policy:</p> <p>8. CRITERIA FOR THE SELECTION OF PROJECTS</p>

Policy/ By-law	Summarized Nature of change																														
	<p>In response to the current COVID-19 pandemic and the realignment of the budget for 2021/22, with severe budget cuts and adjustments, the following measures will be in place regarding ward allocations until further notice, and replace the information regarding capital and operational ward projects in this policy:</p> <ul style="list-style-type: none"> i) The CAPEX for ward allocations is withdrawn from ward allocations for 2021/22; ii) The OPEX ward allocation is reduced to R50 000 per ward for 2021/22; iii) That OPEX be utilised to fund COVID prevention projects; this is in line with the request from Western Cape Government – Department of Local Government that ward allocation projects be aligned to address COVID-19 pandemic; iv) The following list of goods will be circulated for councillors to choose from in order to be utilised for the COVID prevention projects: <table border="1" data-bbox="459 692 1425 1010"> <thead> <tr> <th colspan="3" data-bbox="459 692 1425 719">GOODS AVAILABLE FOR COVID PREVENTION PROJECTS (2021 -22)</th> </tr> <tr> <th data-bbox="459 719 828 745">ITEM</th> <th data-bbox="828 719 1137 745">PRICE</th> <th data-bbox="1137 719 1425 745">QUANTITY NEEDED</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 745 828 772">Masks for children</td> <td data-bbox="828 745 1137 772"></td> <td data-bbox="1137 745 1425 772"></td> </tr> <tr> <td data-bbox="459 772 828 799">Masks for adults</td> <td data-bbox="828 772 1137 799"></td> <td data-bbox="1137 772 1425 799"></td> </tr> <tr> <td data-bbox="459 799 828 826">Face cloths</td> <td data-bbox="828 799 1137 826"></td> <td data-bbox="1137 799 1425 826"></td> </tr> <tr> <td data-bbox="459 826 828 853">Hand towels</td> <td data-bbox="828 826 1137 853"></td> <td data-bbox="1137 826 1425 853"></td> </tr> <tr> <td data-bbox="459 853 828 880">Polar fleece blankets</td> <td data-bbox="828 853 1137 880"></td> <td data-bbox="1137 853 1425 880"></td> </tr> <tr> <td data-bbox="459 880 828 952">250 ml refill sanitiser spray bottle</td> <td data-bbox="828 880 1137 952"></td> <td data-bbox="1137 880 1425 952"></td> </tr> <tr> <td data-bbox="459 952 828 978">5L bulk sanitiser</td> <td data-bbox="828 952 1137 978"></td> <td data-bbox="1137 952 1425 978"></td> </tr> <tr> <td data-bbox="459 978 828 1010">Hand soap (per box)</td> <td data-bbox="828 978 1137 1010"></td> <td data-bbox="1137 978 1425 1010"></td> </tr> </tbody> </table> v) Prices for the goods will be communicated as soon as the 2021/22 financial year commences. Current prices of goods will be made available to assist with planning processes. vi) A separate form similar to the table above will be issued that must be completed by ward councillors to register the COVID prevention project. vii) The goods will not be issued with a municipal logo, as the logo is only used for officials and official municipal branding. viii) Ward councillors must be discouraged from requesting nutritional support assistance. Currently, the Special Investigations Unit are investigating numerous municipalities around the country on matters related to food parcel / nutritional support irregularities, distribution and allocation. <p>Projects that are to be implemented under the Ward Allocations Policy must comply with the following criteria:</p> <ul style="list-style-type: none"> 8.1 Be within Local Government mandate as defined in legislation. 8.14 Projects from the capital budget will be included in the main budget. No ward allocation will be made available for capital projects. (Removed from policy) 	GOODS AVAILABLE FOR COVID PREVENTION PROJECTS (2021 -22)			ITEM	PRICE	QUANTITY NEEDED	Masks for children			Masks for adults			Face cloths			Hand towels			Polar fleece blankets			250 ml refill sanitiser spray bottle			5L bulk sanitiser			Hand soap (per box)		
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<p>Supply Chain Management Policy</p>	<p>Changes were made within the following sections of the policy:</p> <p>DEFINITIONS</p> <p>1.1.5. “Competitive bidding process” means a competitive bidding process referred to in paragraph 12 (b)(i) of this Policy;</p> <p>13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS</p>																														

Policy/ By-law	Summarized Nature of change
	<p>(b) Has authorised the Stellenbosch Municipality to obtain a tax clearance by means of the Tax Compliance Status Pin from, if applicable from the South African Revenue Services and Central Supplier Database Number (CSD) that the provider's tax matters are in order; and</p> <p>23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS AND FORMAL WRITTEN PRICE QUOTATIONS IN EXCESS OF R 30,000.</p> <p>(g) Site Inspections / clarification meeting –</p> <p>(ii) If site inspections / clarification meeting are to be held, full details must be included in the bid notice. Service providers that are late for the commencement of the site inspection/clarification meeting will be disqualified.</p> <p>(iii) Minutes of all site inspection/clarification meetings must be kept for record purposes</p> <p>(iv) Any proposed Addendums to the advertised bid document must be tabled at the Bid Specification Committee Meeting for consideration and approval.</p> <p>26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS</p> <p>(2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act; and</p> <p>(3) The committee system must be consistent with –</p> <p>(a) Paragraph 27, 28 and 29 of this Policy;</p> <p>(b) Any other applicable legislation; and</p> <p>(c) The Accounting Officer may apply the committee system to formal written price quotations.</p> <p>28. BID EVALUATION COMMITTEES</p> <p>(14) The relevant User Department in consultation with the SCM Unit may, before the bid is considered by the Bid Evaluation Committee, provide a reasonable opportunity to a bidder who made an innocent error and / or omission in their bid document, to correct the innocent error and / or omission, provided that such opportunity will not unduly prejudice any of the other bidders.</p> <p>(15) In an event as described in sub-paragraph 14, bidders shall be afforded a minimum of two (2) working days up to a maximum of five (5) working days (in consultation with the relevant User Department or the Manager: Supply Chain Management) from time of notification to correct such innocent errors and / or omissions. If no response is received from such bidders at the deadline the bid may be deemed to be non-responsive.</p> <p>40. DISPOSAL MANAGEMENT</p> <p>(4) All matters relating to the alienation of movable and immovable assets shall be dealt with in terms of Council's Asset Transfer Policy and the Asset Transfer Regulations, 2008 and Council's adopted Immovable Assets Policy.</p> <p>(7) The Accounting Officer is hereby authorized to dispose of movable capital assets:</p> <p>(8) (a) Up to a value of R 2 000 000.00</p> <p>(7) (b) Up to a value of R1 000 000.00 (CFO and BAC Members)</p> <p>43. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER</p>

Policy/ By-law	Summarized Nature of change
	<p>(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.</p> <p>(4) Where the recommended bidder is not tax compliant on the date of award, the bidder should be notified of the non-compliant status and be requested to submit written proof of tax compliance from SARS within 7 working days from the date of award. The proof of tax compliance submitted by the bidder must be verified by the Municipality. The Municipality will reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance within the timeframe as set out in this sub-paragraph.</p> <p>53. INCREASE / EXTENSION IN APPROVED CONTRACT SUM / PERIOD</p> <p>57. THE SUSPENSION OF SERVICE PROVIDERS FOR POOR PERFORMANCE AND OTHER BREACHES</p> <p>(3) The municipality must consider imposing following sanctions, subject to sub-clause (2) above:</p> <p>d) All the above will be applicable based on the gravity of the poor performance and will be analysed on a case by case basis co-ordinated by the Contract Management Section.</p> <p>59. GENERAL</p> <p>The Framework for Infrastructure Delivery and Procurement Management (FIDPM) and relevant Circular is attached as Annexures A and B respectively, depending on the ability of Stellenbosch Municipality to implement the content of the Framework, only those parts that are practically implementable will be applied. The proper assessments will be done accordingly.</p>
Development Charges Policy	<p>Changes were made within the following sections of the policy:</p> <p>1. DEFINITIONS</p> <p>1.6 'consumer' means a person who purchases electricity, water or a service relating to the supply of electricity, water or removal of sewerage.</p> <p>1.8 'development charge (DC)' means a charge imposed by the Municipality on a developer or consumer in terms of any applicable law referred to in this policy, or a condition of the approval, payment of which will contribute towards the Municipality's expenditure on capital investment in municipal infrastructure services;</p> <p>1.9 "Engineer" means an eEngineer employed by the "Municipality" or any person appointed by the "Municipality" from time to time and notified as such in writing to the "Developer" to perform the duties envisaged in terms of this Agreement Policy;</p> <p>6. OBLIGATION TO IMPOSE A DEVELOPMENT CHARGE</p> <p>6.2 Development Charges will not apply to the following land use applications, which are deemed to have no significant impact on provision of bulk infrastructure, and which has a social and/or economic benefit to the municipality and/or the community:</p> <p>6.2.1 Home / non-commercial early childhood development centres that serve the surrounding community.</p> <p>6.2.8 Public schools, hospitals, clinics and other public infrastructure projects developed and funded by government which provides a service to especially the poorer communities. These projects will have a social and economic benefit to these communities and the municipality in its whole and in so doing will alleviate some institutional and financial pressure on the Municipality in terms of providing social infrastructure and social development programmes.</p> <p>8. CALCULATION OF DEVELOPMENT CHARGES</p> <p>8.4 The basis upon which development charges unit costs of the civil services and community services will be determined, as envisaged in Paragraph 8.7, shall be consistent with National Treasury's "Policy Framework</p>

for Municipal Development Charges (as amended). The methodology for calculating unit costs can be summarised as follows:

- Choose a planning horizon in the future (say 20 years).
- Use town-planning scenarios and engineering masterplanning to determine what new services are required, such that at that point in the future, the joint capacity of existing and future services matches the number of consumption units that will be in place, being the existing amount plus the future development amount.
- Estimate the costs of the existing and future infrastructure, as though it was all being constructed at the present day, i.e. replacement cost for existing infrastructure or present-day cost for future infrastructure.
- Establish the number of consumption units that the total infrastructure will cater for i.e. existing consumption plus future consumption.
- From the above calculate the cost per unit consumption factor.
- The DC for the development in question is then calculated by multiplying the nett additional consumption needed for that development, by the cost per unit consumption factor.

8.7 Where possible, unit costs for each municipal infrastructure service should be re-calculated every five years to take into account the current and planned capacity for each municipal infrastructure service at the date of re-calculation, and any other relevant factors.

9. ACTUAL COSTS

9.1.4 Where a development is situated outside the urban area and was not taken into account during the determination of the Development Charges tariffs, then the Development Charges of that development will be based on its actual impact, as confirmed by a report by a professionally registered Consultant, appointed by the Developer, and as approved by the Municipality. Examples of such a scenario would be development on farms that supports the primary farming activity, i.e. a cellar on a wine farm. The actual trip generation might be less than what is allowed for in the Development Charges tariff tables and if it can be justified the Development Charges can be based on the actual impact/demand on the bulk infrastructure.

13. SUBSIDIES AND EXEMPTIONS

13.3 Developers will be allowed to apply for exemption for developments that comply with the following criteria:

13.3.1 In the case of registered non-profit organisations/community organisations/charity organisation developing social development projects that is beneficial to the community and where the applicant is able to demonstrate how the proposed development will have a social and/or economic benefit to the municipality. The use of any land or buildings, or any part thereof, shall not be for the private financial benefit of any individual, including as a shareholder in a company or otherwise.

14. OTHER PRINCIPLES TO BE APPLIED

14.2 Development Charges in rural areas/farms: Development Charges will be determined in terms of paragraph 9.1.4 for buildings/development related to the primary farming activities and can be classified

Policy/ By-law	Summarized Nature of change
	<p>as an agricultural building/agricultural industry i.e.: cellar and bottling facilities on a wine farm or a fruit packaging and storage facility on a fruit farm. It can be assumed that in most cases, the people already working or residing on the farm will work in these buildings and not place a significant additional demand on the bulk services. The approved Development Charges tariffs will be applicable for any other development on a farm i.e. a farm stall, function venues, tourist accommodation facilities, conference facilities or other business and commercial activities including wine tasting since these land uses attract people from outside and places an additional demand on the bulk infrastructure.</p> <p>14.8 Handling of properties with historical land use rights: If a property (especially business and industrial zoned property) has an existing zoning right, it does not necessarily mean that DCs have been paid on the full development potential of the property when such zoning was approved. A DC credit can only be granted if a DC for a specific development or building has been paid in the past, or if there are existing permanent, legal buildings (has building plan approval) on the site which service demand has already been absorbed into the bulk service networks. Otherwise there is no justification for granting such a credit. The onus to prove that DCs have been paid is on the Developer/Applicant.</p> <p>14.9 Any increase of the demand of a service, such as electricity, water and sanitation, will trigger the equivalent payment of DCs, whether such property has gone through a town planning development exercise or not. Such DCs will be payable and the increase of services will not be allowed until such DCs have been paid, as provided for in Section 7 of the Norms & Standards for Water Services Authorities as allowed for by the Water Services Act as well as the NRS 069 CODE OF PRACTICE FOR RECOVERY OF CAPITAL COSTS FOR DISTRIBUTION NETWORK ASSETS as allowed for by the Electricity Regulation Act, Section 15</p> <p>14.10 Temporary Departures: No DCs will be charged on a temporary departure application, since the impact will be of a temporary nature. However, any further application to extend such right will trigger a DC. Should any upgrades be required due to the impact, even if of a temporary nature, the Developer will have to construct such upgrade at his own cost.</p>
Grant-in-Aid	<p>Changes were made within the following sections of the policy:</p> <p>6. GENERAL GUIDELINES AND CATEGORIES</p> <p>6.1. General Guidelines</p> <p>P7: 6.1.4: Insert word “applications” after funding at the start of the sentence.</p> <p>P7: 6.1.4 Insert (vii): “Where an applicant did not attend the compulsory clarification session as advertised”</p>

Policy/ By-law	Summarized Nature of change
	<p>6.1.4. Funding applications however will not be considered in the following instances:</p> <ul style="list-style-type: none"> (i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding; (ii) Where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year; (iii) Where only an individual will benefit; (iv) For political or ratepayers organisations/groupings; (v) Projects outside the boundaries of the Municipality; (vi) Where expenses have already been incurred, (vii) Where an applicant did not attend the compulsory clarification session as advertised, and (viii) Where applications were received after the due date and time for submissions.
Accounting Policy	<p>Changes were made within the following sections of the policy:</p> <p>1. Basis of Preparation</p> <p>In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.</p> <p>The principal accounting policies adopted in the preparation of these annual financial statements are set out below.</p> <p>1.1 Going concern assumption</p> <p>These unaudited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.</p> <p>1.3 Internal reserves</p> <p>Self-insurance reserve</p> <p>The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments. Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.</p> <p>Accumulated surplus</p> <p>The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.</p> <p>1.4 Materiality</p> <p>Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or</p>

misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

Sources of estimation uncertainty

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Nonexchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of financial assets

Accounting Policy 1.11: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.8 and 1.9 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual Financial Statements.

Impairment of non-financial assets

The recoverable amounts of cash generating units have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the municipality measures the impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Measurement

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Depreciation

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

1.9 Intangible assets

Item		Useful life
Computer software		3 - 30 years
Internally generated: Capital development	Straight-line	5 - 7 years
Service operating and land rights	Straight-line	5 - 30 years

Derecognition

Financial assets

Cash includes cash on hand and cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.15 Impairment of cash-generating assets

Cash generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

1.16 Impairment of non- cash generating assets

Non cash generating assets are assets other than cash generating assets.

Identification

When the carrying amount of a non cash generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non cash generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non cash generating intangible asset with an indefinite useful life or a non cash generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable

service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non cash generating assets is the present value of the non cash generating assets remaining service potential.

The present value of the remaining service potential of a non cash generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non cash generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non cash generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non cash generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non cash generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Multi employer plans

The municipality classifies a multi employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality account for the plan as if it was a defined contribution plan.

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term service awards is payable after 10 years of continuous service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover based on historical staff turnover. No other long service benefits are provided to employees.

1.22 Accounting by principles and agents

2 Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.30 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.31 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.34 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

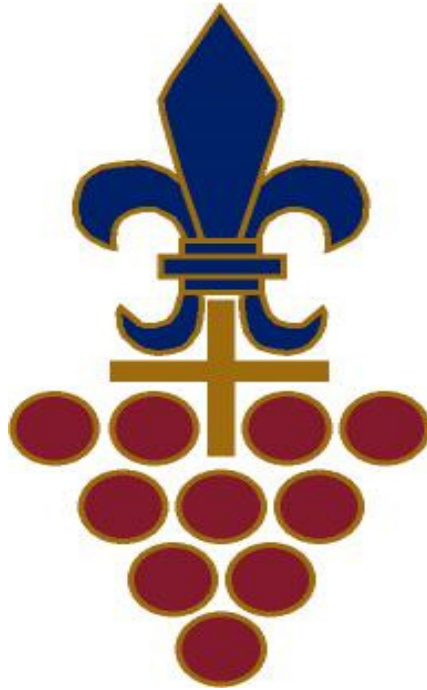
2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality’s accounting periods beginning on or after 01 July 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
☒ GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
☒ GRAP 35: Consolidated Financial Statements	01 April 2020	Unlikely there will be a material impact
☒ GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	Unlikely there will be a material

Policy/ By-law	Summarized Nature of change																
	<p style="text-align: right;">impact</p> <table border="0"> <tr> <td data-bbox="475 286 497 313">☒</td> <td data-bbox="536 286 798 313">GRAP 37: Joint Arrangements</td> <td data-bbox="963 286 1037 340">01 April 2020</td> <td data-bbox="1203 286 1404 362">Unlikely there will be a material impact</td> </tr> <tr> <td data-bbox="475 394 497 421">☒</td> <td data-bbox="536 394 893 448">GRAP 38: Disclosure of Interests in Other Entities</td> <td data-bbox="963 394 1037 448">01 April 2020</td> <td data-bbox="1203 394 1404 470">Unlikely there will be a material impact</td> </tr> <tr> <td data-bbox="475 501 497 528">☒</td> <td data-bbox="536 501 893 555">GRAP 110 (as amended 2016): Living and Non-living Resources</td> <td data-bbox="963 501 1037 555">01 April 2020</td> <td data-bbox="1203 501 1404 577">Unlikely there will be a material impact</td> </tr> <tr> <td data-bbox="475 609 497 636">☒</td> <td data-bbox="536 609 874 663">GRAP 18 (as amended 2016): Segment Reporting</td> <td data-bbox="963 609 1037 663">01 April 2020</td> <td data-bbox="1203 609 1417 703">Not expected to impact results but may result in additional disclosure</td> </tr> </table>	☒	GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact	☒	GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact	☒	GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact	☒	GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	Not expected to impact results but may result in additional disclosure
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☒	GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	Not expected to impact results but may result in additional disclosure														
Asset Management Policy	<p>Changes were made within the following sections of the policy:</p> <p>Review of residual value and useful life</p> <ul style="list-style-type: none"> • The municipality should assess whether there is any indication that the expected useful life of the asset has changed based on whether the condition of the asset has improved or declined. This is based on any condition assessments undertaken by the entity on its assets during the reporting period. Paragraph .60(f) of GRAP 17 should not be read as requiring a condition assessment at each reporting date. Condition assessments will be undertaken by entities on selected or identified assets as part of its on-going asset management. Instead, any information available from any condition assessments undertaken during the reporting period should be used to assess whether the useful life of particular assets should be changed. The residual value and useful life of an asset should be reviewed at least at each reporting date (GRAP 17.61). • All movable assets with a useful life of two years or less will be reviewed on an annual basis to ensure adherence to GRAP 1757 (c) if no other indicators are present or detected during the year under review. • The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount (GRAP 17.654) 																

STELLENBOSCH MUNICIPALITY



WAYLEAVE POLICY

2021/2022



STELLENBOSCH

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WAYLEAVE POLICY

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1. INTRODUCTION

1.1 Legal Context

In terms of S151 of the Constitution of the Republic of South Africa, 108 of 1996, a municipality has the right to govern on its own initiative, the local government affairs of its community, subject to national and provincial legislation.

S156 of the Constitution grants the municipalities the right to administer the local government matters listed in Schedule 5B, which include municipal roads. A municipality may make by-laws for the effective administration of municipal roads.

This Policy will be converted into municipal by-laws to give it legal effect.

1.2 Need for Co-ordination

The collective value of services infrastructure contained within the Public Road Reserve and the road itself amounts to a considerable value. This infrastructure needs to be maintained, periodically rehabilitated and replaced from time to time. Such activities can result in considerable delays, inconvenience, danger and additional costs to the road users and Municipality itself if not well planned and coordinated. The potential damages that can be suffered by either party include:

- Damage to roads and other Services;
- Damage to vehicles;
- Injury to vehicle occupants or pedestrians;
- Reduction of the useful life of the road, footway or other Services; and
- Time and social costs caused by delays.

It is apparent that careful control and co-ordination of all Work in the public road reserves is a prerequisite for effective service delivery. This responsibility resides with The Stellenbosch Municipality and its Service Departments to continuously improve their capability to provide such services.

Being the custodian of all municipal Road Reserves, the Infrastructure Services Directorate – Roads, Transportation and Stormwater Sub-Unit within The Stellenbosch Municipality initiated a programme to establish the necessary co-ordination activities and policies regarding Work in the public road reserves. This document is the first deliverable of the programme as implemented by the Asset Management and Wayleaves Sub-Unit. It attempts to provide a basic framework for ensuring proper co-ordination and co-operation between the various departments as well as external parties who conduct Work in the public road reserves.

The document was prepared with the aim to minimise the effect of all Work in the public road reserves to the benefit of all concerned and in particular the ratepayers, road users (motorists and pedestrians), and eventually the coordinating body within The Stellenbosch Municipality. Included in this document are the procedures to apply for, process and approve Wayleaves, procedures to follow for undertaking and completion of Work, as well as a reference to specifications according to which the Work must be done.

This initiative can only succeed if all internal and external parties that work in the public road reserves constructively cooperate by working according to this Code and by providing feedback on how the system can be improved.

1.3 Establishing a Service Co-ordinator

The Infrastructure Services Directorate has identified that this co-ordination function will need to:

- Improve the interdepartmental communication on annual Work plans and the execution of such Work;
- Coordinate and regulate all Work carried out within the public road reserves;
- Minimise the danger and inconvenience to the public;
- Minimise the damage to existing Services;
- Reduce the number of legal claims; and,
- Promote the use of technology, such as Geographical Information Systems (GIS) to locate Services.

In order to effectively implement and sustain such a function a Service Co-ordinator and a Quality Control Engineer (collectively the Asset Management & Wayleaves section) are being established within The Stellenbosch Municipality. The four essential tasks that must be accomplished in the process of establishing the Service Coordinator and the Quality Control Engineer are:

- Establishing the necessary Council Policy in this regard (covered by this document);
- Establishing effective and simplistic procedures (covered by this document);
- Establishing effective Municipal Bylaws (future activity); and,
- Establishing an effective Organisational Structure (future activity).
- Proper record-keeping of each approval and work done on-site (future activity).

The process to develop the Policy included the following activities:

- Identifying and documenting the Stellenbosch Municipality requirements in terms of the Policy and procedures;
- Identifying representatives for both internal and external stakeholders to participate in the policy formulation process;
- Researching existing documentation and other information sources as provided by the Stellenbosch Municipality and representatives;
- Developing of a draft Policy and Procedures;
- Facilitating workshops on the document; and
- Finalising documentation and getting approval from the Stellenbosch Municipality Council.

1.4 Document Structure

This document is organised into three sections. The following is a brief description of each section:

Section 1 – Introduction: This section aims to illustrate the need for coordination and responsibility of the custodian of the public road reserves to coordinate. It continues by explaining the development approach that was followed.

Section 2 – Definitions: This section is a summary of definitions of terms used throughout the document.

Section 3 – Policy: The Wayleave Policy as adopted by Council is explained under a collection of topics, including the Basic Wayleave Procedure. This structure was used in order to simplify the use of the document.

1.5 Supporting Documents

Three supporting documents, which documents are incorporated and form part of this Policy.

- The General Conditions relating to Wayleave Applications. These general conditions may be amended by the Service Co-ordinator depending on the nature of the Work to be carried out.
- Wayleave Work Permit/Approval form.
- Services Verification Meeting Certificate.
- Wayleave Guarantee Checklist.
- Wayleave Tariffs as contained in the Municipal Tariff Book.
- Certificate of Completion.

2. DEFINITIONS

The following words and phrases have the meaning assigned to them in this Code unless the context otherwise indicates:

"Authorised Agent" means an agent who is authorised by the Service Co-ordinator to perform specified Services;

"Backfilling" refers to the replacement of the structural layers in the trench or excavation and includes the base, sub-base, selected subgrade and subgrade, but excludes the surfacing (see Reinstatement);

"Certificate of Completion" means the document issued by the Professional Engineer appointed by the Wayleave Holder as proof that Work in the public road reserves has been completed according to the specifications of this document;

"Code" means the Policy for Work in the Public Road Reserve (PRR) as approved by the Council and as agreed to by the Parties including any appendices attached thereto;

"Council" means the Municipal Council of The Stellenbosch Municipality established by Provincial Notice No. 352 of 2000 dated 19 September 2000, as amended, or its successor in title, and any committee or person to which or whom an instruction has been given or any power, function or duty has been delegated or sub-delegated in terms of, or as contemplated in, section 59 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"Distance of Excavation" means the shortest horizontal distance between the electrical equipment or electrical structure nearest to the excavation. "Electric structure" means any power line tower, electric pole, switch box, miniature substation fence or building or any other structure used in the distribution of electricity;

"Emergency Work" is defined as any Work that is required to prevent or end a dangerous situation, to prevent or end an unplanned interruption in the supply of a Service, or to avoid any substantial losses. It is important to note that a lack of proper planning of Work to be carried out will not justify Emergency Work and such activities will be stopped by the Service Coordinator;

"Lane Rentals" mean the rentals that are paid to the Service Coordinator by a Service Agency, excluding a Municipal Department, whose Work in the Public Road Reserve (PRR) results in time delay costs (TDC) being incurred by the users of the Public Road Reserve (PRR);

"Municipal Department" means any Department that belongs to or is controlled by the Council;

"Professional Engineer" means a person registered as a Professional Engineer/Technologist in terms of the Engineering Professions Act, 2000, appointed and funded by the Wayleave Holder to ensure compliance with the Conditions of Approval of the Wayleave. Appointment of such a person is required to control the Works wherever any excavation is involved.

"Public Road Reserve" means the full width of a public road, and includes the verge and the roadway;

"Reinstatement" refers to replacing the bituminous surfacing, paving blocks or grass, as applicable, in the case of roads, footways and verges;

"Routine Maintenance Work" is defined as all types of Work involved in maintaining the services in the public road reserves and does not require excavation, traffic control or reinstatement activities;

"Security Deposit" means the refundable deposit required to be paid to the Municipality in respect of each Wayleave approval issued, either a fixed amount per the tariff register (for smaller projects), a percentage of the costs of the works to be undertaken or in an approved and valid form of bank guarantee;

"Service" means any system for supplying a public need that a Service Agency has on/in the Public Road Reserve (PRR);

"Service Agency" means any Municipal Department, Public Agency or utility that has a Service in the Public Road Reserve (PRR);

"Service Coordinator" means the person/official/institutional body established by the Council with the sole responsibility to carry out the administrative functions of receiving and processing applications for wayleaves, obtaining comments from the various internal and external service agencies, and (following the decision by the Strategic Management Committee) conveying this decision in writing to the Applicant, namely to approve with conditions, or reject with reasons, any application, and to provide record-keeping of each application and installation;

"Service-Sharing Installation" means installations of a service which are designed to utilise existing ducting or pipelines without the need for excavations, except minimal excavation/construction at junctions or terminals;

"Quality Control Engineer" means the person/official/institutional body identified by the Stellenbosch Municipality to coordinate and regulate any work undertaken in those sections of the public road reserves that fall within the Municipal area of the Council;

"Wayleave" generally means the formal approval to carry out Work in the Public Road Reserve in specific positions and during a specific period.

"Wayleave Applicant" means the institution or Service Agency who currently owns or would own the future Service, who applies for a Wayleave;

"Wayleave Holder" means the person, institution or Service Agency who is in possession of a Wayleave Approval Document/Work Permit approved by the Service Co-ordinator;

"Wayleave Work Approval Document/ Work Permit" means the signed document/s issued by the Service Coordinator, detailing the Work which has been approved and the period during which the Work shall be carried out, and includes approved drawings/plans and Conditions of Approval;

"Work" in the Public Road Reserve means any activity, including the activities provided for in Section 1 of this Code, carried out within the Public Road Reserve. It includes any project related activities, irrespective of the size of the project.

3. POLICY

3.1 Overview

3.1.1 The coordination of Work in the public road reserves deals with two aspects, namely:

3.1.1.1 Planning the time schedule for future Work in the public road reserves so that the Work can be executed in a logical sequence, e.g. avoiding the placement of a Service in a road that was surfaced during the previous month. This could involve new construction, rehabilitation or Routine Maintenance Work; and

3.1.1.2 The application for and approval of a Wayleave for the execution of any Work in the public road reserves.

3.1.2 The co-ordination of Work schedules described under 3.1.1.1 above may result in specific co-ordination issues where the Service Co-ordinator, in consultation with the Quality Control Engineer, has to ensure that an acceptable solution is defined by the Service Agencies involved.

3.1.3 The role of the Quality Control Engineer is to facilitate coordination between the various Service Agencies. Each Service Agency will have its own project leaders and Professional Engineers. They are responsible for the implementation of their projects together with compliance with the Council's policies, procedures and standards.

3.1.4 The approval of a Wayleave means that:

3.1.4.1 The Wayleave Holder has permission to:

3.1.4.1.1 place a new Service in the Public Road Reserve;

3.1.4.1.2 do excavations in the Public Road Reserve;

3.1.4.1.3 do vehicular and pedestrian control in the Public Road Reserve; and,

3.1.4.1.4 do Reinstatement Work on the road and pavement surfaces where excavations have been made.

3.1.4.2 The Council intends to protect the new Service in its position in the public road reserves against damage by other parties while working in the public road reserves. However, it cannot be held responsible for any damages incurred.

3.1.4.3 The cost associated with relocating the Service when a road is widened or rebuilt remains with the Service Agency that owns the Service.

3.1.4.4 The cost to relocate a Service owned by the Council must be included in the project cost.

3.2 Planning Work Time Schedules

3.2.1 The necessary procedure that must be followed for planning the time schedule of future Work is as follows:

3.2.1.1 Within a designated time period from the approval of this Policy and publication of the by-laws each external Service Agency shall provide to the Council digital records for capture into the Council's GIS, of all of its services within the jurisdiction of Stellenbosch Municipality. This will form the basis for all future planning and updating of new installations.

- 3.2.1.2 By 30 March of each year, the various internal and external Service Agencies shall submit Work Plans, for the next 1-year period to the Service Co-ordinator.
- 3.2.1.3 These Work Plans shall show:
- a) The nature of the Work, e.g. the placement of new water main, or the replacement of a water/ sewer line.
 - b) The location of the Work in terms of street blocks and the side of the public road reserves where the Work will be executed, with due regard for the Councils typical cross-section for the public road reserves.
 - c) The extent of the Work, i.e. the start and end positions.
 - d) The planned timing of the Work, i.e. from month/year to month/year.
 - e) Reference to the Work in the latest approved Integrated Development Plan of Council if applicable.
- 3.2.1.4 The Service Coordinator, in consultation with the Quality Control Engineer, shall review the Work plans in order to determine possible conflicts in the planned Work.
- 3.2.1.5 Before the end of June each year the Service Coordinator, in consultation with the Quality Control Engineer, shall schedule a Service co-ordination meeting with the internal and external Service Agencies where the identified conflicts will be discussed and resolved.
- 3.2.1.6 A second co-ordination meeting may be held in July/August to resolve any changes that may have resulted out of the budget approval process.

3.3 Basic Wayleave Procedure

- 3.3.1 The basic procedure that is required for Work in the public road reserves is as follows:
- 3.3.1.1 Permission to work in the public road reserves must be obtained from the Service Coordinator through a formal Wayleave application in the form of a letter describing the Work to be done with details and design drawings/plans.
- 3.3.1.2 The Wayleave Applicant must firstly obtain Service plans, indicating the positions of existing Services from the Service Agencies identified by the Service Coordinator, where available. The Service plans must indicate the positions and type of Services in the area where Work will be undertaken. It may be necessary for the Applicant to carry out certain preliminary Work in order to determine precise positions and dimensions of any existing services which are not clear from the Service Plans which have been consulted.
- 3.3.1.3 The Wayleave Applicant shall ensure that the control section on the Wayleave application form is signed by each Service Agency, indicating that in principle there is no objection to the issuing of the Wayleave, alternatively where there is an objection then detailed reasons and motivations for such objection must be given. This approval will be subject to technical compliance with the standards of the Service Agencies involved as well as compliance with the standards of The Stellenbosch Municipality and the Work planned by the Council within the area under consideration.
- 3.3.1.4 Once the control section has been completed by all the Service Agencies, the application must be made for the issuing of a Wayleave Work Permit in accordance with the procedure set out in this document. No Work in the

public road reserves may commence before a Wayleave has been approved and a Wayleave Work Permit issued for that Work

- 3.3.1.5 The Service Coordinator, in consultation with the Quality Control Engineer, will review the Wayleave application and prepare a report on the application, with recommendations.
- 3.3.1.6 The Service Co-ordinator shall submit the report to the Manager: Asset Management and Systems detailing the application, the various Service Agencies consulted, their comments received, confirmation of payment of the processing fees and the relevant security deposit, and confirmation of the appointment by the Applicant of a Professional Engineer or Technologist if any excavation is involved in the proposed Works, and after consultation with the Quality Control Engineer, the proposed decision, with conditions to be imposed upon approval, or the reasons for refusal.
- 3.3.1.7 Once approved, the decision to approve with conditions, or to refuse with reasons, shall be forwarded by the Service Co-ordinator to the Applicant. In the case of approval, the documents forwarded to the Applicant will include two copies of each of the letter indicating approval of the application and the conditions under which the approval is given, the signed approved plans, Signed Site Services Verification Certificate and the signed Wayleave Work Permit form. One copy of the letter of approval with Conditions imposed by Council together with the approved plans for a specific project must be signed as accepted by the Applicant and returned for filing.
- 3.3.1.8 The security deposit must be deposited in a Municipal suspense account for the purpose and will be used to correct unsatisfactory Work or reinstatements if need be.
- 3.3.1.9 The Work must be carried out according to this Policy, any other applicable laws and policies, and the procedures and specifications as referred to in the Conditions of Approval.
- 3.3.1.10 The Wayleave Work Permit and the Service plans of the Service Agencies must be kept on-site while the Work is in progress.
- 3.3.1.11 Additional copies of the Work Permit and approval documents may be obtained from the Service Coordinator if the Wayleave is applicable to more than one Work area or Work team.
- 3.3.1.12 Work will be stopped if either the Wayleave Work Permit or the Service plans are not available during inspections on-site or if any of the Wayleave Conditions are not being met. Work will be stopped until the required documents are available on site. Failure to comply with the Wayleave Conditions may impact other applications being made by the same Service Provider.
- 3.3.1.13 On completion of the Work, all trenches and excavations in the public road reserves must be Backfilled and Reinstated according to the specifications of the Quality Control Engineer, referred to by this document.
- 3.3.1.14 On completion of the Work and permanent Reinstatement, a Certificate of Completion signed by the Wayleave Holder's Professional Engineer must be sent to the Service Coordinator by the Wayleave Holder.
- 3.3.1.15 The Quality Control Engineer must review the Completion Certificate as well as carry out an inspection of the site after receiving the Completion Certificate, and sign the certificate confirming that all conditions have been met.
- 3.3.1.16 The applicable guarantee period will be stated in the letter of approval/conditions (usually 12 months).
- 3.3.1.17 Work performed under an approved Wayleave can only be performed in

normal working hours (Mondays – Thursdays 08:00-17:00 and Fridays 08:00-15h00). Working after hours, on public holidays or on the weekend is not permitted. Any work performed outside of business hours will attract a tariff as per the Municipal Tariffs. This tariff will apply before any new applications will be accepted from the Wayleave Applicant or non-Wayleave Holder.

3.3.1.18 Where work in the road reserve has been performed without an approved wayleave, the tariff for unauthorised work as per the Municipal Tariffs will apply. This tariff will apply before any new applications will be accepted from the Wayleave Applicant or non-Wayleave Holder.

3.3.2 This Code applies to all persons that carry out Work in the public road reserves in the Municipal area of the Council, such as internal Municipal Departments, external organisations, Service Agencies and contractors. It does not apply to work in national or provincial Road Reserves within the judicial area of the Council.

3.4 Work in the Public Road Reserve

3.4.1 Work in the public road reserves includes the digging of trenches, tunnelling, erection of signboards, erection of structures, street shaping, planting of trees in the public road reserves and any other Work that may affect motorists, cyclists, pedestrians, the road, footways, kerbing, traffic signs, traffic signals, street lighting, underground or overhead Services or any other structure or Service that is contained within the public road reserves.

3.4.2 The types of Work that require approval from the relevant Service Agencies before a Wayleave is granted are deemed to be a provision of a new Service and will be conducted according to the procedures in Section 3.3 above. In general, such Work refers to the positioning of a new Service, excavation in the public road reserves, traffic control and Reinstatement of the roadway and pavements. Examples include inter alia:

3.4.2.1 Work relating to the installation or maintenance of underground or overhead Services by Council's Service Agencies like Roads and Transportation, Water and Sanitation, Electricity, Land and Environmental Planning and City Planning.

3.4.2.2 Work relating to the installation or maintenance of underground or overhead Services done by non-Council Service Agencies such as telecommunication, data cables, electricity, gas, oil and regional water supply.

3.4.2.3 The erection of structures that require approved building plans in terms of the National Building Regulations and Building Standards Act 103 of 1977;

3.4.2.4 The erection of advertising signs and structures that require approval in terms of the relevant by-laws;

3.4.2.5 Works in the public road reserves, such as the construction of new roads, road widening or accesses to developments, paving, bollards, garden walls, etc. undertaken by developers or private property owners;

3.4.2.6 The installation of new connection points for municipal Services, such as water, sewers, electricity and stormwater drainage from developments.

3.4.3 The types of Work for which prior approval from Service Agencies cannot be obtained due to the nature of the Work is deemed Emergency Work and must be undertaken according to the procedures set out in Section 3.17.

3.4.4 The types of Work that do not include any construction Work are deemed Routine.

- 3.4.5 Maintenance Work and must be executed according to the procedures set out in S
- 3.4.6 An application shall also be made in respect of Works classified as Service-Sharing Installations which involve minimal or no excavation. Only if there is absolutely no excavation involved does it become unnecessary to appoint a Professional Engineer to be in control of the Works.

3.5 Wayleave

- 3.5.1 All Work in the public road reserves is controlled by a Wayleave. A Wayleave is simply permission to work at a specified time in a specified area in the public road reserves according to approved conditions.
- 3.5.2 A Wayleave Application may be submitted for a small or large project that covers Work in any part of the Municipal Area, provided that the position and expected start/end dates of all Work in the public road reserves are adequately described under the description of the Work to be done.
- 3.5.3 General conditions are stated on the Wayleave form and may include, but are not restricted to, the following:
 - 3.5.3.1 Description of Work to be done;
 - 3.5.3.2 Timeframe within which the Work must be done;
 - 3.5.3.3 Location of Work to be done. (Provision can be made for big projects with multiple locations. The scope of big projects must be limited to manageable portions from the Wayleave perspective. The Service Coordinator/Quality Control Engineer will be able to direct project managers in this regard;
- 3.5.4 Additionally, there may be Specific conditions relating to the Wayleave which will be stated on or referred to on the Wayleave. Such conditions may include:
 - 3.5.4.1 Specific working conditions required in terms of the Occupational Health and Safety Act (Act no 85 of 1993);
 - 3.5.4.2 Methods of Work execution in protected roads and precincts; and,
 - 3.5.4.3 Reinstatement requirements.
 - 3.5.4.4 A Wayleave Work Permit must be obtained before any approved Work may be done in the public road reserves.
- 3.5.5 To obtain a Wayleave, a Wayleave application form must be submitted, together with:
 - 3.5.5.1 A traffic control plan showing how vehicular and pedestrian traffic will be accommodated during the execution of the Works in the public road reserves.
 - 3.5.5.2 Two (2) copies of the design drawing/plans showing details of the proposed Work. An additional legible digital copy is also required.
 - 3.5.5.3 Subject to 3.5.7 below, proof of payment of the required processing fee and the applicable deposit or submission of proof of sureties already held by the Council over the Work.
 - 3.5.5.4 Proof of appointment of Professional Engineer or Technologist appointed to monitor the construction and Reinstatement and to provide a Completion Certificate once completed.
 - 3.5.5.5 Proof of appropriate public liability insurance and indemnity insurance.

- 3.5.6 Details required on the design drawing referred to in 3.5.5.2 are:
- 3.5.6.1 A clear depiction of the proposed Work.
 - 3.5.6.2 Indication where Services are to be installed and the depth of the Service below the surface level of the relevant portion of the public road reserves.
 - 3.5.6.3 Distance of the Service from the public road reserves boundary (i.e. the property boundary).
 - 3.5.6.4 Position and extent of all structures, including underground structures such as manholes, chambers and junction boxes.
 - 3.5.6.5 The location of all other Services in the public road reserves in relation to the proposed services to be installed. Services are located by obtaining information from the Service Agencies within the Council and by doing cross-cuts where required. The use of cross cuts, as explained in paragraph 3.14, is strongly recommended.
 - 3.5.6.6 A Wayleave Work Permit will only be issued once all the requirements have been complied with and will be subject to any conditions specified in Section 3.3 and issued in terms of this Policy.
- 3.5.7 When the Wayleave Applicant is an internal Council Department, then the Wayleave Applicant shall provide a written assurance that they will be responsible for obtaining the deposit or proof of sureties (see 3.5.5.3) and the appointment, either internally or externally, of a suitably qualified engineer to supervise the project (see 3.5.5.4) that are required to protect the Council's interests.
- 3.5.8 The application for a Wayleave must be submitted timeously to ensure that the Wayleave can be issued before the Work is programmed to start. **WORK BEING CARRIED OUT IN THE PUBLIC ROAD RESERVE WITHOUT A WAYLEAVE MUST BE REPORTED TO THE SERVICE CO-ORDINATOR AND WILL BE STOPPED BY THE COUNCIL OFFICIAL ON SITE.** A copy of the Wayleave Work Permit and other documents as defined must therefore always be on site when Work is being done in the public road reserves.
- 3.5.9 The Service Coordinator will strive to limit the duration of the application review process to thirty (30) working days.
- 3.5.10 The Wayleave Holder accepts full responsibility for all costs (Refer to Section 3.10) associated with and resulting from the Work carried out in the public road reserves.
- 3.5.11 Only Work described in the Wayleave Work Permit may be executed. If the conditions on-site necessitate a deviation from the planned Work, the Service Coordinator must be informed before any work is done. These deviations may be in relation to the placement of the Service or the timing of the Works. The Service Coordinator may inform the Wayleave Holder of additional approvals that must be obtained from the Service Agencies affected by the deviation as well as further requirements in terms of drawings and specifications. Work will only be allowed to continue once the Service Co-ordinator is satisfied that all the additional requirements have been met.
- 3.5.12 The Wayleave Holder must complete the Work within the time specified on the Wayleave Work Permit or the approved time extension.
- 3.5.13 A Wayleave Holder who fails to complete the Work within the specified time window will be given a two (2) day notice period to either complete the Work or apply for a time extension.
- 3.5.14 If upon expiry of the notice period referred to in 3.5.12 or 3.5.13 the Wayleave Holder is still in default, the Work will be stopped, and the Wayleave Holder will be given a further specific timeframe by the Quality Control Engineer to make the site safe. If the

Wayleave Holder fails to do so the site may be made safe by the Quality Control Engineer, at the expense of the Wayleave Holder.

3.6 Existing Services and Planned Services

- 3.6.1 The Wayleave Applicant must submit Service drawings indicating the position of all Services in the area of Work with the Wayleave application form. This information is obtained from the relevant Service Agencies.
- 3.6.2 Service Agencies may require additional precautions relating to Work in the vicinity of their Services and must specify these in writing to the Wayleave Applicant.
- 3.6.3 As part of the Undertaking/Indemnity on the Wayleave application form, the Applicant has to confirm that the necessary information has been obtained from the Service Agencies and undertakes to adhere to the additional conditions laid down by the various Service Agencies. The control section on the Wayleave application form, signed by the Service Agencies, will serve as proof that the Service Agencies approved that a Wayleave Work Permit may be issued.
- 3.6.4 The Wayleave Applicant will verify with all Service Agencies whether future Work is planned for the area indicated in the Wayleave application. Such planned Work may dictate whether a Wayleave is approved and the conditions under which a Wayleave is approved. The planning horizon will depend on the planned life of the new Service as well as the Council's five year Work plan.

3.7 Road Categories

- 3.7.1 All roads are classified into one of the functional categories described below. The functional category of a road determines the Backfilling and Reinstatement specifications applicable to that road.
- 3.7.2 The following definitions apply for the road categories:

Category	Road Type	Administration
1	National Roads Primary – (inter) provincial Urban Freeway/Motorways	SANRAL PGWC PGWC
2	Primary – (inter) provincial Major (inter) urban arterials	PGWC PGWC
3	(Inter) district connectors Minor (intra) urban arterials	PGWC PGWC
4	Major and minor collectors Inter neighbourhood distributors Intra neighbourhood distributors	PGWC Service Coordinator (STM) Service Coordinator (STM)
5	Residential streets	Service Coordinator (STM)

- 3.7.3 All roads will be categorised into one of the above by the Council. For a specific road, this information can be obtained from the Quality Control Engineer.
- 3.7.4 Work carried out on arterials, major collectors and central business district roads will

be restricted to outside the following periods, namely from 6:30 to 09:00 and 15:30 to 18:00, to ensure the free flow of traffic during peak hours. These times apply seven days a week.

3.8 Restricted Roads

- 3.8.1 Over and above the road categories defined in Section 3.7 of this Code, certain roads are further classified as restricted roads (no-dig roads).
- 3.8.2 Restricted roads are roads across which no digging of trenches is permitted. A road is protected if it has been designated a restricted road by the Council. Roads are designated as restricted when they are of particular strategic importance (Categories 1 to 4 in the new road asset classification) or if they pose special engineering difficulties.
- 3.8.3 Any road that has been newly constructed, overlaid or resurfaced will be restricted for a seven (7) year period. A list of roads that falls in this category is available from the Quality Control Engineer.
- 3.8.4 If a road is restricted, it will be indicated as such on the Wayleave Work Approval/Permit.
- 3.8.5 Restricted roads may only be crossed using trenchless methods. If trenchless methods for some reason cannot be used, special permission to excavate must be obtained from the Quality Control Engineer.
- 3.8.6 For the purpose of planning Work done by Service Agencies, categories 4 and 5 may be regarded as unrestricted unless they have been newly constructed, overlaid or resurfaced and fall within the protected period and provided that the first 20m from an intersection with any other road category is considered to be restricted.

3.9 Protected Precincts

- 3.9.1 Works in protected precincts are subject to special trenching methods and care to ensure minimal damage to specialised and expensive material and furniture. The Quality Control Engineer will inform the Wayleave Applicant of the required methods and might request that a third-party contractor must be used to carry out the Work.
- 3.9.2 A list of protected precincts is available from the Senior Manager: Roads and Transport.

3.10 Costs

3.10.1 Administration & Inspection Fees

- 3.10.1.1 The administration and inspection fees are the tariff amounts that are payable by the Applicant upon submission of a Wayleave application form. These fee amounts will be determined by the Council on the recommendation of the Quality Control Engineer from time to time, and included in the Municipal Tariffs.
- 3.10.1.2 The administration and inspection fees covers the Council's costs for Work done by the Service Co-ordinator to process the Wayleave application.

3.10.2 Security Deposit

- 3.10.2.1 A refundable security deposit will be charged for each Wayleave being issued. Security deposits will not be charged for Work done by Internal Service Agencies (Council Departments) themselves.
- 3.10.2.2 The deposit amount will be based on a percentage of the value of Work to be carried out or the greatest value based on the on-site service verification, as per the Council's tariffs.
- 3.10.2.3 The Council will have the right to use the deposit to cover costs incurred by the Service Coordinator in relation to the Wayleave under consideration. This does not detract from the Municipality's legal remedies in enforcing this Policy or by-laws.
- 3.10.2.4 The responsibility remains with the Wayleave Holder to ensure that any of its contractors or agents engaged in the implementation of the Work is in possession of valid and sufficient public liability insurance. It is an express condition of this approval that the Wayleave Holder indemnifies and holds the Council harmless against any claims, demands or losses incurred as a result of any work performed in terms of the Application Form and under any Wayleave approval.

3.10.3 Reinstatement Cost

- 3.10.3.1 The total cost of the permanent Reinstatement on the site of the installation in terms of the Wayleave Approval/Work Permit will be borne by the Wayleave Holder plus 10% Administration Fee.

3.10.4 Other Costs

- 3.10.4.1 Other costs can result from any of the following:
 - 3.10.4.1.1 Damages to existing Services;
 - 3.10.4.1.2 Relocation of existing Services;
 - 3.10.4.1.3 Testing of Services and Backfills;
 - 3.10.4.1.4 Costs claimed by the Council's Municipal Traffic from external Service Agencies for loss in revenue due to disestablished parking bays;
 - 3.10.4.1.5 Rentals (Lane rentals during construction and perpetual rental after completion of the Works); (See Tariff)
 - 3.10.4.1.6 Services rendered by the Service Coordinator in completing Work or altering Work to conform to Wayleave specifications; and
 - 3.10.4.1.7 Claims that may result from the Work. In this case, it is expressly recorded that the Wayleave Holder shall be responsible for any shortfalls in the Security deposit and insurances in respect of any claim arising from the execution of the Works;
 - 3.10.4.1.8 Any penalties in terms of the Municipal tariffs (See Tariff).
 - 3.10.4.1.9 Loss of income to the Council as a result of disestablished parking bays (See Tariff).
- 3.10.4.2 All such costs will be borne by the Wayleave Holder. An additional 10% Wayleave Administration Fee will also apply.

- 3.10.4.3 A party wishing to dispute the costs charged to him as a result of any of the above reasons will do so at their own cost.

3.11 Traffic Control

- 3.11.1 It is the responsibility of the Wayleave Holder working in the public road reserves to ensure that all laws regarding traffic, safety, traffic signs and barricading are complied with while executing Work.
- 3.11.2 The Wayleave Holder working in the public road reserves shall, therefore, take all necessary measures and provide all necessary facilities to ensure an adequately safe and easy passage for traffic and pedestrians through areas in which Work is in progress, or is incomplete.
- 3.11.3 The Service Coordinator can request that a traffic control plan be submitted Manager: Transport, Roads and Stormwater for approval. Any such Approved Traffic Control Plan shall be kept available on site.
- 3.11.4 Traffic signs and barricading shall be done according to the latest edition of the Southern African Development Community Roads Traffic Signs Manual.
- 3.11.5 The Wayleave Holder must contact the relevant traffic authority to ensure that all requirements have been met for the particular location where the Work is being done and whether points-men will be required.
- 3.11.6 The importance of adequate traffic signs and barricading is emphasised. These measures are intended to ensure the maximum safety for motorists, pedestrians and workers and also the minimum disruption of vehicles and pedestrians. Worksites must be properly barricaded and signed irrespective of how long the Work will last. The safety precautions must be maintained for the full time that risks exist in the public road reserves due to Work being performed in the public road reserves.

3.12 Road Closure

- 3.12.1 The granting of a Wayleave does not give the Wayleave Holder the authority to close the road completely to traffic. Methods of construction and programmes of Work must, therefore, be determined on the basis that no road, or portion of the road, may be completely closed to traffic for any considerable period.
- 3.12.2 In exceptional circumstances, permission may be granted for the closure of a road or portion of the road to traffic. The Wayleave Holder must apply to the Council separately for approval two weeks prior to the road being closed. A road closure will be approved for a specific period only, i.e. from and to a specific time on a specific date and is only valid for that specific period. If the Work is not carried out in that period, an application for a new road closure will have to be made.

3.13 Lane Rental

- 3.13.1 Lane rental refers to the rental of space in the public road reserves for the storage of construction materials, site offices or the closure of lanes for a period exceeding two weeks.
- 3.13.2 Lane rental is managed by the Council's Roads and Transportation Division.

- 3.13.3 The rates for Lane Rentals are to be set by the Council and will be included in the tariffs.

3.14 Preliminary Works and Cross-Cuts

- 3.14.1 In respect of all preliminary Work requested by the Service Agencies and cross-cuts, the specifications from the relevant Service Agencies and in this document must be adhered to before Work will be allowed to start. Such requests include inter alia that:
- 3.14.1.1 The Municipal Traffic Department must always be notified in writing seven (7) working days in advance by the Wayleave Holder.
 - 3.14.1.2 The Service Coordinator and the contact person of each Service Agency involved must be informed 48 hours prior to commencing with the Work by the Wayleave Holder.
 - 3.14.1.3 Alternatively, notice periods specified by the Service Agencies must be adhered to.
 - 3.14.1.4 The Municipal Traffic Department must be requested to remove parking meter heads where Work necessitates the temporary disestablishment of parking bays with the due agreement for compensation in loss of revenue where applicable.
- 3.14.2 The Applicant may be required to do cross cuts in the area where Work is planned. The purpose of cross cuts is to establish and confirm the position of Services in areas where the information on Services are unclear.
- 3.14.3 A cross-cut is done by excavating a trench that runs from the verge of the road up to the property boundary, perpendicular to the normal direction of Services. Excavation must always be done by hand.
- 3.14.4 The minimum depth of the cross-cut trench is 1 meter below the lowest point of the public road reserves.
- 3.14.5 A separate Wayleave Work Permit approval needs to be obtained for prior preliminary or cross-cut Work to be undertaken.
- 3.14.6 A non refundable Roadway Open Trench Fee will apply as well as outlined in the Municipal Tariffs.

3.15 Excavations

The Wayleave Holder shall be responsible for ensuring that:

- 3.15.1 The area that is excavated must always be kept to a minimum. The width of the trench must be uniform in length and depth; in other words, the sides must be parallel and vertical. The top of the trench must be cut with a saw to ensure smooth, uniform edges.
- 3.15.2 All excavations must comply with the statutory requirements for health and safety. The Wayleave Holder must pay specific attention to:
- 3.15.2.1 Excavations must be executed according to the Occupational Health and Safety Act referred to in Section 5.
 - 3.15.2.2 Excavations deeper than 1.5 m must be shored or V-cut according to the Occupational Health and Safety Act.

- 3.15.2.3 Excavations deeper than 1.5 m must be registered with the Department of Labour prior to commencement of the Work. The registration includes the scope of the Work, depth of the trench and the construction method (shoring or V-cut method according to the Occupational Health and Safety Act).
- 3.15.3 The minimum depth that any Service may be placed under a road is 800 mm measured from the level of the surfacing of the road to the top of the Service. The minimum depth at any other place in the public road reserves, e.g. on a verge, is also 800 mm measured from the level of the surfacing of the road and not from natural ground level. Services not subject to being laid at a specific grade such as water pipes and cables should not be placed at depths in excess of the 800 mm as this could interfere with future Services that has to be laid at a specific grade, such as sewers and stormwater pipes.
- 3.15.4 All excavated material and equipment must be placed and demarcated in such a way as to cause the minimum disruption to vehicles and pedestrians.
- 3.15.5 The view of motorists must at all times be kept clear of any obstructions such as excavated material, road signs or hoardings.
- 3.15.6 Safe passage must be kept open for pedestrians at all times.
- 3.15.7 Excavation areas must be clearly demarcated with warning signs that allow ample time for motorists and pedestrians to alter their routes.
- 3.15.8 The Wayleave Holder is held responsible for any damage to existing Services. Services, indicated on the drawings or on-site by representatives from the relevant Service Agencies, must be opened by careful hand excavating. If the Services cannot be found, the relevant organisation must be contacted again for further instructions. Under no circumstances may a Wayleave Holder excavate with mechanical equipment before known Services have been found and marked. When found, Services must be marked and protected or supported as required by the owner. If Services need to be relocated, instructions from the owner must be followed carefully. The Wayleave Holder will be responsible for all relocation costs. If any Service is damaged as a result of the Work, the relevant Service Agency and the Service Coordinator must be contacted immediately.
- 3.15.9 Under no circumstances will the Council be held liable for any incorrect information provided by any external service agency or for any damages, losses and claims resulting from such incorrect information.
- 3.15.10 Adequate preventative measures must be taken to ensure that no water (e.g. due to rain) flows into the open trenches since this will result in the weakening of the structural layers of the road. Any water that is present in the trenches must be pumped out before Backfilling. Water must be pumped into the stormwater system and not into sewer manholes. Any material that has become wet must be removed from the bottom of the trench before Backfilling.
- 3.15.11 The Wayleave Holder must prevent foreign materials from entering the drains and ensure that silting does not occur either from pumping operations or as a result of rain. If any silting or other contamination does occur, the Wayleave Holder must clean the drains or request the Service Coordinator to do it at the cost of the Wayleave Holder.
- 3.15.12 All re-usable materials such as concrete blocks, slabs, kerbs, gutters, channels and stormwater inlets must be removed with care and re-used if possible. Any surplus material must be returned to the Roads and Transportation stores. The address will be available at the Service Coordinator.

- 3.15.13 If any street furniture (e.g. street names, traffic signs, bus shelters, etc.) have to be removed, arrangements must be made with the relevant authority for the removal, storage and re-erection. The cost specified by the relevant authority will be for the Wayleave Holders account.
- 3.15.14 Where excavations are made through entrances to properties, access must be maintained by using steel plates, planks or other temporary bridges of sufficient strength that are adequately secured against movement. The occupants of the properties must be kept informed at all times of how their accesses will be affected.
- 3.15.15 The cleaning up of the construction site and the Reinstatement to its previous condition is considered part of the Work and must be completed within 14 days after Reinstatement of the trench has been done. If the Wayleave Holder fails to do so, action will be taken by the Council as indicated in Sections 3.5.12 – 3.5.14.
- 3.15.16 Where a roadway is crossed, a non refundable Roadway Open Trench Fee will apply as well as outlined in the Municipal Tariffs.
- 3.15.17 Backfilling of road crossings: excavated material CANNOT be used to backfill road crossing trenches. The Wayleave Approval will specify the acceptable backfilling material. All excavated material must be removed from site as soon as possible to avoid reuse.

3.16 Trenchless Methods

- 3.16.1 If trenchless methods are used, disruption of traffic flow and pedestrian movements can be reduced considerably or totally eliminated. However, it is crucial that the Wayleave Holder using such methods must have all the necessary equipment and expertise to complete the Work successfully. The trenchless method can be used for all road categories but shall be used for all roads classified as "Restricted" (Refer to Sections 3.7 & 3.8).
- 3.16.1 The position of existing Services must be located accurately. If any Services are damaged, the Wayleave Holder will be responsible for all costs.
- 3.16.2 The depth to the top of any tunnel that is drilled for the installation of new Services must be at least 800 mm measured from the lowest level of the road surfacing.

3.17 Emergency Work

- 3.17.1 Emergency Work is defined as any Work that is required to prevent or end a dangerous situation, to prevent or end an unplanned interruption in the supply of a Service, or to avoid any substantial losses. It is important to note that a lack of proper planning of Work to be carried out will not justify Emergency Work, and such activities will be stopped by the Service Co-ordinator.
- 3.17.2 A categorised list of Emergency Work will be maintained by the Service Coordinator. It will serve as a guideline for Service Agencies as well as the Service Co-ordinator in determining whether Work is an Emergency.
- 3.17.3 The Service Coordinator will provide an emergency number for the use of Service Agencies that requires information on the position of Services in the area where Emergency Work is to be carried out.
- 3.17.4 The Service Coordinator must be notified in writing within one working day from commencing with Emergency Work. The Emergency notification certificate must be

used for this purpose. If the Service Co-ordinator is not notified within 24 hours from the first working day, the Work will be reinstated by the Service Coordinator, and the cost thereof will be invoiced against the Service Agency. The Emergency notification document can be obtained from the Service Co-ordinator.

- 3.17.5 The emergency notification must always be certified by an Authorised Agent of the Service Agency as an emergency situation that requires their immediate attention.
- 3.17.6 Emergency Work must be done in accordance with all procedures as set out in paragraph 3.15 above and specifications applicable to the type of Work as set out in the Municipality's specifications.
- 3.17.7 Backfilling must be done immediately, and full Reinstatement of the area must be done as soon as possible in accordance with the provisions of paragraph 3.19 below.
- 3.17.8 The responsibility remains with the Service Agency to ensure that their drawing information is updated according to the alterations made during the Emergency Work.

3.18 Routine Maintenance Work

- 3.18.1 Routine Maintenance Work is defined as all types of Work involved with maintaining the Services in the public road reserves and does not require excavation, traffic control or Reinstatement of the public road reserves as part of the Work.
- 3.18.2 A categorised list of Routine Maintenance Work will be maintained by the Service Coordinator. It will serve as a guideline for Service Agencies as well as the Service Coordinator in determining whether Work is Routine Maintenance Work.
- 3.18.3 Such Work can include inter alia:
 - 3.18.3.1 Any Work that relates to maintaining the vegetation in the road reserve through cutting planting, removing or relocating of plants.
 - 3.18.3.2 The placement of advertising material on or within structures pre-erected for that purpose.
 - 3.18.3.3 Temporary diversion of traffic for public events, i.e. sport, mass action, parades.

3.19 Backfilling and Reinstatement

- 3.19.1 Any trenching activity disturbs the structural integrity of a road or footway. Backfilling and Reinstatement must, therefore, be done in such a way as to ensure that the reinstated trench and its immediate surroundings do not fail structurally, thus resulting in road user discomfort and increased costs.
- 3.19.2 Backfilling refers to the replacement of the structural layers in the trench or excavation and includes the base, sub-base, selected subgrade and subgrade, but exclude the surfacing.
- 3.19.3 Reinstatement refers to replacing the bituminous surfacing or paving blocks in the case of roads, or the paving blocks, paving slabs, bituminous surfacing or grass in the case of footways and verges.
- 3.19.4 Backfilling must in all cases be done by the Wayleave Holder in accordance with the

Council's specifications. The Service Agency is responsible for the maintenance of the site in a safe condition until the final Reinstatement has been done.

- 3.19.5 Permanent Reinstatement must be done by all external Service Agencies within five (5) working days. Reinstatement of the public road reserves will be done by the Council's Roads, Transportation and Stormwater Sub-Unit only for internal Council Service Agencies, upon receipt of a notification from the respective Municipal Department that the Work has been completed.
- 3.19.6 The Wayleave Holder must obtain prior written approval from the Council's Roads, Transportation and Stormwater Sub-Unit for the project specification to be used for backfilling public road reserves. The proposed specification shall be submitted to the Council's Roads, Transportation and Stormwater Sub-Unit, who shall provide written comments on the specification, or an alternative specification, within seven working days after the receipt of the request.
- 3.19.7 Permanent Backfilling and Reinstatement done by the Wayleave Holder will be subject to a guarantee period of one year based on the performance specifications described in the specifications document. Please note that no tarring/paving will be allowed without an acceptable Compaction Test Result approved by the Manager: Roads and Stormwater.
- 3.19.8 If the Reinstatement done by the Wayleave Holder fails during the one year guarantee period, the Wayleave Holder will be required to rectify the situation within 14 days of notification. If the Wayleave Holder fails to rectify it, then the Quality Control Engineer will carry out the permanent Reinstatement at the applicable rates defined by the Council and will deduct the costs from the security deposit of the Wayleave Holder.
- 3.19.9 Temporary Reinstatement must be done where the Wayleave Holder leaves the site with the view of returning to complete the Work. The Wayleave Holder must maintain this temporary Reinstatement.
- 3.19.10 The Wayleave Holder may not leave the site for more than fourteen days without permanently reinstating the site.
- 3.19.11 If a Wayleave Holder who leaves the site unattended for more than the period specified in 3.19.10, a tariff fee will be charged. The amount will be determined by the Council.

3.20 Certificate of Completion

- 3.20.1 On completion of the Work, the Professional Engineer appointed by the Wayleave Holder must provide the Completion Certificate to the Service Coordinator within two working days. The Quality Control Engineer will then set up a site meeting with the Wayleave Holder to carry out an inspection and will sign off the Certificate of Completion if all requirements have been met. The 12-month guarantee period for Reinstatements by the Wayleave Holder then commences.
- 3.20.2 Completion of the Work means that all Work has been completed, the Reinstatement has been done by the Wayleave Holder and that all materials, equipment and rubble have been removed and the site is completely cleared and cleaned. Furthermore, it requires that all applicable documentation and as-built drawings as specified on the Wayleave form have been handed to the Service Coordinator for recording.
- 3.20.3 If Work involves more than one street link (street block), then a Completion Notice must be submitted after completion of each phase of the Work.

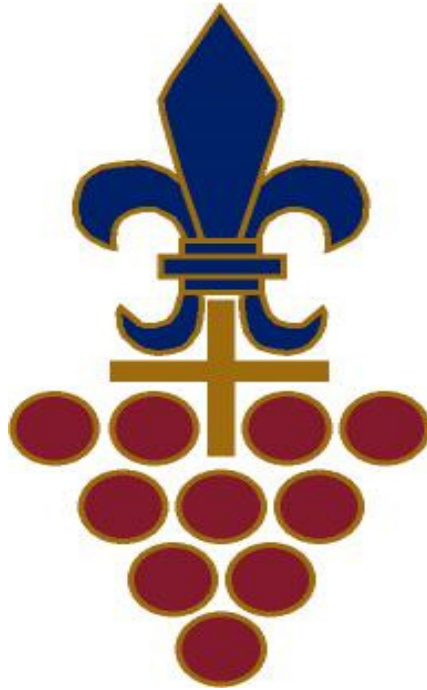
3.21 Policy Enforcement

- 3.21.1 Council reserves its right to exercise its discretion in the implementation and enforcement of this Policy.
- 3.21.2 Notwithstanding any tariff or remedy expressly provided for in this Policy; the Council reserves the right to exercise any other legal remedy it may have in enforcing this Policy.

3.22 Exemption, Appeal and Revoking

- 3.22.1 The Accounting Officer may, upon written motivation by a Wayleave Applicant or Wayleave Holder or the Wayleave Service Co-ordinating Department, and after having considered any comment and advice on such motivation by other interested parties, authorise a deviation from this Policy or revoking of an approved wayleave. Such deviation or revoking shall be subject to such conditions as the Accounting Officer may stipulate in writing.
- 3.22.2 The Accounting Officer may authorise an amendment to any conditions imposed by the Council in respect of a Wayleave Approval, provided that an application for such amendment shall be referred to all interested and affected parties for comment, which comments shall be duly considered by the Accounting Officer.
- 3.22.3 Any person affected by or having an interest in the administration of this Policy shall have a right of appeal as determined in terms of S62 of the Local Government Municipal Systems Act in respect of any decision taken by the Council.

STELLENBOSCH MUNICIPALITY



RATES POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

RATES POLICY

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1. BACKGROUND

In 2007, Stellenbosch Municipality initiated a process to prepare a General Valuation (GV) Roll of all property situated within the geographical boundaries of Stellenbosch Municipality (WC024) in terms of the requirements of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) including any subsequent amendments and consequential regulations (the MPRA) which became effective on 1 July 2009 at Stellenbosch Municipality. This Policy is formulated in terms of Section 3 of the MPRA.

2. LEGISLATIVE CONTEXT

- 2.1 In terms of Section 229 of the Constitution, 1996 (Act 108 of 1996), a municipality may impose rates on property.
- 2.2 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 2.3 In terms of Section 2 (1) of the MPRA a metropolitan or Local municipality may levy a rate on property in its area in accordance with the provisions of the MPRA.
- 2.4 This Policy must be read together with, and is subject to the provisions of the MPRA.
- 2.5 In terms of Section 62 (1) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (the MFMA), a municipality must have and implement a rates policy as may be prescribed by any applicable national legislation.
- 2.6 In terms of Section 8(1) of the MPRA, the Municipality will, as the primary instrument, levy rates on the use of property, but implemented as per paragraph 5.5 of this Policy.
- 2.7 All citations to applicable Acts as referenced in this Policy shall include all amendments and regulations to such as promulgated.

3. GUIDING PRINCIPLES

- 3.1 The rating of property will be implemented impartially, fairly, equitably and without bias, and these principles also apply to the setting of criteria for exemptions, reductions, and rebates contemplated in Section 15 of the MPRA.
- 3.2 The rating of property will be implemented in a way that:-
 - is developmentally oriented;
 - supports sustainable local government by providing a stable and buoyant revenue source within the legislative control of the Municipality;
 - supports local and socio-economic development;
 - promotes simplicity, uniformity, and certainty in the property rates assessment process;
 - gives due consideration to the need for simple and practical process of billing and collection of property rates;
 - promotes sustainable land management, especially that which reduces the risk from natural disasters;
 - achieves national and local environmental management objectives; and
 - balances the affordability to the public versus the financial sustainability of the Municipality.
- 3.3 Other principles that will steer the processes of this Policy:
 - All ratepayers within a specific category will be treated equally and reasonably.

- The Municipality will, when levying property rates for each financial year, take cognizance of the aggregate burden of rates on property owners in the various categories of property ownership.
- Rates Increases/Decreases will be guided by the budget requirements of the Municipality, and by Section 20 of the MPRA.
- In dealing with the poor/indigent ratepayers the Municipality may provide relief measures through exemptions, reductions or rebates.

3.4 Further determinants that will guide the processes of this Policy:

- The Zoning Scheme of the Municipality determines, via the provisions therein, the zoning and thus the legally binding use of a given property.
- However, the rating of said property is governed by the MPRA which determines a collection of rules that by implication sets the conditions by which the use of a property is categorised. It is therefore possible that even though an owner is using a property within the set rules of the Zoning Scheme, said property would not be rated on the same basis due to the definitions and provisions as applied according to the MPRA and this Policy.
- Moreover, such categorisation instituted according to the MPRA or this Policy does not condone any unlawful use of a property regardless of circumstances.

4. DEFINITIONS

In this Policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended.

The following four definitions in the MPRA are merely shown for clarity:

“**Exclusion**”, in relation to a municipality's rating power, means a restriction of that power.

“**Exemption**”, in relation to the payment of a rate, means an exemption granted by a municipality.

“**Reduction**”, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount.

“**Rebate**”, in relation to a rate payable on a property, means a discount granted on the amount of the rate payable on the property.

In addition to the definitions contained in the MPRA, the following definitions apply for the purpose of the application of this Rates Policy.

Furthermore, specific terms or phrases used, but not defined in the MPRA are defined herein to explain said term or phrase for a specific perspective of the MPRA by the Municipality: -

“**the Municipality**” means Stellenbosch Municipality (WC024).

“**MPRA**” refers to the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) including any subsequent amendments and consequential regulations.

“**Accommodation Establishment**” means a property used for the supply of overnight sleeping facilities to transient guests at a fee.

“**agricultural activities**” means the intensive cultivation of soils for purposes of planting or growing, and gathering of trees or crops in a managed and structured manner; the intensive rearing of livestock or aquaculture. In addition, all the provisions as detailed in the definition of “**Agricultural Property**” in the MPRA persist in this Policy.

“**agricultural purposes**” refers to the active pursuit by a *bona fide* farmer to derive the principle source of income, which is commercially sustainable, from agricultural activities exclusively on Agricultural Properties.

“bed & breakfast” in relation to *Accommodation Establishment* means an enterprise operated on a property of which the residential character is maintained, where the owner or operator permanently resides in the same dwelling, where normally only breakfast is served and sleeping accommodation to transient guests is limited to no more than 3 guest bedrooms and provided further, that the enterprise has not been registered as a Guesthouse. This property will be deemed to be a Residential Category.

“bona fide farmer” is a person or legal entity that is a legitimate farmer whose primary income originates from agricultural activities and the business of which must be registered with SARS.

“business and commercial property” means a property that is used for the purpose described as the activity of buying, selling or trade in goods, commodities or services and includes any office or other buildings on the same property, the use of which is incidental to such business. This definition excludes the business of mining and agriculture activities.

“Chief Financial Officer (CFO)” means a person designated in terms of Section 80(2) (a) of the Local government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

“Conservation Area” means:

- a Protected Area as defined in Section 1 of the MPRA and listed in the “Protected Areas Register” as stipulated in Section 10 of the Protected Areas Act defined in the MPRA as the National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003); nevertheless, specifically those parts of properties as described in Section 17 (1) (e) of the MPRA; or
- a mountain catchment area as described in Section 9 of the *Protected Areas Act* and declared in terms of the Mountain Catchment Areas Act, 1970 (Act 63 of 1970).

“Guesthouse” in relation to *Accommodation Establishment* means an enterprise that has either been registered as a Guesthouse; or an enterprise that is operated on a property of which the residential character is maintained and where the sleeping accommodation to transient guests exceeds 3 but limited to 16 guest bedrooms and/or if any services is offered beyond the limited breakfast only service of a Bed and Breakfast establishment. This property will be deemed to be a Business Category.

“household income” means the gross sum of all monthly income from all sources. Income sources may include wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income and other forms of financial contributions. **“industrial property”** means a property that is used for the purpose described as the branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated parts, typically via a high-volume production process and on such large scale that capital and labour are significantly necessitated; and includes any office or other buildings on the same property, the use of which is incidental to such business.

“Open Space” means a property, but specifically land that is used as a park, garden, for passive leisure or maintained in its natural state and which is zoned as open space. These properties may either be publicly owned being commonly open to public access; or privately owned and used without financial gain.

“SARS” means the South African Revenue Service.

“ratepayer” means a person or legal entity that is liable in terms of the MPRA for the payment of rates on property levied by the Municipality. The term “Ratepayer” is herein considered to be synonymous with the MPRA definition of the term “owner”.

“**residential purposes**” in relation to the use of the property means improved property primarily intended for human habitation and inhabited as such; taking cognisance of paragraph 7.9 of this Policy and provided that:

- the following properties are specifically excluded from this definition: hostels, old age homes, guesthouses, and vacant land;
- to qualify, the predominant use of a property with not more than two dwelling units on said property, must be 80% or more (based upon a percentage of the total area of buildings and structures) for this purpose; or
- to qualify, properties registered in terms of the Sectional Title Act, 1986 (Act 95 of 1986) must solely be used for this purpose; or
- to qualify, properties owned by a share-block company must solely be used for this purpose; or
- to qualify, a block of flats must solely be used for this purpose; or
- to qualify, a dwelling used for this purpose must be situated on property used for or related to educational purposes; or
- to qualify, the predominant use of a retirement scheme or life right scheme must be 60% or more for this purpose.

“**vacant land**” means a property without any buildings or structures, and where no immovable improvements have been erected.

“**valuation roll**” means a valuation roll drawn up in terms of Section 30 of the MPRA or a supplementary valuation roll drawn up in terms of Section 78 of the MPRA.

5. IMPOSITION OF RATES

5.1 The Municipality shall as part of the annual budgeting cycle, set for each category a rate, (being a cent amount in the Rand) that will be imposed, in accordance with the MPRA, on the market value of a property, for all rateable properties as recorded in the Municipality’s valuation roll, drawn up in terms of the MPRA. The amount so determined together with any relief measures as described in this Policy shall be the Rates due and payable by the owner of said property.

The levying of rates forms part of the Municipality’s annual budget process as set out in Chapter 4 of the MFMA.

Details of the resolution pertaining to the rate for each of the various property categories are to be published in the *Provincial Gazette* as set out in Section 14 of the MPRA.

5.2 The rates charged as a cent amount in the Rand for the residential property as per paragraph 6.1 (a) of this Policy is the base rate and the rate charged to all other categories of properties are reflected as a ratio to the residential rate if so prescribed by Regulations promulgated in accordance with the MPRA.

5.3 The Municipality will be guided by the definition of “ratio” in the MPRA and directed by Regulations pertaining to rate ratios as promulgated in terms of Section 19 of the MPRA and as applicable to the prescribed non-residential properties.

5.4 For properties used for multiple purposes, the Municipality may apply the category of multiple use. For such properties, the Municipal Valuer will apportion a value to each distinct use and apply the appropriate category for billing at the applicable rate.

5.5 For the purposes of determining a property’s category, the Municipality will determine such as per Section 8 (1) of the MPRA. It should be noted that the Municipality considers permitted use

to be appropriate on vacant properties and that all other properties would be categorised according to the actual use of said property.

5.6 Building Clause references

Obligations pertaining to Building Clauses as per the development agreements or contracts will be dealt with according to the contract obligations.

Properties that have attached building clause obligations as per the development agreements or contracts will not be considered as being vacant.

5.7 Period for which rates are levied

The Valuation Roll will, according to Section 32(1) of the MPRA, remain valid for a General Valuation cycle of four years.

5.8 Valuation value constraints

- (a) For the purposes of valuing a property, no valuation value shall be less than R1 000 unless the valuer determines that said property's valuation value must be zero.
- (b) For administrative purposes all valuation values exceeding R1 000 will be rounded to the nearest R1 000 interval. For example, for values with an interval less than R1 500 will be rounded to a R1 000 interval whereas values with an interval not less than R1 500 will be rounded to a R2 000 interval.

6. CATEGORIES

6.1 Categories of Property

Property Categories, each of which correlates to a distinct use of a property, have been determined as described below.

The codes that have been associated with each property Category are listed in paragraph 18.1 of this Policy. In addition, paragraph 18.1 identifies the attributes and criteria that determines the basis for application.

The Municipality will apply the following property Categories:

Item	Category (of property)	Purpose/Use
(a)	Residential	Refer Section 1 (<i>Definitions</i>) in the MPRA and the defined term <i>Residential Purposes</i> as per paragraph 4 in this Policy.
(b)	Industrial	Refer the definitions as per paragraph 4 in this Policy.
(c)	Business and commercial	Refer the definitions as per paragraph 4 in this Policy.
(d)	Agricultural	Refer Section 1 (<i>Definitions</i>) in the MPRA and the defined term <i>Agricultural Purposes</i> as per paragraph 4 in this Policy.
(e)	Mining	Refer Section 1 (<i>Definitions</i>) in the MPRA.
(f)	Public Service Purposes	Refer Section 1 (<i>Definitions</i>) in the MPRA.
(g)	Public Service Infrastructure	Refer Sections 1 and Sub-sections 17(1)(a) and 17(1)(aA) in the MPRA.
(h)	Public Benefit Organisation	Used for a <i>Specified public benefit activity</i> as defined in Section 1 in the MPRA.
(i)	Multiple Use	Refer paragraph 7.2 in this Policy.
(j)	Heritage	Refer Section 15(2A)(b) in the MPRA.
(k)	Vacant Residential	Vacant and Permitted use set for a Residential property.
(l)	Vacant Other	Vacant and Permitted use set for a property category other than Residential.

6.2 Categories for Relief Measures

The Municipality will consider relief measures on rates, being Exemptions, Rebates and/or Reductions on properties, according to various criteria as described in this Policy.

The codes (referred to as the Rebate Codes), associated with the specific relief measure, are listed in paragraph 18.2 of this Policy.

7. APPLICATION OF RATING

The Municipality will, in addition to the various criteria referenced above, apply the following criteria when rating a property:

7.1 Vacant Properties

Vacant residential property will be rated as per the Vacant Residential Category.

Vacant property other than residential property will be rated as per the Vacant Other Category.

Normally, Agricultural properties will not be considered as being vacant, however this consideration lapses if the ambit (scope) of either of the terms “*agricultural activities*” or “*bona fide farmer*” as defined in this Policy is not relevant or cannot be applied to said property.

The Category of Vacant properties will be determined according to the property’s permitted use and these properties will not qualify for any relief measures.

7.2 Multiple use Properties

Properties with multiple uses as per Section 9 of the MPRA may be categorised for each distinct use as determined by the Municipality and which category will be applied for billing at the appropriate and applicable rate.

The different uses will be grouped into two or more components. The first component, which will be determined by the largest apportioned area of the property will be the primary component; the other components (sub-components) will be identified by their generalised functional name.

The category of the primary component of such a property will be directed in the first instance by the dominant use of the property, but at the sole discretion of the Municipality.

A multiple use property may only qualify for the valuation exclusion as per paragraph 8.2.1 (i) of this Policy, provided that at least one of the components has been categorised as residential.

7.3 Public Service Purposes Properties

Properties used for Public Service Purposes will be categorised as per paragraph 6.1 (f) of this Policy and will be rated at the applicable rate. The exclusions, exemptions, rebates and reductions relating to the usage of properties as detailed in this Policy and the MPRA, will apply if applicable.

7.4 Public Service Infrastructure properties (PSI)

The Municipality will apply the rate ratio as set out in the MPRA to public service infrastructure. Furthermore, the Municipality will grant 100% exclusion on all such properties.

7.5 Rural Properties

The categorizing and/or qualification of all rural properties will be dealt with at the sole discretion of the Municipality.

7.5.1 *Agricultural Use*

The Municipality will apply the rate ratio as set out in the MPRA to properties that are used for agricultural purposes by *bona fide* farmers. These properties will however not qualify for any relief measures.

The Municipality deems property with extent less than two hectares not to be agricultural property.

7.5.2 *Alternate Criteria and Use*

- (a) Where a property in a rural area is being used for business, mining, or industrial purposes, such as truck depots, construction yards, restaurants, functioning venue, guesthouses, and/or factories, said property will be valued and rated according to the category for business, mining or industrial properties as applicable. The Municipality may however, consider valuating said property as a Multiple Use Property (refer to paragraph 7.2 of this Policy).
- (b) Properties in rural areas that are primarily used for residential purposes will be valued and rated as residential properties and may thus qualify in terms of the definition of residential property for the applicable relief measures (refer to paragraph 8 of this Policy).
- (c) Owners of a property in rural areas which is not categorised as agricultural, but which in the opinion of the owner should be agricultural, must apply (refer to paragraph 14.1 of this Policy) for a revaluation, submit documentation as required by the CFO and declare in an affidavit, that no contraventions of the criteria for agricultural activities are taking place on the property. The application will be dealt with according to the supplementary valuation process.

7.6 **Municipal Properties**

Municipal-owned properties which are leased in terms of a lease agreement or those properties which are allocated to beneficiaries but not yet transferred, will be rated as per the provisions of this Policy. The exclusions, exemptions, rebates, and reductions relating to the usage of properties as detailed in this Policy and the MPRA, will apply if applicable. The rates of said non-excluded property will be passed on to the lessee or the allocated beneficiary.

All other Municipal-owned properties as described in Section 7 (2) (a) (i) of the MPRA, will be excluded from paying property rates.

7.7 **Special Rating Area (SRA)**

The Municipality may consider the application for a Special Rating Area (SRA) provided that the owners of the predefined demarcated area have approved the budget and the specifics relating to such SRA. The process must adhere to Section 22 of the MPRA and to the Municipality's Special Rating Area Policy and By-Law.

The budget for such SRA will be raised via a pre-determined tariff applied on the municipal valuation of each property. This pre-determined tariff is linked to the annual budget proposal and would therefore be unique to a specific SRA and for a given financial year.

7.8 **Land Reform Beneficiary properties**

The Municipality will apply a category for a Land Reform Beneficiary Property that corresponds to the use of said property. The said category will be applied for billing at the appropriate and applicable rate. However, the Municipality will exclude such properties from rates for a period of 10 years subject to Section 17(1)(g) and phase-in the rates as per Section 21(1)(b) of the MPRA.

7.9 Adjoining properties

The Municipality acknowledges that there are residential properties, registered in the name of the same owner, which are used basically as if such properties were one property. Consequently, these properties will be regarded as one residential property for the application of relief measures.

Such grouping usually consists of adjoining properties but may include in the case of properties registered in terms of the Sectional Title Act, 1986 (Act 95 of 1986) any units such as a garage or domestic worker's quarters, in the same sectional title scheme registered in the name of the same owner.

Administratively a link between the adjoining property and its associated parent property must be set so as to facilitate tracking of such pairing.

8. RELIEF MEASURES

8.1 Applying relief measures on Rates

Notwithstanding that the Municipality is obligated as per the MPRA to exclude specific properties or parts thereof from rating, the Municipality will consider applying relief measures on property rates, being Exemptions, Rebates and/or Reductions as described in this Policy.

- (a) The Municipality may grant exemptions, rebates and/or reductions to the categories of properties and/or categories of owners that meet the specified criteria as indicated in subparagraphs of paragraph (7) above or as indicated below.
- (b) The Municipality will exclude specific properties or parts thereof as indicated in subparagraphs of paragraph (7) above or as indicated below.
- (c) The Municipality will not grant relief in respect of payments for rates to any category of owners or properties other than that as provided for in this Policy, nor to owners of properties on an individual basis.
- (d) Any application (when required or as requested) for a relief on rates must be submitted as per paragraph 14.1 of this Policy.

8.2 Residential Property

8.2.1 The Municipality will not levy a rate on the initial portion of the valuation of a residential property being the sum of:

- (i) the first R15 000 exclusion on the basis set out in Section 17 (1) (h) of the MPRA; and
- (ii) on a further R235 000 reduction, provided it does not exceed the remaining valuation in respect of a residential property, or the primary component of a multiple use property, that is categorised for *residential purposes*, as per the definition in paragraph 4 of this Policy. This reduction will only apply if the total valuation of said property does not exceed R 5 000 000. All non-primary components of a multiple use property or the adjoining units of a sectional title scheme as per paragraph 7.9 of this policy, do not qualify.

The above where applicable, will be applied once only per property.

8.3 Senior Citizens and Disabled Persons

Designated owners being registered owners of properties or allocated beneficiaries as per paragraph 7.6 of this Policy who are senior citizens or who are disabled persons may qualify for a rebate according to their *household income*.

To qualify for the rebate referred to above, the designated owner must be a natural person, registered as a South African citizen. If not a South African citizen, the designated owner must be the registered owner of the property within the jurisdiction of the Municipality and must submit proof of his/her permanent residency in South Africa. The property in question must satisfy the residential property requirements as per this Policy and in addition to the above-mentioned, the designated owner must also:

- 8.3.1 Occupy the property as his/her normal residence; and
- (a) be at least 60 years of age, or in receipt of a disability grant; and
 - (b) be in receipt of a monthly *household income* not exceeding the highest income amount as referenced in the table of paragraph 8.3.4 of this Policy; and
 - (c) when being the designated owner of more than one property, a rebate will be granted only on the occupied property; and
 - (d) where the designated owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement; and
 - (e) where the occupant of a residential property is a senior citizen or a disabled person and is the usufructuary of the property, he/she may satisfy the occupancy requirement.
- 8.3.2 Apply as per paragraph 14.1 of this Policy with proof of income, which may include proof of a SARS assessment or any other relevant document as requested.
- 8.3.3 If the property in question is alienated by the designated owner, then that owner would be liable for the *pro rata* rates, inclusive of the pension rebate. The new owner will be liable for the full *pro rata* portion of the rates excluding any pension rebates.
- 8.3.4 The percentage rebate granted to different monthly *household income* levels will be determined according to the schedule below. The income bands and rebates for the effective financial period of this Policy are as follows:

Gross Monthly <i>Household Income</i>				% Rebate
Income bands				
	Up to		8 000	100%
From	8 001	to	10 000	75%
From	10 001	to	12 000	50%
From	12 001	to	15 000	25%

8.4 Conservation Area

The Municipality will exclude those portions of a property within the ambit of a conservative area as defined in this Policy.

The apportioned value of any portion of such property, utilized for any purpose other than that used for such conservation purposes, or developed and used for commercial, business, agricultural or residential purposes will be categorised accordingly and rated at the applicable rate as described in paragraph 7.2 of this Policy.

The Municipality will apply Section 17 (2) of the MPRA upon withdrawal of said property from the conservation agreements inferred in Section 17 (1) (e) of the MPRA.

8.5 Religious Organisations

In terms of Sections 1 and 17 (1) (i) of the MPRA, the Municipality will not levy a rate on a property used primarily as a place of public worship by a religious community, including the official residence which is occupied by the office bearer of that community who officiates at services at that place of worship.

The Municipality will apply Section 17 (5) of the MPRA if as per Section 17 (5) (a) of the MPRA said property is no longer used or has been disposed by the religious community.

8.6 Stellenbosch Special Rebate

The Municipality may, for the organisations not meeting all the public benefit organisations criteria as described in paragraph 8.7 below, nor the criteria for NPO organisations as described in paragraph 8.8 below, consider a rebate which shall be identified as "Stellenbosch Special Rebate" (SSR). The Municipal Council will annually during the budget processes approve this rebates' discount percentage.

This rebate will only be applicable to said organisations that apply as per paragraph 14.1 of this Policy for such rebate.

8.7 Public Benefit Organizations (PBO)

The Municipality will apply the rate ratio as set out in the MPRA to public benefit organisations.

As per the MPRA the specific public benefit activity listed in Item 1 (Welfare and Humanitarian), Item 2 (Health Care), and Item 4 (Education and Development) of Part I of the Ninth Schedule of the Income Tax Act will be applicable and must be conducted/executed on said property.

All Public Benefit Organisations must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

8.8 Non-Profit Organizations (NPO)

An organisation must be registered as a Non-Profit Organisation (NPO) under the Non-profit Organisations Act, 1997 (Act 71 of 1997) to be considered as a candidate for the relief measures described below.

Organizations listed in paragraph 8.8.1 below that are operated as not-for-gain (declared or registered by law) or organisations that execute activities as per Item 6 (Cultural), item 7 (Conservation, Environment and Animal Welfare) and Item 9 (Sport) of Part 1 of the Ninth Schedule to the Income Tax Act may receive a rebate. All abovementioned organisations being privately controlled must be the owner of said properties.

These rebates are not applicable to any vacant land irrespective of its zoning or intended usage unless stated otherwise in this Policy.

All NPO must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

Abovementioned organisations which have a total revenue/income not exceeding one million Rand per annum, will receive a 80% rebate. On the other hand, those organisations having a revenue/income exceeding one million Rand per annum will receive a rebate percentage of 20%.

8.8.1 *Prescribed not-for-gain organisations*

(a) *Health and welfare institutions*

Privately owned properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the members or patients, laundry or cafeteria facilities.

(b) *Charitable institutions*

Properties used solely for the performance of charitable work.

(c) *Agricultural societies*

Property owned by agricultural societies used for the purposes of the society.

(d) *Cemeteries and crematoria*

Privately owned properties used as cemeteries and crematoria.

(e) *War veterans*

Property registered in the name of a trustee or organisation in terms of the Social Assistance Act, 2004 (Act 13 of 2004), maintained for the welfare of war veterans and their families.

8.9 **Properties affected by Disaster or adverse Economic Conditions**

The Municipality may consider additional relief measures as envisaged in Section 15(2)(d) of the MPRA and as approved by Council.

8.10 **Exceptional General Valuation Rates Increases: Phasing in**

The Municipality may consider a relief measure for owners of property adversely affected by exceptional rates increase of a new General Valuation (GV) cycle. This incentive will only be implemented as from the implementation date of a GV and on proviso that:

- (a) for a property to qualify, the Rates for the first financial year of the GV cycle for the property, as result of the property valuation of a GV cycle, must be at least four (4) times more than that of the rates for said property during the financial year preceding the start of the GV cycle.
- (b) the rates for the financial year preceding the start of the GV cycle must be greater than R1 000 per annum;
- (c) the rebate granted would be phased-out over two financial years;
- (d) the rebate for the first financial year will be 50% and during the second year it will be 25% rebate on the rates applicable for that year;
- (e) this incentive will not be cumulative on any other rebate that may be granted to said owner;
- (f) the most beneficial rebate between this incentive and any other rebate which said owner may receive in each financial year will prevail;
- (g) improvements or errors of valuations to said property that could have influenced the GV valuation will be reviewed during the application approval;
- (h) applications will only be considered until the end of the initial 6 months of a GV cycle; and
- (i) owners of such property must apply as per paragraph 14.1 of this Policy.

9. **LIABILITY FOR AND PAYMENT OF RATES**

9.1 **Liability for and payment of rates**

Liability for and payment of rates is governed by criteria in this Policy, by the MPRA, the Municipality's Credit Control and Debt Collection Policy, By-Laws and any other applicable

legislation. Actions as per the applicable By-Laws and/or Policies shall be taken against defaulters.

There are one of two methods of payment that the owner of the property must agree upon, namely (i) paying the rates on a monthly basis or (ii) paying the rates in one amount every annum.

The paying of rates on a monthly basis will be the preferred method unless the owner has selected the annual method of payment via a written request before 31 May preceding a financial year.

- (i) When paying on a monthly basis the amount due shall be paid not later than the date as specified on the monthly accounts. The cycle of such payments will start on the first day of July (the start of a financial year) and extend to the 30th of June the following year.
- (ii) When paying a once-off amount (the full rates for that financial year), then that amount shall be paid in full not later than the date as specified on the account. Please note that additional annual payments may be triggered during a financial year by a supplementary valuation on said property.

Changes to the preferred method of payment must be exercised by the owner before 31 May of a financial year and once set the method of payment will not be changed during a current financial year.

9.2 Rates in arrears for longer than 90 days

When an owner's rates account is in arrears for longer than 90 (ninety) days, then the Municipality may initiate the proceedings as described in Sections 28 or 29 of the MPRA.

A notice to this effect will be forwarded to the tenant, occupier or agent providing the required legal information regarding their payments to the owner, which are to be redirected to the Municipality so as to cover the arrear rates account.

A notice will be forwarded to the owner in question to indicate the legal proceedings and the actions that the Municipality has initiated.

10. QUANTIFICATION OF COSTS TO MUNICIPALITY AND BENEFITS TO COMMUNITY

The cost to the Municipality and benefit to the local community in terms of exemptions, rebates, reductions and exclusions referred to in the MPRA and rates on properties that must be phased-in in terms of the MPRA will be reflected in the Municipality's budget.

11. OBJECTION AND APPEALS

- (a) Any person may lodge an objection to a valuation subject to Section 50 of the MPRA but within the period stated in the notice referred to in Sections 49(1)(a) and 78(5)(b) of the MPRA.
- (b) An appeal to an appeal board against a decision of a municipal valuer in terms of section 51 of the MPRA may be lodged in the prescribed manner subject to Section 54 of the MPRA. The appeal must be lodged (as a guideline), within a period of 30 days nonetheless, as set out in Section 54(2) of the MPRA.
- (c) The administrative actions or processes as described in the MPRA for the handling of objections or appeals will be the basis that the Municipality will follow.

- (d) The lodging of an objection or appeal: -
 - (i) In terms of Section 50 of the MPRA does not defer liability for the payment of rates in terms of this Policy; or
 - (ii) In terms of Section 54 of the MPRA does not defer liability for the payment of rates in terms of this Policy.

12 CLEARANCE CERTIFICATES

All monies collected by the Municipality, specifically in respect of Special Rating Areas and any estimated amounts in terms of Section 118(1A) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (the Systems Act), or Section 89 of the Insolvency Act, 1936 (Act 24 of 1936), are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- (i) All amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act; and
- (ii) No interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due.
- (iii) The Municipality will not be responsible for the apportionment of rates and/or services due or paid in respect of any rates clearances and registrations.
- (iv) The Municipality may issue only one clearance certificate for properties deemed to be in an adjoined state as per paragraph 7.9 of this Policy.

13 ADJUSTMENTS OF RATES PRIOR TO SUPPLEMENTARY VALUATION

13.1 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided from the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), and if the Municipality has not yet included such valuation of the relevant property(ies) in a supplementary valuation:-

- (a) the Municipal Valuer shall conduct a valuation of the relevant property(ies) for purposes of a supplementary valuation; and
- (b) the valuation shall be submitted to the CFO for approval of the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office

13.2 Any valuations performed in terms of paragraph 13 shall be included in the next supplementary valuation process as per the provisions in Sections 78 (1) to (5) of the MPRA.

14. GENERAL

14.1 Applications for Relief Measures

- (a) All applications, required in terms of this Policy for a specific relief measure must be submitted to the Municipality by 30 November of each year, which date precedes the financial year in which the rate is to be levied. If the relief measure applied for is granted, the relief measure will apply for the full financial year. All successful applicants are bound by all the criteria as per paragraph 14.1 of this Policy.
- (b) Any applicant who, during a financial year, for the first time, meets all the criteria other than (a) above, may apply to receive the relief measure initiated from the month following

the approval by the Municipality of said application for the remainder of that financial year, thereafter all the criteria as per paragraph (a) above will apply to applications for subsequent financial years.

- (c) Late applications received after 30 November of a given year may be considered by the Municipality, in which case, if the relief measure applied for is granted, a *pro rata* rebate for the remainder of the next (new) financial year may be applicable.
- (d) Persons who have submitted false information and/or false affidavits will have the relief measure withdrawn with effect from the commencement of the financial year in question.
- (e) All applications for relief measures will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable arrangement with the Municipality as provided for in the Municipality's Credit Control and Debt Collection By-Law and Policy.
- (f) The Municipality reserves the right to request current and/or previous audited financial statements or to inspect all properties before or after implementing the applicable rate and to revoke or amend any decision made prior to such investigation or financial review.
- (g) The Municipality reserves the right to recover any rates and/or relief measures from owners of properties after the status of said properties have changed.
- (h) The Municipality reserves the right to request any additional information as may be deemed necessary.

14.2 Regular policy review processes

This Policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

14.3 Language Interpretation

The legal interpretation of the English version of this Policy only shall prevail above all other language translations of this Policy.

14.4 Severance

If any provision of this Policy is struck down as invalid by a court of law, such provision shall be severed from this Policy, and shall not affect the validity of the remaining provisions.

15 BY-LAWS

The principles contained in this Policy will be reflected in the By-Law as promulgated and adjusted by Council from time to time.

16 CONTACT OF RESPONSIBLE OFFICE

The contact details for Property Rates enquiries:

E-mail Address: enquiries.navrae@stellenbosch.gov.za

Telephone Numbers : See Municipal Account for relevant telephone numbers

Postal Address: PO Box 17, Stellenbosch, 7601

Any Municipal Office in the jurisdiction of Stellenbosch Municipality

17 SHORT TITLE

This Policy is the Rates Policy of the Stellenbosch Municipality.

18. CATEGORY AND REBATE CODES

18.1 Category Codes

The Formulae Codes (Derived from the Categories listed in paragraph 6.1 of this Policy) as listed below will be used in the Valuation Roll and supporting letters or Notices to reflect by association the applicable Category (as indicated in the “Category (of property)” column).

Council shall on an annual basis during the budget approval cycle set the cent amount in the Rand values (being the Category Tariff) for each of the Categories in the table below.

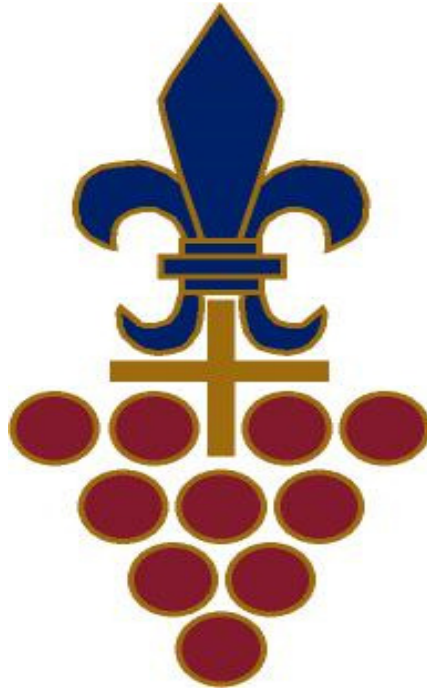
Category (of property)	Category Code	Formulae Code	Supporting references
Residential	RES	RES	MPRA Sections 8(2)(a); 17(1)(h) and the Policy paragraph 8.2.1
	RES	RESA	Adjoining residential; the Policy paragraph 7.9
	RES	RESM	MPRA Section 17(1)(h) i.e. ONLY Policy paragraph 8.2.1 (i)
	RES	RESIF	Municipal Owned: Informal settlements, 100% exclusion will apply
	RES	REL11	MPRA Section 17(1)(i) – the official residence; the Policy paragraph 8.5
	RES	MUNRR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	RES	MUNR	Municipal Owned: Section 8(2)(h) and the Policy paragraph 7.6
	RES	LRBR	Land Reform Beneficiary: MPRA Section 17(1)(g); the Policy paragraph 7.8
Industrial	IND	IND	MPRA Section 8(2)(b); Policy Definitions for “industrial”
Business	BUS	BUS	MPRA Section 8(2)(c); Policy Definitions for “business”
	BUS	RELIG	MPRA Section 17(1)(i) – the place of worship; the Policy paragraph 8.5
	BUS	MUNBR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	BUS	MUNB	Municipal Owned: Section 8(2)(h) and the Policy paragraph 7.6
	BUS	POS	Public Open Spaces
	BUS	PROS	Private Open Spaces
Agricultural	AGR	AGR	MPRA Section 8(2)(d); (Not considered to be a vacant property); the Policy paragraph 7.5
	AGR	PROT	Protected Areas: MPRA Section 17(1)(e); the Policy paragraph 8.4
	AGR	MUNAR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	AGR	MUNA	Municipal Owned: MPRA Section 8(2)(h) and the Policy paragraph 7.6
	AGR	LRBA	Land Reform Beneficiary: Section 17(1)(g); the Policy paragraph 7.8
Mining	MIN	MIN	MPRA Section 8(2)(e).
Public Service Purposes	PSP	PSP	MPRA Section 8(2)(f); the Policy paragraph 7.3
Public Service Infrastructure	PSI	PSI	MPRA Sections 8(2)(g); 17(1)(a) and the Policy paragraph 7.4
	PSI	PSIE	MPRA Sections 8(2)(g); 17(1)(a4) and the Policy paragraph 7.4
	PSI	MUNP	MPRA Sections 7(2)(a)(ii) and 8(2)(h); the Policy paragraph 7.6
Public Benefit Organisation	PBO	PBO	MPRA Section 8(2)(h) and the Policy paragraph 8.7
Multiple purposes	<i>Multi tariff</i>	MULTI	MPRA Sections 8(2)(i) and 9 and the Policy paragraph 7.2
Heritage	HER	HER	MPRA Section 15(2A)(b)
Vacant Residential	VACR	VACR	the Policy paragraph 7.1
Vacant Other	VACO	VACO	NOT agricultural properties; the Policy paragraph 7.1
		MUNV	Vacant Municipal properties

18.2 Rebate Codes

The Rebate Codes in the table below serves to indicate the rebate if any that could be applicable to a property.

Rebate Code	Purpose	Supporting references
NONE	No rebate is applicable	
INDP	Indigent and 100% Pension rebate	Rates Policy paragraphs 8.3 and the Indigent Policy
INDIG	Indigent only rebate	Indigent Policy
PENS	100% Pension rebate	Rates Policy paragraph 8.3
PENS1	75% Pension rebate	Rates Policy paragraph 8.3
PENS2	50% Pension rebate	Rates Policy paragraph 8.3
PENS3	25% Pension rebate	Rates Policy paragraph 8.3
NPO	Non-Profit Organisation (80% rebate)	Rates Policy paragraph 8.8
NPO1	Non-Profit Organisation (20% rebate)	Rates Policy paragraph 8.8
SSR	Stellenbosch Special Rebate	Rates Policy paragraph 8.6
EGVI	Exceptional General Valuation Rates Increases	Rates Policy paragraph 8.10

STELLENBOSCH MUNICIPALITY



INDIGENT POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

INDIGENT POLICY

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PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate relating to indigent support in terms of Sections 152 and 153 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) towards the community/consumers within the jurisdiction of Stellenbosch Municipality (WC024).

Council further acknowledges that because of the level of unemployment and consequential poverty in the municipal area, that correlated households are incapable of paying for basic municipal services.

Indigent relief measures are thus a fundamental requirement that is achievable only within sustainable budgets set by Council as well as support and direction via National Government.

Concomitantly, indigent households equally have the responsibility of managing their levels of consumption and that they are responsible for the payment of municipal services that are consumed in excess of the reduced cost or Free Basic Service levels as described in this Policy.

The effective implementation of such a program depends principally on affordability and is supported by the socio-economic analysis of various areas as included in the Council's Integrated Development Planning. The Council's mandate regarding affordability of basic services to poor households is directed by mechanisms in Section 74(2)(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Section 15 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004).

In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to indigence as set out hereinafter.

1. DEFINITIONS

In this Policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended. Implicit definitions as defined in various paragraphs of this Policy are set in addition to the explicit definitions as set below:

“the Municipality” means Stellenbosch Municipality (WC024).

“Basic Services” means that level of services delivered by the Municipality at a reduced cost or at no cost to the Indigent consumer and which the Council has considered reasonable and sustainable within budget constraints.

“Child-headed household” means a household where the main caregiver of said household is not older than 18 years of age and is a child as defined in Section 28(3) of the Constitution.

“Constitution” refers to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

“Household” means a family unit comprising a head of the family, being a natural person. The family may include blood related or adopted dependents. This is further described in paragraph 5.2 of this Policy.

“Indigent” means the lack of necessities of life such as sufficient water, basic sanitation, refuse removal, environmental health, basic energy, health care, housing, food and clothing.

“Indigent Income Threshold” means the qualifying monthly income as described in paragraph 5.5 and as set in paragraph 5.5(b) of this Policy.

“Valuation Threshold” means that value of municipal valuation as set for residential properties in paragraph 8.2 of the Municipality’s Rates Policy.

2. POLICY OBJECTIVES

The objectives of this Policy are to:

- (a) Provide a framework within which the Municipality can exercise its executive and legislative authority regarding the identification of indigent households and the implementation of financial aid to such.
- (a) ensure the provision of basic services to indigent households within the jurisdiction of the Municipality in a sustainable manner and within the financial and administrative capacity of the Municipality.
- (b) ensure the establishment of procedures and guidelines for the effective subsidisation of basic services charges to such approved indigent households within budgetary and national grant guidelines.

3. POLICY PRINCIPLES

The following guiding principles for the formulation of this Policy, are to:

- (a) ensure that the portion for free basic services allocated as part of the equitable share received annually, be utilised for the benefit of indigent households.
- (b) promote an integrated approach to subsidised basic service delivery.
- (c) optionally use external services and/or references to verify the information provided by the applicants.
- (d) maintain the relief measures to indigent households for as long as such indigent household remains registered on the municipality's indigent data base or register and the municipality continues to receive equitable share for this purpose.
- (e) review the relief measures by random sampling to ensure *bona fide* indigent support.
- (f) engage the community in the development and implementation of this Policy.

4. LEGISLATIVE CONTEXT

4.1 This policy is implemented within the framework of the following legislation:

All citations to applicable Acts as referenced in this Policy shall include all amendments and regulations to such as promulgated.

- (a) The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), in particular Sections 152 and 153.
- (b) Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- (c) Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- (d) Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004), in particular Section 15 and/or.
- (e) any other legislation that may be applicable

4.2 This Policy was developed using the following guideline(s):

- (a) National Framework for Municipal Policies.
- (b) National Indigent Policy Assessment tool, 2018 - COGTA

5. QUALIFICATIONS AND SCOPE

The introduction of reduced cost or free basic services will ensure that indigent consumers have access to basic services.

5.1 Subsidy:

Subsidies are granted from external funds, allocated by the National Government as an Equitable Share allocation, to subsidize Indigent households with specified levels of basic services. This is based on a:

- (a) Level of income enabling Indigent households to pay for a basic package of municipal services; and/or

- (b) Municipal property valuation value that sets the level at which indigent support may be granted.
- (c) Subsidy scheme that is promoted through the press and by means of personal referral, but principally via referrals by the credit control and debt recovery section of the Municipality.

5.2 Household:

- (a) The head of the household must be a South African citizen and have permanent residency.
- (b) The head of the household should be:
 - (i) the registered owner or part owner of the property; or
 - (ii) the registered lessee of a Council housing unit; or
 - (iii) the registered lessee of a Government owned housing unit; or
 - (iv) a person, being the head of the household, who is incapable of paying for basic municipal services and who resides in said property/unit.

The head of the child-headed household shall be deemed to meet these criteria.
- (c) To register as an indigent consumer the head of the household must personally complete and sign the registration form.
- (d) Child-headed households will only be approved based on the following criteria:
 - (i) both parents of the household are deceased, or one parent and/or guardian is deceased, and the other is totally alienated from the household;
 - (ii) a minor has assumed the role of caregiver in respect of the other minor(s) in the household;
 - (iii) such minors reside permanently on the property;
 - (iv) such minors, and exclusively only minors occupy the property as their normal residence;
 - (v) such minors are scholars or unemployed and if income is derived, the household earns less than the qualifying income as envisaged by the defined Indigent Income Threshold;
 - (vi) the situation pertaining to the household has been verified by the Municipality; and
 - (vii) the situation pertaining to the household will be reviewed when the caregiver as per (ii) above reaches the age older than 18 years.
- (e) Indigent households living in homes for senior citizens shall be eligible to qualify for assistance and support under this Policy, subject to the following rules and procedures:
 - (i) For the purposes of passing/issuing the free basic electricity units to such indigent household, the onus will be on the unit owner or lessee to apply and submit proof that the electricity connection is in the name of the

Indigent consumer and not in the name of the organization providing the accommodation.

- (ii) In the event of the unit being occupied by a single individual without any dependents as per the definition of a household above, the level of income to qualify shall be equal to or less than 50% (fifty percent) of the defined Indigent Income Threshold per month.

5.3 Basis of Subsidy:

- (a) Only formal or informal housing units utilized for residential purposes will be taken into consideration for the purpose of this subsidy, being the provision of free basic services.
- (b) All informal structures where a prepaid electricity meter has been installed by the Municipality will qualify for this subsidy. In the cases where off-grid electricity is supplied by an authorised service provider appointed in terms of paragraph 5.7.2(b) of this Policy such households will also qualify for a subsidy, which subsidy will be paid directly to the authorised service provider.
- (c) Applications deviating from the above will only be considered after a detailed investigation and evaluation by the Municipality.

5.4 Liability for payment of municipal accounts:

- (a) Subsidies will only be granted to households liable for the payment of municipal service fees.
- (b) Subsidies will only be granted by means of a credit on municipal accounts and free basic electricity vouchers or in the form of subsidy paid directly to the authorised service providers of off-grid electricity as envisaged in paragraph 5.7.2(b) of this Policy. No subsidy will be paid directly to any Indigent consumer or household in the form of cash or any such disbursement.
- (c) Households are liable for the payment of fees, as stated on the monthly account, for any service in any given month that exceeds that service's subsidy.
- (d) Monthly accounts, as well as the instalments arranged in respect of the repayment of debt, must be paid punctually and in full. If required, and after reasonable alternatives have been exhausted, the process to recover debt from indigent consumers will be dealt with in terms of the Credit Control and Debt Collection Policy and procedures of the Municipality.
- (e) Prepaid electricity meters will be installed on all properties of formal households before receiving indigent subsidies to prevent escalation of debt.
- (f) Water management devices may be installed on properties of formal households before receiving indigent subsidies to prevent escalation of debt.

5.5 Qualifying income:

- (a) Gross household income is defined as the earnings of the head of the family, plus any other financial contribution towards the household income by any other dependant or occupant. Government grants as received by dependent minors will be ignored and not be added as a financial contribution towards the household income.

- (b) The maximum qualifying income level defined as the Indigent Income Threshold for a household as described in paragraph 5.2 of this Policy will be equal to or less than R 6 500 per month. Proof must be produced in the form of pay slips, unemployment certificates, income certificates or other acceptable proof of income.
- (c) Should proof of income not be available, income may be declared by means of a sworn statement. Such applications may be verified by means of a full investigation and a socio-economic survey.

5.6 Targeting mechanisms:

The following principles for the granting of free basic services apply:

- (a) Properties in respect of which property tax is levied on a municipal valuation amount will qualify as follows:
 - (i) The municipal valuation of a property being less than or equal to the defined Valuation Threshold will be used as the guiding threshold.
- (b) Indigent subsidies will only be considered by the Municipality upon application on a prescribed form by households which consider themselves as being indigent.

5.7 Basic services :

The Municipality will provide the following basic services at reduced or at no cost to the Indigent consumer:

5.7.1 Formal Households

Free basic services for Formal households will consist of the following:

- (a) 100 kWh electricity per household per month subject to it being supplied via a prepayment metering system as the qualifying criteria for a registered indigent household to be placed on the Lifeline Electricity Tariff. Free electricity units will not be applicable should the Indigent Household choose not to install a pre-paid meter;
- (b) a basic charge for water and a maximum of 6 kl water per household per month;
- (c) a service subsidy not exceeding the cost of one refuse unit in respect of a single residential;
- (d) a service subsidy not exceeding the cost of one sewerage service unit supplied to residential properties with a maximum area of 250m²; and/or
- (e) 50% of the applicable tariff for clearances of septic tanks.

5.7.2 Informal Settlement Households

Free basic services for Informal Settlement Households will consist of the following:

- (a) 100 kWh electricity per household per month; or
- (b) a maintenance and operations subsidy (equivalent in Rand value to 100kWh electricity per household per month) for off-grid solar home systems, operated by a municipal approved service provider or Energy Service Company (ESCo).

(In the case of off-grid electricity subsidies as contemplated above, the Municipality may, subject to a detailed review by the Revenue Section appoint an authorised service provider to provide the maintenance and operations function for a group or groups of indigent recipients of off-grid electricity at a maximum rand equivalence of the value of 100 kWh electricity per household per month.)

- (c) Other services (specifically water, sewerage and refuse removal services) are not billed for.

5.7.3 Indigent households residing in homes for senior citizens

Free basic services for qualifying households residing in homes for senior citizens as per paragraph 5.2(e) of this Policy will consist of 100 kWh electricity per household per month.

5.8 Free bulk services

Free Bulk Services shall be the provision of services (water standpipes, high mast lighting, ablution facilities and refuse removal) to informal settlements.

The cost of the provision of free bulk services is recovered from the Equitable Share Allocation from National Government and processed monthly.

5.9 Other concessions

- (a) Registered indigent consumers limited to the immediate occupants of the household occupying the property excluding any extended family members could qualify for a discount of up to 50% (fifty percent) on the approved fees and tariffs for non-trading services (refer paragraph (d) below) as defined by Council from time to time subject to application to the relevant Director.
- (b) Proof of registration as an indigent consumer must be obtained from the Credit Control Section of Financial Services prior to the application for the discount being made.
- (c) For the purposes of clarity, other categories of consumers (other than registered indigent consumers) such as back yard dwellers, farm workers and lessees of other property earning equal to or below the Indigent Income Threshold per month, may also qualify for the concessions (i.e. a discount of up to 50% (fifty percent) on the approved fees and tariffs, limited to the services envisaged in paragraph (d) below.
- (d) Discounted non-trading Services; refers to:
 - (i) Community hall discounts.
 - (ii) Burial fees in sections of cemeteries without head stones (i.e. crosses or flat stone areas only) and cremations when available. This concession is only applicable for burials on Mondays to Saturdays, excluding Public Holidays. Farm workers must provide written confirmation regarding the burial site from the farm owner.

6. ALLOCATION OF SUBSIDIES

- (a) The subsidy in any given month and service will be an amount not exceeding the amount as reflected in the Council's approved Tariff Schedules for services for Indigent households as per paragraphs 5.7 and 5.9 of this Policy.
- (b) Only one subsidy per service per property may be allocated in any given month.
- (c) Subsidy levels may be adjusted from time to time, depending on the availability of funds.
- (d) Lessees of subsidized housing units already receiving a municipal subsidy for the alleviation of municipal service costs included in rentals will not qualify for an Indigent subsidy. Should the latter subsidy be more advantageous, such a lessee may request that the Indigent subsidy replace the Rental subsidy.

7. APPLICATIONS FOR INDIGENT SUBSIDIES

- (a) Applications (i.e. applications submitted by individuals) will be required by any household which considers themselves to be an indigent household.
- (b) Only applications lodged by means of the prescribed application form will be considered by the Municipality.
- (c) Such households may be visited by employees of the Municipality or approved service providers, where after a written recommendation would be considered.
- (d) The maximum subsidy may be granted to households with no income, even if the corresponding accounts are not paid in full
- (e) Indigent assistance will be applicable for as long as an indigent household remains registered as such on the indigent data base or register and the Municipality continues to receive equitable share for this purpose.
- (f) The Municipality has the right to disclose a list of Indigent households for public inspection, which may include the publication thereof.
- (g) In a case of misrepresentation or any other transgression of the conditions for the provision of subsidies, the subsidy will be withdrawn with immediate effect and not be reconsidered for a period of at least 12 months. Legal actions may be instituted to recover subsidies obtained under false pretences.
- (h) Indigent relief will not apply in respect of property owners with more than one property, whether such property is situated inside or outside the area of jurisdiction of the Municipality.
- (i) Subsidies will not be granted on a pro-rata basis and applications received after the twentieth day of a month will be granted in the following month.
- (j) The onus is on the recipient of indigent subsidy to inform the Municipality immediately of any changes in personal circumstances that may warrant a review of his/her indigent status. For example, the status of any change of employment or to the Gross Household income as per paragraph 5.5 above must be reported to the Municipality.

- (k) The municipality reserves the right to review and/or to conduct home visits on a random basis with the view of assessing whether a household would still qualify for receiving indigent assistance. Upon cancellation of indigent assistance normal credit control procedures will be applicable on arrear accounts of such cancelled applications.

8. PROPERTY TAX REBATES BASED ON MUNICIPAL VALUATION

This Policy only addresses indigent subsidies and any form of rates relief is addressed as provided for in the Rates Policy of the Municipality.

9. INDIGENT REGISTER

- (a) The Municipality shall draw up and maintain a register in respect of properties and households receiving indigent assistance.
- (b) The register will be open for inspection by the public during office hours.
- (c) The Municipality will at regular intervals review the register and apply randomly selected checks as to the status of an application.

10. CONTACT OF RESPONSIBLE OFFICE

The contact details for Indigent enquiries:

E-mail Address: Indigent.office@ Stellenbosch.gov.za

Telephone Numbers : 021 808 8501
021 808 8579
021 808 8597
021 808 8932

Postal Address: PO Box 17, Stellenbosch, 7601

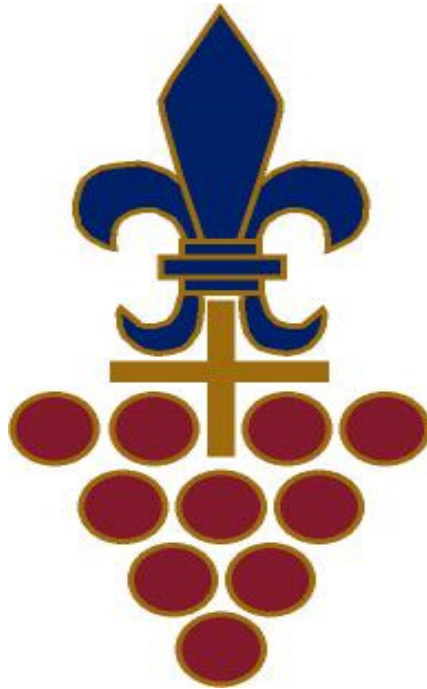
Any Municipal Office in the jurisdiction of Stellenbosch Municipality

11. SHORT TITLE

This Policy is the Indigent Policy of the Municipality.

APPENDIX 8

STELLENBOSCH MUNICIPALITY



SPECIAL RATING AREA BY-LAW

Effective from 01 July 2021



STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA BY-LAW

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To provide for the establishment of special rating areas; to provide for additional rates; and to provide for matters incidental thereto.

BE IT ENACTED by Stellenbosch Municipality as follows:-

CHAPTER 1

ESTABLISHMENT OF SPECIAL RATING AREAS

1. DEFINITIONS

In this By-law words or expressions shall bear the meaning assigned to them and, unless context otherwise indicates.

In addition to the definitions contained in the Property Rates Act, the following definitions apply for the purpose of the application of this By-law.

“additional rate” means an additional rate contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act in section 12(2) of this By-Law;

“applicant” means any owner who makes an application for the determination of a special rating area in accordance with provisions of Chapter 1 of this By-Law, or if a management body is established in terms of section 10 of this By-Law any reference to **“the Applicant”** means the management body;

“CFO” means the Chief Financial Officer of Stellenbosch Municipality, or his or her nominee.

“Council” means Council of Stellenbosch Municipality;

“implementation plan” means an Implementation Plan as contemplated in section 6 of this By-Law;

“limited special rating area” means a limited special rating area approved by the Council in terms of section 9 of this By-Law;

“majority” means the majority of properties represented by the members of the local community in the proposed special rating area who will be liable for paying the additional rate;

“management body” means the management body of a special rating area to be established in accordance with the provision of section 10 of this By-Law;

“motivation report” means a motivation report as contemplated in section 6 of this By-Law;

“owner” has the meaning assigned to it in section 1 of the Property Rates Act;

“**Policy**” means the Policy for the determination of special rating areas named the Special Rating Area Policy of the Stellenbosch Municipality;

“**Property Rates Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004);

“**rateable property**” has the meaning assigned to it in section 1 of the Property Rates Act;

“**special rating area**” means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act and section 8 of this By-Law.

2. INTERPRETATION

In the event of any conflict with the Afrikaans or isiXhosa texts the English text prevails.

3. DETERMINATION OF SPECIAL RATING AREAS

Stellenbosch Municipality may by resolution of the Council determine special rating areas.

4. APPLICATION

- (1) Any owner located within the area of jurisdiction of Stellenbosch Municipality and who owns property within the proposed special rating area, may lodge an application to the Stellenbosch Municipality for the determination of a special rating area.
- (2) All costs incurred by the applicant in respect of the establishment of a special rating area shall be for his or her own account, provided that after implementation of the implementation plan the management body may reimburse the applicant for some or all of those costs.
- (3) Any application contemplated in subsection (1) above must –
 - (a) be in writing and be in the form as the CFO may determine;
 - (b) be submitted not more than nine months after the date on which the public meeting referred to in section 5 of this By-Law is held, or if a second public meeting is held as provided for in section 6(2) of this By-Law, nine months after the date of the second public meeting;
 - (c) be accompanied by –
 - (i) a motivation report and an implementation plan;
 - (ii) the written consent submitted by the members of the local community in the proposed special rating area who will be liable for paying the additional rate. All

owners of each property in the proposed special rating area must sign the consent form. The majority shall be determined by the number of properties in the proposed special rating area for which duly preformed consent forms were received in relation to the number of properties in the proposed special rating area. Under specific conditions, aimed at a more inclusive approval process, the majority may be set at a higher percentage as determined in the Special Rating Area policy. The format of the consent may be determined by the CFO;

- (iii) payment of such fee as the Council may determine.

5. PUBLIC MEETINGS

- (1) An application for the determination of a special rating area must be preceded by the holding of a public meeting.
- (2) The purpose of the public meeting is to enable the applicant to consult with those owners within the proposed special rating area regarding the proposed boundaries of the area and the proposed improvement or upgrading of the area.
- (3) Prior to the holding of the public meeting, the applicant must –
 - (a) give notice in a manner approved by the CFO in terms of this By-law owners of rateable property, who will be liable for payment of the additional rate, of the applicant's intention to apply for the determination of a special rating area
 - (b) in the notice referred to in subsection (3)(a) above, give notice of a public meeting, which notice must –
 - (i) state the purpose of such meeting; and
 - (ii) contain details of the place, date and time when such meeting is to be held.
- (4) The public meeting must be held not less than seven days and not more than 30 days after the date of the notice.
- (5) The public meeting must be held at such place, date and time as stated in the notice, provided that it must be held at a place which is within the boundaries of the proposed special rating area unless the CFO approves another venue in writing before the public meeting is held.
- (6) The public meeting must be chaired by a suitable qualified and experienced person appointed by the CFO.
- (7) Any interested person must, at the public meeting, be –

- (a) Furnished with all relevant information relating to the proposed special rating area, including the information to be set out in the motivation report and implementation plan; and
- (b) given an opportunity to ask questions, express their views and make representations.

6. MOTIVATION REPORT AND IMPLEMENTATION PLAN

- (1) Any application for the establishment of a special rating area must include a motivation report and an implementation plan covering a period commencing on 1 July of a year and ending on 30 June of the fifth year or covering such lesser period as may be determined by the CFO.
- (2) If the motivation report or the implementation plan are materially amended, as determined by the CFO, after the public meeting referred to in section 5 of this By-Law, the applicant must call a second public meeting for approval of the special rating area as amended.
- (3) The provision of section 5 of this By-Law applies with the necessary changes to the second public meeting.

7. ADVERTISING OF APPLICATION AND OBJECTIONS

- (1) The applicant must within 14 days after the application is lodged in accordance with section 4 of this By-Law, or within such further period which the CFO may approve –
 - (a) Cause a notice of the application to be published in a manner approved by the CFO; and
 - (b) Either before or up to seven days after the date of publication of the notice, give written notice of the application to all owners within the proposed special rating area, who will be liable for payment of the additional rate. Such notice must be served by pre-paid registered post, hand delivery or in any other manner approved of in writing by the CFO.
- (2) Every notice contemplated in terms of subsection (1) above must state that written objections to the determination of a special rating area or the provisions of the motivation report and implementation plan may be lodged with the Stellenbosch Municipality by a date specified in the notice, which shall not be less than 30 days after the date of publication in terms of subsection (1)(a) above, and must state where the documentation specified in subsection (5) below will be available for inspection.
- (3) Any owner of rateable property who will be liable for paying the additional rate may submit written objections to the determination of the special rating area, which objections must be

received by the Stellenbosch Municipality not later than the date stipulated in the notice referred to in subsection (1) above.

- (4) Any objector to the application who owns property within the proposed special rating area may make oral representation to the CFO.
- (5) The application, including the motivation report and the implementation plan, and all objections must be available for inspection at the office of Stellenbosch Municipality and at a venue determined by the CFO within the proposed special rating area, for the period referred to in subsection (2) above.

8. DECISION

- (1) After the provision of sections 4 and 7 of this By-Law have been complied with, the Council must, at a meeting of the Council held within 90 days after the last date for the submission of objections in accordance with section 7(2) of this By-Law, consider the application and –
 - (a) determine a special rating area which must be implemented in accordance with the motivation report and implementation plan;
 - (b) determine a special rating area with such amendments or conditions as the Council considers to be in public interest;
 - (c) determine a special rating area in respect of a limited area in terms of section 9 of this By-Law;
 - (d) refuse the application, in which event the Council must, within 30 days, furnish the applicant with written reasons for not approving the determination of a special rating area;
or
 - (e) refer the application back to the applicant for amendments in such manner as the Council may direct.
- (2) If an application is refused by the Council in accordance with the provisions of subsection (1)(d) above or referred back to the applicant in accordance with the provisions of subsection (1)(e) above, the applicant may, within six months of the Council's decision, re-apply to the Council for the determination of the special rating area, provided that such re-application has been appropriately amended in the light of the reasons for refusal or referral, as the case may be.
- (3) If the motivation report or implementation plan is amended in any material respect at any time before the determination, the Council may require that the amended application be re-advertised in accordance with the provision of section 7 of this By-law, with the necessary changes.

9. DETERMINATION OF A LIMITED SPECIAL RATING AREA

If an application in terms of section 4 of this By-Law is not accompanied by the majority of the members of the local community in the proposed special rating area required by section 4(3)(c) of this By-Law, but the applicant can demonstrate to the satisfaction of the Council, that –

- (a) there are such confirmations from owners of rateable properties in a limited geographical area within the proposed special rating area that would meet the requirements of section 4(3)(c) of this By-Law if they were to be applied to that area; and
- (b) the level of services to be provided will not be reduced and the budget will be reduced accordingly as a result of the provision of those services in the limited area alone, as compared to the provision of those services in the whole of the proposed special rating area,

then the Council may, subject to the other provisions of this By-Law, determine a limited special rating area.

CHAPTER 2

SPECIAL RATING AREAS – STRUCTURES AND FINANCES

10. COMMENCEMENT OF THE IMPLEMENTATION PLAN

Once the Council has approved the establishment of the special rating area, the implementation plan may only be implemented after the management body has been established in accordance with section 11 of this By-Law.

11. ESTABLISHMENT, COMPOSITION, POWERS AND DUTIES OF MANAGEMENT BODY

- (1) The applicant must establish a management body for the purposes of implementing the provisions of the implementation plan.
- (2) The management body must be a company incorporated in accordance with the provisions of a Non-Profit company (company not for gain) as per the Companies Act, Act 71 of 2008 (as amended or replaced).
- (3) Stellenbosch Municipality shall monitor compliance by the management body with the applicable provisions of this By-Law, any guidelines or policies adopted by Stellenbosch Municipality and any agreements entered into with the management body and Stellenbosch Municipality.

- (4) The Council must nominate the relevant ward councillor and one other person, as representatives to attend and participate, but not vote, at the meetings of the management body.
- (5) Within two months after receipt of the first payment of the additional rate, the management body must begin carrying out the objectives of the implementation plan.
- (6) Within two months of the end of each financial year, the management body must provide the CFO with –
 - (a) Its audited financial statements for the immediately preceding year; and
 - (b) an annual report on its progress in carrying out the objectives of the implementation plan in the preceding year to improve and upgrade the special rating area.
- (7) Within two months after the Annual General Meeting, the management body must provide the Finance Portfolio Committee with –
 - (c) Its audited financial statements for the immediately preceding year; and
 - (d) An annual report on its progress in carrying out the objectives of the implementation plan in the preceding year to improve and upgrade the special rating area.

12. FINANCES

- (1) The financial year of the management body must coincide with the financial year of the Stellenbosch Municipality.
- (2) Where a special rating area has been determined, the Council must levy in accordance with the provisions of the Property Rates Act, a property rate in addition to the rates that it already charges on the owners of rateable property in the special rating area for the purposes of realizing the implementation plan. Provided that the Council may in terms of the Property Rates Act, Stellenbosch Rates Policy, Stellenbosch Credit Control and Debt Collection By-Law and the Stellenbosch Credit Control and Debt Collection Policy, exempt the indigent, senior citizens, disabled persons or any other category of owners from the additional rates.
- (3) When determining the additional rate referred to in subsection (2) above, the Council may consider imposing differential additional rates on one or more of the categories set out in section 8 of the Property Rates Act or any category as set out in the Stellenbosch Rates Policy.
- (4) The additional rate due in terms of this By-Law is a debt due to the Council and is payable and must be collected in the same manner as other property rates imposed by the Council.

- (5) The Council may, for the purpose of carrying out the provisions of the implementation plan of special rating area and subject to section 67 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 200), make payment to the management body of a special rating area.
- (6) The payment contemplated in subsection (5) above is conditional upon the conclusion of a finance agreement to be entered into between the Council and the relevant management body, and such agreement must regulate, among other things –
 - (a) the mechanisms and manner of payment; and
 - (b) terms on which payment to the relevant management body is to be made.
- (7) Subject to the provisions of its memorandum and articles of association, the management body is entitled to raise its own funds through commercial activities, donations or any other lawful means.
- (8) The Council, may determine and impose on the management body an administrative charge.

13. THE ROLE OF THE CFO

In addition to the other responsibilities and obligations of the CFO as set out elsewhere in this By-Law, the CFO must –

- (a) Establish separate ring-fenced budget votes and other record-keeping systems regarding the revenue generated by the additional rate and the improvement and upgrading of the special rating area;
- (b) Monitor compliance with the applicable legislation, including this By-Law and the Policy, by –
 - (i) receiving and considering the audited financial statements and reports regarding the carrying out of duties laid out in the implementation plan;
 - (ii) nominating, if he or she elects to do so, representatives to attend and participate but not vote at meetings of the management body.

CHAPTER 3

AMENDMENT AND EXTENSION OF IMPLEMENTATION PLANS

14. AMENDMENT TO IMPLEMENTATION PLANS

- (1) An implementation plan, including the geographical boundaries of the special rating area, may be amended by the Council on written application by the management body at any time after the formation of the special rating area.
- (2) The council may approve an application for an amendment referred to in subsection (1) above where the Council considers it not likely to materially affect the rights or interests of any owner, provided that the Council may require the management body to cause a notice of the application for such amendments to be published as approved by the CFO.
- (3) The Council may only approve an amendment in terms of subsection (1) above, with the changes required by the context, in accordance with the provisions of Chapter 1 of this By-Law, which the Council considers is likely to –
 - (a) materially affect the rights or interests of any person;
 - (b) affect the approved budget for the special rating area; and
 - (c) change the boundaries of the special rating area.
- (4) The Council may, for good reason, on written application by the management body, exempt the management body from complying with the provisions, or condone any non-compliance with any provisions, of Chapter 1 of this By-Law.

15. EXTENSION OF IMPLEMENTATION PLANS

A management body must, if it elects to extend the term of the implementation plan for a further period, on or before January in the year in which the implementation plan is due to terminate, submit an application to Stellenbosch Municipality for approval of extension of the term of the implementation plan, provided that –

- (a) the extension of the implementation plan may only be approved by the Council in accordance with the provisions of Chapter 1 of this By-Law, with the changes required by the context, and the Council may, for good reason, on written application by the management body, exempt the management body from complying, or condone any non-compliance, with any such provisions;
- (b) the provisions of section 14 of this By-Law shall apply to any amendment of an implementation plan which has been extended in terms of this section.

CHAPTER 4

DISSOLUTION OF A SPECIAL RATING AREA

16. DISSOLUTION

- (1) The Council may terminate the municipality's business relationship (connection and commitment) to a management body of a specific special rating area –
 - (a) Upon written application signed by owners of the majority of properties within the boundaries of the special rating area who are liable for paying the additional rate; or
 - (b) After prior consultation by the CFO with the management body or the community, whereupon for any good cause he or she may cause the necessary steps or processes to terminate the business relationship with the management body.
 - (c) Upon the decision by the CFO to terminate the business relationship to the specific special rating area, notices shall be forwarded to the management body and to all the property owners of the specific special rating area presenting the reasons for the proposed termination and any other pertinent details.
- (2) Upon the approval by Council to terminate the business relationship with the management body the additional rates applicable to said special rating area will no longer be raised and the associated payments to the management body shall cease.

CHAPTER 5

MISCELLANEOUS PROVISIONS

17. REPEAL

The provisions of any By-laws relating to special rating areas by Stellenbosch Municipality are hereby repealed insofar as they relate to matters provided for in this By-law.

18. SHORT TITLE AND EFFECTIVE DATE

- (1) This By-Law is called the Special Rating Area By-Law of Stellenbosch Municipality and shall take effect on 01 July 2021.
- (2) No new special rating area determined in terms of this By-Law may implement its implementation plan prior to 01 July 2020.

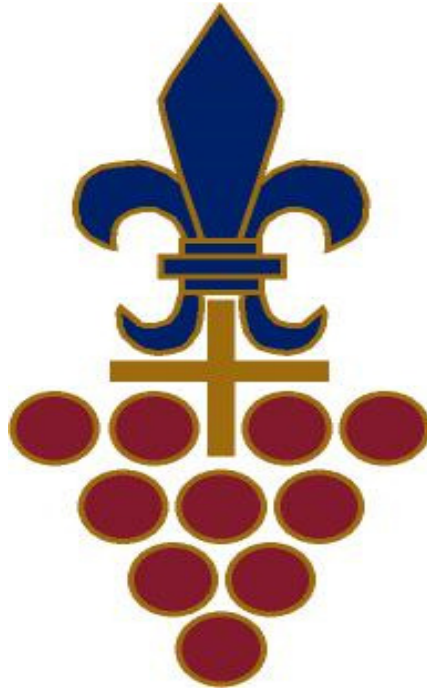
G. Mettler

Municipal Manager

Plein Street, PO Box 17, Stellenbosch, 7599

Telephone Number 021 808 8025

STELLENBOSCH MUNICIPALITY



RATES BY-LAW POLICY

Effective from 01 July 2021



**STELLENBOSCH MUNICIPALITY
RATES BY-LAW**

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1. PREAMBLE

- (1) Section 229(1) of the Constitution authorizes a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of the municipality.
- (2) Section 13 of the Systems Act read with Section 162 of the Constitution requires a municipality to promulgate municipal by-laws by publishing them in the gazette of the relevant province.
- (3) In terms of Section 3 of the Property Rates Act, a municipal council must adopt a policy consistent with the Property Rates Act on the levying of rates on rateable properties in the municipality.
- (4) In terms of Section 6(1) of the Property Rates Act, a municipality must adopt by-laws to give effect to the implementation of its rates policy.
- (5) In terms of Section 6(2) of the Property Rates Act, by-laws adopted in terms of Section 6(1) may differentiate between different categories of properties and different categories of owners of properties liable for the payment of rates.
- (6) To that effect the Council of Stellenbosch Municipality has enacted a Property Rates By-law, as follows:

2. DEFINITIONS

In this By-Law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, (Act 6 of 2004) shall bear the same meaning unless the context indicates otherwise.

"Municipality" means the Stellenbosch Municipality (WC024).

"Rates Policy" means the Municipality's Property Rates Policy adopted by the Council of the Municipality by a resolution for a specific financial year in terms of Section 3(1) of the Property Rates Act and in terms of this By-Law.

"Constitution" means the Constitution of the Republic of South Africa.

"Council" means the Council of the Municipality.

"Credit Control and Debt Collection Policy" means the Municipality's Credit Control and Debt Collection Policy as stipulated by sections 96(b) and 97 of the Systems Act.

"Systems Act" means the Local Government: Municipal Systems Act, (Act 32 of 2000).

"Property Rates Act" means the Local Government: Municipal Property Rates Act, (Act 6 of 2004) including the amendment Acts and Regulations pertaining to the same.

"Rates" means a municipal rate on property as envisaged in Section 229(1)(a) of the Constitution.

3. OBJECTS

The object of this By-Law is to give effect to the implementation of the Rates Policy as contemplated in Section 6 of the Property Rates Act.

4. ADOPTION AND IMPLEMENTATION OF RATES POLICY

- (1) The Council shall adopt and implement a Rates Policy as contemplated in terms of the provisions of Section 3(1) and consistent with the Property Rates Act on the levying of Rates on rateable properties within the jurisdiction of the Municipality.
- (2) The Rates Policy outlines the Municipality's rating practices; therefore, it is not necessary for this By-law to restate and repeat same.
- (3) The Rates Policy applicable to a financial year is hereby incorporated by reference in this By-law. All amendments to the Rates Policy as the Council may approve/adopt from time to time, shall be deemed to be likewise incorporated.
- (4) The Municipality shall not be entitled to levy Rates other than in terms of the Rates Policy for an applicable financial year and the annually promulgated resolution which reflects the cent amount in the Rand rate for each category of rateable property.
- (5) The Rates Policy is available at the Municipality's head office, satellite offices, libraries and website.

5. CONTENTS OF RATES POLICY

The Municipality's Rates Policy shall, inter alia:

- (1) Apply to all the Rates levied by the Municipality pursuant to the adoption of the Municipality's annual budget.
- (2) Comply with requirements for;
 - (a) the adoption and contents of a Rates Policy specified in Section 3 of the Property Rates Act.
 - (b) the differentiation of categories of properties and categories of owners of properties as provided for in Sections 6, 8 and 15 of the Property Rates Act.
 - (c) the process of community participation specified in Section 4 of the Property Rates Act.
 - (d) the annual review of a Rates Policy specified in terms of Section 5 of the Property Rates Act.
 - (e) the publication of the adopted By-law in the Provincial Gazette as provided by Section 13 of the Systems Act.
- (3) Specify principles, criteria, and implementation measures for categories of rateable properties in terms of Section 8 and consistent with the Property Rates Act for the levying of Rates which the Council may wish to adopt.
- (4) Specify principles, criteria, and implementation measures for the judicious granting of relief measures by means of Exclusions, Exemptions, Reductions and/or Rebates consistent with Section 15 of the Property Rates Act which the Council may wish to adopt.
- (5) Include such further administrative, control and enforcement mechanisms if any that are consistent with the Property Rates Act and the Systems Act, as the Council may wish to

impose in addition to those contained in the Credit Control and Debt Collection By-Law and its associated Policy.

6. ENFORCEMENT OF RATES POLICY

The Municipality's Rates Policy is enforced through the Municipality's Credit Control and Debt Collection By-Law and its associated Policy and any further enforcement mechanisms stipulated in the Property Rates Act and the Municipality's Rates Policy.

7. REPEAL

The provisions of any By-laws relating to Property Rates by the Municipality are hereby repealed insofar as they relate to matters provided for in this By-Law.

8. INTERPRETATION

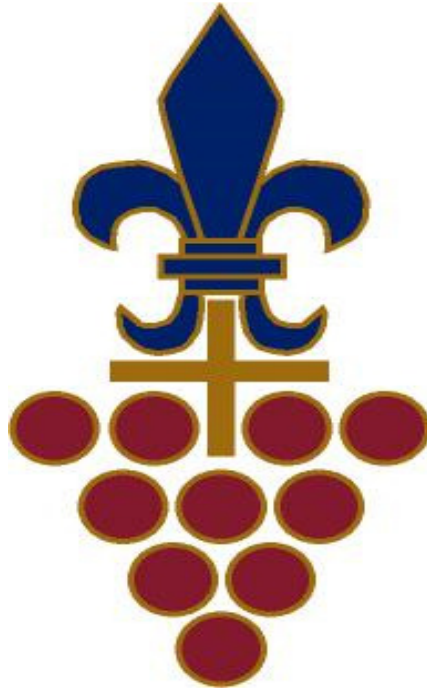
If there is a conflict of interpretation between the English version of this By-Law and a translated version, the English version prevails.

This By-Law must be read in conjunction with the Rates Policy.

9. SHORT TITLE and COMMENCEMENT

This By-Law is called the Stellenbosch Municipal Property Rates By-Law and shall take effect on 01 July 2021.

STELLENBOSCH MUNICIPALITY



**CREDIT CONTROL AND
DEBT COLLECTION POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

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PREAMBLE

In terms of Section 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) a Municipality shall-

- (a) collect all money due and payable to it, subject to the provisions of said Act and any other applicable legislation and By-laws; and
- (b) for this purpose, implement and maintain a credit control and debt collection system which is not in conflict with its Rates and Tariffs policies and which complies with the provisions of said Act.
- (c) In order to give effect to the afore going provisions of said Act, the Council of the Stellenbosch Municipality (WC024), herein after refer to as the Municipality, has adopted a policy relating to credit control and debt collection as set out hereinafter.

1. PRINCIPLES

This Policy supports the following principles:

- (a) Human dignity must be upheld at all times.
- (b) This Policy must be implemented with equity, fairness and consistency.
- (c) Endeavours shall be focused such that data related to owners/debtors/consumers and accounts are correct at all times.
- (d) The implementation of this Policy shall be based on sound business principles, which may include credit worthiness checks and assessments of the credit risks involved.
- (e) New services will only be provided if supported by the relevant service contract(s) and payment of a consumer deposit alternatively, a bank guarantee in a form acceptable to the Municipality's Chief Financial Officer will be considered.
- (f) Interest on overdue accounts will be charged at the South African Reserve Bank's prime interest rate plus one percent, and will be levied on accounts outstanding after the relevant due dates thereof. For the purposes of calculation, a portion of a month will be deemed to constitute a full month.
- (g) Deposits/Bank guarantees will be utilised to proactively mitigate the potential of unnecessary credit risk exposure to Council.
- (h) An administration fee and/or collection fee will be charged on overdue accounts, according to Council's approved tariffs and the By-laws of Stellenbosch Municipality (WC024). Such fees will not apply to the accounts of unemployed registered indigent consumers.
- (i) The rates components on overdue accounts may be processed in terms of Sections 28 and 29 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) and as described in the Rates Policy of Stellenbosch Municipality.

2. MUNICIPAL ACCOUNTS and ADDITIONAL MECHANISMS

2.1 Notices and Demands

The Owner's/Debtor's/Consumer's attention is drawn to the note on the municipal account, which states that the supply of services will be discontinued/restricted without further notice if the accounts are not settled in full. This serves as a warning to a defaulting owner/debtor/consumer that services will be discontinued/restricted upon defaulting on payments.

Notices, e-mails, cell phone text messages (SMS) or any available informative actions will however be issued to account holders as a first attempt (first notice) after the due date as a means to recover debt and to remind consumers/debtors/owners of their obligation to pay for services.

The aim of such reminders is to urge co-operation to settle accounts without the necessity to employ more drastic steps and to offer the opportunity to make arrangements to pay off such debt where the financial position of a consumer is such that relief is possible as per criteria in the Municipality's Rates or Indigent Policies.

Failure to respond to the aforesaid first notice will result in the disconnection and/or restriction of services and a final demand being issued where applicable.

Failure to respond to a final demand and in the event of arrears not being settled within the period stipulated in the final demand, or an arrangement not being concluded, legal action may be instituted (with the Municipality's rights reserved, notwithstanding the fact that services were disconnected/restricted or not) to recover the full outstanding debt.

In this regard the Municipality may consolidate any separate accounts of a debtor, credit a payment by a debtor against any account of that debtor and implement any of the measures provided for in this policy or the Credit Control and Debt Collection By-law in relation to any arrears of any of the accounts of such a debtor.

In the case of housing rental contracts, the Municipality may consider procedures for eviction or right sizing.

2.2 Additional Mechanisms

2.2.1 Electricity Services:

In the event of an owner/debtor/consumer other than a registered unemployed Indigent consumer regulated by Stellenbosch Municipality's Indigent Policy, failing to pay for electrical services due and payable, and in the event of such consumer having been placed on the disconnection list 3 times within a twelve (12) month period prior to such event, then Stellenbosch Municipality will have the right to install pre-paid electricity meters in a bid to limit credit risk. The Municipality may also consider upward adjustment of the relevant consumer deposit/bank guarantee.

2.2.2 Water Services:

The Stellenbosch Municipality may in the event of an owner/debtor/consumer exhibiting a trend of non-payment of accounts during a twelve (12) month period prior to a non-payment event (i.e. 3 times or more non-payment events) consider the installation of water demand management devices with pre-paid functionality in a bid to limit credit risk. The Municipality may also consider upward adjustment of the relevant consumer deposit/bank guarantee.

2.2.3 Rental Services:

Actions against defaulters are regulated to a degree by the contracts involved.

All contracts must at minimum and where appropriate, include the following criteria/requirements:

- (i) Due date for payments.
- (ii) Applicable procedures upon the defaulting of payments.
- (iii) Handover procedures.
- (iv) Eviction or right sizing actions.

3. ARRANGEMENTS

Should owners/debtors/consumers wish to make arrangements to pay off accounts in arrears, the following guidelines shall apply:

- (a) The main aim of arrangements should be to ensure that current accounts (which may include penalties/interest and/or any admin fees) are at least paid in full, before entering into acceptable arrangements to pay off arrears.
- (b) The Municipality may enter into an arrangement with a tenant or occupier of a property which is linked to an account in arrears, on proviso that:
 - (i) a written affidavit is received which certifies that the registered owner of said property, at which such tenant or occupier resides; is:
 - untraceable;
 - not contactable;
 - of unknown whereabouts; or
 - not co-operating with said tenant or occupier.
 - (ii) such tenant or occupier has substantiated the ability to pay and the right to occupation stating the rental due and the time period of such occupation and providing the last known address of the registered owner;
 - (iii) such tenant or occupier undertakes to advise the registered owner, at the first reasonable opportunity, of the current situation and further agrees to obtain the consent of the registered owner to condone the process as described in this paragraph 3 (b); and
 - (iv) where applicable, such tenant or occupier provides comprehensive details of the non-co-operation of the registered owner.
- (c) Care must be taken to ensure that all reasonable financial and social assistance, as provided for in various Municipality's Policies, is rendered to assist owners/debtors/consumers before drastic action is taken to recover debt e.g. subsidies for Free Basic Services and relief measures on property tax.
- (d) All arrangements must be concluded in writing and the debtor must be provided with a copy thereof. Arrangements will be invalid unless signed by the debtor and one or more delegated representative(s) of the municipality.
- (e) Arrangements must be entered into that are both affordable to the consumer and protect the Municipality's interest by ensuring the most cost-effective debt recovery.
- (f) Arrangements must be final and debtors will not be allowed to re-arrange debt repayments. The Municipality may for a meritorious case, upon presentation of proof of current difficulties, consider delaying the receipt of the arranged instalment. This delay may not exceed 3 months.
- (g) It is of vital importance to ensure that the settlement of current accounts (which may include penalties/interest and/or any admin fees), together with the debt repayment instalment, is seen as the minimum requirement for any agreement.
- (h) Arrangements must be compiled in a format that facilitates legal action, upon breach of contract. Written arrangements must as far as possible be in the form

of agreements in terms of Section 57 of the Magistrate's Courts Act, 1944 (Act 32 of 1944) and as amended by the Jurisdiction of Regional Courts Amendment Act, 2008 (Act 32 of 2008) (hereinafter referred to the Section 57 Agreements).

All debt repayment arrangements will be logged on the financial system to ensure maximum accessibility and to enable the effective administration of such repayments.

- (i) Arrears of Councillors and other Municipal Officials must be settled in full or arrangements to pay off such amounts, by means of salary deductions, may be entered into. This includes the seizure of bonuses or any other additional allowances (this paragraph (i) must be read in conjunction with the relevant sections of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)).

The Stellenbosch Municipality is entitled to recover all arrears more than ninety days by means of salary deductions and proportionally from increases and/or the official's bonus/performance bonus. In this regard, all temporary contract workers are also regarded as municipal officials.

- (j) No interest will be levied on outstanding amounts for which arranged agreements have been entered into.
- (k) It is a preferable that a water demand management device and/or a prepaid electricity meter be installed when any arrangement is entered into.
- (l) Arrangements may only be concluded upon submission of the following documentation:
 - (i) Proof of identification;
 - (ii) Proof of Income;
 - (iii) Supporting documentation relating to expenses;
 - (iv) Three-month bank statements and/or payslips; and/or
 - (v) Any other relevant documentation as may be requested by the Credit Control Section.

4. ADJUSTMENT OF DEPOSITS/BANK GUARANTEES

Deposits/Bank guarantees may be increased to cover the additional risk as regulated in terms of the Municipality's By-Laws. Increases in deposits/bank guarantees shall be utilised to cover the additional risk resulting from default payments. The latter deposits will be utilised only after closing of account by debtor or transfer of property. Should the account remain unpaid, such deposit will be utilised for the unpaid portion. Any credits will be refunded to the consumer.

The Stellenbosch Municipality will not pay any interest on any deposits.

5. FURTHER ACTIONS

- (a) Should arrangements not be made, or not be accepted or not be adhered to, services are discontinued or restricted; or pre-paid services are restricted, provided that a fair and equitable procedure, including reasonable notice of the intention to discontinue or limit is followed. Where legislation does not allow for the complete termination of services, the Credit Control Section will determine the appropriate minimum level of service provision, where after, all amounts owing become due and must be paid in full before services are restored to full capacity.
- (b) Should amounts owed not be settled by the final date, i.e. after the date for payment set out in a final demand, such accounts and the relevant Agreements, where applicable, will be handed over to the Municipality's Collection Attorneys for recovery and/or to consider instituting further legal action.
- (c) The Municipality shall at its own discretion in compliance to the measures provided for in the Municipality's By-Laws, be entitled to withhold or limit the supply of services until the total costs, penalties, other fees, tariffs and rates due and owing to the Municipality have been paid in full. This will include the restriction of supply of water or electricity to a debtor who is found guilty by the Municipality or any Court of Law:
 - (i) of fraud or theft of water and electricity,
 - (ii) any another criminal activity relating to the supply or unauthorised consumption of water and electricity, or
 - (iii) if it is evident that fraud, theft or any other criminal activity has occurred relating to such supply or consumption.
- (d) Stellenbosch Municipality may consider an auxiliary levy of up to 50% on the purchase of pre-paid electricity to recover arrear debt.
- (e) Stellenbosch Municipality may consider black-listing consumers in cases where the consumer was handed over to institute legal proceedings.
- (f) The Municipality may attach the rental income in whole or in part from a tenant or occupier of a property which is left unpaid by the owner thereof, provided that Section 115 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) is adhered to.
- (g) Once the Municipality has exhausted all reasonable and practicable debt recovery measures and, in an effort to recover outstanding debt, the Municipal Manager will have sole discretion to approve the litigation process for the disposal of the movable and/or immovable assets of defaulting owners/debtors/consumers by means of a Sale in Execution order.

6. NEW APPLICATIONS FOR SERVICES

- 6.1 No transfer of services from an owner to a tenant (Municipal property excluded) will be allowed. The status quo of contracts signed before 01 July 2011 will be maintained, provided that the tenant does not default on payments.

- 6.2 The owner or his/her proxy applying for a service to be rendered must be positively identified by means of a generally acceptable means of identification as used by financial institutions. A copy of the identification details (such as a copy of the person's ID and proof of residence (for business users)) must be kept for reference purposes.
- 6.3 The payment of a service deposit/bank guarantee will be based on tariffs as determined by the Council.
- 6.4 Adjustments to deposits/bank guarantees will be determined by the debtor's payment record of municipal accounts and consumption levels.
- 6.5 The provision of all services not regulated by acts and by-laws will be subject to the signing and acceptance of the conditions of supply contained in a service contract.
- 6.6 Where the consumer is not the owner of a property, the owner must, on his/her request, regularly be served with a copy of a statement of the amount due.
- 6.7 The Municipality may subscribe to the services of a credit bureau in order to enhance the effectiveness of credit checks.

7. THE RENDERING OF ACCOUNTS

- 7.1 Accounts must be rendered regularly and timeously to all property owners and consumers utilising municipal services.
- 7.2 Accounts must be consumer friendly and must clearly reflect the following minimum information:
- (a) the name, address and contact numbers of Stellenbosch Municipality;
 - (b) the name and postal address of the account holder;
 - (c) details of the property in respect of which the account is issued;
 - (d) the contents of the account will be reflected in at least one of the three official languages of the Western Cape province;
 - (e) the balance brought forward from the previous account, as well as a summary of transactions for the present period;
 - (f) all services for which the account is rendered, as well as amounts billed for such services;
 - (g) the final amount payable;
 - (h) the final date for payment;
 - (i) soft reminders in respect of interest levies and discontinuation of services; and
 - (j) the situation of payment facilities, and modes of payment accepted and office hours for payment.

8. ACCOUNT QUERIES

- 8.1 Consumers have the right to query accounts. In order to ensure the correctness of accounts and the satisfaction of consumers, all queries must be attended to swiftly and effectively.

8.2 Claims of not having received an account do not constitute a valid reason for non-payment of accounts. Queries regarding such non-receipt must be followed up with the Revenue Section in order for same to be addressed. A consumer liable for any services rendered by, or rates due to the Municipality must furnish the Municipality with an address where correspondence can be directed to. Consumers should be encouraged to provide the Municipality with e-mail addresses where accounts could be sent to, rather than traditional postal addresses.

8.3 Duplicate accounts shall be available upon request at a prescribed fee.

8.4 Accounts in Dispute

8.4.1 Should an account in respect of water or electricity consumption be disputed, the concerned consumer must at minimum pay the average amount of the previous 12 (twelve) month's accounts. This shall be applicable only for the month in which the dispute was raised. Subsequent accounts issued in months thereafter (barring any new dispute raised) shall be considered unrelated to the dispute in question.

All other Municipal services or rates disputed will be dealt with at the discretion of the Municipality.

8.4.2 The dispute in question shall be considered to be resolved after all actions have been taken by the Municipality; including but not limited to the following:

- (i) determining the correctness of the account;
- (ii) relevant procedures were taken to adjust the account accordingly; and
- (iii) a written notice or a telephonic confirmation to such effect has been given to the concerned consumer.

8.4.3 In the event that a consumer declaring a dispute does not adhere to paragraph 8.4.1 above the disputed account will be subject to the normal Credit Control and Debt collection procedures.

8.5 Errors or Omissions

8.5.1 The Municipality strives to ensure the accuracy of consumer accounts. The onus of the consumer is however to verify that the services as stipulated on the account statement has been delivered and is correct. Upon detection of any errors or omissions the consumer should raise the dispute and notify the Municipality soonest and preferably in writing.

8.5.2 Accounts will only be rectified as from the date such errors or omissions was brought under the Municipality's attention. The adjustment (if applicable) to the account will be

processed as per paragraph 8.4 above and applied after the date of inspection or confirmation by the specific Services Department.

8.5.3 Upon the sole discretion of Council serious nonconformities of an account may be adjusted as from the start of the current financial year.

9. DUE DATES OF ACCOUNTS

Accounts are payable by the 7th day of each month or the first working day thereafter, should the 7th day fall on a weekend or public holiday.

10. ALLOW SUFFICIENT TIME TO SETTLE ACCOUNTS

In order to allow sufficient time to settle accounts, the account should, where possible, be ready for delivery at least two weeks before the due date.

This necessitates proper scheduling of all processes leading to the issuing of accounts to meet the Municipality’s commitment to its consumers.

11. CONSOLIDATION OF ACCOUNTS

In order to reduce cost and to enhance credit control and debt collection measures, separate accounts for services rendered in respect of a property or separate accounts of a debtor will be consolidated as far as possible. This will not be limited to consumer accounts only but may be extended to any other amount payable arising from any liability or obligation due to the Municipality.

12. PAYMENT OF ACCOUNTS – GENERAL

12.1 In order to promote the payment of accounts, payment facilities and hours for payment must be convenient to consumers, but the establishment of such facilities should still be subject to normal business principles and the economy of the provision of such services.

12.2 The following facilities are presently available – with the office hours and modes of payment indicated. Facilities are extended on an on-going basis.

<i>Facility</i>	<i>Hours</i>	<i>Payment methods accepted</i>
Cash offices at Stellenbosch, Kayamandi, Franschoek and Pniel	Office hours: Monday to Friday	Cash, , debit cards
Cash offices at Klapmuts	Office hours: Wednesdays only	Cash, , debit cards
Debit orders	Application during office hours	Bank transfers
Third Party Service Providers: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores	Trading hours: 7 days per week	Cash, , credit cards, debit cards
Internet payments	All hours	Bank transfers
Direct bank deposits	Banking hours	Bank transfers

Personnel deductions	Office hours	Direct deductions from earnings
24 hour Utility shops at petrol stations	All hours	Cash, , credit cards, debit cards
Approved Pre-Paid Vending Agents	Trading hours	Cash,

- 12.3 The use of correct account references for electronic payments and/or direct deposits is a requirement to ensure correct allocation of payment and to avoid any penalties and administration costs. It is the responsibility of the consumer making the payment to ensure that the correct reference number is made known to the Municipality.
- 12.4 All payments by means of Electronic Funds Transfer (EFT) or payments via the facilities as approved must be made in time so as to reflect in the Municipality's bank account before close of business on the due date.
- 12.5 Payment prioritisation of payments received will be allocated in the following order:
- (i) Penalties.
 - (ii) Municipal Rates.
 - (iii) Special Rating Area Levies.
 - (iv) Sewerage.
 - (v) Refuse.
 - (vi) Rentals.
 - (vii) Sundries.
 - (viii) Water.
 - (ix) Electricity.

13. DISHONoured PAYMENTS

- 13.1 Receipts issued in respect of dishonoured payments must be written back upon receipt of such notices. Interest on arrears must be raised where applicable and administration costs be debited to debtors account. Debtors must be notified and debt recovery actions be instituted where necessary.
- 13.2 Should payments be dishonoured twice, the debtors system must be encoded not to accept debit order transactions of such a debtor and he/she must be informed thereof in writing.
- 13.3 If payments are dishonoured twice in a financial year, consumer deposits/bank guarantees may be adjusted to mitigate increased financial risk.

14. PENDING LEGAL ACTIONS AGAINST CONSUMERS

Legal actions, such as notices of intended sales in execution, press releases regarding pending insolvency's, etc. may be followed up to evaluate the credit rating of such debtors in order to take steps to minimize the risk of financial loss for the Municipality.

15. INTEREST

- 15.1 Interest will be raised monthly, on a reasonable time after due date, to allow finalization of EFT payments, journal processing, system updates, etc. The latter interest raising will be on all arrear balances of all services (excluding housing services), property rates or arrangements as per paragraph 3 of this Policy, remaining unpaid.
- 15.2 A portion of a month is deemed to be a full month for the purposes of calculation of interest payable.
- 15.3 Interest on outstanding arrear accounts will be calculated and charged at the South African Reserve Bank's prime interest rate plus one percent.

16. GENERAL AND OTHER SERVICES

16.1 Monthly Consumer accounts:

- 16.1.1 Debtor's records must be coded correctly and timeously to ensure the rendering of accurate accounts to consumers.
- 16.1.2 The supply of water and electricity must conform to the conditions of supply set out in the By-Laws for Stellenbosch Municipality, as promulgated in the *Provincial Gazette*.
- 16.1.3 Due to the inclined block tariffs employed for these services, care must be taken to ensure meter readings are taken accurately and at intervals as close as possible to 30 days. Should this not be possible, consumption may be estimated as set out in the Municipality's By-Laws. As a general rule it is accepted that deviations in consumption periods exceeding 10% should be guarded against.

16.2 Sundry Services:

- 16.2.1 Accounts for recovery of cost encountered by the Municipality in respect of sundry services rendered are issued if and when such services are rendered to consumers.
- 16.2.2 As these services are usually not based on formal service contracts, it is essential that it be billed as soon as possible, and the recovery of such debt must receive priority, as the risk of loss to the Municipality is more eminent than in the case of other services.
- 16.2.3 Care should be taken to obtain full and accurate information of such debtors and to obtain prepayment for such services where possible.
- 16.2.4 Actions applied to follow up unpaid accounts will be determined by the nature and extent of the debt and the cost effectiveness of such actions.

17. CONDITIONS RELATING TO RENTAL AND PURCHASING OF MUNICIPAL PROPERTY

- 17.1 Municipal property may only be leased or sold after approval of such transactions and the signing of a rental or purchase agreement. Such approvals may be by way of specific Council resolutions or in the form of delegations.
- 17.2 The conditions for payment of instalments and deposits are regulated by the contents of the rental and purchase agreements and the Municipality explicitly reserves its rights to

discontinue services for non-payment not only limited to the leased property but any other property of the lessee within the jurisdiction of Stellenbosch Municipality (WC024).

- 17.3 Other specific rental and purchase agreements are tailored to the specific nature and requirements of such transactions.
- 17.4 Full details of remedies for defaulting lessees and purchasers and procedures to address such defaults must be contained in the relevant contracts, but must not have the effect of limiting the Municipality in terms of this or any other Policy regulating arrears.
- 17.5 These remedies usually commence with written reminders, leading to the cancellation of the contracts and the institution of further legal action where necessary.
- 17.6 Rental and purchase agreements represent formalised individual contracts that form the basis of all actions by the parties involved. Both parties are bound to such conditions, failing which may lead to the cancellation of such contracts by the parties involved and claims for damages.
- 17.7 Lessees whom may qualify for rental subsidies must be referred to the housing office to apply for such subsidies in an effort to make rentals more affordable.

18. RENTALS IN RESPECT OF MUNICIPAL EMPLOYEES

Apart from the general conditions applicable to general rental the following conditions will also be applied:

- (a) Rent will be based on the principle of market related rentals as required by Municipal Supply Chain Management (SCM) Regulation 40.
- (b) Rent, and optionally rates and service charges, where applicable, may only be paid by means of salary deductions. A specific clause to this effect must form part of the contract.
- (c) The relevant Director, or his/her delegated official, must co-sign rental agreements of employees to ensure that financial conditions are met.

19. INDIGENT CONSUMERS

- 19.1 The Stellenbosch Municipality supports the principle of providing support to indigent consumers by way of providing Free Basic Services in accordance with the provisions of the Municipality's Indigent Policy. All effort must be made to limit the re-occurrence or accumulation of indigent debt of such consumers.

20 CONTACT OF RESPONSIBLE OFFICE

The contact details for Credit Control enquiries:

E-mail Address: Creditcontrol.Notices@stellenbosch.gov.za

Telephone Numbers : See Municipal Account for relevant telephone numbers

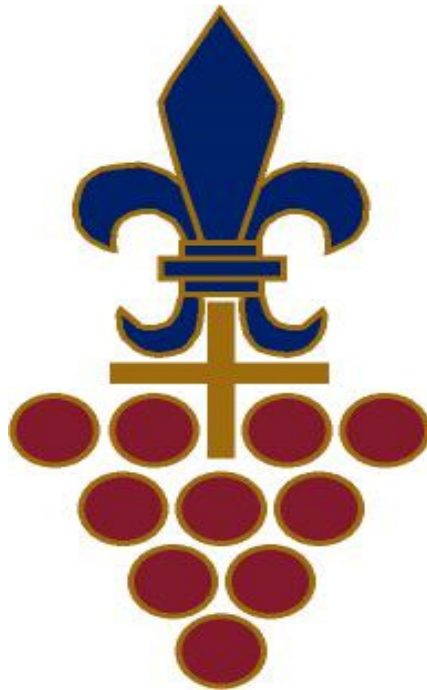
Postal Address: PO Box 17, Stellenbosch, 7601

Any Municipal Office in the jurisdiction of Stellenbosch Municipality

21. SHORT TITLE

This Policy is the Credit Control and Debt Collection Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



**IRRECOVERABLE DEBT
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

IRRECOVERABLE DEBT POLICY

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PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate towards the community/consumers of Stellenbosch Municipality (WC024).

Council further acknowledges that in order to deliver services in a sustainable manner, that same be managed in terms of Council's Credit Control and Debt Collection Policy having due regard of its limited financial resources and the need to manage cash flows.

Council therefore is aware of its duty to prepare financial statements that gives a true reflection of the financial position for a given period.

In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to the management of irrecoverable debt as set out hereinafter.

1. Requirements before writing-off debt

All applicable actions as contained in the approved Credit Control and Debt Collection Policy of Stellenbosch Municipality must have been executed/implemented before any debt, owed to the Municipality for any reason whatsoever will be considered for writing-off. However, in special cases where the requirements in terms of the Municipality's Credit Control and Debt Collection Policy were impossible/impractical to implement, the administration must motivate such write-off.

2. Bad Debt Recovered

Bad debt recovered after having been written-off will be treated in terms of the Municipality's Accounting Policy.

The approval of Council for the write-off of any debt does not mean that actions to recover the debt will be terminated. Conditionally, further actions may be instituted, depending on the costs involved. Should the debt be recovered, it will accordingly be recorded in the financial records of Council.

3. Thresholds for writing-off of debt

3.1 The writing-off of debt per individual case may be considered as follows:

- (i) Above twenty thousand rand (R20 000) will be effected after Council approval.
- (ii) Amounting to twenty thousand rand (R20 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO) or his/her delegate.
- (iii) Amounting to ten thousand rand (R10 000) and below may be effected after motivation to and approval by the Senior Manager: Revenue and Expenditure.
- (iv) Amounting to five thousand rand (R5 000) and below may be effected after motivation to and approval by the Manager Revenue.

3.2 The writing-off of any interest (or part thereof) component of debt, providing that the debt excluding the interest component, is paid in full, may be considered as follows:

- (i) Above one hundred thousand rand (R100 000) will be effected after Council approval.
- (ii) Amounting to one hundred thousand rand (R100 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO).
- (iii) Amounting to five thousand rand (R5 000) and below may be effected after motivation to and approval by the Senior Manager Revenue and Expenditure or Manager Revenue.

4. Provision for irrecoverable debt

Provision for bad/irrecoverable debt will be dealt with in terms of the Municipality's Accounting Policy.

5. Rescission of Judgments

Stellenbosch Municipality will consider applications for the consent to rescission of judgments, obtained by the Stellenbosch Municipality for the recovering of debt, provided that the following conditions are applicable:

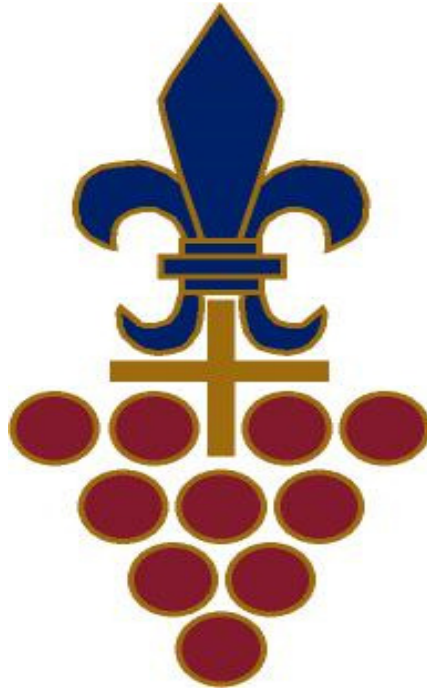
5.1 All outstanding debt accrued on all accounts of the said property have been settled in full, and

5.2 A period of at least five years has lapsed since the date of the applicable judgment, in the case where the Stellenbosch Municipality has written off any debt.

6. Short Title

This Policy is the Irrecoverable Debt Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



**PETTY CASH
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

PETTY CASH POLICY

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1. INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. Therefore the Stellenbosch Municipality adopts the following petty cash policy.

2. REGULATORY FRAMEWORK

- a) The Municipal Finance Management Act (56 of 2003);
- b) Section 15 of the Municipal Supply Chain Regulations;
- c) Treasury regulations in terms of Section 13(1) of the Act;
- d) MFMA Circular 97 (Cost Containment Measures);
- e) Cost Containment Policy;
- f) Municipal Cost Containment Regulations, 2019; and
- g) Any subsequent MFMA Circulars relevant to Petty Cash or Cost Containment in general that may be issued By National Treasury from time to time.

3. OBJECTIVES

Compliance with the regulatory framework in terms of the relevant legislation is required.

4. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager)-

- (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.
- (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—
 - (a) That the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
 - (b) That the municipality has and maintains a management, accounting and information system which—

- (i) recognises expenditure when it is incurred;
 - (ii) accounts for creditors of the municipality; and
 - (iii) accounts for payments made by the municipality;
- (c) that the municipality has and maintains a system of internal control in respect of creditors and payments;
- (d) that payments by the municipality are made—
- (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
 - (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer to ensure compliance and adherence to the principles established by this policy.

5. PETTY CASH FRAMEWORK

5.1 General Policy

- a. The use of petty cash floats is strictly confined to individual cash purchases of:
- i) up to a maximum of R500, where the petty cash floats in other departments are used to make purchases,
 - ii) up to a maximum of R2 000, when claimed from the Financial Services Petty Cash Float.

All Petty Cash expenditure must be in compliance with this Policy, the Municipal Cost Containment Regulations 2019, Cost Containment Policy and MFMA Circular 97 (Cost Containment Measures).

- i) The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.
- ii) Catering expenses may be incurred by the accounting officer for the following, provided they exceed five (5) hours in duration:
 - Hosting of meetings
 - Conferences

- Workshops
 - Courses
 - Forums
 - Recruitment interviews
 - Council proceedings
- iii) Expenses may not be incurred on alcoholic beverages.
- iv) The accounting officer must ensure that expenses are not incurred on social events. This provision is not intended to impede the constitutional obligation of the municipality, therefore the following events are excluded:
- Economic development events
 - Cultural festivals
 - Local tourism festivals
 - Youth, aged, disabled and other vulnerable persons development events
 - Civic honours events
 - Staff recognition or achievement awards and functions
 - Town centennial or other significant municipal commemorating events
 - Opening of facilities and buildings
 - Strategic planning sessions
 - Non-recreational team building events
 - Non-recreational staff wellness functions.
- v) Expenditure may not be incurred on corporate branded items like clotting or goods for personal use by officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials or is an integral part of the business model of a specific project or drive.
- vi) The accounting officer must ensure that any sporting events, and expenditure directly related to sporting events such as travel and accommodation cost, sporting gear and sporting regalia are not financed from the budget of the municipality or by suppliers or sponsors. This provision does not apply to sporting events that are held in terms of the municipality's constitutional function.

The accounting officer may incur expenditure not exceeding the limits of this Policy for one transaction usage, to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire due to ill health.

Under no circumstances may Petty Cash be abused for purposes of avoiding Supply Chain Management procedures. It is not acceptable for one receipt or a number of receipts, in respect of the same event, which have been obtained by the same person, to be split over multiple cash purchase claims.

- d. The Directorate making use of Petty Cash for smaller purchases is responsible for ensuring that sufficient budget is available on the relevant votes.
- e. A petty cash float is not to be used for any of the following:
 - i) the cashing of cheques;
 - ii) loans to any person whatsoever;
 - iii) payment of personal remuneration to any employee whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason; or
 - iv) Purchase of capital items.
 - v) Any item or service that does not fall within the ambit of the Cost Containment Policy and –Regulations.
- f. Examples of permissible Petty Cash Expenditure may include, but is not limited to:
 - i) Toll Fees
 - ii) Parking Fees
 - iii) Postage
 - iv) PDP and Licence fees
 - v) Keys
 - vi) Car Wash
 - vii) Fire Arm Licencing
- g. Should there be any uncertainty, the relevant Director may exercise discretion and approve a requisition for Petty Cash, or in the case of an own Petty Cash Float, approve such expenditure provided that all such approvals remain within the confines of the Cost Containment Policy and –Regulations..

Other cash floats may also be established for the purpose of providing change, for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established.
- i. The Chief Financial Officer may approve the use of petty cash for specific use, based on practical reasons or cost-benefit reasons. Such an authority will be done on a case by case basis for the purposes of considering merit.
- j. The CFO may determine and approve the maximum amount to be held in any individual petty cash float.

5.2 Purchases through Petty Cash Float – Supply Chain Management Office

- a. Purchases from SCM database suppliers shall be allowed in the following instance, provided that a monthly submission are made to the CFO of all purchases and the respective director confirming the enforcement of rotation of suppliers:
 - i) When the amount of the individual purchase / event is less than R250.00, irrespective of it being an emergency or not.
- b. Purchases from SCM database suppliers are NOT allowed for capital items or fuel.
- c. Petty claims will be dealt with on a first come, first serve basis and it is subject to the monetary limit of the petty cash.

5.3 Establishing and Operating a Petty Cash Float

- a. To establish a new petty cash float or increase an existing advance, a written application is to be made to the Chief Financial Officer by the relevant Department, motivating the need for such petty cash float.
- b. The total value of the advance requested will be an amount which would normally necessitate reimbursement approximately once a fortnight. This level of advances keeps to a minimum the overall cash in the buildings on municipal property and ensures regular inclusion of information regarding expenditure in financial reports and for budget control purposes.
- c. A request for the establishment of an advance will indicate the name and status of senior administrative or clerical staff to be held responsible for the operation of the petty cash float. The staff member's specimen signature must also be submitted by the Department to the Chief Financial Officer, together with the application documentation.
- d. The application will indicate the security arrangement in place to ensure safe custody of funds in the office. The minimal security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe. If an advance is approved, the Assistant Accountant: Creditors will advise the Department accordingly and request that the responsible staff member collect the advance. This establishing advance will be charged to a "Petty Cash Advances - ...Name/Dept..." in the General Ledger and not against any expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

5.4 Security of Petty Cash Floats

- a. The cash on hand and used petty cash vouchers are to be kept in a locked box for which there should be two keys. One key is to be retained by the officer (on their person) normally responsible for the petty cash and the other to be kept in a sealed envelope in the office safe or other secure place, to be used only in an emergency.
- b. The locked petty cash box must be kept in a secure place when not in use and should be removed and returned by the responsible staff member only. At no stage should staff other than the responsible administrative/clerical staff member have access to the storage place of the petty cash box.
- c. Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.
- d. If the responsible officer is either going on leave or is leaving the Municipality's employment, the petty cash float is to be reconciled and signed by the departing- as well as replacement staff members, to indicate their agreement as to its balance. The replacement staff specimen signature must also be submitted to the Chief Financial Officer.

5.5 Completing a Cash Purchase Claim Form

- a. Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:
 - (i) Cash Purchase Claim page
 - (ii) Cash Purchase Record page
 - (iii) Receipt for cash advance (Only when appropriate, refer paragraph on Advances).
- b. All details entered on the Cash Purchase Claim appear on the Cash Purchase record page.
- c. The Cash Purchase Claim must be completed as follows:
 - (i) description and cost of the goods/services purchased
 - (ii) purchaser's signature
 - (iii) vote number to be charged
 - (iv) Signature of the Officer in Charge of Petty Cash.

- d. Original receipts or other valid documentation as required must be attached as proof of payment, with the signature of an appropriate financial delegate on this documentation. A financial delegate cannot authorise a cash purchase claim where she or he is the purchaser.

5.6 Sub-Advances to staff members

- a. If it is necessary to make an initial sub-advance to a staff member for various needs, a receipt for cash advance must be completed. The receipt for Cash Advance Form must be completed as follows:
 - (i) description and *estimated* cost of the goods/services purchased
 - (ii) purchaser's signature
 - (iii) vote number to be charged
 - (iv) Signature of the Officer in Charge of Petty Cash.
- b. On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Cash Purchase Claim Form.

All such sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or the money will be deducted on his/her next salary irrespective of consent being given or noted. Not more than one advance will be made to any one person at a time.

5.7 Out-of-Pocket Payments

- a. Where a staff member has made purchases from their own funds and now seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim.
- b. The supporting documentation is to be attached to the Claim.
- c. The recording-, documentation- and authorization requirements will be as stated in the above paragraph (**Completing a Cash Purchase Claim Form**).

5.8 Reimbursement of Petty Cash Floats

- a. A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement-
 - (i) returns the cash level of the petty cash float to its original level and
 - (ii) Charges the expenditure which has been made, to the correct expenditure vote.
- b. Accordingly, at any point of time, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, will equal the level of the petty cash advanced to the Department.
- c. Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be taken by the officer in charge of the Petty Cash in a Directorate/Department, to the Assistant Accountant: Accounts Payable for reimbursement, after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate at least once in 14 days. Reimbursement of claims where supporting documentation is missing will not be entertained.
- d. The prescribed Summary Cash Purchase Claim form as well as other relevant forms attached to it must be completed in full.
- e. The most recently completed Cash Purchase Claim form must record the reconciliation of the petty cash float. The Assistant Accountant: Accounts Payable will refuse reimbursement of claims where this is not supplied.
- f. A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

5.9 Shortages

- a. Any shortages in respect of a petty cash float must be paid in immediately.
- b. Where a petty cash float is stolen the incident must be reported promptly to the Chief Financial Officer in the required format, after which same needs to be reported to the South African Police Services and a case number provided to the Assistant Accountant: Accounts Payable.

5.10 Procedure applicable when a Petty Cash Float is repaid/cancelled

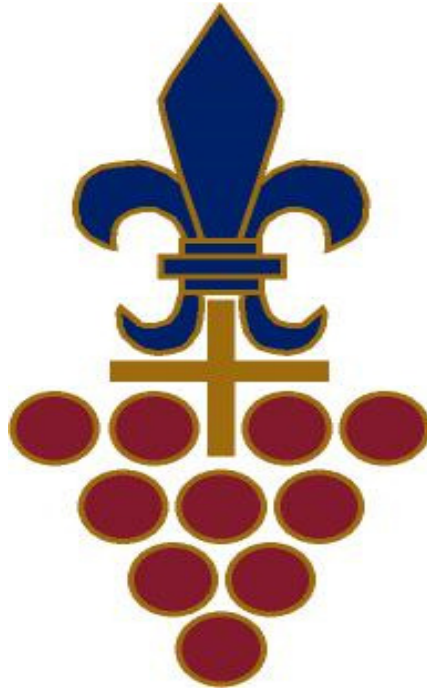
When an advance is no longer required, a statement in a form of a memorandum is to be completed and signed by the Head of the relevant Department and submitted to the Assistant Accountant: Accounts Payable, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float, where after a cheque will be issued to the relevant person to effect completion of the transaction..

The Cashier will issue a receipt to the affected department.

5.11 Financial year-end procedures

Reconciled petty cash registers (cash slips attached), accompanied with the cash balance must be returned to the Senior Accountant: Expenditure a week before the financial year end.

STELLENBOSCH MUNICIPALITY



**TRAVEL AND SUBSISTENCY
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

TRAVEL AND SUBSISTENCE POLICY

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1. OBJECTIVE

It is essential that representatives of this municipality from time to time travel in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government. It should also be read together with paragraph 2 of MFMA Circular 82 of 30 March 2016 as well as the Cost Containment Regulations as far as it is applicable to travel and subsistence issues.

This policy sets out the basis for the payment of a subsistence travel allowance, hourly rate when applicable and for the purpose of such official traveling.

In the event of any conflict between a provision of this policy and the Cost Containment Policy, the latter policy shall apply.

2. TRAVEL

2.1 *Responsibilities of Representatives who travel on Business of the Municipality*

- a) Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- b) Representatives who travel on the business of the municipality must take note that their actions, conduct and statements must be in the best interest of the municipality, and they must comply with any specific mandates they have been given.

2.2 **Air Travel**

- a) **The Accounting Officer in respect of all officials or political office bearers and the Executive Mayor in respect of the Accounting Officer only approve the purchase of economy class tickets for air travel.**
- b) All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by-
 - (i) the executive committee, with regard to Holders of Public Office and the Municipal Manager, or
 - (ii) The Municipal Manager, with regard to officials and applicants for interviews

2.3 International Travel

- a) International travel for any official or political office bearer can only be approved by the municipal council in a meeting open to the public with a supporting vote of the majority of the members of the municipal council present.

- b) The report to council for approval of international travel must include:
 - (i) A motivation why the international travel is seen as critical and fully setting out the anticipated benefit that the municipality will derive from attending the event, meeting or function;
 - (ii) If international travel to the destination or event was previously undertaken, state what benefits if any derived from the previous attendance;
 - (iii) The full cost of the international travel including travel allowances and visas if applicable to be paid; and
 - (iv) The proposed officials and political office bearers, not exceeding three, to travel and why they have been identified.

- c) The following events will not be considered critical to justify international travel whether the full cost of the travel is paid by another institution or not:
 - (i) Attendance of international sporting events;
 - (ii) Attendance of international social events;
 - (iii) Attendance of international party-political events;
 - (iv) The opening of another country's parliament or any other country's government's celebration events.

- d) The accounting officer or delegated official must ensure that requirements for international travel by officials or political office bearers are not inserted into bid documents, whether it is for inspection of products at source of construction/assembly or for any other reason.

2.4 Car Rental, Travel Costs and rates

- a) Only “A” or “B” category vehicles may be rented, unless it is more cost-effective to hire any other category (for example, when the number of representatives involved could justify the hire of a micro-bus).
- b) Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst traveling on the business of the municipality without having received prior authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.
- c) Parking and toll fee – actual cost will be reimbursed via Petty Cash after the submission of proof of expenditure.
- d) If a representative has to utilize his or her personal motor vehicle, he or she will be reimbursed at the tariffs listed below. The distance to which the reimbursement applies, must be the shortest distance via tarred road between the municipality’s offices and the location where the official business is to be transacted.
 - o Councillors:

Will be reimbursed in terms of the Private Column of Department Transport monthly circulars pertaining to Tariffs for the Use of Motor Transport to a maximum of R4.50 per kilometer.^[A1]
 - o Officials with vehicle/car allowance:

Will be reimbursed at a flat rate of R4.50 per kilometer where motor vehicles are used and R2.00 per kilometer where motor cycles are used. Where it is possible to fly to a destination, but the official prefers to drive with his own vehicle, the lower value between kilometer claim and a flight ticket will be used as basis for reimbursement.
 - o Officials who are in receipt of an Essential User Transportation Allowance:

Will be reimbursed according to the official Cost Tables contained in the “Essential User Scheme: Transport Allowance” circulars of the South African Local Government Bargaining Council – Western Cape Division applicable.

- Officials without a car allowance and Members of a Committee: established in terms of applicable legislation, as per the Rate per kilometer fixed by the Minister of Finance under section 8(1) (b) (ii) and (iii) of the Income Tax Act, 1962. . If the total number of kilometers for which such reimbursement is received exceeds 8 000 in any tax year, reimbursement for the excess kilometers over 8 000 must be taxed for PAYE purposes. If the cost of any one trip exceeds that of an air ticket, the lesser amount will be paid.

The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant Director, or Accounting Officer in the case of Directors travelling.

- e) Similar to the above, the number of employees travelling by air to other centers to attend an official engagement on the same matter is also limited to three (3) employees, unless otherwise approved in advance by the relevant Director or Accounting Officer in the case of Directors travelling.
- f) For the purpose of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.
- g) The Accounting Officer will when appropriate determine an hourly rate for the different committees serving Council.
- h) Notwithstanding the above provisions, all employees must make use of shuttle services if the cost of such services is below the cost of hiring a vehicle.

3. SUBSISTENCE

3.1 Subsistence Allowance

- a) A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.
- b) In line with SARS guidelines on Subsistence Allowances and Advances, A daily subsistence allowance will only be applicable where-
 - (i) The representative is obliged to spend at least one night away from his or her usual place of residence on business; R416 per day, or

- (ii) The representative will be on official business for a period exceeding 12 consecutive hours per day, without having to spend a night away from his or her usual place of residence; R128 per day.
- c) A representative of the municipality must claim his or her subsistence allowance, as provided in this policy before embarking on any official trip, with the exception where such claim reaches the creditors section at least three days before the trip; in which case such claim must be submitted after the event. Such a claim must be accompanied by details of the conference or workshop or emailed/faxed invitation.
- d) No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.
- e) For the purpose of a subsistence allowance, a representative shall mean-
- (i) mayor or executive mayor, as the case may be
 - (ii) deputy-mayor
 - (iii) speaker
 - (iv) members of the executive committee or mayoral committee, as the case may be
 - (v) other councillors specifically authorized to represent the municipality on a particular occasion
 - (vi) municipal manager
 - (vii) directors
 - (viii) any other official/representative specifically authorized to represent the municipality on a particular occasion
 - (ix) any official or councilor who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.
- f) The subsistence allowance of international travel will be the lesser of:
- (i) an amount equivalent to the rates as determined by SARS, at the beginning of 1 July every year.
- Or**
- (ii) US\$190 per day where the exchange rate of ZAR is more than 5:1 in relation to the currency of the destination country; and

- (iii) US\$100 per day where the exchange rate of ZAR is less than, or equal to 5:1 in relation to the currency of the destination country;

4. ACCOMMODATION

4.1 Accommodation Costs

- a) Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.
- b) Notwithstanding the provision in paragraph 4.1(a) overnight accommodation where the return trip is 500 kilometres or less, may be booked where in the view of the Accounting Officer or delegated official the limitation may be impractical and any of the following instances are present:
 - (i) The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers;
 - (ii) The trips are to be undertaken over a number of consecutive days provided that a return trip is in excess of 200 kilometres;
 - (iii) The starting time of the meeting or event would require the official or councillor to leave his/her place of residence before 05h00 in order to be punctual.
 - (iv) Should the circumstances as stated in paragraph 4.1 (b)(i) – (iii) not be applicable, but an official still prefers to sleep over and not travel every day, the relevant director may approve travelling and accommodation expenses to be paid in the following manner:
 - The cost of one return trip at the applicable rates stated in this policy to be claimed and reimbursed to the official, plus
 - The Daily Allowance referred to in paragraph 3.1 (b) (ii) of this policy for every night the official spends away from the work place to be claimed and paid to the official and
 - Accommodation paid directly to the relevant establishment equal to the monetary value of R4.50 per kilometer, the potential travel claim for every night that officials sleep over instead of travelling. In cases where more than one official was to travel together, the travel claim will be equally divided between the accommodation costs of the respective officials. Any excess accommodation costs must be borne by the official concerned.
- c) Any request for overnight accommodation and/or travel must be motivated on a prescribed form and approved by the municipal manager or delegated official prior to the arrangement for overnight stay or travel.

- d) The actual cost of accommodation will be borne by the municipality, subject to a maximum of 3- to 4-star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- e) If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager.
- f) If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R416.00 per day.
- g) The recoverable cost of accommodation for international travel may not exceed US\$350 per day.
- h) The municipality will at all times firstly consider accommodation where the National Treasury has negotiated discounts for rates as per MFMA circular 97. In the absence of such accommodation or failure to secure space, only then will the municipality consider accommodation outside the "NT negotiated accommodation".
- i) Notwithstanding the provisions of 4 (1) (c), the procurement of all accommodation services will be subjected to the municipality's SCM policy and preferential procurement policy. The written approval in terms of paragraph 4.1(c) must be filed with the relevant supply chain documents for the accommodation booking.

5 CONFERENCES, MEETINGS AND STUDY TOURS

5.1 Applications for conferences, meetings and conferences, both within or outside South African borders, must be done on the prescribed form. Applications for conferences, study tours and similar events must be accompanied by a motivation that takes the under mentioned aspects into account:

- a) The official's or political office bearer's roles and responsibilities and the anticipated benefits of the conference or event;
- b) Whether the conference or event addresses relevant concerns of the institution;
- c) The appropriate number of officials or political office bearers, not exceeding three, attending the conference or event;
- d) The availability of funds to meet expenses related to the conference or event.

5.2 The accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and without the borders of South Africa.

- a) Such benchmark costs may not exceed an amount as determined from time to time by the National Treasury through a notice.
- b) The costs exclude costs related to travel, accommodation and related expenses, but include conference or event registration expenses and any other expenses in relation to the conference or event.
- c) When considering costs for conferences or events these may not include items such as laptops, tablets or other similar tokens that are built into the price of such conferences or events.
- d) The accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor for attendance of conferences and events.

5.3 The accounting officer must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.

- a) Municipal or provincial office facilities must be unitized for conference, meeting, strategic planning sessions, *inter alia* where an appropriate venue exists within the municipal jurisdiction.

5.4 The municipality must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

6. TRAVEL AND SUBSISTANCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS

- (a) If an invited for an interview has to utilize his or her personal motor vehicle he or she will be reimbursed at the same rates as stipulated in paragraph 2.4 (d) of this policy. The actual cost of air travel will be reimbursed subject to the prior approval of the Municipal Manager or the Director Corporate Services.
- (b) Candidates residing outside the boundaries of Stellenbosch municipality will be reimbursed for reasonable costs of travelling as provided for in this policy. Where the distance to travel and interview circumstances is such that a candidate requires accommodation, suitable accommodation may be pre-authorized by the relevant director and the candidate may be reimbursed.
- (c) If a candidate is made an offer of appointment and declines the offer, no reimbursement of costs will be made.
- (d) Where necessary the User Department in consultation with Human Resources will make suitable travelling and accommodation arrangements and provide budget for the costs.

7. AUTHORISATION

7.1 For purposes of implementing this policy

- a) Only the Municipal Manager may authorize any travel to be undertaken by Directors, but provided the expenses to be incurred are on the approved budget of the relevant department. Claims by other officials to be authorized by directors concerned.
- b) Only the Director Strategic and Corporate Services or the Municipal Manager may authorize payments to be made for persons invited for interviews, but provided that the expenses to be incurred are on the approved budget.
- c) Only the Executive Mayor together with the relevant director may authorize any travel to be undertaken by Holders of Public Office, or the municipal manager, but provided the expenses to be incurred are on the approved budget of the municipality.
- d) Only Directors may authorize any travel to be undertaken by employees in the respective Directorate, but provided the expenses to be incurred are on the approved budget of the municipality.
- e) As far as is practically possible, authorization for the above must be obtained prior to the occasion by any representative who travels on the business of the municipality.

An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the municipal manager or executive mayor, executive committee or director as the case may be.

8. COUNCIL DELEGATES

Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the executive mayor or executive committee, the municipal manager or director as the case may be, may recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

9. COMMITTEES ESTABLISHED AS A RESULT OF PRESCRIBED LEGISLATION

Any committee established as a result of prescriptions in relevant legislation, will for the purposes of application of this policy, qualify for an allowance equal to that paid to Holders of Public Office.

10. AUTHORITY

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager and in the case of the Municipal Manager, the Executive Mayor will authorize.

In any instance where a delegate did not attend business as approved in accordance with this policy, any expenditure incurred by the council should be refunded by the representative. All deviations in this regard must be approved by council.

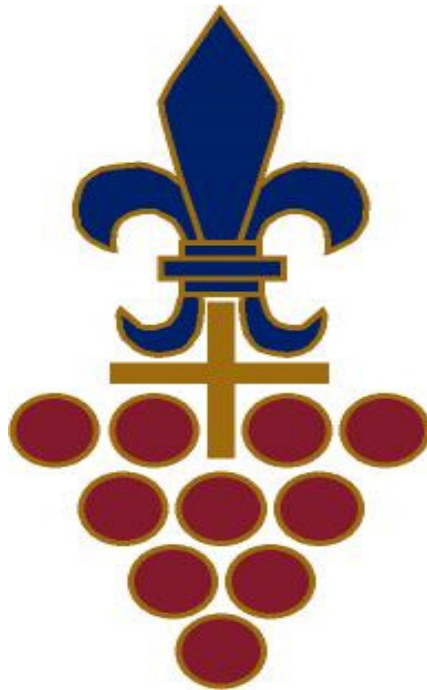
11. TRAVEL AND SUBSISTANCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications. The approved form should reach the creditors office 3 days before the intended day of departure in order for allowances to be paid to the representative timeously.

12. SHORT TITLE

This Policy will be known as the Travel and Subsistence Policy.

STELLENBOSCH MUNICIPALITY



COST CONTAINMENT POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

COST CONTAINMENT POLICY

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1. **DEFINITIONS**

“*Act*” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“*Consultant*” means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution;

“*Cost containment*” means the measures implemented to curtail spending in terms of this policy;

“*Credit Card*” means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder;

“*Debit Card*” means a card issued by a financial services provider allowing the cardholder to transfer money electronically from any bank account held by the Municipality when making a purchase;

“*Municipality*” means Stellenbosch Local Municipality;

“*Persons in the employ of the municipality*” means any employee of the municipality whether employed on a permanent or temporary basis and any public office bearer serving on the Council;

“*Procurement Documentation*” means any documentation used for the procurement of consultants, whether it is documentation used for tenders or formal quotations;

2. **PURPOSE**

The purpose of the policy is to regulate spending and to implement cost containment measures at Stellenbosch Local Municipality.

3. **OBJECTIVES OF THE POLICY**

3.1 The objectives of this policy are to:

3.1.1 To ensure that the resources of the municipality are used effectively, efficiently and economically;

3.1.2 To implement cost containment measures.

4. **SCOPE OF THE POLICY**

4.1 This policy will apply to all:

4.1.1 Councillors'; and

4.1.2 Municipal employees.

4.2 In the event of any conflict between a provision of this policy and any other policy of council, the provision of this policy shall apply.

5. **LEGISLATIVE FRAMEWORK**

5.1 This policy must be read in conjunction with the -

5.1.1 The Municipal Finance Management Act,

5.1.2 MFMA Circular 97, published on 31 July 2019;

5.1.3 Municipal Cost Containment Regulations, 2019; and

5.1.4 Travelling and subsistence policy.

6. **POLICY PRINCIPLES**

6.1 This policy will apply to the procurement of the following goods and/or services:

- 6.1.1 Use of consultants
- 6.1.2 Vehicles used for political office-bearers
- 6.1.3 Travel and subsistence
- 6.1.4 Domestic accommodation
- 6.1.5 Credit cards
- 6.1.6 Sponsorships, events and catering
- 6.1.7 Communication
- 6.1.8 Conferences, meetings and study tours
- 6.1.9 Any other related expenditure items

7. **USE OF CONSULTANTS**

7.1 Consultants may only be appointed after an assessment of the needs and requirements has been conducted to support the requirement of the use of consultants.

7.2 The assessment referred to in 7.1 must confirm that the municipality does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.

7.3 Procurement documentation for the appointment of consultants must include a clause that remuneration rates will be subject to negotiation and will not exceed the applicable rates stated below:

- 7.3.1 Rates determined in the “Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa” issued by the South African Institute of Chartered Accountants;
- 7.3.2 Rates set out in the “Guide on Hourly Fee Rates for Consultants” issued by the Department of Public Service and Administration;
- 7.3.3 Rates prescribed by the body regulating the profession of the consultant.

- 7.4 When negotiating cost effective rates for international consultants, the Accounting officer may take into account the relevant international and market determined rates.
- 7.5 When consultants are appointed the following should be included in the Service Level Agreements:
 - 7.5.1 Consultants should be appointed on a time and cost basis that has specific start and end dates;
 - 7.5.2 Consultants should be appointed on an output-specific basis, with specified deliverables and the associated remuneration;
 - 7.5.3 Ensure that cost ceilings are included to specify the contract price as well travel and subsistence disbursements and whether the contract price is inclusive or exclusive of travel and subsistence;
 - 7.5.4 A clause ensuring that skills transfer is done by the consultant to the relevant Municipal officials. This requirement must also be specified in Procurement Documentation.
 - 7.5.5 All engagements with consultants should be undertaken in accordance with the municipality's supply chain management policy and Supply Chain Regulations.
- 7.6 The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport as updated periodically.
- 7.7 Consultancy reduction plans should be developed to reduce the reliance on consultants.
- 7.8 All contracts with consultants must include a retention fee or a penalty clause for poor performance.
- 7.9 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

8. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

- 8.1 Should the approved capital budget of the municipality include the purchase of vehicles for official use by political office bearers, the threshold limit for such vehicle purchases may not exceed seven hundred thousand rand (R700 000) or 70% (VAT inclusive) of the total annual remuneration package for the different grades, whichever is greater.
- 8.2 The procurement of vehicles must be undertaken using the national government transversal mechanism unless it can be procured at a lower cost through other procurement mechanisms.
- 8.3 Before deciding on the procurement of a vehicle as contemplated in 8.2, the chief financial officer must provide the council with information relating to the following criteria which must be considered:
- 8.3.1 Status of current vehicles;
 - 8.3.2 Affordability, including options of purchasing vs. renting;
 - 8.3.3 Extent of service delivery backlogs;
 - 8.3.4 Terrain for effective usage of vehicle; and
 - 8.3.5 Any other policy of council.
- 8.4 If the rental option is preferred, the Accounting officer must review the costs incurred on a quarterly basis to ensure that value for money is obtained.
- 8.5 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.
- 8.6 Notwithstanding 8.5, a municipality may replace vehicles for official use by public office bearers before the completion of 120 000 kilometres only in instances where the vehicle experiences serious mechanical problems and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

9 **TRAVEL, SUBSISTENCE AND ACCOMMODATION**

Air Travel

- 9.1 The Accounting officer in respect of all officials or political office bearers and the Executive mayor in respect of the Accounting officer may only approve the purchase of economy class tickets for air travel.

International Travel

- 9.2 International travel for any official or political office bearer can only be approved by the municipal council in a council meeting open to the public with a supporting vote of the majority of the members of the municipal council present.

- 9.3 The report to council for approval of international travel must include:

9.3.1 A motivation why the international travel is seen as critical and fully setting out the anticipated benefit that the municipality will derive from attending the event, meeting or function;

9.3.2 If international travel to the destination or event was previously undertaken, state what benefits if any derived from the previous attendance;

9.3.3 The full cost of the international travel including travel allowances to be paid; and

9.3.4 The proposed officials and political office bearers, not exceeding three, to travel and why they have been identified.

- 9.4 The following events will not be considered critical to justify international travel whether the full cost of the travel is paid by another institution or not:

9.4.1 Attendance of international sporting events;

9.4.2 Attendance of international social events;

9.4.3 Attendance of international party-political events;

9.4.4 The opening of another country's parliament or any other country's government's celebration events.

- 9.5 The accounting officer or delegated official must ensure that requirements for international travel by officials or political office bearers are not inserted into bid documents, whether it is for inspection of products at source of construction/assembly or for any other reason.

Domestic Accommodation

- 9.6 Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.
- 9.7 Notwithstanding the provision in paragraph 9.6 overnight accommodation, where the return trip is 500 kilometres or less, may be booked where in the view of the accounting officer or delegated official the limitation may be impractical and any of the following instances are present:
- 9.7.1 The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers;
 - 9.7.2 The trips are to be undertaken over a number of consecutive days provided that a return trip is in excess of 200 kilometres;
 - 9.7.3 The starting time of the meeting or event would require the official or councillor to leave his/her place of residence before 05:00 in order to be punctual; and
 - 9.7.4 Overnight accommodation is cheaper than the travelling expenses payable under council policy on travel and subsistence.
- 9.8 Any request for overnight accommodation in compliance with paragraph 9.6 or 9.7 must be motivated on a prescribed form and approved by the municipal manager or delegated official prior to the arrangement for overnight stay;
- 9.9 The written approval in terms of paragraph 9.8 must be filed with the relevant supply chain documents for the accommodation booking; and
- 9.10 A copy of such written approval in terms of paragraph 9.8 must also accompany the request for travel and subsistence.

10. **CREDIT CARDS**

- 10.1 The accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office-bearer.
- 10.2 Where officials or public office bearers must incur expenditure in relation to approved official municipal activities, such officials and public office bearers may use their personal bank cards or cash, and may request reimbursement from the municipality in accordance with approved policies and processes.

11. **SPONSORSHIPS, EVENTS & CATERING**

- 11.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.
- 11.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:
 - 11.2.1 Hosting of meetings;
 - 11.2.2 Conferences;
 - 11.2.3 Workshops;
 - 11.2.4 Courses;
 - 11.2.5 Forums;
 - 11.2.6 Recruitment interviews; and
 - 11.2.7 Council proceedings
- 11.3 Entertainment allowances of officials may not exceed two thousand rand (R2 000.00) per person per financial year, unless otherwise approved by the accounting officer.
- 11.4 Expenses may not be incurred on alcoholic beverages.

11.5 The regulations require *inter alia* that the accounting officer must ensure that social events are not financed from the municipality's budget however, this provision is not intended to impede on the constitutional obligation of the municipality as particularly set out in section 152, 153, 195(1)(h) and Schedule 4 Part B of the Constitution to promote and cultivate social development, economic development, good human-resource management and local tourism.

□

11.6 Social events exclude the following events linked to the strategic objectives of the municipality:

11.6.1 Economic development events;

11.6.2 Cultural festivals;

11.6.3 Local tourism festivals;

11.6.4 Youth, aged, disable and other vulnerable persons developmental events;

11.6.5 Civic honours events;

11.6.6 Staff recognition or achievement awards and functions;

11.6.7 Town centennial or other significant municipal commemorating events;

11.6.8 Opening of facilities and buildings;

11.6.9 Strategic planning sessions;

11.6.10 Non-recreational team building events; and

11.6.11 Non-recreational staff wellness functions.

11.7 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials or is an integral part of the business model of a specific project or drive.

11.8 The accounting officer must ensure that any sporting events, and expenditure directly or indirectly related to sporting events such as travel and accommodation cost, sporting gear and sporting regalia are not financed from the budget of the municipality or by any suppliers or sponsors. This provision does not prohibit the municipality to incur

expenditure on municipal sport facilities as per its constitutional function.

- 11.9 The accounting officer or delegated official may incur expenditure not exceeding the limits for petty cash as per the municipal Petty Cash Policy for one transaction usage, to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire on grounds of ill health.

12 **COMMUNICATION**

- 12.1 Stellenbosch Municipality may, if matters are not required to be notified through the media to the local community in terms of section 21 of the Municipal Systems Act or any other applicable legislation, advertise municipal related events on its website instead of advertising in magazines or newspapers.

- 12.2 The accounting officer must ensure that allowances to officials for private calls and data costs are limited to the amounts as determined in Council's Cellular Telephone Policy or any other applicable policy that regulates cellular calls and data cost.

- 12.3 Newspaper and other related publications for the use of officials and political office bearers must be discontinued on expiry of existing contracts; unless, authorised by the accounting officer for officials and by the executive mayor for political office bearers that it is required for professional purposes.

- 12.4 Stellenbosch Municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services provided that the municipality cannot procure it at cheaper rates.

13 **CONFERENCES, MEETINGS & STUDY TOURS**

- 13.1 Cost containment measures with regards to conferences, meetings and study tours are dealt with in the approved Travel and Subsistence Policy.

14 **OTHER RELATED EXPENDITURE ITEMS**

- 14.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.
- 14.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during the election periods.
- 14.3 Procurement of elaborate and expensive office furniture must be avoided.
- 14.4 If considered a requirement, only the services of the South African Police Service may be used to conduct security threat assessments of political office bearers and key officials. A report must be submitted to the Office of the Speaker.

15 **ENFORCEMENT PROCEDURES**

- 15.1 Failure to implement or comply with this policy may result in any official of the municipality or political office bearer that has authorized or incurred any expenditure contrary to those stipulated herein being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

16 **DISCLOSURES OF COST CONTAINMENT MEASURES**

- 16.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

16.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

16.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

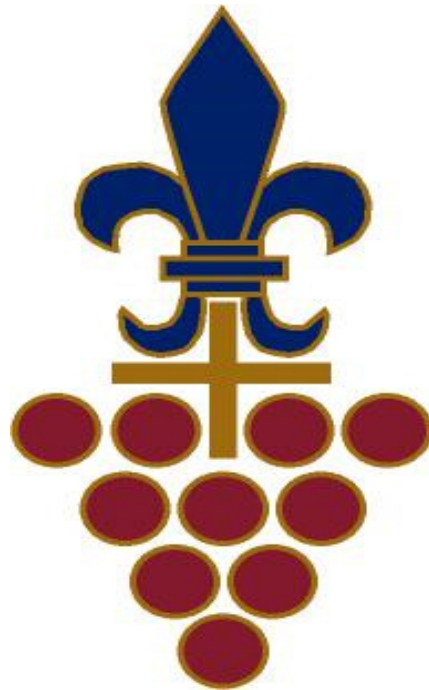
17 **REVIEW PROCESS**

17.1 This policy is a budget related policy and will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

18 **SHORT TITLE AND IMPLEMENTATION**

19.1 This policy is called the Cost Containment Policy and takes effect on 1 October 2019.

STELLENBOSCH MUNICIPALITY



**CASH MANAGEMENT AND
INVESTMENT POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

CASH MANAGEMENT AND INVESTMENTS POLICY

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PREAMBLE

Whereas Section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) (the Act) determines that a municipality must introduce an appropriate and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of Section 13 of the Act, has to disclose details regarding a municipalities' investments;

and whereas councillors and officials, as trustees of public funds have an obligation to ensure that cash resources are managed as effectively, efficiently, and economically as possible;

now therefore the Stellenbosch Municipality adopted the Cash and Investment Management Policy set out in this document.

1. LEGAL FRAMEWORK

- a) Legislation – Local Government: Municipal Finance Management Act 56 of 2003 (As amended).
- b) Treasury regulations in terms of Section 13(1) of the Act (As amended).

In this Policy, the terms “*the Act*” or “*MFMA*” refers to the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003).

2. OBJECTIVES

- a) To maximize returns from authorized investments, consistent with the secondary objective of minimizing risk.
- b) To ensure compliance with all legislation governing the investment of funds.
- c) To maintain adequate liquidity to meet cash flow needs.
- d) To undertake the investment of funds not immediately required for operational purposes in a prudent financial manner.
- e) To ensure diversification of permitted investment.

3. CASH MANAGEMENT

3.1 Guiding Principles

It is recognised that from time to time, Council has cash flow surpluses and borrowing requirements due to daily receipts and payments.

Council maintains a daily cash position summary and a yearly cash flow projection is prepared during the annual planning process and is updated monthly. This determines Council's borrowing requirements and surpluses for investment. Cash invested “outside” the bank account is covered by paragraph 5 of this Policy.

3.2 Bank Accounts

Council operates one primary bank account for its day to day operational activity requirements and two secondary accounts specifically for service charges and revenue derived from fines.

All monies due to Council and due by Council emanating from Council activities must pass through this primary account, therefore secondary accounts are swept daily, and all balances are transferred to the primary bank account.

3.2.1 Revenue Management

Revenue Management Section 64 of the Act clearly states that all moneys received must be promptly deposited in the Municipality's primary and other bank accounts, therefore:

- all revenue received by the Municipality, including revenue received by any collecting agent on its behalf, is recorded at least on a weekly basis.
- all monies collected by the Municipality on behalf of another organ of state must be transferred to that organ of state at least on a weekly basis.

3.2.2 Cheque Management

Cheques are printed in batch format. To prevent the removing of cheques, cheques are delivered in sealed boxes where strict control is exercised over the numerical sequence of cheques on the expenditure system by means of a cheque register.

3.2.3 Delegation/Rights

The incumbents of the following posts are authorized to sign cheques on behalf of Council:

3.2.3.1 Cheques

- A-Signatories: Chief Financial Officer
SNR Manager: Financial Management Services
SNR Manager: Revenue and Expenditure
Manager: Expenditure Management
Manager: Revenue
SNR Manager: Supply Chain Management
Manager: Budget and Costing
Manager: Financial Statements, Compliance and Reporting
- B-Signatories: Chief Accountant: Consumer Accounts and Valuations
Senior Accountant: Cash Management and Credit Control
Chief Accountant: MFMA Reporting and Compliance
Chief Accountant: Financial Statements and Reconciliations
Chief Accountant: Asset Management
Senior Accountant: Creditors and Payroll

Each cheque needs to be signed by at least two A-Signatories, or one A-Signatory and one B-Signatory.

3.2.3.2 Electronic Funds Transfer (EFT)

- A-Signatories: Chief Financial Officer
SNR Manager: Financial Management Services
SNR Manager: Revenue and Expenditure
Manager: Expenditure
Manager: Revenue
SNR Manager: Supply Chain Management
Manager: Budget and Costing
Manager: Financial Statements, Compliance and Reporting
- B-Signatories: Chief Accountant: Consumer Accounts and Valuations
Senior Accountant: Cash Management and Credit Control
Chief Accountant: MFMA Reporting and Compliance
Chief Accountant: Financial Statements and Reconciliations
Chief Accountant: Asset Management
Chief Accountant: SDBIP Monitoring and Budget Control x2
Senior Accountant: Creditors and Payroll

Each electronic payment needs to be authorized by at least two A-Signatories, or one A-Signatory and one B-Signatory.

3.3 Bank Overdraft

- 3.3.1 Council made the decision to not request an overdraft facility with its primary banker. as the general policy is to avoid going into overdraft.

In the instance that short-term debt is incurred based on expected income it must be repaid within the same financial year. (Section 45 of the MFMA)

- 3.3.2 Any overdrawn bank account at any date must be reported without avail to Council supported by reasons therefore.
- 3.3.3 Any short-term facility that requires review must first be approved by the Accounting Officer.

4. CASH MANAGEMENT PROCEDURES

4.1 Internal Controls

The supervisor and/or Accountant do a monthly audit on the cashier floats, manual receipt books and the compilation of daily cash-up and banking documents.

4.2 Issuing of Receipts

The cashier will only issue an official enumerated receipt when a client pays his/her municipal account in full or partially.

4.3 Cancellation of Receipts

An official enumerated receipt will only be cancelled whilst the client is still at the cash office and only for the following reasons;

- a) cashier made an error.
- b) client made an error.

The cashier will re-issue a correct receipt and the cancelled receipt will be signed by the incumbent and the supervisor. In cases where the client wants his money back a prescribed official document must be completed and signed by the Client, Cashier and the Supervisor stating the reason(s) for cancelation.

4.4 Cash Balancing

After the end of each shift, the cashier will count the monies received, and do a daily end of day cashier procedure. The supervisor will then re-count the money to ensure that the cashier's daily takings balances with the supervisor's end-of-day totals. The cashier will do a final end-of-day procedure when he/she balances, and the supervisor will do a receipting end of day shut-down procedure.

4.4.1 Cashier surplus and shortage

If the cashier is short, he/she will then pay the monies in immediately. If there is a surplus the cashier will receipt the surplus on the same day. Management discretion can be used should there be substantial evidence and motivation that it was out of the control of a cashier to avoid a shortage the Manager can exonerate the cashier from paying the shortfall and in such an instance the shortage should be allocated to an expense line item.

4.4.2 Cashier resources

The Cashier will be supplied with the necessary tools and equipment to perform a proper cashier function. (E.g. Ultra violet lights, etc.)

4.5 Deposit Books

Each cashier has an enumerated deposit book, as each pay point has a number. The Senior Clerk: Cashier orders books from the bank when needed.

4.6 Other payment methods

4.6.1 Direct Deposits and ACB

Direct deposits can be made into Municipal bank account via the Internet or by deposit slip via their bank, using the applicable Municipal account number as reference. This information is extracted and uploaded on a daily basis from the bank and is then credited against the client's accounts. Accounts are also paid by means of a debit order (ACB) payment.

4.6.2 3rd Party

Payments can be made at any EasyPay and Pay@ pay points. This information is extracted and uploaded on a daily basis from EasyPay and Pay@ and credited against the client's accounts.

4.6.3 Cheque Deposit (Only bank guaranteed cheques will be accepted)

The cashier will issue an official enumerated receipt when a client pays his/her Municipal account with a bank guaranteed cheque. Bank guaranteed cheques that are dropped into the cheque deposit box at the Municipal office are taken out of the box on a daily basis, receipted by the cashier and the receipt is posted to client on request.

4.6.4 Mailed Bank Guaranteed Cheques

Bank guaranteed cheques attached to the Municipal account are collected from the post office on a daily basis and is recorded in a register at the Records department. It is then collected by the Supervisor: Cashiers who will write all the bank guaranteed cheques up in a register. The supervisor will hand it to the cashier to be receipted and the receipt details will be entered in the register.

4.6.5 Returned Cheques and Debit Orders

If cheques and debit orders are returned and marked as "Refer to Drawer", the full balance will immediately become payable.

4.6.5.1 The cost that is payable by the consumer must be equal to the prescribed fee that has been approved by Council in all cases where a cheque bears the status of "Refer to Drawer".

4.6.5.2 Bank charges in this regard will be payable by the consumer. In the event of a customer having tendered a "refer to drawer cheque" for the second time, no further cheques will be accepted from him/her, excluding bank guarantee cheques.

4.6.5.3 A cashier must not accept a cheque that was issued by a Consumer in the event the cheque bears the status as a post-dated cheque, altered and/or an unsigned cheque. In the event this occurs and notwithstanding the aforementioned provisions, all bank charges that would arise and be incurred by Stellenbosch Municipality will then be

recovered from the said cashier. The cashier will be required to pay back the bank costs as approved by Council within 24 hours for recovery of the said amount.

4.6.6 Private Money

No Municipal employee is allowed to:

- Use Council's cash funds at any stage to be replaced at a later stage.
- Use his/her own money as cashier float.
- Change a Municipal official's cheque for cash.
- Safeguard private money amongst Council's cash (e.g. Cashier drawers, petty cash boxes, safes etc.)

5. INVESTMENTS

5.1 Guiding Principles

Generally, Council will invest surplus funds with deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990) for terms not exceeding one year in anticipation of cash flow expectations. From time to time, with prior Executive Mayoral Committee approval, investments can exceed 1 [one] year and be made at other institutions/instruments as approved in the National Treasury regulations from time to time.

5.2 Permitted Investments

The Account Officer must ensure that only the following investment types are utilized in terms of Section 6 of the Municipal Investment Regulations (No. R. 308) dated 1 April 2005:

- a) Securities issued by national government.
- b) Listed corporate bonds with an investment grade rating from a recognized credit rating agency.
- c) Deposits with banks registered in terms of the Banks Act (Act 45 of 1984).
- d) Deposits with the Public Investment Commissioners.
- e) Deposits with the Corporation for Public Deposits.
- f) Banker's acceptance certificate or negotiable certificates of deposits of registered banks.
- g) Guaranteed endowment policies with the intention of establishing a sinking fund.
- h) Repurchase agreements with registered banks.
- i) Municipal bonds issued by a municipality.
- j) Any other investment type as identified by the Minister of Finance in consultation with the Financial Services Board.

5.3 Diversification

Council will only make investments, as prescribed by Section 6 of the Municipal Investment Regulations, with approved institutions which have a rating as defined per Appendix A. Excluding investments made per Executive Mayoral Committee resolution not more than 50% of available funds will be placed with a single institution. The discretion of management should be used when investing funds into the institution quoting the highest rate versus diversification of investment portfolio. Should the difference between the investment quotes be minimal, a decision can be made to invest in the lower quote for the diversification of investment portfolios.

5.4 Investment Managers

5.4.1 In the event of the appointment of an external Investment Managers

Where the above means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, 1989 (Act 55 of 1989), and Stock Exchanges Control Act, 1985 (Act 1 of 1985), contracted by a municipality or municipal entity to-

- a) advise it on investments;
- b) manage investments on its behalf; or
- c) advise it on investments and manage investments on its behalf.

The External Investment Manager will be appointed in terms of Supply Chain Management Policy and a service level agreement will govern the functions and responsibility of the service provider. All investments made by the External Investment Manager on behalf of the Council of Stellenbosch Municipality must be made within the ambit of this Policy and with National Treasury's investment regulations.

5.5 Internal Controls Over Investments

5.5.1 Delegations

5.5.1.1 In terms of Section 60(2) of the Local Government: Municipal Systems Act, (Act 32 of 2000) (the MSA), the Council may only delegate to the Municipal Manager (MM) the power to make decisions on investments on behalf of the Municipality.

5.5.1.2 In terms of section 79 of the Act, the Accounting Officer has delegated to the Chief Financial Officer (CFO), in writing, his duty under section 65(2) (h) to manage the Council's available working capital effectively and economically in terms of the prescribed cash management and investment framework.

5.5.2 Obtaining quotations and concluding deals

Request are emailed to all approved institutions the day before, or the morning thereof a cut-off is requested to ensure timeous processing of transactions. Quotes are captured on the decision report rates are compared and chosen in terms of the policy. Writing mandates, signed by the CFO and MM, shall be issued to all investees with whom the Council of Stellenbosch Municipality invests funds setting out the following:

- 5.5.2.1 Authorised dealers: name and particulars of the Council's officials who are authorised to transact investments deals with the investees;
- 5.5.2.2 Authorised signatories: name and particulars of the Council's officials who are authorised to sign written confirmations or any other correspondence in respect of investments transactions.
- 5.5.2.3 A dealing sheet, signed by an authorised dealer, shall be prepared in all instances for each individual investment, detailing the quotations received and the recommended investee. The CFO shall advice the MM to approve the transaction.

A written confirmation of the terms of each investment transaction shall be prepared, and signed off by the CFO and MM.

5.5.3 A monthly investment register should be kept of all investments made. The following information must be recorded:-

- name of institution;
- capital invested;
- date invested;
- interest rate;
- maturation date;
- interest received;
- Investment balance;
- total withdrawal amount;
- total interest earned.

5.5.3.1 The investment register and accounting records must be reconciled on a monthly basis.

6. OWNERSHIP

All investments must be made in the name of the Council of Stellenbosch Municipality. Written proof of investments made must be obtained from the institution where the investment is made and must be kept on file.

7. DUE CARE

In dealing with financial institutions, the following ethical principles must be observed:

- 7.1 The Chief Financial Officer and all staff in his/her directorate shall not accede to any influence by or interference from Councillors, investment agents, institutions, or any other outsiders;
- 7.2 Under no circumstances may inducements to invest be accepted;
- 7.3 Interest rates quoted by one institution must not be disclosed to another institution; and
- 7.4 The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.

8. PERFORMANCE MEASUREMENT

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective measures. The predominant subjective measure is the overall quality of treasury management information. The Chief Financial Officer has primary responsibility for determining this overall quality.

Objective measures include: -

- (a) Adherence to policy.
- (b) Timely receipt of interest income.

9. REPORTING

9.1 Reports

The following reports are produced:

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Bank Balance report	Daily	Senior Clerk: Electronic Payments	Chief Finance Officer
Investments	Monthly	Chief Accountant: Financial Statements and Reconciliations	Manager: Financial Statements and Reporting

10. ANNUAL REVIEW OF POLICY

This Policy will be reviewed annually or earlier if so required by legislation.

Any changes to this Policy must be adopted by Council and be consistent with the applicable Acts and any National Treasury Regulations.

11. EFFECTIVE DATE

The effective date of this Policy is 1 July 2020 and will be reviewed on an annual basis to ensure that it is in line with the Municipality's strategic objectives and with legislation.

12. SHORT TITLE

This Policy is the Cash Management and Investments Policy of the Stellenbosch Municipality.

LONG-TERM RATINGS - FITCH

AAA - Obligations which have the highest rating assigned by Fitch IBCA on its national rating scale for that country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Capacity for timely repayment of principal and interest is extremely strong, relative to other obligors in the same country.

AA - Obligations for which capacity for timely repayment of principal and interest is very strong relative to other obligors in the same country. The risk attached to these obligations differs only slightly from the country's highest rated debt.

A - Obligations for which capacity for timely repayment of principal and interest is strong relative to other obligors in the same country. However, adverse changes in business economic or financial conditions are more likely to affect the capacity for timely repayment than for obligations in higher rated categories.

SHORT-TERM RATINGS - FITCH

F1 – Obligations assigned this rating have the highest capacity for timely repayment under Fitch Ratings Ltd national rating scale for that country, relative to other obligations in the same country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Where issues possess a particularly strong credit feature, a “+” is added to the assigned rating.

F2 – Obligations supported by a strong capacity for timely repayment relative to other obligors in the same country. However, the relative degree of risk is slightly higher than for issues classified as ‘A1’ and capacity for timely repayment may be susceptible to adverse changes in business, economic or financial conditions.

F3 – Obligations supported by an adequate capacity for timely repayment relative to other obligors in the same country. Such capacity is more susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories.

LONG-TERM RATINGS – MOODY’S

AAA – Obligations rated “AAA” have the highest rating assigned by Moody’s -Ratings. The capacity of the issuer to pay interest and repay capital is extremely strong, relative to other South African obligors.

AA – Indicates very strong capacity of the issuer to pay interest and repay capital relative to other South African obligors.

A – Indicates strong capacity of the issuer to pay interest and repay capital, relative to other South African obligors, although it is slightly more susceptible to adverse changes in economic conditions and circumstances than debt in categories rated higher.

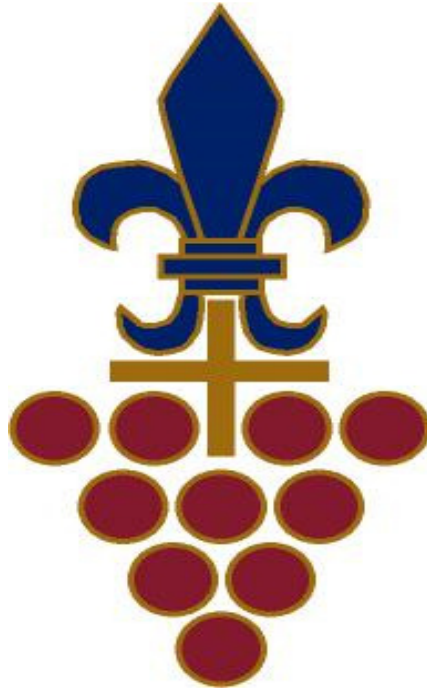
SHORT-TERM RATINGS – MOODY’S

A-1 – Indicates that the degree of safety regarding timely payment is either overwhelming or very strong, relative to other South African obligors. Issues determined to possess overwhelming safety characteristics are denoted with a plus (+) sign designation.

A-2 – Indicates that capacity for timely payment on issues with this designation is strong, relative to other South African obligors.

A-3 – Indicates satisfactory capacity for timely payment, relative to other South African obligors. They are, however, somewhat more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

STELLENBOSCH MUNICIPALITY



**WARD ALLOCATION
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

WARD ALLOCATION POLICY

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1. INTERPRETATION

1.1. Acronyms

“IDP”	-	Integrated Development Plan
“SDBIP”	-	Service Delivery and Budget Implementation Plan
“EPWP”	-	Expanded Public Works Programme

1.2. Definitions

“**Capital budget**” is expenditure relating to the purchase, upgrade or refurbishment of a Council asset (property, plant and/or equipment);

“**Town / municipality**” means the Greater Stellenbosch also known as WC024, a local municipality established in terms of section 12 of the Local Government Municipal Structures Act (Act 117 of 1998)

“**Municipal Manager**” means the accounting officer of the municipality of Stellenbosch, appointed in terms of section 54A of the Local Government: Municipal Systems Act (Act No. 32 of 2000) being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act (Act No. 32 of 2000);

“**Council**” means the municipal Council of Stellenbosch Municipality;

“**Councillor**” means a member of the Council of the Stellenbosch Municipality;

“**Lead directorate**” is the directorate whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project;

“**Legacy project**” is a project that is executed in a financial year and of which the benefits to the community continues into the future;

“**User Department**” is the department whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project;

“**Operating budget**” refers to expenditure, other than capital, in respect of Council activities and includes repairs and maintenance of Council assets;

“**Ukey**” refers to a unique numerical key consisting of 7 segments describing the allocation of funds. All budget items must be linked to a Ukey.

“**Veriment**” refers to the administrative process required to request and approve the transfer of funds from one cost centre to another. Apart from

re-allocation of funds through the adjustment budget, transfer of funds can only be done between cost centres within a directorate.

“**Ward committee**” means a committee that has been established for each ward in terms of section 73 of the Local Government: Municipal Structures Act (Act No. 117 of 1998);

“**Ward project**” a project identified by the ward councillor in line with the identified IDP needs, in consultation with the ward committee and financed by the ward allocation;

2. INTRODUCTION

The Republic of South Africa Constitution, 1996 requires the Municipality to encourage the public participation of community members and community organizations in the matters of local government. The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) (“Structures Act”) provides for the establishment of ward committees as formal mechanisms to give effect to this Constitutional obligation. Ward committees play a vital role in bridging the gap between the Community, the Municipality and its Council and also play an important role in:

- a) Enhancing participatory democracy;
- b) Neighbourhood and ward based planning including the encouragement of communities to take charge of their own livelihoods;
- c) Assisting the Municipality in service delivery improvement;
- d) Assisting in the economic empowerment of communities;
- e) Enhancing local democracy and accountability;
- f) Enhancing social cohesion, nation building and integration of communities across class, race, culture

Along with many other responsibilities the Municipality provide support to the Councillors and Ward Committees through the Ward Allocation policy. The policy intends to establish uniform rules and regulations in the identification, planning and implementation of ward projects. It will further encourage accountability and regulate all administrative processes in the execution phases.

3. POLICY OBJECTIVE

- 3.1. The objective of the Ward Allocations Policy is to create opportunities for Councillors to identify ward projects in line with the identified IDP needs, with the support of their Ward Committees, which would improve the quality of living in all wards. These projects would need to fit into the basket of services of the relevant User Department and must comply with the following:

- 3.1.1. Local Government’s mandate;

- 3.1.2. Council policies;
 - 3.1.3. Support the pillars and objectives of the IDP;
 - 3.1.4. Directly benefit the community.
- 3.2. Ward project must be:
- 3.2.1. Additional projects identified by Councillors as identified through the IDP community participation processes,
 - 3.2.2. Supported by the ward committees, and
 - 3.2.3. Approved by Council.
- 3.3. Ward Allocation funds must be utilised in the manner contemplated in sections
- 3.3.1. **7(e)** categorising municipalities according to their system of municipal government. B Municipalities include a ward participatory system which allows for matters of local concern to be dealt with by committees established for wards;
 - 3.3.2. **72 (3)** describing the object of a ward committee as being to enhance participatory democracy in local government; and
 - 3.3.3. **74** describing the powers and functions of ward committees
- of the Local Government: Municipal Structures Act (Act No. 117 of 1998).**

4. STRATEGIC INTENT

The Policy shall be governed by the underlying principle of ensuring that ward allocation projects meet the requirements of the Integrated Development Plan including specific reference to the following:

- 4.1. A “**valley of possibility**” that creates an environment conducive to business development and job creation. To facilitate and coordinate support to emerging entrepreneurs by utilizing internal SCM processes and linking SMME’s with opportunities in the market. To provide, upgrade and maintain an effective engineering infrastructure to support effective service delivery and to ensure the provision of non-motorised transport routes as a functional mode of transport.
- 4.2. A “**green and sustainable valley**” that ensures the management of human use of the biosphere and its resources, enhancing the integrity of the environment as an imperative for long-term sustainability and incorporates bio-diversity into the environment as an imperative for long-term sustainability. A valley that ensures spatial sustainability and facilitate efficient use of all forms of capital available to the Town including human capacity and ability and information management.
- 4.3. A “**safe valley**” where integrated safety strategies with multi-stakeholder engagements are implemented to focus on institutional, situational and social crime prevention interventions that will improve law enforcement and neighbourhood watches.

- 4.4. A “**valley with dignified living**” inclusive of sustainable human settlements, social infrastructure through the involvement and building of capacity of stakeholders in the planning and management of the areas where they live. This includes access to basic services to households.
- 4.5. A “**valley of good governance and compliance**” that ensures transparency and is corruption-free, establishes an efficient and productive administration to prioritise service delivery and ensures financial prudence, with clean audits by the Auditor-General;

5. POLICY PARAMETERS

- 5.1. The provisions of this policy apply to Ward Councillors, Ward Committees and all Directorates and Departments of the municipality;
- 5.2. This policy applies to all programmes and projects within the jurisdiction of Stellenbosch Municipality that are funded through ward allocations and which are approved by Council in accordance with this policy.

6. REGULATORY CONTEXT

This Policy draws its legal mandate from the following laws and relevant policies, as amended from time to time:

- 6.1. Legislation:
 - 6.1.1. The Constitution of the Republic of South Africa, 1996
 - 6.1.2. Local Government: Municipal Systems Act, (Act No. 32 of 2000);
 - 6.1.3. Local Government: Municipal Finance Management Act, (Act No. 56 of 2003);
 - 6.1.4. The Municipal Budget and Reporting Regulations with specific reference to Circular 82 adopted by Stellenbosch Council on 25 May 2016.
- 6.2. Policies and documents
 - 6.2.1. Stellenbosch Municipality: Integrated Development Plan (IDP);
 - 6.2.2. Stellenbosch Municipality: Asset Management Policy;
 - 6.2.3. Stellenbosch Municipality: Supply Chain Management Policy;
 - 6.2.4. Stellenbosch Municipality: Virement Policy

7. ROLE PLAYERS, ROLES AND RESPONSIBILITIES

The relevant role players include, but are not limited to:

- 7.1. The Ward Councillors and members of Ward Committees;

- 7.2. Manager: Councillor Support;
- 7.3. Council support staff;
- 7.4. Directors;
- 7.5. Budget office;
- 7.6. Technical or functional representatives in User Departments;
- 7.7. Ward Administrators; and
- 7.8. IDP Department

Official / Councillor	Role and responsibility
Manager: Councillor Support	<p>Owner and driver of Ward Allocation Policy.</p> <p>Collations of all ward projects.</p> <p>Submission of ward allocation projects for draft budget.</p> <p>Facilitation of meetings with councillors.</p> <p>Manage ward administrators in this process.</p> <p>Monthly and annual collations of all ward-project progress reporting on all ward projects.</p> <p>Elevate problems to MM.</p>
Councillor and Ward Committee	<p>Project identification, development, submission for draft budget inclusion to Manager Councillor Support.</p> <p>Signing of commitment form.</p> <p>Finalization and submission of project plans to lead departments.</p> <p>Attending meetings with lead departments.</p> <p>Identification of IDP link.</p> <p>Identification of beneficiaries.</p> <p>Attendance, overseeing and reporting (incl. pictures) on projects.</p> <p>Return service provider goods/equipment (if applicable).</p> <p>It is important to note that Ward Committees play a supporting and advisory role to the Ward Councillor.</p>
Ward Administrator	<p>Minute keeping of Ward Committee meetings and provision of said minutes relating to project identification to lead departments.</p> <p>Administrative support for the execution of ward projects (communication and arrangements)</p> <p>Administrative and coordinating link between lead department, councillor and community (ie. Transport plans, attendance registers, beneficiary communication, indemnity forms, etc.).</p> <p>Assist with the drawing up of project evaluation reports and submission thereof to lead department.</p> <p>Compilation of photographic portfolio of evidence of completed projects with specific focus on goods and services procured.</p> <p>Asset registers and general asset management of furniture, tools and equipment procured.</p>

Speaker after consultation with the Executive Mayor	<p>Identify the annual strategic intent of ward projects.</p> <p>Verify that the identified projects comply with the mandate of local government,</p> <p>Respond in writing to the Ward Councillor if projects are approved.</p> <p>Has the prerogative to refuse funding for projects outside the scope of the policy.</p> <p>Continuously, monitor and evaluate the progress of the Ward projects.</p> <p>Provide advice and support to Ward Councillors where necessary in terms of the Ward Allocation projects.</p> <p>Keep record of all proposals and projects arrange All Wards meetings discussing the projects.</p>
MM	<p>The Municipal Manager as head of the administration is responsible and accountable for tasks and functions as provided for in, but not limited to the Local Government: Municipal Systems Act, No. 32 of 2000, Chapter 8 of the Local Government: Municipal Finance Management Act, No. 56 of 2003, other functions/tasks.</p>
IDP and Public Participation	<p>Identification of needs and priorities in the different wards through a valid public participation process.</p> <p>Provide ward committees and ward councillors with updated lists of community needs and ward priorities.</p> <p>Provide feedback to community on project implementation linked to their needs.</p>
CFO	<p>Submission of recommended projects as part of draft and final budget for council approval.</p> <p>The Finance Directorate with the approval of the Speaker may, depending on the circumstances approve the use of the Ward Allocation for projects outside this framework but within the mandate of the Municipality.</p>
Directors	<p>Ensure implementation ownership of projects at manager level.</p> <p>Recommend projects for inclusion after costing.</p> <p>Authorization of procurement documents.</p> <p>Address elevated problems with lead managers.</p>
User department	<p>Costing of projects.</p> <p>Completion of procurement plans and inclusion of ward projects in implementation planning for the year.</p> <p>Implementation of projects.</p> <p>Procurement of services.</p> <p>Arranging meetings with councillors to guide, and explain process to follow.</p> <p>Communication between procured service provider, Ward Administrator and Ward Councillor.</p> <p>Signing off and submission of invoices.</p>

	Monthly reporting on overall departmental expenditure for ward projects.
SCM	Procurement of goods and services.

8. CRITERIA FOR THE SELECTION OF PROJECTS

In response to the current COVID-19 pandemic and the realignment of the budget for 2021/22, with severe budget cuts and adjustments, the following measures will be in place regarding ward allocations until further notice, and replace the information regarding capital and operational ward projects in this policy:

- i) The CAPEX for ward allocations is withdrawn from ward allocations for 2021/22;
- ii) The OPEX ward allocation is reduced to R50 000 per ward for 2021/22;
- iii) That OPEX be utilised to fund COVID prevention projects; this is in line with the request from Western Cape Government – Department of Local Government that ward allocation projects be aligned to address COVID-19 pandemic;
- iv) The following list of goods will be circulated for councillors to choose from in order to be utilised for the COVID prevention projects:

GOODS AVAILABLE FOR COVID PREVENTION PROJECTS (2021 -22)		
ITEM	PRICE	QUANTITY NEEDED
Masks for children		
Masks for adults		
Face cloths		
Hand towels		
Polar fleece blankets		
250 ml refill sanitiser spray bottle		
5L bulk sanitiser		
Hand soap (per box[DM1])		

- v) Prices for the goods will be communicated as soon as the 2021/22 financial year commences. Current prices of goods will be made available to assist with planning processes.
- vi) A separate form similar to the table above will be issued that must be completed by ward councillors to register the COVID prevention project.

vii) The goods will not be issued with a municipal logo, as the logo is only used for officials and official municipal branding.

viii) Ward councillors must be discouraged from requesting nutritional support assistance. Currently, the Special Investigations Unit are investigating numerous municipalities around the country on matters related to food parcel / nutritional support irregularities, distribution and allocation.

[DM2]

Projects that are to be implemented under the Ward Allocations Policy must comply with the following criteria:

[DM3]

- 8.1 Be within Local Government mandate as defined in legislation.
- 8.3 Be aligned with the objectives and pillars of the Integrated Development Plan and with the approved strategic intent identified by the Speaker.
- 8.4 Comply with all the Policies of Council.
- 8.5 Be informed by the ward based needs of the wards and municipal infrastructure needs that have been –
 - 8.5.1 assessed by the Ward Councillor and Manager Councillor Support, and
 - 8.5.2 reported and supported by the ward committee in accordance with the budget and IDP timelines.
- 8.6 Fall within the core business activity of the Lead Directorate and shall form part of the Lead Directorate's SDBIP.
- 8.7 Preferably be legacy projects that will address a need and be of a sufficient scale to have a significant impact in the ward.
- 8.8 **Not** be projects that directly benefit an individual.
- 8.9 **Not** be projects that benefit a private property – including repairs and maintenance of property not owned by Stellenbosch Municipality.
- 8.10 Projects shall, as far as possible, be completed within the financial year in respect of which they are approved but capital funds may be rolled over to the next financial year at the August Adjustment Budget (MFMA Sec 28 (2) (e) where compelling reasons exist for such roll-over. Funds remaining after the successful completion of projects will be deemed savings and re-allocated to existing approved projects requiring additional funding during the adjustment budget in January of each year.

- 8.11 Projects may cross ward boundaries provided that the relevant ward councillors are in agreement on collaborative planning, funding and implementation of such projects.
- 8.12 The lead directorate must technically evaluate and cost all projects in order to ensure that they are technically feasible, cost effective and comply with budgetary priorities before council considers a project for approval.
- 8.13 Labour intensive approaches shall be developed to maximise EPWP opportunities wherever possible for projects in both the capital and operating budget components. Councillors should note the timelines for submission of EPWP projects as part of the National EPWP Business Plan. These requirements entail that EPWP project identification must be completed and submitted to the LED Department by March each year.
- ~~8.14 Projects from the capital budget will be included in the main budget. No ward allocation will be made available for capital projects.~~
- 8.15 In the case of projects undertaken on the **capital budget**, the assets created must:
- 8.15.1 Be on council property that is appropriately zoned and reserved for the lead directorate.
 - 8.15.2 Have a provision for maintenance and operating costs (inclusive of human resources) on the operating budget of the user directorate for subsequent years. These projects must adhere to sections 18 and 19 of the Local Government: Municipal Finance Management Act, (Act no. 56 of 2003) describing the funding sources and requirements for capital projects.
 - 8.15.3 Be placed on the asset register of the user directorate responsible for the facility.
 - 8.15.4 Be adequately insured and secured by the user directorate responsible for the facility.
- 8.16 In the case of projects undertaken on the **operating budget**:
- 8.16.1
 - 8.14.1. Adequate supervisory control shall be provided by the user directorate.
 - 8.14.2. Projects will be undertaken on council property, except in cases where:
 - 8.14.2.1. A ward hosts a function or event at facilities that are not council owned - subject to adequate supervisory control provided by the relevant user directorate, or
 - 8.14.2.2. A ward funds or supports a local government function (for example; additional law enforcement officers) that is not necessarily performed on council property.

- 8.14.3. All operational projects will comply with the requirements of National Treasury Circular 82 specifying requirements to be adhered to when providing catering as adopted by Stellenbosch council.
 - 8.14.4. Community events aimed at vulnerable groups must contain an educational component that speaks to the strategic intent as identified by the Speaker.
- 8.15. To contribute to maximum impact through meaningful legacy projects within communities, projects must be limited to **two operational and two capital** projects per ward. (Except for wards consisting of mostly rural areas where council does not own property.)

9. OWNERSHIP AND ACCOUNTABILITY

Directors are responsible for ensuring that all ward allocation projects within their respective directorates are completed during the financial year in respect of the projects approved by Council. Capital funds may be rolled over to the next financial year where compelling reasons exist for such roll-over and after approval has been obtained.

Directors must ensure timeous monthly and annual reporting on constraints and/or progress to the Manager Councillor Support for inclusion in Council documents.

10. BASIS FOR ALLOCATING WARD ALLOCATION BUDGET

- 10.1. Council may allocate as part of the municipal annual budgetary process certain funding from the rates accounts towards the Ward Allocations which may be an Operating Budget allocation and/or a Capital Budget allocation. The funding provided for each ward in the municipality must be equal;
- 10.2. Ward allocation funding is approved annually as part of the budgeting process with a percentage distribution between capital and operational funding. All capital projects must be captured on the municipality's capital project identification, planning and prioritization system.

11. POOLING OF FUNDS BETWEEN WARDS

Subject to the clause 8.11 ward allocations may be pooled in order to achieve higher impact and enable legacy projects.

12. PROJECT SELECTION AND IMPLEMENTATION PROCESS

The different stages of selection and implementation are set out hereunder and are subject to the timelines set out in the IDP and Budget Preparation process approved by Council in August of each year. See Ward Allocation SOP for detail and roles and responsibilities. **(ANNEXURE 1) Note that the stages are completed in the**

preceding financial year to ensure implementation of projects within one financial year.

ACTION	RESPONSIBLE	TIME LINE
STAGE 1: STRATEGIC INTENT		
Determine and announce strategic intent of all ward projects for the ensuing financial year.	Speaker	July
STAGE 2: INTRODUCTION		
Report submitted at All Wards Meeting containing: 1. Clear strategic intent 2. Timeframes 3. Roles and responsibilities 4. Process 5. Updated ward priorities, ward plans and baseline needs	Manager: Councillor Support supported by 1. Manager IDP 2. Manager Budget Office Representation required from all user departments at meeting.	July
Documentation required for this stage: 1. Minutes of meeting 2. Attendance Register 3. Ward Allocation Policy 4. Updated IDP ward priorities	Manager Councillor Support	July
STAGE 3: WORKSHOP AND CONSULTATION PHASE		
Arrange series of workshops with Ward Councillors and Ward Committees to: 1. Discuss strategic intent, ward priorities, process, timelines and costing of proposed projects 2. Explain the project prioritisation and provide technical information regarding projects. 3. Signing of Commitment Form (ANNEXURE 2)	User Departments through Ward Administrator	July - August
Documentation of meetings containing the following: 1. Minutes 2. Attendance Registers 3. Completed Commitment Forms	Ward Administrator	August
STAGE 4: PROJECT IDENTIFICATION, COSTING AND TECHNICAL REVIEW		
Completed project priority list submitted to user department. (ANNEXURE 3) . This list provides clear indication of projects ward councillors would like to have implemented in order of priority. It will minimize time spent on costing	Ward Administrator – after decisions taken at ward committee meeting.	September

Council approval of ward project plans as part of draft and final budget.	Council	March and May
Documentation required for this stage include: 1. Completed and signed Ward Project Plans per ward. 2. Minutes of meetings	Manager Council Support Secretariat	May
STAGE 6: IMPLEMENTATION		
Monthly reporting on implementation of projects submitted to Manager Council Support	User Department	Monthly starting in July of each financial year.
Collation and monthly reporting on progress to Executive Mayor and Speaker	Manager Council Support	Monthly starting in August of each financial year.
Changes to approved Ward Allocation Projects can be done as part of the adjustment budget following the same processes and approvals as departmental adjustment budget requests. It is important to note that the adjustment budget does not allow for the creation of new projects, but only for the movement of budget between previously approved projects on the existing budget.		

13. DEVIATION FROM POLICY

- 13.1. Deviation from the project selection criteria as listed in section 8 above may be considered by the Municipal Manager on receipt of a written request from the Manager Councillor Support, supported by the User Directorate, detailing the motivation for such a deviation.
- 13.2. The basis of the Municipal Manager's consideration of a deviation shall be whether the deviation would further the Policy Objective as set out in section 3 of the Policy.
- 13.3. The Municipal Manager shall report to Council on the requests received for deviations from the Policy.

14. PROJECT REVIEW

- 14.1. After every financial year there shall be a review of the projects undertaken by the Ward Allocation process. This review will be undertaken by the Manager Councillor Support and reported to the Municipal Manager and Director's Forum. Once supported the reviewed document must be submitted to Council;
- 14.2. The review must cover the following for all the projects undertaken in the municipal area:
 - 14.2.1. Ward number and Ward Councillor name;
 - 14.2.2. List of projects per User Directorate responsible;
 - 14.2.3. Budgeted cost against projects;

- 14.2.4. Whether the project was completed within the planned time by the User Directorate – if not, reasons must be supplied;
- 14.2.5. Assessment of project as to whether the original objectives of the project were achieved;
- 14.2.6. Assessment of projects in terms of quality;
- 14.2.7. Assessment of the sustainability of the projects in terms of maintenance and operating cost;
- 14.2.8. Check list for Asset Register and Insurance;
- 14.2.9. Reason for the under spending of allocated funds in order to reflect savings or over-quoting

15. ANNEXURES TO POLICY

ANNEXURE 1: Ward Allocation SOP

ANNEXURE 2: Ward Allocation Commitment Form

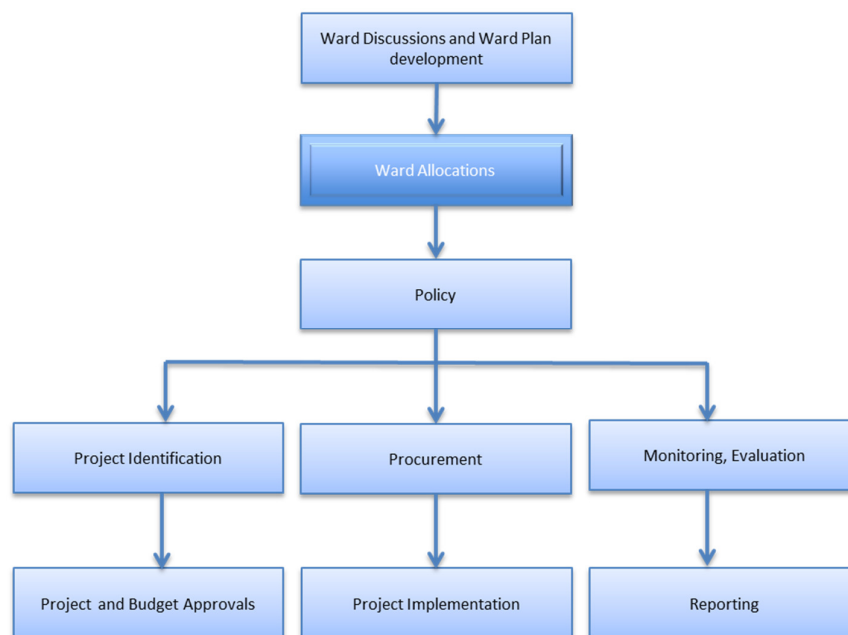
ANNEXURE 3: Ward Allocation Project Plan

ANNEXURE 4: Ward Allocation Project approval budget submission format

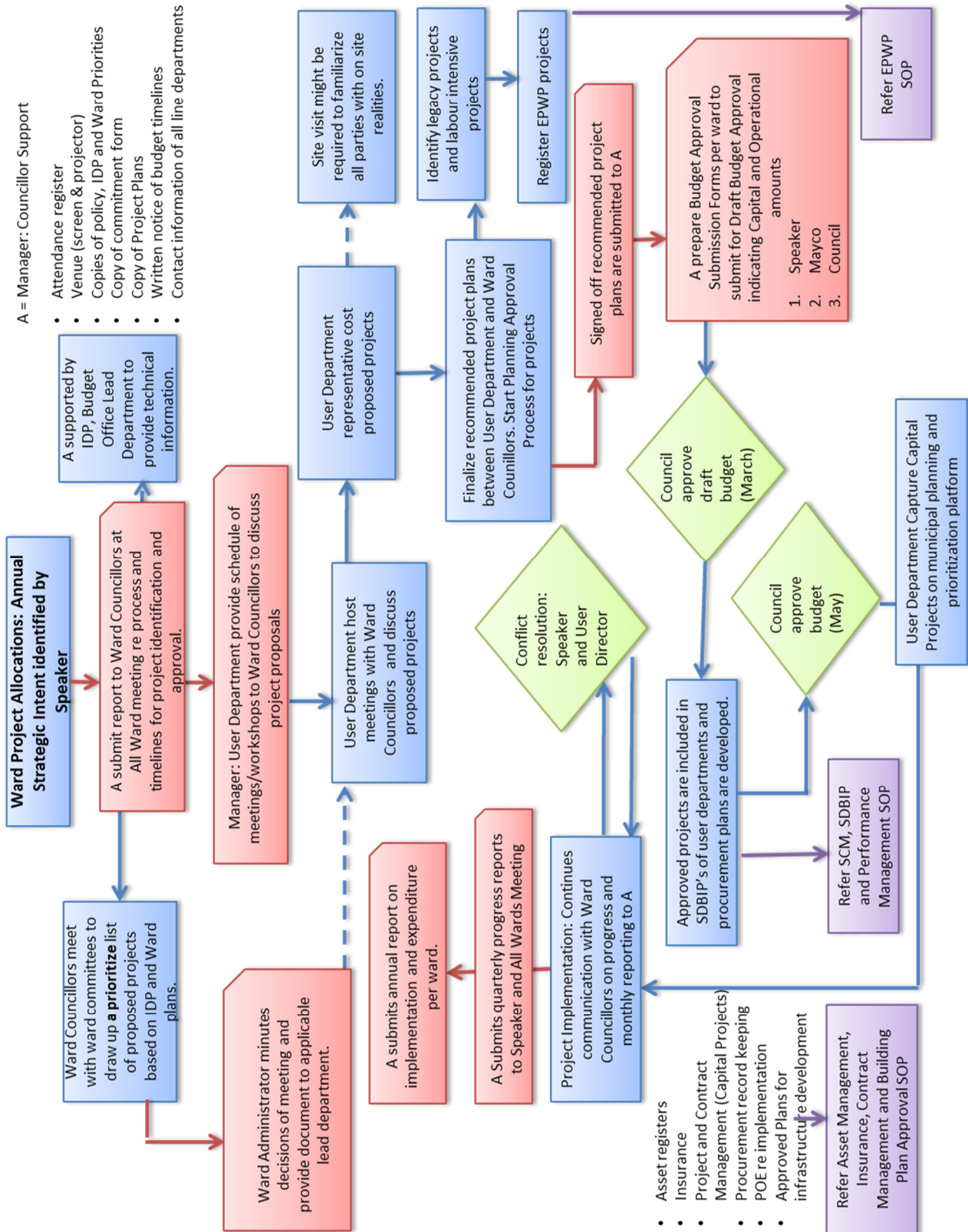
Stellenbosch Municipality
Standard Operating Procedures

SOP #		Version #	1.1	Date	2018-10-19
Responsible Directorate	Strategic and Corporate Services	Responsible Person	Manager Councillor Support	Author	Manager Community Development
Delegation ref #		Description/Delegation Name	Determine Operational Procedures		
SOP Title	Ward Allocation Projects and Funding				
Purpose	This SOP explains the process to through which Ward Allocation funds are approved, starting with the identification and costing of projects through to the implementation and reporting on completed ward projects.				
Scope	Council may allocate as part of the municipal annual budgetary process certain funding from the rates accounts towards the Ward Allocations which may be an Operating Budget allocation and/or a Capital Budget allocation. The objective of the Ward Allocations is to create opportunities for the Councillors to identify ward projects, with the support of their Ward Committees, which would uplift their communities. These projects would need to fit into the basket of services of the relevant User Department.				

High Level Process Graph



Standard Operating Procedure Process Flow:



References:

Reference #	Reference Name	Requirements
Act 56 of 2003	Local Government Municipal Finance Management Act	Section 18 and 19: Funding of expenditure and Capital funding. Section 21 (2) a: When preparing a budget the Integrated Development Plan must be taken into account.
Act 32 of 2000	Local Government Municipal Systems Act	Sections 7(e) Ward participatory system which allows for matters of local concern to wards to be dealt with by committees established for wards. Section 72(3) Object of Ward Committees to enhance participatory democracy in local government. Section 74 – Powers and Functions of Ward Committees
National Treasury	Municipal Budget and Reporting Regulations	
Stellenbosch Municipality	Asset Management Policy	Recording and safe keeping of municipal assets. Insurance of municipal assets.
Stellenbosch Municipality	Supply Chain Management Policy	Procurement of goods and services.
Stellenbosch Municipality	EPWP Policy	Registering, management and administration of EPWP projects. Recruitment and selection of beneficiaries.
Stellenbosch Municipality	Integrated Development Plan	Strategic Objectives of Stellenbosch Municipal Services, identification of ward priorities and baseline needs.

Definitions:

Name	Description
Capital budget	is expenditure relating to the purchase, upgrade or refurbishment of a Council asset (property, plant and/or equipment);
Council	means the municipal Council of Stellenbosch Municipality
Councillor	means a ward council member of the Council of the Stellenbosch Municipality
User directorate	is the directorate whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project
Legacy project	is a project that is executed in a financial year and of which the benefits to the community continues into the future
User Department	is the department whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project
Operating budget	refers to expenditure, other than capital, in respect of Council activities and includes repairs and maintenance of Council assets
Ward committee	means a committee that has been established for each ward in terms of section 73 of the Local Government: Municipal Structures Act (Act No. 117 of 1998);
Ward project	a project identified by the ward councillor in consultation with the ward committee and financed by the ward councillor ward allocation
EPWP	Expanded Public Works Programme

Procedure Outline:

Action ref	Procedure Description	Timeframe	Person(s) Responsible	Resources Required	Deliverables	Dependencies	Links to SOP
1.	Stage 1: Strategic Intent Identification and communication	Jul	Speaker		Strategic Intent communicated to Ward Councillors		
2(a)	Stage 2: Report on IDP and budget process and timelines submitted to All Wards meeting.	July	Manager Councillor Support	Information on Budget and IDP Process	All Wards Agenda, minutes and attendance registers.	Reliant on information from Budget and IDP Office. Require attendance of User Department representatives	
2(b)	Stage 3: Ward Committee Meetings	July	Ward Councillor	Stationery	Attendance registers and Minutes of meeting	Availability of committee members and Ward Administrator	
3.	Discussion Workshops between User Departments and Ward Councillors	August	User Department Representative	Functional experience	Minutes of workshops and attendance registers. Annexure 2: Commitment Forms.	Availability of other line departments should projects be across departments. Availability of Ward Committee Meeting minutes.	
4(a)	Stage 4: Costing of projects	September	User Department		Annexure 3: Project prioritization forms. Budget estimations for projects.	Receiving Quotations in time. Detail provided by councilor in draft project plan.	
4(b)	Site visits (if required)	September	User Department	Transport	Detailed sketches		
5(a)	Finalize Project Plans: Ensure appropriate Zoning and Building Plan Approval for CAPEX if required.	September	User Department	OPEX Budget if project require future operational expenditure	Signed Project Plans recommendations	Required approvals received. OPEX	
5(b)	Identify labour intensive projects and register as EPWP projects	September	User Department		EPWP project registered	OPEX to pay stipends	EPWP SOP
5(c)	EPWP Recruitment and Selection Process	April - May	User Department	Approved OPEX	EPWP Employment Contracts	OPEX	EPWP SOP
5(d)	Capture capital projects on municipal identification, planning and prioritization system	September	User Department	Approved CAPEX Access to system	Project register	Approved projects	

6	Submit signed Project Recommendation Plans to Manager: Councillor Support	September	User Department		Signed Ward Allocation Project Plans		
7	Stage 5: Collate recommended Ward Allocation Projects per ward and submit to Executive Mayor	October	Manager: Councillor Support		Ward Allocation Budget Approval Forms for each ward. Annexure 4: Ward Project plans	All User Departments submitting Project Plans on time.	
8	Recommended Ward Allocation Projects included in Draft Budget	Febr	Manager: Budget		Council Agenda	Receipt of all Ward Allocation Project Approval Forms	
9	Approval Draft Budget	March	Council	Funds allocated to Ward Projects	Council Minutes	Council Approval	
10	Assign UKey numbers to all projects	November	Manager: Budget		Detailed departmental budgets		
11	Incorporate projects into departmental SDBIP's	May	Manager: Budget Head: Performance Management		Departmental SDBIP's	Final Council Approval	SDBIP and Performance Management SOP
12	Final Budget Approval	May	Council	Funds allocated to Ward Projects	Approved Budget		
13	Develop Procurement Plans	June	User Departments		Approved Procurement Plans		SCM SOP
14	Stage 6: Project Implementation, including, but not limited to: 1. EPWP management and administration (if applicable) 2. Asset Management and Insurance registration (if applicable) 3. Procurement 4. Meetings with Councillors 5. Contract Management 6. Project Monitoring 7. Monthly progress report submission 8. Record Keeping 9. Dispute resolution	July - June	User Departments User Directors Executive Mayor and Speaker	Approved Orders Staff Capacity Overtime Budgets (OPEX functions) Support from and communication flow between User Departments and Ward Administrators	Orders, Minutes of Meetings, Contract Evaluation Reports, Monthly Progress Reports, EPWP Project Management Reports, Asset and Insurance Registers and, POE's	SCM processes	SCM, Asset Management and Insurance Register SOP Contract Management SOP
15	Combined Ward Allocation Project Implementation Monthly Progress Reports Submission	July - June	Manager Councillor Support		Minutes of Council Meeting	Receipt of Monthly reports from User Departments	

16	Quarterly progress reporting at All Ward Meetings	October, January, April, July	Manager Councillor Support		Quarterly Report	Receipt of Monthly reports from User Departments	
17	Annual Ward Project Implementation Report	June	Manager: Councillor Support	Continues monitoring and evaluation	Council Minutes	Receipt of User Department Monthly Progress Reports	

Competencies and Approvals:

Competency Category	Competency Requirement	Competency Assessment

Health & Safety Considerations:

Name	Description

Applicable Standard Forms/Documents:

Form #	Name	Description
1	Ward Allocation Commitment Form	Confirms commitment of Ward Councillor and responsible User Department regarding implementation of projects aligned with policy requirements.
2	Ward Allocation Project Plan	Provide background information on envisaged projects in order for accurate costing to be done. Completed form serve as recommendation to Council for budget approval per project.
3	Ward Allocation Budget Approval Submission Form	Provide list of recommended projects per ward to Council for approval.
4	Ward Allocation Monthly Report	Monitor, evaluation and reporting on implementation progress along with sustainability and realization of objectives to Council.

Performance Measurement:

KPI	Unit of Measurement	Target/targets
Completed Ward Allocation Project Plans received by Budget Office prior to approval of Draft Budget.	Number of completed Ward Allocation Project Plans received.	2 Capital Budget and 2 Operational Budget projects per ward.
Expenditure on Approved Ward Allocation Projects.	% Expenditure	90%

No	Proposals
1	



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WARD ALLOCATION PROCESS COMMITMENT FORM

2021/2022 Financial Year

CONTACT INFORMATION			
Ward No:		User Department:	
Councillor:		Official Responsible	
Email:		Email:	
Contact Numbers:		Contact Numbers:	
Ward Administrator:		Ward Committee Member	
Email:		Email:	
Contact Numbers:		Cell:	

(To be completed by Ward Councillor)	(To be completed by User Department)	(To be completed by Ward Councillor)	(To be completed by User Department)
PRIORITY RANKING	UKEY / VOTE	IDENTIFIED PROJECT DESCRIPTION (Indicate IDP / Ward Priority / Baseline need linkage)	PROJECT COSTING
Operational Budget			
Capital Budget			
TOTAL			

This document serves as an agreement between the User Department and the Ward Councillor to commit to costing, planning and implementation of ward allocation projects and the agreed upon timeframes in order to achieve identified outcomes.

User Department Representative:
Name:
Date:

Ward Councillor:
Name:
Date:

I have read and understand the Ward Allocation Policy of Stellenbosch Municipality;

And thus commit as follow:

Nr:	Commitment	Councillor Initial	User Department Initial
1	That I will abide by the prescription of the all policies of Stellenbosch Municipality.		
2	As Ward Councillor, I commit to involve my ward committee members in the written identification of projects all projects will be captured in the minutes of the ward committee meeting and will be supplied to the User Department. The projects will be accompanied by a detailed description of what is envisaged in order to enable the User Department to cost the project accurately.		
3	The projects identified by the ward committee and the Ward Councillor will be prioritised and aligned with the IDP strategic objectives, ward based plans and identified baseline needs.		
4	As Ward Councillor and User Department, we commit to attend all agreed upon meetings and workshop to finalize project plans and ensure that we are prepared for these meetings		
5	We will identify and sign off on all agreed upon ward projects in time for the draft budget approval		
6	The submission for the draft budget will cover the total sum for the ward allocations. No projects will be identified after the approval of the draft budget.		
7	As responsible User Department representative, I commit to cost all identified projects		
8	As Ward Councillor, I understand that projects that have not been approved in the annual budget and included in the SDBIP of the User Department cannot be implemented.		
9	We will utilize the adjustment budget to ensure sufficient funding for approved projects and not identify new projects that are not included in the SDBIP of the User Department.		
10	As Ward Councillor, I commit the active involvement on the day of myself, the ward committee members and ward administrator, should operational funds be earmarked for events.		
11	Should operational funding be utilized for labour intensive projects, I commit to register the project as an EPWP project and abide by the applicable policy. As Ward Councillor, I will not interfere with the recruitment and selection of beneficiaries of the project.		
12	Should capital funding be utilized for the acquisition of moveable assets, all assets will be barcoded and registered on the asset register and insured.		
13	As User Department representative, I will take full responsibility for the procurement processes required for the identified project. I will submit requisitions in time, but cannot take responsibility for the time required by SCM to generate an order.		
14	NO instruction will be given to any service provider without first obtaining a green order slip for said services. Once a service provider has been appointed, changes to the scope of work will not be negotiated with or expected from the service provider.		
15	As User Department representative, I will keep accurate records of all procurements and meetings in order to generate monthly reports.		
16	As Ward Councillor, I will ensure that accurate minutes are kept of ward committee meetings relating to ward projects and that ward administrator will make this freely available to the User Department. I commit the cooperation of the ward administrator with the drawing up of project feedback reports and the taking of photographic evidence.		
17	To protect both the Ward Councillor and User Department representative NO petty cash or direct payments will be allowed as part of ward projects.		
18	All discussions surrounding the ward projects will be followed up with written confirmation of said discussion.		

We agree that ward projects can only be successfully implemented if there is full cooperation between all role-players. Should problems be experienced between the Ward Councillor and the responsible User Department representative, it will be referred to The Speaker and the responsible Director.

By signing this commitment form, I confirm that I have read and understand the content and commit to adhere to all the stipulations.

Signed at _____ on this ____ day of _____ 20_____.

Ward Councillor

User Department Representative



WARD ALLOCATION PROJECT PLAN 20____/20____

(To be completed for submission to the Draft Budget Approval. Complete a separate plan per project.)

FOR COMPLETION BY USER DEPARTMENT REPRESENTATIVE IN CONSULTATION WITH WARD COUNCILLOR						
WARD NUMBER		Valley of Possibility		Linked to the following IDP need/s:		
Operational		Green and Sustainable Valley				
Capital funds		Safe Valley				
Pooling of Funds	Y	N	Valley with Dignified Living			
Pooling with ward:		Valley of Good Governance and Compliance				
Signature of Pooling Ward Councillor/s:						
PROJECT NAME:						
PROJECT OBJECTIVES:						
DESCRIPTION (Please be very specific. What, when, where, how, who. If an operational project and in collaboration with a local organization – specify please.) A site visit might be required for all parties to familiarise themselves with the detail.		What:				
		When:				
		Where:				
		How:				
		Who:				
Is this a labour intensive project?	Y	N	EPWP Registration	Y	N	Confirmed (V Swartz):
Official responsible for managing EPWP project (contracts and monthly admin):	Name and Surname: Contact Details:			Official Signature:		
If capital project:	Are there operational funds linked to project?		Y	N	UKey:	
	Are new assets procured?		Y	N	Location bar code:	
Sustainability of Project:	Indicate how sustainability is ensured: Maintenance, ect.					
Confirmation of Ward Committee involvement in identification of project:	Ward Committee Meeting minutes attached:			Y	N	

SHARING OF RESPONSIBILITY (Add additional lines if needed):						
What	Description	Who				
Procurement (Detailed specifications to be attached for procurement needs.)						
Public Participation (if required)						
Transport Plan						
FOR COMPLETION BY RESPONSIBLE USER DEPARTMENT						
Procurement process to follow (Please attach departmental project plan to indicate timelines for specifications, adjudication and implementation):		Normal		FQ		Bid
COSTING (Please attach quotations as estimate. Add additional lines if needed):		Is this a single or multi-year project?			S	M
Type of budget	Description	UKey		Amount		
Capital Expenditure (If capital project)	Year 1			R		
	Year 2			R		
Operational Expenditure (If Operational proj)	Item 1			R		
	Item 2			R		
	Item 3			R		
TOTAL				R		
OBSTACLES IDENTIFIED FOR IMPLEMENTATION						

Recommended:

Ward Councillor

User Department

Director

Manager Councillor Support Budget Office

Date

Date

Date

Date

Date



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ANNEXURE 4

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PROJECT BUDGET APPROVAL SUBMISSION FORM (To be completed by Manager: Council Support)

WARD NO

Councillor Name

Completed Project Plans Received

Yes	No

Capital Budget

Ukey No	Description	Lead Department	Amount	Pooling with Ward
1				
2				
3				
TOTAL				

Operational Budget

Ukey No	Description	Lead Department	Amount	Pooling with Ward
1				
2				
3				
TOTAL				

Ward Councillor

Date:

Manager Council Support

Date:

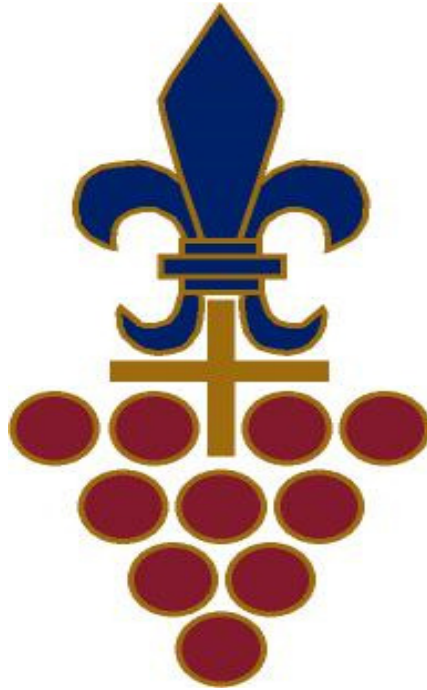
User Director

Date:

Budget Office

Date:

STELLENBOSCH MUNICIPALITY



**SUPPLY CHAIN MANAGEMENT
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

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Definitions

- 1.1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and
- 1.1.1. “**Act**” means the Municipal Finance Management Act, No. 56 of 2003;
- 1.1.2. “**Bid**” means a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of goods, services or construction works through price quotations, advertised competitive bidding process or proposals;
- 1.1.3. “**Bidder**” means any person submitting a competitive bid or a quotation;
- 1.1.4. “**Closing time**” means the time and day specified in the bid documents for the receipt of bids;
- 1.1.5. “**Competitive bidding process**” means a competitive bidding process referred to in paragraph 12(1)(b)(i) of this Policy;
- 1.1.6. “**Competitive bid**” means a bid in terms of a competitive bidding process;
- 1.1.7. “**Contract**” means the agreement which is concluded when the municipality accepts, in writing, a competitive bid or quotation submitted by a supplier;
- 1.1.8. “**Contract manager**” means an official of the Municipality who is responsible for the planning for the planning and execution of a transaction involving the procurement of goods, services or works;
- 1.1.9. “**Contractor**” means any person or entity whose competitive bid or quotation has been accepted by the municipality;
- 1.1.10. “**Delegated authority**” means any person or committee delegated with authority by the municipality in terms of the provisions of the Municipal Finance Management Act;
- 1.1.11. “**Department**” means a section within a specific directorate in terms of the municipal organigram;
- 1.1.12. “**Electronic format**” means a bid submitted by a bidder via email or made available through a cloud storage services;
- 1.1.13. “**Emergency dispensation**” means emergency as referred to in paragraph 36(1)(a)(i) of this policy under which one or more of the following is in existence that warrants an emergency dispensation;
- (a) The possibility of human injury or death;
 - (b) The prevalence of human suffering or deprivation of rights;
 - (c) The possibility of damage to property, or suffering and death of livestock and animals;
 - (d) The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;

- (e) The possibility of serious damage occurring to the natural environment;
 - (f) The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;
 - (g) The possibility that the security of the state could be compromised; or
 - (h) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal procurement process. Emergency dispensation shall not be granted in respect of circumstances other than those contemplated above.
- 1.1.14. **“Final award”**, in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote is accepted;
- 1.1.15. **“Formal written price quotation”** means quotations referred to in paragraph 12 (1) (d) of this Policy;
- 1.1.16. **“Green procurement”** means the procurement of environmentally friendly products and services;
- 1.1.17. **“in the service of the state”** means to be –
- (a) A member of –
 - (i) Any municipal council;
 - (ii) Any provincial legislature; or
 - (iii) The National Assembly or the National Council of Provinces;
 - (b) A member of the board of directors of any municipal entity;
 - (c) An official of any municipality or municipal entity;
 - (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the public Finance Management Act, 1999 (Act No.1 of 1999);
 - (e) A member of the accounting authority of any national or provincial public entity; or
 - (f) An employee of Parliament or a provincial legislature;
- 1.1.18. **“Long term contract”** means a contract with a duration period exceeding one year and does not have the same meaning as contracts of a long term nature referred to in paragraph 22(1)(b)(vi) of this policy;
- 1.1.19. **“Long term nature contract”** means a contract as defined by section 33(1) of the Municipal Finance Management Act imposing financial obligations on the Municipality beyond the first three years covered in the approved annual budget;
- 1.1.20. **“List of accredited prospective providers”** means the list of accredited prospective providers in terms of Central Supplier Database (CSD) of National

Treasury;

- 1.1.21. **“Other applicable legislation”** means any other legislation applicable to municipal supply chain management, including but not limited to the following –
- (a) The Preferential Procurement Policy Framework Act;
 - (b) The Broad-Based Black Economic Empowerment Act; ~~and~~
 - (c) The Construction Industry Development Board Act;
 - (d) The Local Government: Municipal Systems Act;
 - (e) The Competition Act; and
 - (f) The Promotion of Administrative Justice Act.
- 1.1.22. **“Policy”** means the Supply Chain Management Policy of Stellenbosch municipality as amended from time to time;
- 1.1.23. **“Parent municipality”** has the meaning assigned to it in section 1 of the Municipal Systems Act;
- 1.1.24. **“Petty Cash”**, means the procurement of goods and services through the supply chain management requisition and order system by means of one verbal and written quotation below a determined amount in relation with the Petty Cash Policy;
- 1.1.25. **“Single source”**: refers to when the competition exist in the market, but from a selected few suppliers due to technical capabilities and abilities comply with the requirements of the municipality;
- 1.1.26. **“Sole Supplier:”** It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer;
- 1.1.27. **“Strip and quote:”** When the repairs and maintenance on our machines, vehicles are done by one supplier and/or strip-and-quote, for example a municipal vehicle that needs repairs enters the workshop, however to do the repairs, the vehicle has to be send to a supplier that determines what repairs should be done;
- 1.1.28. **“Supplier database”** means the list of accredited prospective providers which the municipality or municipal entity must keep in terms of the Regulation 14 of the Supply Chain Management Regulations;
- 1.1.29. **“Treasury guidelines”** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;
- 1.1.30. **“Trust”** means the agreement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person;
- 1.1.31. **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person;
- 1.1.32. **“The Act”** means the Local Government: Municipal Finance Management Act,

2003 (Act No. 56 of 2003);

- 1.1.33. **“The Regulations”** means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;
- 1.1.34. **“The PPPF Regulations”** means Preferential Procurement Policy Regulations, 2017 Published under Government Notice R32 in Government Gazette 40553 of 20 January 2017; and
- 1.1.35. **“Written or verbal quotations”** means quotations referred to in paragraph 12(1)(b) & (c) of this Policy.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. SUPPLY CHAIN MANAGEMENT POLICY

- (1) All officials and other role players in the supply chain management system of the Stellenbosch Municipality must implement this Policy in a way that –
 - (a) Gives effect to –
 - (i) Section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) Is fair, equitable, transparent, competitive and cost effective;
 - (c) Complies with –
 - (i) The Regulations; and
 - (ii) Any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d) Is consistent with other applicable legislation;
 - (e) Does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) Is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) The municipal entity must, in addition to complying with subparagraph (1), apply this Policy, to the extent determined by the parent municipality, in a way that is consistent with the supply chain management policy of the parent municipality.
- (3) This Policy applies when the Stellenbosch Municipality –
 - (a) Procures goods or services;
 - (b) Disposes goods no longer needed;
 - (c) Selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (d) Selects external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

- (4) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
- (a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) Electricity from Eskom or another public entity, another municipality or a municipal entity.

3. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY

- (1) The Accounting Officer must –
- (a) At least annually review the implementation of this Policy; and
 - (b) When the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the Stellenbosch Council.
- (2) If the Accounting Officer submits proposed amendments to the Stellenbosch Council that differs from the model policy issued by the National Treasury, the Accounting Officer must -
- (a) Ensure that such proposed amendments comply with the Regulations; and
 - (b) Report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy, the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES

- (1) The Stellenbosch Council hereby delegates all powers and duties to the Accounting Officer, which are necessary to enable the Accounting Officer –
- (a) To discharge the supply chain management responsibilities conferred on Accounting Officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) This Policy;
 - (b) To maximize administrative and operational efficiency in the implementation

of this Policy;

- (c) To enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) To comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an Accounting Officer in terms of subparagraph (1).
- (3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of Stellenbosch Municipality or to a committee, which is not exclusively composed of officials of the Stellenbosch Municipality.
- (4) This paragraph may not be read as permitting an official, to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. SUB-DELEGATIONS

- (1) The Accounting Officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.
- (2) The power to make a final award –
- (a) Above R 10 million (VAT included) may not be sub-delegated by the Accounting Officer;
 - (b) Above R 200,000 (VAT included), but not exceeding R 10 million (VAT included), may be sub-delegated but only to –
 - (i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member; or
 - (ii) Accounting Officer of the municipality, after due consideration of all facts was done; and
 - (c) Below R 200,000 (VAT included) to be disposed by delegated official according approved delegatory power and functions issued by Accounting Officer.

- (3) The Bid Adjudication Committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including –
 - (a) The amount of the award;
 - (b) The name of the person to whom the award was made; and
 - (c) The reason why the award was made to that person.
- (4) A written report referred to in subparagraph (3) must be submitted –
 - (a) To the Accounting Officer, in the case of an award by –
 - (i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member; or
 - (b) To the Chief Financial Officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is not a member.
- (5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. OVERSIGHT ROLE OF COUNCIL

- (1) The Stellenbosch Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the Accounting Officer must –
 - (i) Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (ii) Whenever there are serious and material problems in the implementation of

this Policy, immediately submit a report to Council.

- (3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Executive Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

7. SUPPLY CHAIN MANAGEMENT UNIT

- (1) A supply chain management unit is hereby established to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

- (1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM

- (1) This Policy provides systems for –
 - (i) Demand management;
 - (ii) Acquisition management;
 - (iii) Logistics management;
 - (iv) Disposal management;
 - (v) Risk management; and
 - (vi) Performance management.

PART 1: DEMAND MANAGEMENT

10. SYSTEM OF DEMAND MANAGEMENT

- (1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by Stellenbosch Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must –
 - (a) Include timely planning and management processes to ensure that all goods and services required by Stellenbosch Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
 - (b) Take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
 - (c) Provide for the compilation of the required specifications to ensure that its needs are met; and
 - (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
- (3) Green procurement must be incorporated as far as reasonably possible for all specifications of goods, services and construction works.
- (4) In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.

PART 2: ACQUISITION MANAGEMENT

11. SYSTEM OF ACQUISITION MANAGEMENT

- (1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –
 - (a) That goods and services are procured by Stellenbosch Municipality in accordance with authorised processes only;
 - (b) That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
 - (c) That the threshold values for the different procurement processes are complied with;
 - (d) That bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
 - (e) That any Treasury guidelines on acquisition management are properly taken into account.
- (2) Unless otherwise indicated in the bid documents, the Municipality shall not be liable for any expenses incurred by prospective bidders in the preparation and / or submission of a bid or quotation.

12. RANGE OF PROCUREMENT PROCESSES

- (1) Goods and / or services may only be procured by way of –
 - (a) Cash purchases administered by the Expenditure Division up to a transaction value as defined in Council's Petty Cash Policy;
 - (b) Petty cash purchases through one verbal request and or verbal /written quotation for the procurement of goods through the supply chain management requisition and order system of a transaction value between R 0 and R 2,000 (VAT included);
 - (c) Written or verbal quotations for procurement of goods and/or services of a transaction value between R 2,000 and R 10,000 (VAT included);
 - (d) Formal written quotations for procurement of goods and/or services of a transaction value between R 10,000 and R 200,000;
 - (e) Procurements above a transaction value of R 200,000 (VAT included); and
 - (f) The procurement of long-term contracts.
- (2) The Accounting Officer may, in writing-
 - (a) Lower, but not increase, the different threshold values specified in subparagraph (1); or
 - (b) Direct that –

- (i) Written quotations are obtained for any specific procurement of a transaction value lower than R 2,000;
 - (ii) Written price quotations be obtained for any specific procurement of a transaction value lower than R 10,000; or
 - (iii) A competitive bidding process be followed for any specific procurement of a transaction value higher than R 200,000.
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

- (1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –
- (a) Has furnished that provider's –
 - (i) Full name;
 - (ii) Identification number or company or other registration number; and
 - (iii) Tax reference number and VAT registration number, if any;
 - (b) Has authorised the Stellenbosch Municipality to obtain a tax clearance by means of the Tax Compliance Status Pin from, from the South African Revenue Services and Central Supplier Database Number (CSD) that the provider's tax matters are in order; and
 - (c) Has indicated –
 - (i) Whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) If the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) Whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub-paragraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

14. LISTS OF ACCREDITED PROSPECTIVE PROVIDERS

- (1) The Accounting Officer must –
- (a) Keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations;
 - (b) At least once a year through newspapers commonly circulating locally, the

website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

- (c) Specify the listing criteria for accredited prospective providers as stated within the database registration forms; and
 - (d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
 - (3) The list must be compiled per commodity and per type of service.

15. PETTY CASH PURCHASES

- (1) The Accounting Officer must establish the conditions for the procurement of goods by means of cash purchases and petty cash purchases referred to in paragraph 12(1)(a) and (b) of this Policy, which must include conditions –
 - (a) determining the terms on which a manager may delegate responsibility for cash purchases and petty cash purchases to an official reporting to the manager;
 - (b) limiting the maximum number of cash purchases and petty cash purchases or the maximum amounts per month for each manager;
 - (c) excluding any types of expenditure from cash purchases and petty cash purchases, where this is considered necessary;
 - (d) requiring a monthly reconciliation report from each manager to the Chief Financial Officer, including –
 - (i) the total amount of cash purchases and petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase; and
 - (e) any other conditions determined by the Chief Financial Officer.
- (2) Cash purchases will be dealt with in terms of the Petty Cash Policy of Council.
- (3) Petty cash purchases will be dealt with in terms of the Supply Chain Management Policy of Council.

16. WRITTEN OR VERBAL QUOTATIONS

- (1) The conditions for the procurement of goods or services through written or verbal quotations are as follows –

Quotations must be obtained from at least three different providers preferably

from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 13 of this Policy;

- (b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers;
- (c) To the extent feasible, providers must be requested to submit such quotations in writing;
- (d) If it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer;
- (e) The Accounting Officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
- (f) If a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17. FORMAL WRITTEN PRICE QUOTATIONS

- (1) The conditions for the procurement of goods or services through formal written price quotations are as follows: -
 - (a) Quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality. Quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 13 of this Policy;
 - (b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;
 - (c) If it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer;
 - (d) The Accounting Officer must record the names of the potential providers and their written quotations; and
 - (e) For the obtaining of quotations for services, Stellenbosch Municipality will utilize their notice boards.
- (2) A designated official referred to in subparagraph (1)(c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that subparagraph.

18. PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH WRITTEN OR VERBAL QUOTATIONS AND FORMAL WRITTEN PRICE QUOTATIONS

- (1) The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows –
 - (a) When using the list of accredited prospective providers the Accounting Officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - (b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;
 - i. All requirements in excess of R 30,000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Stellenbosch Municipality;
 - ii. The municipality will follow a preferred bidding process in the event that the market did not respond in terms of the sourcing of quotations on the website for seven (7) days and if no responsive bids was received.
 - (c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;
 - (d) The Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
 - (e) Offers below R 30,000 (VAT included) must be awarded based on compliance to specification and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - (f) Acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points; and
 - (g) Stellenbosch Municipality will maintain a proper record keeping system.

19. COMPETITIVE BIDS

- (1) Goods or services above a transaction value of R 200,000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R 200,000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. PROCESS FOR COMPETITIVE BIDDING

- (1) The procedures for the following stages of a competitive bidding process are as follows:-

- (a) Compilation of bidding documentation as detailed in paragraph 21;
- (b) Public invitation of bids as detailed in paragraph 22;
- (c) Site meetings or briefing sessions as detailed in paragraph 22;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
- (e) Evaluation of bids as detailed in paragraph 28;
- (f) Award of contracts as detailed in paragraph 29;
- (g) Administration of contracts;
- (h) After approval of a bid, the Accounting Officer and the bidder must enter into a written agreement;
- (i) Proper record keeping; and
- (j) Original / legal copies of written contracts agreements must be kept in a secure place for reference purposes.

21. BID DOCUMENTATION FOR COMPETITIVE BIDS

- (1) The criteria to which bid documentation for a competitive bidding process must comply, must –
 - (a) Take into account –
 - (i) The general conditions of contract and any special conditions of contract, if specified;
 - (ii) Any Treasury guidelines on bid documentation; and
 - (iii) The requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (b) Include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - (c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
 - (d) If the value of the transaction is expected to exceed R 10 million (VAT included), require bidders to furnish –
 - (i) If the bidder is required by law to prepare annual financial statements (AFS) for auditing, their audited AFS –
 - (aa) For the past three years; or

- (bb) Since their establishment if established during the past three years;
- (ii) A certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
- (iii) Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
- (iv) A statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (e) Stipulate that disputes must be settled by means of mutual consultation, mediation, adjudication (with or without legal representation), or, when unsuccessful, in a South African court of law;
- (f) The period for which bids are to remain valid and binding must be indicated in the bid documents; and
- (g) A provision for the termination of the contract in the case of non- or under-performance and objections and complaints must be included in the bid documentation.

22. PUBLIC INVITATION FOR COMPETITIVE BIDS

- (1) The procedure for the invitation of competitive bids is as follows –
 - (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in a newspaper commonly circulating locally, the website of the Stellenbosch Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
 - (b) The information contained in a public advertisement, must at least include
 - (i) The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy; and
 - (ii) A statement that bids may only be submitted on the bid documentation provided by the Stellenbosch Municipality
 - (iii) Contact details for further enquiries.
- (2) The Accounting Officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

- (3) Bids submitted must be sealed and must clearly indicate the bid number on the outside of the envelope for which the bid is being submitted.
- (4) Where bids are requested by the Municipality in electronic format, such bids must be supplemented by sealed hard copies.
- (5) The municipality may require bidders to submit section(s) of their bid in electronic format, but only after the bid closing date. If the electronic copy differs from the original hard copy, the original hard copy will be binding.

23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS AND FORMAL WRITTEN PRICE QUOTATIONS IN EXCESS OF R 30,000

- (1) The procedures for the handling, opening and recording of bids are as follows
 - (a) Bids –
 - (i) Must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) Received after the closing time should not be considered and returned unopened immediately; and
 - (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
 - (c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award;
 - (d) The Accounting Officer must –
 - (i) Record in a register all bids received in time;
 - (ii) Make the register available for public inspection; and
 - (iii) Publish the entries in the register and the bid results on the website.
 - (e) The bidder shall choose a *domicilium citandi et executandi* in the Republic and unless notice of the change thereof has duly been given in writing, it shall be the address stated in the bid.
 - (f) Opening of bid procedures –
 - (i) At the specified closing time on the closing date the applicable bid box shall be closed;
 - (ii) The bid box shall be opened in public as soon as practical after the closing time by at least two officials from the Supply Chain Management Unit and the Security Officer on duty;
 - (iii) It is the responsibility of the bidder to ensure that their bid is placed in the correct bid box. The municipality will not on its own initiative

redirect any bid if it is placed in an incorrect bid box before the closing time of submissions.

- (iv) Immediately after the opening of the bid box all bids shall be opened in public;
 - (v) At the official opening of the bids, the bids shall in all cases be read out in terms of the name of the bidder and, if practical, the amount of the bid;
 - (vi) As soon as a bid or technical proposal has been opened the bid / proposal shall be stamped with the official stamps, and endorsed with the opening officials' signatures;
 - (viii) The name of the bidder, and where possible, the bid sum shall be recorded in a bid opening record kept for that purpose; and The responsible officials who opened the bidding documentation received shall forthwith place their signatures on the bid opening record (register) and shall ensure that the bid opening record, indicating at least the bid price of each bidder, the BBBEE status level contribution of each bidder and where applicable the local content percentages of the goods offered are made available for public inspection and are published on the municipality's website.
- (g) Site Inspections / clarification meeting –
- (i) Site inspections / clarifications meeting, where applicable, will be compulsory.
 - (ii) If site inspections / clarification meeting are to be held, full details must be included in the bid notice. Service providers that are late for the commencement of the site inspection/clarification meeting will be disqualified.
 - (iii) Minutes of all site inspection/clarification meetings must be kept for record purposes
 - (iv) Any proposed Addendums to the advertised bid document must be tabled at the Bid Specification Committee Meeting for consideration and approval.
- (h) Bid validity periods
- (i) The validity period is calculated from the bid closure date and bids shall remain in force and binding for a period of six (6) months as indicated in the invitation to bid and the bid documents, subject to any other applicable legislation and instructions from the National Treasury for specific types of procurement.
 - (ii) The period of validity may be extended by the SCM Department, provided that the original bid validity period has not expired and that all bidders are given an opportunity to extend such period.
 - (iii) Any such extension shall be agreed to by a bidder in writing.
- Bidders who fail to respond to such a request before the validity of

their bid expires, or who decline such a request shall not be considered further in the bid evaluation process.

- (iv) All bidders who indicated the acceptance of the extension of the bid validity period, bids will be considered for evaluation purposes.
- (v) If the validity of all bids expired without it being awarded within the bid validity period, including any extensions thereof allowable in terms of applicable legislation, the bid must be cancelled and published in the same media in which the original bid invitation appeared.
- (vi) All bidders must be notified in writing of the cancellation of a bid.

(i) Samples

- (i) The call for samples should be limited to where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the addressee mentioned in the bid documents by no later than the closing time of the bid.
- (ii) Bids may not be included in parcels containing samples.
- (iii) If samples are not submitted as required in the bid documents, then the part of the bid for which no sample is provided shall be declared invalid.
- (iv) Samples shall be supplied by a bidder at his / her own expense and risk. Stellenbosch Municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and shall reserve the right to return such samples or to dispose of them at its own discretion.
- (v) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample.

(j) Bid Sum

- (i) A bid will not necessarily be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening.

24. NEGOTIATIONS WITH PREFERRED BIDDERS

- (1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
 - (a) Does not allow any preferred bidder a second or unfair opportunity;
 - (b) Is not to the detriment of any other bidder; and

- (c) Does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

25. TWO-STAGE BIDDING PROCESS

- (1) A two-stage bidding process is allowed for –
 - (a) Large complex projects;
 - (b) Projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) Long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS

- (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the Accounting Officer may determine as issued within the directive and stating the terms of reference of each bid committee –
 - (a) A Bid Specifications Committee;
 - (b) A Bid Evaluation Committee; and
 - (c) A Bid Adjudication Committee.
- (2) The Accounting Officer appoints the members of each committee, taking into account section 117 of the Act; and
- (3) The committee system must be consistent with –
 - (a) Paragraph 27, 28 and 29 of this Policy;
 - (b) Any other applicable legislation; and
 - (c) The Accounting Officer may apply the committee system to formal written price quotations.

27. BID SPECIFICATIONS COMMITTEES

- (1) A Bid Specifications Committee must compile the specifications for each procurement of goods or services by the Stellenbosch Municipality.
- (2) Specifications –

- (a) Must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) Must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) Must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) May not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
 - (e) May not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) Must indicate the preference points system set out in the Preferential Procurement Regulations 2017;
 - (g) Must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy; and
 - (h) The Accounting Officer may sub-delegate the requirements in sub-paragraph 2(g) above to the Chairperson of the Bid Specifications Committee.
- (3) A Bid Specifications Committee must be composed of one or more officials of the Stellenbosch Municipality preferably the manager responsible for the function involved, and may, when appropriate, include external and / or internal specialist advisors.
- (4) No person, advisor or corporate entity involved with the Bid Specifications Committee, or director of such a corporate entity, may bid for any resulting contracts.

28. BID EVALUATION COMMITTEES

- (1) A Bid Evaluation Committee must –
- (a) Evaluate bids in accordance with –
 - (i) The specifications for a specific procurement; and
 - (ii) The points system set out in terms of paragraph 27(2)(f);
 - (b) Evaluate each bidder’s ability to execute the contract;
 - (c) Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears; and

- (d) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) A Bid Evaluation Committee must as far as possible be composed of
- (a) Officials from departments requiring the goods or services; and
 - (b) At least one supply chain management practitioner of the Stellenbosch Municipality.
- (3) The relevant user department's official shall carry out a preliminary evaluation of all valid bids received and shall submit a bid evaluation report to the Bid Evaluation Committee for consideration.
- (4) Any evaluation of a bid shall consider the bids received and shall note for inclusion in the evaluation report, a bidder –
- (a) Whose bid does not comply with the provisions of paragraph 38 of this Policy;
 - (b) Whose bid does not comply with the provisions of paragraph 13 of this Policy;
 - (c) Whose bid is not in compliance with the specification;
 - (d) Whose bid is not in compliance with the terms and conditions of the bid documentation;
 - (e) Who is not registered and verified on the municipality's supplier database within seven days of the closing time for bids. In this regard bid documentation shall state that the responsibility for registration and verification rests solely with the bidder;
 - (f) Who, in the case of construction works acquisitions, does not comply with the requirements of the Construction Industry Development Board Act regarding registration of contractors. Verification of compliance with this requirement shall be by means of Stellenbosch Municipality's Supplier Database;
 - (g) Whose tax status are non-compliant and cannot be verified with the South African Revenue Services (SARS) certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS; and
 - (h) Who fails to comply with any applicable Bargaining Council agreement.
- (5) Bids shall be evaluated according to the following as applicable –
- (i) Bid price (corrected if applicable and brought to a comparative level where necessary);
 - (ii) The unit rates and prices;
 - (iii) The bidder's ability to fulfil its obligations in terms of the bid documents;
 - (iv) Any qualifications to the bid;
 - (v) The bid ranking obtained in respect of Preferential Procurement as required by Stellenbosch Municipality's Preferential Procurement Policy;

- (vi) The financial standing of the bidder, including its ability to furnish the required institutional guarantee, where applicable; and
 - (vii) Any other criteria specified in the bid documents.
- (6) The Bid Evaluation Committee shall check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears.
 - (7) The evaluation of bids on an equitable basis may be considered during the evaluation process.
 - (8) Additional information or clarification of bids may be called for if required.
 - (9) Alternative bids may be considered, provided that a bid free of qualifications and strictly in accordance with the bid documents is also submitted. Stellenbosch Municipality shall not be bound to consider alternative bids. The alternative offer is to be submitted with the main offer together with a schedule that compares the specifications of the bid documents with the alternative offer.
 - (10) If a bidder requests in writing, after the closing of bids, that his/her bid be withdrawn, then such a request may be considered and reported in the bid evaluation report.
 - (11) If, after bids have been brought to a comparative level, two or more scores equal total adjudication points, regulation 11(5) of the Preferential Procurement Regulations of 2017 will apply.
 - (12) If two or more bids are equal in all respects after applying regulation 11(5), the Bid Evaluation Committee shall draw lots to decide on the recommendation for award.
 - (13) All disclosures of conflict of interest shall be considered by the Bid Evaluation Committee and if the conflict of interest is of a material nature, this shall be reported to the Bid Adjudication Committee.
 - (14) The relevant User Department in consultation with the SCM Unit may, before the bid is considered by the Bid Evaluation Committee, provide a reasonable opportunity to a bidder who made an innocent error and / or omission in their bid document, to correct the innocent error and / or omission, provided that such opportunity will not unduly prejudice any of the other bidders.
 - (15) In an event as described in sub-paragraph 14, bidders shall be afforded a minimum of two (2) working days up to a maximum of five (5) working days (in consultation with the relevant User Department or the Manager: Supply Chain Management) from time of notification to correct such innocent errors and / or omissions. If no response is received from such bidders at the deadline the bid may be deemed to be non-responsive.

29. BID ADJUDICATION COMMITTEES

- (1) A Bid Adjudication Committee must –
 - (a) Consider the report and recommendations of the Bid Evaluation Committee;

and

- (b) Either –
 - (i) Depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
 - (ii) Make another recommendation to the Accounting Officer how to proceed with the relevant procurement.
- (2) A Bid Adjudication Committee must consist of at least four senior managers of the Stellenbosch Municipality, which must include –
 - (a) The Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer;
 - (b) At least one senior supply chain management practitioner who is an official of the Stellenbosch Municipality; and
 - (c) A technical expert in the relevant field who is an official, if such an expert exists.
- (3) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a Bid Evaluation Committee, nor an advisor or person assisting the evaluation committee, may be a member of a Bid Adjudication Committee.
 - (a) If the Bid Adjudication Committee decides to award a bid other than the one recommended by the Bid Evaluation Committee, the Bid Adjudication Committee must prior to awarding the bid–
 - (i) Check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and
 - (ii) Notify the Accounting Officer.
 - (b) The Accounting Officer may –
 - (i) After due consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee referred to in paragraph (a); and
 - (ii) If the decision of the Bid Adjudication Committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- (6) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

- (7) The Accounting Officer must comply with section 114 of the Act within 10 working days

30. PROCUREMENT OF BANKING SERVICES

- (1) A contract for banking services –
 - (a) Must be procured through competitive bids;
 - (b) Must be consistent with section 7 or 85 of the Act; and
 - (c) May not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. PROCUREMENT OF IT RELATED GOODS OR SERVICES

- (1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by and the payments to be made to SITA.
- (3) The Accounting Officer must notify SITA together with a motivation of the IT needs if –
 - (a) The transaction value of IT related goods or services required in any financial year will exceed R 50 million (VAT included); or
 - (b) The transaction value of a contract to be procured whether for one or more years exceeds R 50 million (VAT included).
- (4) If SITA's comments on the submission and the Stellenbosch Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National

Treasury, the relevant provincial treasury and the Auditor General.

32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE

- (1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –

- (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) There is no reason to believe that such contract was not validly procured;
 - (c) There are demonstrable discounts or benefits to do so; and
 - (d) That other organ of state and the provider has consented to such procurement in writing.
- (2) Subparagraphs (1)(c) and (d) do not apply if –
- (a) A municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) A municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
- (3) If paragraph (1) is complied with, Stellenbosch Municipality must request at least the following documents from the relevant organ of state and service provider as referred to under subparagraph (1)(d) –
- (a) A written declaration confirming –
 - (i) That the organ of state followed a competitive bidding process applicable to it;
 - (ii) That the organ of state has no reason to believe that the contract was not validly procured by itself;
 - (iii) That the organ of state evaluated the bid in terms of price and BBBEE and if applicable, in terms of functionality or quality, and concluded that the bid(s) that were accepted were in all aspects the best compliant and respective bid(s); and
 - (iv) That the organ of state gives formal written permission to Stellenbosch Municipality to procure goods and / or services from the approved bid(s) as accepted by the organ of state;
 - (b) Agenda and minutes of the organ of state's Bid Evaluation Committee at which the specific bid was evaluated;
 - (c) Agenda and minutes of the organ of state's Bid Adjudication Committee at which the bid was awarded or the approval of the Accounting Officer of that organ of state who approved the bid;
 - (d) A copy of the successful bidder(s) bid submissions; and
 - (e) Written consent from the service provider.
- (4) If Stellenbosch Municipality should enter into a contract secured by other organs of state, it shall enter into a contract with the successful bidder(s) on the same terms and conditions as accepted by the relevant organ of state.
- (5) Contracts entered into by Stellenbosch Municipality under paragraph (4) shall not be deemed to be a deviation from the official procurement processes.
- (6) The Accounting Officer shall report to Council on a monthly basis all contracts entered into in terms of paragraph (4) above.

33. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

34. PROUDLY SA CAMPAIGN

- (1) Stellenbosch Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from –
 - (a) Firstly: Suppliers and businesses within the municipality or district;
 - (b) Secondly: Suppliers and businesses within the relevant province; and
 - (c) Thirdly: Suppliers and businesses within the Republic.

35. APPOINTMENT OF CONSULTANTS

- (1) The Accounting Officer may procure consulting services provided that any Treasury guidelines in respect of consulting services, Construction Industry Development Board guidelines and Council's Cost-Containment Policy in respect of services related to the built environment and construction works are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if –
 - (a) The value of the contract exceeds R 200,000 (VAT included); or
 - (b) The duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
 - (a) All consultancy services provided to an organ of state in the last five years; and
 - (b) Any similar consultancy services provided to an organ of state in the last five years.
- (4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Stellenbosch Municipality.
- (5) Where the estimated value of fees is less than R 200,000 and the duration of the appointment is less than one year, any National Treasury and, where applicable, Construction Industry Development Board guidelines in respect of consulting

services are taken into account.

36. DEVIATION FROM AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESSES

- (1) The Accounting Officer may –
 - (a) Dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) In an emergency (as per definition);
 - (ii) If such goods or services are produced or available from a single source or sole provider only (as per definition);
 - (iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) Acquisition of animals for zoos and/or nature and game reserves; or
 - (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties, which are purely of a technical nature.
- (2) The Accounting Officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.
- (3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. UNSOLICITED BIDS

- (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The Accounting Officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
 - (a) The product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) The product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - (c) The person who made the bid is the sole provider of the product or service; and
 - (d) The reasons for not going through the normal bidding processes are found to

be sound by the Accounting Officer.

- (3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
 - (a) Reasons as to why the bid should not be open to other competitors;
 - (b) An explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) An invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The Accounting Officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the adjudication committee must take into account –
 - (a) Any comments submitted by the public; and
 - (b) Any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the

Stellenbosch Municipality to the bid may be entered into or signed within 30 days of the submission.

38. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

- (1) The Accounting Officer must –
 - (a) Take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) Take appropriate steps against such official or other role player; or

- (ii) Report any alleged criminal conduct to the South African Police Service;
 - (c) Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) Reject any bid from a bidder –
 - (i) If any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Stellenbosch Municipality or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) Who during the last five years has failed to perform satisfactorily on a previous contract with the Stellenbosch Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - (e) Reject a recommendation for the award of a contract if the recommended bidder or any of its directors, or trust or its trustees has committed a corrupt or fraudulent act in competing for the particular contract;
 - (f) Cancel a contract awarded to a person if –
 - (i) The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) An official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - (g) Reject the bid of any bidder if that bidder or any of its directors –
 - (i) Has abused the supply chain management system of the Stellenbosch Municipality or has committed any improper conduct in relation to such system;
 - (ii) Has been convicted for fraud or corruption during the past five years;
 - (iii) Has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) Has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this Policy.

PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39. LOGISTICS MANAGEMENT

- (1) The Accounting Officer must establish and implement an effective system of logistics management, which must include –
 - (a) The monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - (b) The setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (c) The placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - (d) Before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - (e) Appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
 - (f) Regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
 - (g) Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

40. DISPOSAL MANAGEMENT

- (1) A supply chain management policy must provide for an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act
- (2) A supply chain management policy must specify the ways in which assets may be disposed of, including –
 - (a) Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (b) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (c) Selling the asset; and
 - (d) Destroying the asset.
- (3) The Accounting Officer must ensure that –

- (a) Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
 - (b) Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous, except when the public interest or the plight of the poor demands otherwise;
 - (c) Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
 - (d) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
 - (e) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
 - (f) Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
 - (g) In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- (4) All matters relating to the alienation of movable and immovable assets shall be dealt with in terms of Council's Asset Transfer Policy and the Asset Transfer Regulations, 2008 and Council's adopted Immovable Assets Policy.
- (5) Notwithstanding the provisions of paragraph 3 hereof, the following statutory powers of Stellenbosch Council in respect of the alienation of immovable property, are reserved to be exercised by Council –
- (a) To decide on reasonable grounds that an asset is not needed to provide the minimum level of basic municipal services; and
 - (b) To considered the fair market value of the asset and the economic and community value to be received in exchange for the asset, and
- (6) Notwithstanding sub-paragraph (3)(b) & (g) above, the Accounting Officer must determine the most advantageous way for the disposal or letting of movable capital assets, i.e. written price quotations, competitive bidding, or auction, except when public interest or the plight of the poor demands otherwise.
- (7) The Accounting Officer is hereby authorized to dispose of movable capital assets:
- (8) (a) Up to a value of R 2 000 000.00
 - (b) Up to a value of R1 000 000.00 (CFO and BAC Members)

41. RISK MANAGEMENT

- (1) The criteria for an effective risk management strategy within supply chain management system, should include the identification, consideration and avoidance of potential risks.

- (2) Risk management should include –
- (a) The identification of risks on a case-by-case basis;
 - (b) The allocation of risks to the party best suited to manage such risks;
 - (c) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

42. PERFORMANCE MANAGEMENT

- (1) The Accounting Officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved. The retrospective analysis will link to the regulatory reports and submissions on the implementation of the supply chain management policy to the delegated authorities as prescribed in terms of supply chain management regulations and the delegation system of council, as amended from time to time.

PART 4: OTHER MATTERS

43. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER

- (1) No award above R 30,000 (including VAT) may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the Accounting Officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.
- (4) **Where the recommended bidder is not tax compliant on the date of award, the bidder should be notified of the non-compliant status and be requested to submit written proof of tax compliance from SARS within 7 working days from the date of award. The proof of tax compliance submitted by the bidder must be verified by the Municipality. The Municipality will reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance within the timeframe as set out in this sub-paragraph.**

44. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

- (1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
 - (a) Who is in the service of the state;
 - (b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) A person who is an advisor or consultant contracted with the Stellenbosch Municipality.

45. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

- (1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R 2,000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
 - (a) The name of that person;
 - (b) The capacity in which that person is in the service of the state; and
 - (c) The amount of the award.

46. ETHICAL STANDARDS

- (1) A code of ethical standards as set out in [subparagraph (2) / the “National Treasury’s code of conduct for supply chain management practitioners and other role players involved in supply chain management, which also include all other municipal officials not involved in supply chain management system”] is hereby established for municipal officials and other role players in the supply chain management system of the Stellenbosch Municipality in order to promote-
 - (a) Mutual trust and respect; and
 - (b) An environment where business can be conducted with integrity and in a fair and reasonable manner.

- (2) A municipal official or other role player involved in the implementation of this Policy–
 - (a) Must treat all providers and potential providers equitably;
 - (b) May not use his or her position for private gain or to improperly benefit another person;
 - (c) May not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R 350;
 - (d) Notwithstanding subparagraph (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
 - (e) Must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Stellenbosch Municipality;
 - (f) Must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - (g) Must be scrupulous in his or her use of property belonging to Stellenbosch Municipality;
 - (h) Must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
 - (i) Must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
 - (i) Any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) Any alleged contravention of paragraph 47(1) of this Policy; or

- (iii) Any alleged breach of this code of ethical standards.
- (3) Declarations in terms of subparagraphs (2)(d) and (e) –
 - (a) Must be recorded in a register, which the Accounting Officer must keep for this purpose; and
 - (b) By the Accounting Officer must be made to the Executive Mayor of the municipality who must ensure that such declarations are recorded in the register.
- (4) The National Treasury's code of conduct and Schedule 2 of the Systems Act must be adhered to by supply chain management practitioners and other role players involved in supply chain management.
- (5) A breach of the code of ethics must be dealt with as follows –
 - (a) In the case of an employee, in terms of the disciplinary procedures of the Stellenbosch Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - (b) In the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach;
 - (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act; and
 - (d) All cases of non-compliance to this Policy should be reported to the Accounting Officer.

47. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS

- (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
 - (a) Any inducement or reward to the Stellenbosch Municipality for or in connection with the award of a contract; or
 - (b) Any reward, gift, favour or hospitality to –
 - (i) Any official; or
 - (ii) Any other role player involved in the implementation of this Policy.
- (2) The Accounting Officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

- (3) Subparagraph (1) does not apply to gifts less than R 350 in value.

48. SPONSORSHIPS

- (1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
- (a) A provider or prospective provider of goods or services; or
 - (b) A recipient or prospective recipient of goods disposed or to be disposed.

49. OBJECTIONS AND COMPLAINTS

- (1) Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

50. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

- (1) The Accounting Officer may, if deem so, appoint an independent and impartial person, not directly involved in the supply chain management processes –
- (a) To assist in the resolution of disputes between the Stellenbosch Municipality and other persons regarding –
 - (i) Any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) Any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) To deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed should, if appointed –
- (a) Strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) Submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

- (a) The dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) No response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

51. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

- (1) If a service provider acts on behalf of a Stellenbosch Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Stellenbosch Municipality must stipulate
- (a) A cap on the compensation payable to the service provider; and
 - (b) That such compensation must be performance based.

52. CONTRACTS HAVING BUDGETARY IMPLICATIONS BEYOND THREE FINANCIAL YEARS

- (1) Stellenbosch Municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of Section 33 of the Act have been fully complied with.

53. INCREASE / EXTENSION IN APPROVED CONTRACT SUM / PERIOD

- (1) Any increase and / or extension in the approved contract sum that may become necessary as a result of exceptional circumstances during the contract period must be approved by the appropriate bid committees prior to implementation.
- (2) Contracts may be expanded or varied by not more than 20% of the original contract value for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services.
- (3) Any expansion or variation in excess of these thresholds as stated under subparagraph (2) must be dealt with in terms of the provisions of section 116(3) of the Act which will be regarded as an amendment of a contract.
- (4) Where community participation has been a part of the project, the community must be advised of the proposed increase and be invited to provide written comment within a minimum period of seven (7) days.

54. RIGHT OF APPEAL

- (1) In terms of Section 62 of the Municipal Systems Act (Act 32 of 2000 as amended), a person whose rights are affected by a decision taken by the Municipality, in terms of a delegated authority, in the implementation of its supply chain management system,

may appeal against that decision by giving written notice of the appeal and reasons to the Municipal Manager within 21 days of the date of the notification of the decision.

- (2) Notification of the decision in terms of sub-paragraph 55(1) of this policy must state that any appeal must be submitted in writing to the Municipal Manager and must at least contain the following information:
 - (a) The reasons and / or grounds for the appeal;
 - (b) The way in which the appellants rights have been affected; and
 - (c) The remedy sought by the appellant.
- (3) No award, where a competitive bidding process was followed, shall be formally implemented until a ruling has been made on any appeal/s received. The Municipal Manager may however grant approval for the implementation of bid awards prior to the conclusion of the appeal process in respect of bids which in his / her opinion are deemed as urgent.
- (4) The Appeal Authority will provide the service provider with copies of the Bid Committee minutes applicable to the specific tender on request within the 21 days period, of the service provider to enable him/her to motivate his/her appeal. Should the service provider request other documentation a PAIA application should be submitted.
- (5) The appeal authority must consider the appeal and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

55. NOTIFICATION OF BID DECISIONS

- (1) The successful and unsuccessful bidders shall be notified in writing by the Supply Chain Management once a bid has been accepted.
- (2) The bidders shall, in addition, be advised of the 21 day appeal period in terms of section 62 of the Municipal Systems Act and be notified that no rights will accrue to him / her until the bid is formally accepted in writing.
- (3) Once the 21 day appeal period has lapsed and a decision has been made by the appeal authority, the appellant and the service provider who the tender was initially awarded will be notified in writing of the outcome thereof by the Supply Chain Management.
- (4) Every notification of decision shall be faxed or sent via electronic mail and ordinary mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification to be kept for record purposes.

56. UNSUCCESSFUL BIDDER DEBRIEFING

- (1) The Municipality will offer an unsuccessful bidder debriefing service to unsuccessful bidders upon request.

- (2) During the debriefing unsuccessful bidders will be informed of how their proposal scored against required criteria and obtain comments from the evaluation team on their bid.
- (3) The debriefing should be a positive and constructive experience that explains how bidders can improve future submissions.
- (4) The debriefing is an opportunity for unsuccessful bidders to –
 - (a) Learn more about the procurement and evaluation process in an informal setting;
 - (b) Find out how their proposal scored against the required criteria;
 - (c) Hear the overall comments from the evaluation team on their bid; and
 - (d) Gather information on how future submissions may be improved.
- (5) The debriefing is not part of the Supply Chain complaint or appeal process in terms of paragraph 49 or 55 of this Policy.
- (6) The debriefing is not a legal proceeding and no legal representation is permitted at the debriefing session.
- (7) At the debriefing session the unsuccessful bid is not compared to other bids, nor will information be provided to the unsuccessful bidder about other bids.
- (8) In scheduling a bidder's debriefings session upon the request of the unsuccessful bidder, the municipality must –
 - (a) Confirm the date and time of the debriefing session in writing;
 - (b) Conduct separate debriefings with each unsuccessful bidder;
 - (c) Ensure that proper minutes are kept of each debriefing session; and
 - (d) Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.
- (9) In conducting bidders' debriefings, the municipality may –
 - (a) Provide a general overview of the evaluation process set out in the bid documents;
 - (b) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score;
 - (c) Provide suggestions on how the supplier may improve future submissions; and
 - (d) Address specific questions and issues raised by the supplier in relation to their submission.

57. THE SUSPENSION OF SERVICE PROVIDERS FOR POOR PERFORMANCE AND

OTHER BREACHES

- (1) Any failure to fulfil the deliverables in line with the contract or service levels constitutes a material breach or poor performance which will result in the termination of the contract and/or sanctions will be imposed in the form of suspension from the database.
- (2) Such sanctions will have variation in the periods of suspension based on the gravity of the breach.
- (3) The municipality must consider imposing following sanctions, subject to sub-clause (2) above:
 - a) 6 months for non-declarations of relative/spouse within the municipality;
 - b) 12 months for misleading information provided to the municipality; and
 - c) 24 months for certain or above a certain threshold value based.
 - d) All the above will be applicable based on the gravity of the poor performance and will be analysed on a case by case basis co-ordinated by the Contract Management Section.

58. CONDONATION OF POLICY CONTRAVENTIONS

- (1) Council may condone a contravention in terms of this Policy, provided that such contravention is also not a contravention of the Act or the Municipal Supply Chain Management Regulations, 2005
- (2) Any expenditure relating to such condonation by Council in terms of this Policy, will not constitute irregular expenditure as contemplated under section 1 of the Act.
- (3) Contraventions of the Act relating to supply chain management or the Municipal Supply Chain Management Regulations, 2005 must be dealt with in terms of section 32 and section 170 of the Act.

59. GENERAL

The Framework for Infrastructure Delivery and Procurement Management (FIDPM) and relevant Circular is attached as Annexures A and B respectively, depending on the ability of Stellenbosch Municipality to implement the content of the Framework, only those parts that are practically implementable will be applied. The proper assessments will be done accordingly.

60. SHORT TITLE

- (1) This policy is called the Stellenbosch Municipality Supply Chain Management Policy.

Local Government Framework for Infrastructure Delivery and Procurement Management

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national treasury

Department:
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REPUBLIC OF SOUTH AFRICA

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Foreword

In 2012, the Infrastructure Delivery Management System (IDMS) was adopted as the chosen government wide system for infrastructure delivery in South Africa. In the same year (2012), the National Treasury, together with the eight metropolitan municipalities, initiated the customisations of the IDMS for implementation by municipalities. The product of that engagement became the Cities Infrastructure Delivery Management Toolkit (CIDMT), focusing mainly on cities or metros.

In order to establish a common approach to infrastructure delivery across all organs of state, the Standard for Infrastructure Procurement and Delivery Management (SIPDM) was issued for adaptation and adoption by municipalities in terms of Circular 77.

In the process of implementing and institutionalising the SIPDM, institutions expressed concerns regarding the operational challenges imposed by aspects of the SIPDM. This constraint was further compounded when the Preferential Procurement Regulations, 2017 were promulgated and effected, resulting in conflict between the SIPDM and the Regulations.

The National Treasury, in consultation with relevant stakeholders, initiated the SIPDM review process, which resulted in the development of the Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIDPM). The LGFIDPM provides for minimum requirements for effective governance of infrastructure delivery and procurement management. It also recognises the different capacities in the various categories of municipalities and therefore requests municipalities to review their institutional and capacities before adapting and adopting this model.

Introduction

- a) The Integrated Development Plan (IDP) is the principal strategic planning instrument for municipalities. The IDP process requires a robust process of gathering and synthesising information related to the medium to long-term management of the municipality's infrastructure needs.
- b) The preparation of Roads and Storm Water Services, Water and Sanitation Services, Waste Disposal Services, Electricity Services and Community Facilities and Municipal Buildings, Infrastructure Asset Management Plans (IAMPs) enables municipalities to rank projects and determine budgets, based on a holistic view of local needs and priorities; and serves as a source of valuable information in preparing the IDP.
- c) Through the Infrastructure Delivery Management System, Cities Infrastructure Delivery Management System was developed to provide a holistic system for the management of infrastructure based on the requirements of SANS 55001: Asset management tailored for application in South African metropolitan spaces and specifically in support of the country's spatial transformation agenda.
- d) There is need to develop an infrastructure delivery management system tailor-made for all municipalities (excluding cities) which should integrate asset management strategy, policy to guide infrastructure planning, delivery management and decision making. The LGFIDPM introduces the initial process focusing on the project processes of the infrastructure delivery management and infrastructure procurement.
- e) The Framework for Infrastructure Procurement Management should be implemented together with the project management processes, to ensure alignment, integration and efficient and effective service delivery.

1. Scope

- 1.1. The Local Government FIDPM applies to organs of state which are subject to the Municipal Finance Management Act (MFMA).
- 1.2. The Framework provides minimum requirements for the implementation of Infrastructure Delivery and Procurement Management through the:
 - a) Project processes for infrastructure delivery management, and
 - b) Infrastructure procurement gates.
- 1.3. The Framework specifies the allocation of responsibilities for performing activities and making decisions at project stages and procurement gates.

2. Terms and Definitions

Approved: Officially agreed and signed-off by an Accounting Officer or a delegated person / body.

Construction: Everything constructed or resulting from construction operations.

Employer: Organ of state intending to, or entering into, a contract with a contractor.

Gate: A control point at the end of a process where a decision is required before proceeding to the next process or activity.

Gateway review: An independent review of the available information at a gate upon which a decision is made whether to proceed to the next process, or not.

Infrastructure:

- a) Immovable asset, which is acquired, constructed or results from construction operations; or
- b) Movable asset, which cannot function independently from purpose-built immovable asset(s).

Infrastructure delivery: The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

Infrastructure procurement: The procurement of goods or services, including any combination thereof, associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

Organ of State: Any department of state or administration in the national, provincial and local sphere of government.

Procurement strategy: The selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.

Project: A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective.

Stage: A collection of periodical and logically related activities in the Project Management Control Stages, that culminates in the completion of an end of stage deliverable.

3. ABBREVIATIONS

CIDB	Construction Industry Development Board
IDP	Integrated Development Plan
FIDPM	Framework for Infrastructure Delivery and Procurement Management
MFMA	Municipal Finance Management Act
PSP	Professional Service Provider
PPPFA	Preferential Procurement Policy Framework Act
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan

4. NORMATIVE REFERENCES

4.1 Acts of Parliament

The following referenced Acts of Parliament are indispensable in the application of this document:

- Architectural Profession Act, 2000 (Act No. 44 of 2000)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)
- Division of Revenue Act (Annual)
- Engineering Profession Act, 2000 (Act No. 46 of 2000)
- Landscape Architectural Profession Act, 2000 (Act No. 45 of 2000)
- Municipal Finance Management Act, (No. 56 of 2003)
- Local Government: Municipal Systems Act, 2000 (Act No. 32 Of 2000)
- National Archives and Record Services of South Africa Act, 1996 (Act No. 43 of 1996)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
- Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Quantity Surveying Profession Act of 2000 (Act No. 49 of 2000)
- Other Sector Specific Acts of Parliament.

4.2 Regulations issued in terms of the MFMA and MFMA Circulars

- Regulations issued in terms of the MFMA
- Preferential Procurement Policy Framework Act Regulations (PPPFA of 2017 or as amended from time to time) and circulars.

4.3 Standards

- Applicable Construction Industry Development Board Standard for Uniformity
- Construction Sector Code.

4.4 Management System

- Infrastructure Delivery Management System (IDMS)
- Cities Infrastructure Delivery Management Toolkit (CIDMT).

4.5 National Treasury Guidelines

- Local Government Capital Asset Management Guideline and Planning Guidelines
- Budget Facility for Infrastructure (BFI).

4.6 Department of Cooperative Governance and Traditional Affairs Guidelines

- Guidelines for Infrastructure Asset Management in Local Government.

5. FRAMEWORK FOR INFRASTRUCTURE DELIVERY

5.1 The Infrastructure Delivery Management Project Processes

- a) The project process of infrastructure delivery management contains control stage deliverables at the end of each stage. Table 1 outlines the stage deliverables that must be approved. The control stages are specific to project management processes; and outline and describe the stages in the life of a project from start to end. The specific stages are determined by the specific project's governance and control needs. The stages follow a logical sequence with a specified start and end. The deliverable is considered to have passed through the relevant stage when it is approved and signed off. The project then moves on to the next sequential stage. It is expected that the municipality's organisation reflects an engagement between the Budget Treasury Office, Engineers and Planners when developing and approving projects. It is also expected that there should be engagements with the National and Provincial Treasury where appropriate or where projects dictate so.

Table 1: Project stage deliverables

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
1	Initiation	<p>Initiation Report or Pre-feasibility Report</p> <p>(i) The Initiation Report defines project objectives, needs, acceptance criteria, organisation's priorities and aspirations, and procurement strategies, which set out the basis for the development of the Concept Report.</p> <p>Or</p> <p>(ii) A Pre-feasibility Report is required on Mega Capital Projects, to determine whether to proceed to the Feasibility Stage; where sufficient information is presented to enable a final project implementation decision to be made. Mega capital projects should be determined in the municipality's policy approved by the Municipal Council.</p> <p>Stage 1 is complete when the Initiation Report or Pre-feasibility Report is approved.</p>
2	Concept	<p>Concept Report or Feasibility Report</p> <p>(i) The Concept Stage presents an opportunity for the development of different design concepts to satisfy the project requirements developed in Stage 1. This stage presents alternative approaches and an opportunity to select a particular conceptual approach. The objective of this stage is to determine whether it is viable to proceed with the project, premised on available budget, technical solutions, time frame and other information that may be required.</p> <p>(ii) The Concept Report should provide the following minimum information:</p>

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
		<p>a) Document the initial design criteria, cost plan, design options and the selection of the preferred design option; or the methods and procedures required to maintain the condition of infrastructure, or the project.</p> <p>b) Establish the detailed brief, scope, scale, form and cost plan for the project, including, where necessary, the obtaining of site studies and construction and specialist advice.</p> <p>c) Provide an indicative schedule for documentation and construction, or maintenance services, associated with the project.</p> <p>d) Include a site development plan, or other suitable schematic layouts, of the works.</p> <p>e) Describe the statutory permissions, funding approvals and utility approvals required to proceed with the works associated with the project.</p> <p>f) Include a baseline risk assessment for the project and a health and safety plan, which is a requirement of the Construction Regulations issued in terms of the Occupational Health and Safety Act.</p> <p>g) Contain a risk report, need for further surveys, tests, investigations, consents and approvals, if any, during subsequent stages.</p> <p>(iii) A Feasibility Report must provide the following minimum information:</p> <p>a) Details regarding the preparatory work covering:</p> <ul style="list-style-type: none"> • A needs and demand analysis with output specifications. • An options analysis. <p>b) A viability evaluation covering:</p> <ul style="list-style-type: none"> • A financial analysis. • An economic analysis, if necessary. <p>c) A risk assessment and sensitivity analysis;</p> <p>d) A professional analysis covering:</p> <ul style="list-style-type: none"> • A technology options assessment. • An environmental impact assessment. • A regulatory due diligence. <p>e) An implementation readiness assessment covering:</p> <ul style="list-style-type: none"> • Institutional capacity. • A procurement plan. <p>Stage 2 is complete when the Concept Report or the Feasibility Report is approved.</p>
3	Design Development	<p>Design Development Report</p> <p>(i) The Design Development Report must, as necessary:</p> <p>a) Develop, in detail, the approved concept to finalise the design and definition criteria.</p>

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
		<ul style="list-style-type: none"> b) Establish the detailed form, character, function and costings. c) Define the overall size, typical detail, performance and outline specification for all components. d) Describe how infrastructure, or elements or components thereof, are to function; and how they are to be safely constructed, be commissioned and be maintained. e) Confirm that the project scope can be completed within the budget, or propose a revision to the budget. <p>Stage 3 is complete when the Design Development Report is approved.</p>
4	Design Documentation	<p>Design Documentation</p> <ul style="list-style-type: none"> (i) Design documentation provides: <ul style="list-style-type: none"> a) the production information that details performance definition, specification, sizing and positioning of all systems and components that will enable construction; b) the manufacture, fabrication and construction information for specific components of the work, informed by the production information. <p>Stage 4 is complete when the Design Documentation Report is approved.</p>
5	Works	<p>Completed Works capable of being used or occupied</p> <ul style="list-style-type: none"> (i) Completion of the Works Stage requires: <ul style="list-style-type: none"> a) Certification of the completion of the works in accordance with the provisions of the contract; or b) Certification of the delivery of the goods and associated services in accordance with the provisions of the contract. <p>Stage 5 is complete when the Works Completion Report is approved.</p>
6	Handover	<p>Works which have been taken over by the user or owner; Completed Training; Record Information</p> <ul style="list-style-type: none"> (i) The handover stage requires the following activities to be undertaken: <ul style="list-style-type: none"> a) Finalise and assemble record information which accurately reflects the infrastructure that is acquired, rehabilitated, refurbished or maintained; b) Hand over the works and record information to the user organisation and, if necessary, train end user staff in the operation of the works. <p>Stage 6 is complete when the Handover/Record Information Report is approved.</p>
7	Close-Out	<p>Defects Certificate or Certificate of Final Completion; Final Account; Close-Out Report</p>

Stage		Project Stage Deliverables
No	Name	End of Stage Deliverables
		(i) The Close-Out Stage commences when the end user accepts liability for the works. It is complete when: <ol style="list-style-type: none"> a) Record information is archived; b) Defects certificates and certificates of final completion are issued in terms of the contract; c) Final amount due to the contractor is certified in terms of the contract; d) Close-Out Report is prepared by the Implementer and approved by the Municipality. <p>Stage 7 is complete when the Close-out Report is approved.</p>

- b) Procurement of PSPs and Contractors can occur at different points in the project stages.
- c) Additional stages may be added to the described stages above, if deemed necessary. For example, additional stages could include those necessary to ensure that project activities are appropriately carried out and stages linked. Contract activities would, in many instances, be contingent upon the requirements of the specific contract being used.
- d) For project progress using the project stages, reporting must be for the deliverable achieved in the stage immediately prior to the 'in progress' stage. For example, if a project is shown as being at Stage No. 3 (Design Development), it implies that the deliverable for Stage No. 2 (i.e. the Concept Report) has been achieved; and that the deliverable for Stage 3 (i.e. the Design Development Report) is in the process of being prepared.
- e) Where an organ of state engages another organ of state to provide agency services, a service delivery agreement must be developed that outlines the roles and responsibilities for each organ of state; and establishes a relationship between the client and the implementer. The development of all deliverables should be carried out in a cooperative and consultative manner between the Client and Implementer parties. All deliverables must be developed and signed off in compliance with the specific service delivery agreement.

5.2 Gateway Reviews

5.2.1 Gateway reviews for mega capital projects

- (i) The MFMA (Act 56 of 2003), section 19 (2) states: "Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years from the start until the project is operational; and the future operational costs and revenue on the project, including municipal tax and tariff implications."
- (ii) The LGFIDPM prescribes the Gateway Review at the end of stage 2, as the minimum requirement to comply with section (i) above.
- (iii) The focus of such a review must be on the quality of the documentation in the first instance, and thereafter on:
 - a) Deliverability: the extent to which a project is deemed likely to deliver;
 - b) Expected benefits: within the declared cost, time and performance area;
 - c) Affordability: the extent to which the project's level of expenditure and financial risk can be accepted, given the organisation's overall financial position, both singly, and when considering its other current and projected commitments; and

- d) Value for money: The optimum combination of whole life costs and quality (or fitness of purpose), to meet the user's requirements.
- (iv) A gateway review team must comprise of not less than three persons who are neither involved, nor associated with the project, but have a broad understanding of the subject matter.
- (v) A gateway review must be led by a person who has experience in the planning of infrastructure projects and is registered as a professional with a statutory council under the built environment professions. The members of the team must, as relevant, have expertise in the key technical areas, cost estimating, scheduling and implementation of similar projects.
- (vi) It is the duty of the institution's Accounting Officer or Authority to appoint a team responsible for the gateway review of his or her institution.
- (vii) The gateway review team must base its findings primarily on:
 - a) The information contained in the end-of-stage deliverable;
 - b) Supplementary documentation, if any, provided by key staff and obtained during an interview process; and
 - c) Interviews with key staff members and stakeholders.
- (viii) The gateway review team must issue a report at the conclusion of a gateway review, which reflects the team's assessment of the information at the end of a stage; and provides findings or recommendations on areas where further work should be undertaken to improve such information.
- (ix) The gateway review findings must be classified by the gateway review team as:
 - a) Critical: Findings that pose adverse effect to the project or package. Critical findings are findings related to the stage deliverable that are wholly unacceptable.
 - b) Major: Findings that pose a potentially adverse effect to the project or package. Major findings are serious findings and are in direct violation of key legislation, e.g. The Constitution of the Republic of South Africa, the MFMA or the PPPFA.
 - c) Minor: Findings that do not pose any adverse effect to the project or package. Minor findings indicate the need for improvement of practices and processes.
- (x) A Stage 2 deliverable must not be approved until such time that all findings have been resolved.

6. FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

6.1 INTRODUCTION

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation.

The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

6.2 MINIMUM REQUIREMENT FOR INFRASTRUCTURE PROCUREMENT

- 6.2.1 Infrastructure procurement must be undertaken in accordance with all applicable Infrastructure Procurement related legislation and this Framework.
- 6.2.2 Infrastructure procurement must be implemented in accordance with the institutional Supply Chain Management System, which promotes differentiated procurement for infrastructure.
- 6.2.3 Infrastructure procurement must be implemented in accordance with the procurement gates prescribed in clause 6.3 below.
- 6.2.4 The Accounting Officer must ensure that a budget is available for the duration of the project, in line with MFMA provisions for capital and operating budgets.
- 6.2.5 The Accounting Officer must ensure that cash flow management processes are in place to meet payment obligations within the time periods specified in the contract.
- 6.2.6 Procurement gates provided in 6.3 below must be used, as appropriate, to:
 - a) Authorise commencement of activities that lead to the next control gate;
 - b) Confirm conformity with requirements; and/or
 - c) Provide information to eliminate any cause of non-conformity and to prevent reoccurrence.
- 6.2.7 The authorisation to proceed to the next procurement gate must be given by a delegated person or body. The delegated person or body must be able to apply relevant built environment knowledge and skill to achieve the intended results required at the relevant procurement gate. The level of detail contained in the documentation on which a decision to proceed to the next procurement gate is made, must be sufficient to enable an informed decision.
- 6.2.8 The Accounting Officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.
- 6.2.9 The Accounting Officer must develop and implement an effective and efficient infrastructure disposal policy in line with the Municipal Asset Transfer Regulations. The institution may consider disposal strategies aligned to their internal disposal policy, prior to proceeding with the procurement strategy.
- 6.2.10 The Accounting Officer must keep records of Procurement Gate Approvals, in a manual or electronic format, with the following minimum requirements:
 - a) Procurement gate;
 - b) Delegated person/s or body;
 - c) Date on which the approval request was received;
 - d) Date on which the approval was actioned; and
 - e) Signature of the delegated person or body.
- 6.2.11 All assets must be recorded in the municipal asset register as required by the GRAP standards.

6.3 Infrastructure Procurement Gates

6.3.1 Procurement Gate 1 (PG 1)

- a) Initiate a procurement process;
- b) **Minimum Requirement for PG 1:**
 - 1) Establish and clarify the procurement need, aligned to the municipality's development and transformation priorities specified in the IDP.
 - 2) Determine a suitable title for the procurement, to be applied as the project description.
 - 3) Prepare the broad scope of work for the procurement.
 - 4) Perform market analysis.
 - 5) Estimate the financial value of proposed procurement and contract for budgetary purposes, based on the broad scope of work.
 - 6) Confirm the budget.
 - 7) Compliance with section 33 of the MFMA with respect to community and stakeholder consultation.
- c) **PG 1 is complete when a designated person or body makes the decision to proceed/not to proceed, with the procurement of the infrastructure.**

6.3.2 Procurement Gate 2 (PG 2)

- a) Approve procurement strategy to be adopted.
- b) **Minimum Requirement for PG 2:**
 - 1) Develop a procurement strategy aligned to the institutional procurement strategy:
 - a. Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and risks; and the methodology for contractor payments.
 - b. Identify service required for works.
 - c. Decide on contracting strategy.
 - d. Decide on pricing strategy.
 - e. Decide on form of contract.
 - f. Establish opportunities for promoting preferential procurement in compliance with legislative provisions and the Construction Sector Code.
- c) **PG 2 is complete when a delegated person or body approves the procurement strategy that is to be adopted.**

6.3.3 Procurement Gate 3 (PG 3)

- a) Approve procurement documents.
- b) **Minimum requirements for PG 3:**
 - 1) Prepare procurement documents that are compatible with:
 - (i) approved procurement strategies.
 - (ii) project management design documentation.
- c) **PG 3 is complete when the Bid Specification Committee approves the procurement document. .**

6.3.4 Procurement **Gate 4 (PG 4)**

- a) Confirm that cash flow processes are in place to meet projected contractual obligations.
- b) **Minimum requirement for PG 4**
 - 1) Confirm that cash flow processes are in place to meet contractual obligations.
 - 2) Establish control measures for settlement of payments within the time period specified in the contract.
- c) **PG 4 is complete when a delegated person or body confirms in writing that cash flow processes are in place; and control measures are established for the procurement to take place.**

6.3.5 Procurement **Gate 5 (PG 5)**

- a) Solicit tender offers.
- b) **Minimum requirements for PG 5**
 - 1) Invite contractors to submit tender offers.
 - 2) Receive tender offers.
 - 3) Record tender offers.
 - 4) Safeguard tender offers.
- c) **PG 5 is complete when tender offers received are recorded and safeguarded by a delegated person from the SCM unit.**

6.3.6 Procurement **Gate 6 (PG 6)**

- a) Evaluate tender offers premised on undertakings and parameters established in procurement documents.
- b) **Minimum Requirement for PG 6:**
 - 1) Determine whether tender offers are complete.
 - 2) Determine whether tender offers are responsive.
 - 3) Evaluate tender submissions.
 - 4) Review minimum compliance requirements for each tender.
 - 5) Perform a risk analysis.
 - 6) Prepare a report on tender offers received, and on their achievement of minimum compliance.
- c) **PG 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.**

6.3.7 Procurement **Gate 7 (PG 7)**

- a) Award the contract.
- b) **Minimum Requirement for PG 7:**
 - 1) Bid adjudication committee review of the BEC evaluation report.
 - 2) Bid Adjudication Committee makes an award.
 - 3) Accounting Officer approval of the tender process.
 - 4) Notify successful tenderer and unsuccessful tenderers of the outcome.
 - 5) Sign contract document.
 - 6) Formally accept tender offer.
- c) **PG 7 is complete when the Accounting Officer, or the Bid Adjudication Committee where delegated, confirms that the tenderer has provided evidence of complying with all requirements stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.**

6.3.8 Procurement **Gate 8 (PG 8)**

- a) Administer and monitor the contract.
- b) **Minimum Requirements for PG 8:**
 - 1) Finance department to:
 - (i) Capture contract award data.
 - (ii) Manage cash flow projection.
 - (ii) Administer contract in accordance with the terms and provisions of the contract.
 - 2) Delivery department to:
 - (i) Ensure compliance with contractual requirements.
- c) **PG 8 is complete when a delegated person captures the contract completion/termination data (close out reports and relevant documents), including payment certificates due.**

7. Conclusion

It is advised that municipalities and municipal entities review this document from a practical implementation perspective and amend its SCM policies accordingly by inserting those parts that is practically implementable into the SCM Policy to be approved by the municipal council. You are also encouraged to share this with the relevant officials within the institution to ensure organisational awareness of this reform.



NATIONAL TREASURY

MFMA Circular No 106

Municipal Finance Management Act No. 56 of 2003

LOCAL GOVERNMENT FRAMEWORK FOR INFRASTRUCTURE DELIVERY AND PROCUREMENT MANAGEMENT

PURPOSE

In order to establish a common approach to infrastructure delivery across all organs of state, the Standard for Infrastructure Procurement and Delivery Management (SIPDM) was issued for municipalities and communicated in MFMA Circular 77.

In the process of institutionalising the SIPDM municipalities experienced challenges with some aspects thereof. The reforms to the Preferential Procurement Regulations, 2017 which was promulgated and effected also had an impact on the earlier reform.

The National Treasury, in consultation with relevant stakeholders, initiated the SIPDM review process which resulted in the development of the Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIDPM). The LGFIDPM introduces minimum requirements for effective governance of infrastructure delivery and procurement management.

BACKGROUND AND DISCUSSION

In 2012, the Infrastructure Delivery Management System (IDMS) was adopted as the chosen government wide system for infrastructure delivery in South Africa. In the same year (2012), the National Treasury, together with the eight metropolitan municipalities, initiated the customisation of the IDMS for implementation by municipalities. The product of that engagement became the Cities Infrastructure Delivery Management Toolkit (CIDMT), focusing mainly on metropolitan municipalities.

The Planning Commission's National Development Plan 2030: *Our future-make it work* proposes that the following five areas be focused on in designing a procurement system that is better able to deliver value for money, while minimising the scope for corruption:

8. differentiate between the different types of procurement which pose different

challenges and require different skills sets;

9. adopt a strategic approach to procurement above the project level to balance competing objectives and priorities rather than viewing each project in isolation;
10. build relationships of trust and understanding with the private sector;

11. develop professional supply chain management capacity through training and accreditation; and
12. incorporate oversight functions to assess value for money.

National Treasury's 2015 Public Sector Supply Chain Management Review expressed the view that supply chain management (SCM) is one of the key mechanisms enabling government to implement policy which traditionally has been misunderstood and undervalued. This Review, which identified the need for SCM reform, suggests that if such reforms are implemented as envisaged in terms of section 217 of the Constitution, the benefits will be enormous and include, amongst others:

- f) good quality service delivery will be increasingly possible, with significant improvements in the welfare of citizens, especially the poor who rely heavily on government for support;
- g) the economy will grow as economic infrastructure is expanded and efficiently maintained;
- h) goods, services and infrastructure will be bought at lower costs;
- i) innovation will result in different approaches to the commodities used in some sectors; and
- j) for suppliers, the cost of doing business with the state should decrease substantially.

There is a need to develop an infrastructure delivery management system tailor-made for municipalities and municipal entities which integrate asset management strategy, policy to guide infrastructure planning, delivery management and decision-making. The LGFIDPM introduces this and focuses on the implementation of project processes and infrastructure procurement that forms part of the infrastructure delivery management.

Due care and focus must be given to addressing institutional arrangements, internal controls, and gaps to ensure value is extracted from this reform.

CONCLUSION

This MFMA Circular provides the basis for municipalities and municipal entities to establish an appropriate system for implementation of the project process and infrastructure procurement in the infrastructure delivery management value chain.

Accounting officers of municipalities and municipal entities are therefore advised to bring the contents of this Circular and the LGFIDPM annexure to the attention of their respective municipal councils, board of directors of municipal entities, and to expedite the process to amend and align their SCM policies accordingly. This will require undertaking a proper assessment of its ability to implement the content of the Framework and to only insert those parts that is practically implementable into the SCM Policy, to be approved by the municipal council.

Therefore, municipalities and municipal entities are advised to customise the model policy to suit the specific needs of its environment before tabling it in the municipal council and municipal entity board for adoption.

It is envisaged that a phase-in process will be considered by municipalities and municipal entities, however, it is expected that this be implemented as soon as possible.

This Circular replaces MFMA Circular 77.

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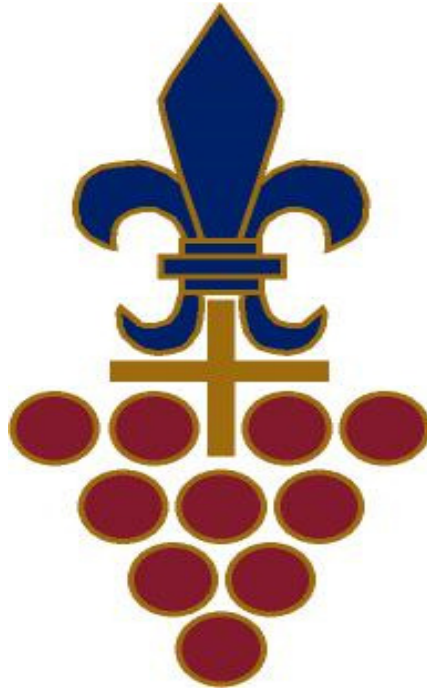
TV PILLAY

Chief Director: MFMA Implementation

Date: 15 September 2020

Annexure A: *Local Government Framework for Infrastructure Delivery and Procurement*

STELLENBOSCH MUNICIPALITY



**DEVELOPMENT CHARGES
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

DEVELOPMENT CHARGES POLICY

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1. DEFINITIONS

In this policy, unless the context indicates otherwise -

- 1.1 **'applicant'** means a person who makes a land development application;
- 1.2 **'bulk service'** means the capital infrastructure assets associated with that portion of an external engineering service which is intended to ensure provision of municipal infrastructure services for the benefit of multiple users or the community as a whole - the relevant Master Plan shall be used as a guide to identify such bulk services;
- 1.3 **'By-Law'** means the Stellenbosch Municipality: Land Use Planning By-Law published in the Western Cape Provincial Gazette Extraordinary of 20 October 2015;
- 1.4 **'capacity'** means the extent of availability of a municipal infrastructure service, based on the capital infrastructure asset or combination of capital infrastructure assets installed for provision of such municipal infrastructure services;
- 1.5 **'capital infrastructure asset'** means a capital asset which is required for provision of a municipal infrastructure service, limited to immovable assets and insofar as movable assets are concerned, specialised vehicles, used for waste collection and disposal only;
- 1.6 **'consumer' means a person who purchases electricity, water or a service relating to the supply of electricity, water or removal of sewerage.**
- 1.7 **'developer'** means an applicant for land development whose land development application is approved, in whole or in part, by the Municipality or the Municipal Planning Tribunal or municipal official authorised to determine land development applications;
- 1.8 **'development charge (DC)'** means a charge imposed by the Municipality on a developer or consumer in terms of any applicable law referred to in this policy, or a condition of the approval, payment of which will contribute towards the Municipality's expenditure on capital investment in municipal infrastructure services;
- 1.9 **"Engineer"** means an engineer employed by the "Municipality" or any person appointed by the "Municipality" from time to time to perform the duties envisaged in terms of this Policy;
- 1.10 **'engineering services installation agreement'** means an agreement concluded between the Municipality and a developer, recording their detailed and specific respective rights and obligations regarding the provision and installation of the external engineering services required for an approved land development, and regarding the associated development charge;
- 1.11 **'external engineering service'** means an engineering service situated outside the boundaries of a land area and which is necessary to serve the use and development of the land area, provided that in circumstances where the characteristics of a specific area or the design of the relevant engineering service so requires, such services can be located within the boundaries of a land area;
- 1.12 **'impact zone'** means a geographical zone within which the capital infrastructure assets or system of capital infrastructure assets required to provide bulk services to an approved land development are located (the impact zones are Stellenbosch Town, Dwars River, Franschhoek and Klapmuts);

- 1.13 **‘internal engineering service’** means an engineering service within the boundaries of a land area which is necessary for the use and development of the land area and which is to be owned and operated by the Municipality or service provider;
- 1.14 **‘land development’** means the erection of buildings or structures on land, or the change of use of land, including township establishment, the subdivision or consolidation of land or any deviation from the land use or uses permitted in terms of an applicable land use scheme;
- 1.15 **‘land development application’** means an application for land development submitted with the Municipality or referred to the Municipal Planning Tribunal or other decision-making body for approval, in accordance with applicable national or provincial legislation, including the National Building Regulations and Building Standards Act 103 of 1977 (including any regulations promulgated thereunder), the SPLUMA, the LUPA and the By-Law;
- 1.16 **‘land use’** means the purpose for which land is or may be used lawfully in terms of a land use scheme, existing scheme or in terms of any other authorisation, permit or consent issued by a competent authority, and includes any conditions related to such land use purposes;
- 1.17 **‘link service’** means the capital infrastructure assets associated with that portion of an external engineering service which links an internal engineering service to the applicable bulk service, and which is not shared by multiple users or the community as a whole;
- 1.18 **‘LUPA’** means the Western Cape Land Use Planning Act, 2014, Act. 3 of 2014 (PN 99/2014 of 7 April 2014);
- 1.19 **‘Municipality’** means the Stellenbosch Municipality (WCO24) established in terms of Provincial Notice 489 of 22 September 2000 in terms of the Local Government: Municipal Structures Act, 117 of 1998, and includes all political structures or office bearers and municipal staff members to whom authority has been delegated to take decisions in terms of the Municipality’s delegation system;
- 1.20 **‘municipal infrastructure service’** means any of the following municipal services:
- 1.20.1 potable water;
 - 1.20.2 sewerage and wastewater treatment;
 - 1.20.3 electricity distribution
 - 1.20.4 municipal roads;
 - 1.20.5 street lighting
 - 1.20.6 storm water management;
 - 1.20.7 solid waste disposal;
 - 1.20.8 public transport, including non-motorised transport;
 - 1.20.9 social infrastructure services;
- 1.21 **‘Municipal Planning Tribunal’** means a Municipal Planning Tribunal referred to in Chapter 6 of SPLUMA;
- 1.22 **‘Social Infrastructure services’** means community services provided in terms of the functions which are the responsibility of the Municipality in terms of the Constitution, which includes, but is not limited to:

- 2.2.1 Early Childhood Development Centres;
- 2.2.2 Public Open Spaces, parks, sports fields;
- 2.2.3 Fire Fighting and Emergency Services;
- 2.2.4 Local Tourism;
- 2.2.5 Cemeteries;
- 2.2.6 Burial of animals;
- 2.2.7 Noise pollution; and
- 2.2.8 Municipal health services;

- 1.23 **'SPLUMA'** means the Spatial Planning and Land Use Planning Act, 16 of 2013;
- 1.24 **'Systems Act'** means the Local Government: Municipal Systems Act, 2000, Act 32 of 2000).

2. INTRODUCTION

- 2.1 This policy is applicable to the Development Charges charged for the following services: Water, Sewer, Stormwater, Solid Waste, Roads, Community Facilities and Electricity.
- 2.1 In terms of Section 152 of the Constitution, the objects of local government include the provision of services to communities in a sustainable manner and the promotion of social and economic development.¹ Chapter 8 of the Systems Act provides for the general duty of the Municipality to provide municipal services and the manner in which such services are to be provided.
- 2.2 Social and economic development has a positive impact on the Municipality's finances as it increases revenue from property rates, fees, service charges and tariffs by expanding the base of ratepayers. However, development associated with this economic growth has an impact on the demand for municipal infrastructure services as well as social infrastructure services such as clinics, schools and other public amenities. Therefore, infrastructure is needed to support sustainable social and economic development in Stellenbosch. Without infrastructure, both public and private sector investment in Stellenbosch will slow down. The cost to the Municipality for providing this infrastructure is high. Funding to cover these costs is obtained from three sources:
 - 2.2.1 Grants are provided by national or provincial government and are generally targeted towards social infrastructure, particularly in support of low-income housing development.
 - 2.2.2 Loans are converted into tariffs and are recovered by user fees paid by all consumers to the Municipality.
 - 2.2.3 Development charges are a more targeted and more equitable way of ensuring that the main beneficiaries of infrastructure make an appropriate and fair contribution to that cost, without unduly burdening the Municipality's ratepayers. Development Charges are the most important form of capital contribution raised by the Municipality to pay for infrastructure.

¹ Section 152(1)(b) and (c).

2.3 The general duty of the Municipality to provide municipal services is inter alia provided for in terms of Section 73(2) of the Systems Act, which section provides as follows:

“(2) Municipal services must—

(a) be equitable and accessible;

(b) be provided in a manner that is conducive to—

(i) the prudent, economic, efficient and effective use of available resources; and

(ii) the improvement of standards of quality over time;

(c) be financially sustainable;

(d) be environmentally sustainable; and

(e) be regularly reviewed with a view to upgrading, extension and improvement.”

2.4 The goal of this policy includes the following:

2.2.1 Striving to make Stellenbosch the preferred town for investment and business, where investment inflows and new enterprise translate into jobs and prosperity.

2.2.2 Establishing the greenest municipality which will not only make Stellenbosch attractive for visitors and tourists, but will also provide a desirable environment for new businesses and appropriate industries.

2.2.3 Ensuring a dignified living for all Stellenbosch citizens, who feel that they own their town, take pride in it and have a sense of self-worth and belonging.

2.2.4 Creating a safer Stellenbosch, where civic pride and responsibility supplant crime and destructive behaviour.

3. OBJECTIVES

3.1 The objectives of this policy are to provide a sustainable and equitable framework for the financing of capital infrastructure assets and to ensure that:

3.1.1 The Municipality is able to provide capital infrastructure assets in a timely and sufficient manner to support land development;

3.1.2 Development charges complement other sources of capital finance available to the Municipality and are not utilised as a general revenue source;

3.1.3 Development charges are managed in a predictable, fair and transparent manner; and

- 3.1.4 Unnecessary litigation in the administration of development charges is minimised.

4. PRINCIPLES OF THE POLICY

4.1 Four key principles underlie the system of development charges. These are:

- 4.1.1 **Equity and Fairness:** Development charges should be reasonable, balanced and practical so as to be equitable to all stakeholders. The key function of a system of development charges is to ensure that those who benefit from new infrastructure investment, or who cause off-site impacts, pay their fair share of the associated costs.

This implies that:

- 4.1.1.1 The Municipality should recover from applicants a contribution that is as close as possible to be full and actual costs of the capital infrastructure assets that are needed to mitigate the impacts of land development and to provide services to new land developments;
 - 4.1.1.2 Development charges are levied to recover the infrastructure costs incurred or to be incurred due to land development, and are thus not a form of taxation;
 - 4.1.1.3 Costs which should be covered by development charges can be determined both in relation to the value of pre-installed capital infrastructure assets resulting from historical investments, and the provision of new capital infrastructure assets to meet new capacity requirements; and
 - 4.1.1.4 Development charges are not an additional revenue source to be used to deal with historical backlogs in provision of services, such as backlogs that exist in some historically disadvantaged areas.
- 4.1.2 **Predictability:** Development charges should be a predictable, legally certain and reliable source of revenue to the Municipality for providing external engineering services, and should be clearly and transparently accounted for. In order to promote predictability in municipal finance systems the costs associated with municipal capital infrastructure assets provided expressly to benefit poor households should be established before subsidies are applied in a transparent manner to fund the liability.
 - 4.1.3 **Spatial and Economic Neutrality:** The primary role of a system of development charges is to ensure the timely, sustainable financing of required capital infrastructure assets.

This implies that:

- 4.1.3.1 Development charges should be determined based on identifiable and measurable costs so as to avoid distortions in the economy and in patterns of spatial development;

- 4.1.3.2 Development charges should not be used as a spatial planning policy instrument;
- 4.1.3.3 Costs recovered should be dedicated only to the purpose for which they were raised; and
- 4.1.3.4 Development charges should be calculated where possible on a sectoral or geographic scale to more accurately approximate costs within a specific impact zone.
- 4.1.4 **Administrative ease and uniformity:** The determination, calculation and operation of development charges should be administratively simple and transparent.

5. LEGISLATIVE FRAMEWORK

Development Charges are an integral part of the broader legal framework for urban land development and municipal finance. This legal framework has undergone substantial changes at national, provincial and municipal levels with the introduction of the SPLUMA, LUPA and the By-Law.

5.1 Policy context

This policy is consistent with the Final Draft Policy for Municipal Development Charges (Version 10) issued by the National Treasury on 15 December 2015 and which reflects a broadly shared understanding of the role, purpose and legal nature of Development Charges across the country.

5.2 Applicable legislation

The Systems Act

- 5.2.1 The general power of the Municipality to recover charges is provided for in Section 75A. In terms of Section 75A (2) charges are levied by the Municipality by resolution passed by the Municipal Council with a supporting vote of a majority of its members.
- 5.2.2 All development charges levied in terms of the general power of the Municipality, as envisaged in terms of Section 75A, will be levied in terms of a Council's Resolution by virtue of which this policy is approved.
- 5.2.3 When the development charges are determined pursuant to a Council's Resolution envisaged in terms of Section 75A(2), regard must at least be had to the factors provided for in Section 40(3), (4) and (5) of the LUPA read with the changes required by the context. See **Paragraph 5.2.7** below.

LUPA

- 5.2.4 The LUPA came into force on 1 December 2015 pursuant to Proclamation No 30 of 2015 (Western Cape).
- 5.2.5 In terms of Section 40(2) the Municipality may, when it approves a land use application subject to conditions, impose reasonable conditions which arise

from the approval relating to the provision of engineering services and infrastructure and the cession of land or the payment of money. The aforementioned type of conditions may require a proportional contribution to municipal public expenditure according to the normal need therefore arising from the approval, as determined by the Municipality.

5.2.6 Municipal public expenditure is provided for in Section 40(4) as follows:

- “40(4) Municipal public expenditure contemplated in subsection (3) includes, but is not limited to, municipal public expenditure for municipal service infrastructure and amenities relating to—*
- (a) community facilities, including play equipment, street furniture, crèches, clinics, sports fields, indoor sports facilities or community halls;*
 - (b) conservation purposes;*
 - (c) energy conservation;*
 - (d) climate change; or*
 - (e) engineering services.”*

5.2.7 Section 40(5) provides as follows:

- “40(5) When determining the contribution contemplated in subsections (3) and (4), a municipality must have regard to at least—*
- (a) the municipal service infrastructure and amenities for the land concerned that are needed for the approved land use;*
 - (b) the public expenditure on that infrastructure and those amenities incurred in the past and that facilitates the approved land use;*
 - (c) the public expenditure on that infrastructure and those amenities that may arise from the approved land use;*
 - (d) money in respect of contributions contemplated in subsection paid in the past by the owner of the land concerned; and*
 - (e) money in respect of contributions contemplated in subsection (3) to be paid in the future by the owner of the land concerned.”²*

SPLUMA

5.2.8 In terms of Section 49, an applicant is responsible for the provision and installation of internal engineering services and the Municipality is responsible for the provision of external engineering services.

5.2.9 Section 49(4) and (5) provides as follows:

² Section 83(7) of the By-Law contains a similar provision.

- “40(4) An applicant may, in agreement with the municipality or service provider, install any external engineering service instead of payment of the applicable development charges, and the fair and reasonable cost of such external services may be set off against development charges payable.
- (5) If external engineering services are installed by an applicant instead of payment of development charges, the provision of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), pertaining to procurement and the appointment of contractors on behalf of the municipality does not apply.”

Stellenbosch Municipality: Land Use Planning By-Law

- 5.2.10 In terms of Section 83(1) of the By-Law, an applicant (as defined in Section 1 of the By-Law) must pay development charges to the Municipality in respect of the provision and installation of external engineering services. The external engineering services for which development charges are payable must be set out in the policy and be reviewed annually by the Municipality. The amount of development charges payable by such applicant must be calculated in accordance with a policy adopted by the Municipality.³
- 5.2.11 The provision of engineering services is prescribed in detail in Chapter 8 of the By-Law. Specific reference is made to Section 66(4) and (5). National Land Transport Act 5 of 2009
- 5.2.12 Although public transport infrastructure is not typically included as one of the engineering services covered by development charges, this act allows the Municipality to raise a user charge from 'land, buildings or other developments that generate the movement of passengers, including land or buildings of which the State is the owner, in its area', provided that this money goes into the Municipality's 'land transport fund'.

6. OBLIGATION TO IMPOSE A DEVELOPMENT CHARGE

- 6.1 When the Municipality approves a land development application (as defined in this policy) which will or may result in intensified land use with an increased demand for such municipal infrastructure services, the Municipality must levy a development charge proportional to the municipal public expenditure according to the normal need arising from such approval. The instances when development charges will be levied will include:
- 6.1.1 When the Municipality approves an application in terms of Section 15(2) of the By-Law and imposes conditions in terms of Section 66 thereof relating to the provision of engineering services and infrastructure and the cession of land or the payment of money;

³ See Chapter VIII of the By-Law.

- 6.1.2 The approval of building plans in terms of the National Building Regulations and Building Standards Act 103 of 1977.
- 6.2 Development Charges will not apply to the following land use applications, which are deemed to have no significant impact on provision of bulk infrastructure, and which has a social and/or economic benefit to the municipality and/or the community:
- 6.2.1 Home / non-commercial early childhood development centres that serve the surrounding community.
- 6.2.2 Community based churches and places of religious worship (it must be clear that such development will not lead to a significant additional service usage that will have an increased demand on municipal services)
- 6.2.3 House shops up to the lesser of 30% of the floor area of the buildings on the site or 50m² per erf.
- 6.2.4 Second dwellings – up to a total maximum of five bedrooms per erf will not trigger a Development Charges payment, any bedrooms in excess of five will be charged per bedroom at the usage rate of the “student room” category.
- 6.2.5 Accommodation establishments (bed and breakfast/guest rooms): up to the first five bedrooms of an existing dwelling – thereafter Development Charges will be charged per bedroom at the usage rate of the “student room” category. The assessment will be based on the total number of bedrooms in the house and not the number of bedrooms operating as guest rooms. Any additional land use that is not integral to the accommodation function – (restaurant, spa, gym, office, and conference centre) must be added as GLA (General Business) and will be additional to the Development Charges calculated per room.
- 6.2.6 Breaking New Ground (BNG) housing projects implemented by the municipality. These projects are approved by council prior to implementation and such approval should include financial commitments regarding the provision of bulk services for these projects. It is thus not necessary for development charges since the provision of bulk services are to be funded by alternative funding sources.
- 6.2.7 Development Charges will also not apply to the following land use applications. This is in order to incentivise and support private landowners and/or emerging developers to supply affordable housing units for rental or purchase as government alone cannot keep up with this demand. This incentive will be granted at the discretion of the Director: Infrastructure Services and the Developer must provide proof that the development complies with the following criteria:

The further densification on a residential erf (excluding subdivision) that comply with the following criteria:

- the intention of the development should be to cater for the housing demand in the low and middle income bracket i.e. those who qualify for the Finance Linked Individual Subsidy Programme (FLISP). Currently this means households with a max gross income of R 22 000. The cost of these units may not exceed R 5 000 per month (rental) or R 600 000 (unit purchase price). Proof of sale prices must be submitted.

- the proposed residential development must be located within a “Less formal residential” zoning as per the Zoning Scheme.
- 6.2.8 Public schools, hospitals, clinics and other public infrastructure projects developed and funded by government which provides a service to especially the poorer communities. These projects will have a social and economic benefit to these communities and the municipality in its whole and in so doing will alleviate some institutional and financial pressure on the Municipality in terms of providing social infrastructure and social development programmes.
- 6.3 A development charge will be determined by the Municipality in terms of and on the basis of the applicable statutory provisions referred to in **Paragraph 5.2** above read with this policy.
- 6.4 A developer must pay to the Municipality the full amount of the applicable development charge prior to the exercise of any rights to use, develop or improve the land arising from the approval of a land development application, unless in the case of a phased land development –
- 6.4.1 The Municipality authorises phased payments in the land development approval conditions, to take into account the timing of the proposed phases of the land development; and
 - 6.4.2 If agreed to by the Municipality, the developer provides a written guarantee from a registered financial institution, in an amount and subject to terms and conditions agreed in writing by the Municipality.
 - 6.4.3 The Municipality may also consider the payment of the outstanding development charge into an attorneys trust account, in cases where this will enable the completion of infrastructure projects in lieu of Development Charges that are not yet completed at the time that clearance is sought and if such withholding of clearance is deemed to be unfair towards the developer. An example of this is where the municipality has requested the upgrade or installation of a service in-lieu of Development Charges, of which the upgrade was not an original condition of approval, or which is not specifically triggered by the development, but of which the immediate upgrade will be of benefit to the municipality and/or the greater public. The conditions for the utilisation of the funds in this trust account shall be stipulated in a letter of undertaking issued by the trust attorney and as agreed to in writing by the Municipality.
- 6.5 When approving a land development application, the Municipality must stipulate at least the following matters relating to the development charge –
- 6.5.1 The total amount of the development charge,;
 - 6.5.2 The dates/development milestones on which the payment or payments must be made and the amount of such payments;
 - 6.5.3 Whether the Municipality and the developer have agreed that the developer will install any bulk services, as contemplated in **Paragraph 10**; and
 - 6.5.4 Where the developer is to install bulk services instead of the payment of some portion or all of a development charge –

- 6.5.4.1 The nature and extent of the bulk services to be installed by the developer;
 - 6.5.4.2 The timing of commencement and completion of the bulk services to be installed by the developer;
 - 6.5.4.3 The amount of the developer's fair and reasonable costs of installation, or the process for determining that amount, including the process, after installation, for making any adjustments to an amount specified as determined by the Municipality; and
 - 6.5.4.4 The engineering and other standards to which the installed external engineering services must conform.
- 6.6 The Municipality and a developer may, and in the circumstances provided for in **Paragraph 10** must, conclude an engineering services installation agreement to give detailed effect on the arrangements contemplated in this **Paragraph 6**, provided that an engineering services installation agreement may not permit any intensification of land use beyond that which was approved.
- 6.7 The impact zones with reference to which the Municipality will calculate development charges in respect of civil services, are Stellenbosch Town, Dwars River, Franschhoek and Klapmuts.

7. PURPOSE OF DEVELOPMENT CHARGES

- 7.1 Money collected by the Municipality in respect of development charges must be used for purposes of funding or acquiring capital infrastructure assets in a timely and sufficient manner to support current and projected future land development in the area of jurisdiction of the Municipality, and where calculated with reference to a particular impact zone, must be used for capital infrastructures assets in that impact zone.
- 7.2 Development charges are not a general revenue source and money collected in respect of development charges may not be used to fund the operating or maintenance costs incurred by the Municipality in respect of municipal infrastructure services.

8. CALCULATION OF DEVELOPMENT CHARGES

- 8.1 Subject to the provisions of this policy, a development charge shall be calculated with reference to the estimated increased load placed on the external engineering services networks that results from the development in a specific impact zone.
- 8.2 The capital cost of internal engineering services is for the account of the developer.
- 8.3 Subject to **Paragraph 6.3** above and for purposes of calculation of the bulk services component of a development charge, the Municipality must –
- 8.3.1 Determine a unit cost for each municipal infrastructure service, which unit cost must include all land cost, professional fees, materials, labour and

reasonable costs of construction, but must exclude the value of any debts incurred by the Municipality for purposes of funding existing capital infrastructure assets, to the extent that such debt has not been repaid by the Municipality;

8.3.2 Apply a formula, which formula will –

8.7.2.1 Be aimed at determining the impact of the proposed land use on municipal infrastructure services, taking into account current and planned capacity, relative to the impact of the land use occurring at the date of approval of the land development application; and

8.7.2.2 Calculate the amount payable by multiplying the unit cost referred to in **Paragraph 8.7.2.1**, by the estimated proportion of the municipal infrastructure services, including current and planned capacity, that will be utilised by the proposed land development.

8.4 The basis upon which development charges unit costs of the civil services and community services will be determined, as envisaged in **Paragraph 8.7**, shall be consistent with National Treasury's "Policy Framework for Municipal Development Charges (as amended)". The methodology for calculating unit costs can be summarised as follows:

- Choose a planning horizon in the future (say 20 years).
- Use town-planning scenarios and engineering masterplanning to determine what new services are required, such that at that point in the future, the joint capacity of existing and future services matches the number of consumption units that will be in place, being the existing amount plus the future development amount.
- Estimate the costs of the existing and future infrastructure, as though it was all being constructed at the present day, i.e. replacement cost for existing infrastructure or present-day cost for future infrastructure.
- Establish the number of consumption units that the total infrastructure will cater for i.e. existing consumption plus future consumption.
- From the above calculate the cost per unit consumption factor.
- The DC for the development in question is then calculated by multiplying the nett additional consumption needed for that development, by the cost per unit consumption factor.

8.5 The basis upon which development charges will be determined i.t.o. electricity will be as per NRS 069: Code of practice for the recovery of capital costs for distribution network assets.

8.6 The Municipality must adjust the unit cost for each municipal infrastructure service on an annual basis during the budget preparation process referred to in Section 21 of the Local Government: Municipal Finance Management Act 56 of 2003, to take account of inflationary impacts and must publish the adjusted unit costs within two months of approving the municipal budget. The Municipality will use the Contract Price Adjustment Factor as prescribed in the SAICE General Conditions of Contract for Construction Works (as amended) to determine the annual effect of inflation.

8.7 Where possible, unit costs for each municipal infrastructure service should be re-calculated every five years to take into account the current and planned capacity for each municipal infrastructure service at the date of re-calculation, and any other relevant factors.

- 8.8 In the event of the Municipality discovering that a gross error has occurred in the determination of the development charges, or if there are justifiable reasons to review the charges, it may, by means of a council resolution, correct such error or review the charges.

9. ACTUAL COSTS

- 9.1 Notwithstanding the provisions of **Paragraph 8.3**, the Municipality may at its own instance or on request by a developer, increase or reduce the amount of the bulk services component of a development charge so as to reflect the actual cost of installation of the required bulk services, where:
- 9.1.1 Exceptional circumstances, as motivated by the developer and if accepted by the Council, justify such an increase or reduction; or
 - 9.1.2 a particular land development significantly exceeds the size or impact thresholds set out in the applicable Development Charges tariff tables .
 - 9.1.3 the actual usage of a particular land development varies significantly from the usage of the approved Development Charges tariff tables and of which the actual usage is motivated by a professional engineer and can be justified by means of recognised engineering guidelines and/or industry norms and standards.
 - 9.1.4 Where a development is situated outside the urban area and was not taken into account during the determination of the Development Charges tariffs, then the Development Charges of that development will be based on its actual impact, as confirmed by a report by a professional Consultant, appointed by the Developer, and as approved by the Municipality. Examples of such a scenario would be development on farms that supports the primary farming activity, i.e. a cellar on a wine farm. The actual trip generation might be less than what is allowed for in the Development Charges tariff tables and if it can be justified the Development Charges can be based on the actual impact/demand on the bulk infrastructure.
- 9.2 Where the Municipality adjusts the amount of the bulk services component of a development charge on the basis of actual costs in terms of this section
- 9.2.1 the developer is responsible for the costs of performing the calculation of such adjustment, which must be carried out by a registered professional civil engineer appointed by the developer with appropriate experience and expertise having regard to the nature and extent of the proposed land use; and
 - 9.2.2 the actual cost must include, where applicable and without limitation, land costs, professional fees, materials, labour, the reasonable costs of construction and any tax liabilities: provided that all such costs would otherwise have been borne by the municipality, in the provision and installation of the bulk services concerned.

10. INSTALLATION OF EXTERNAL ENGINEERING SERVICES INSTEAD OF THE PAYMENT OF DEVELOPMENT CHARGES.

- 10.1 The Municipality may agree with a developer that the developer installs all or part of the external engineering services required for an approved land development instead of the payment of the applicable development charge. Such external engineering services must also be a “bulk service”.
- 10.2 Where a developer installs external engineering services to the technical standards required by the Municipality, as reflected in the applicable conditions of approval of the land development application or as agreed with the Municipality in writing, the developer may set off the fair and reasonable cost of such installation, as determined by the Municipality, against the applicable development charges.
- 10.3 Any capital infrastructure assets forming part of an external engineering service installed by a developer instead of payment of any part of a development charge shall, upon installation, become the property of the Municipality, and-
 - 10.3.1 the developer shall bear the responsibility of ensuring that ownership or other relevant rights to the affected capital infrastructure assets is or are transferred to the Municipality;
 - 10.3.2 the Municipality must include the applicable capital infrastructure asset gain in its next adjustments budget, in accordance with regulations relating to asset gains, made in terms of the Local Government: Municipal Finance Management Act 56 of 2003.
- 10.4 The Municipality may require that a developer installs external engineering services to accommodate a greater capacity than that which would be required for the proposed land use alone in accordance with any master plan approved by the Municipality, in order to support planned future development in the vicinity of the approved land development. Where the total fair and reasonable cost of installation of such required external engineering services exceeds the development charge payable by the developer, the Municipality may reimburse the developer the amount in excess of the development charge, in accordance with a written agreement, provided that such infrastructure has been provided for in accordance with an approved master planning programme for such service and which has been approved as a capital project in terms of the budget of the Municipality.
- 10.5 If the developer elects to develop outside the municipality’s capital expenditure programme that is approved by the municipal council, he or she will have to fund the provision of services to enable such development. There is no obligation on the Municipality to provide services to land simply because an owner wants to develop his/her land and the Municipality is not obligated to re-imburse the Developer for such expense. Section 152 of the Constitution emphasises the fact that the municipality must structure its administration and budgeting and planning processes to give priority to the basic needs of the community.
- 10.6 When a developer installs external engineering services instead of payment of a development charge, he or she must adopt the most cost-effective and efficient approach to meet the Municipality’s technical standards. The principles of procuring the most cost –effective and efficient services must be followed. Therefore, the installation of engineering services must be provided at a competitive bidding process.

As a minimum, three quotations or tenders should be obtained and evaluated by the Developer's consultant with a recommendation for appointment. Such recommendation must be approved by the Municipality before the appointment of a contractor.

11. NON-PROVISION BY THE MUNICIPALITY.

- 11.1 Where the Municipality has agreed to install the required external engineering services and fails to do so within a period of twelve months from the date for completion stipulated in such agreement, the Municipality must return the development charge paid by the developer, to the developer, with interest charged at the applicable rate for debts owed to the state.
- 11.2 Notwithstanding the provisions of **Paragraph 11.1**, the Municipality and the developer may agree to:
 - 11.2.1 an extension of the time period for the installation of the required external engineering services by the Municipality: provided that such extended time period may not exceed twenty-four months and provided further that where the Municipality completes the installation within such extended time period, it has no obligation to return the development charge paid by the developer, to the developer; or
 - 11.2.2 an engineering services installation agreement, or revised engineering services installation agreement, in terms of which the developer agrees to install the required external engineering services in whole or in part and, where agreeing to install in part, the time period within which the municipality will install those external engineering services for which it remains responsible: provided that the extended time period for installation by the Municipality may not exceed twenty-four months and provided further that where the Municipality completes its portion of the installation within such extended time period, it has no obligation to return that portion of the development charge paid by the developer which pertains to the external engineering services installed by the Municipality, to the developer.

12. WITHHOLDING CLEARANCES AND APPROVALS.

- 12.1 The Municipality shall be entitled to withhold any consent, clearance or approval in respect of a land development in the event where development charges owed by the developer remain unpaid or the developer fails to install external engineering services in accordance with an engineering services installation agreement entered into with the Municipality.
- 12.2 The Municipality shall not be obliged to allow any internal or link services to be connected to the bulk services of the Municipality until all development charges have been paid by a developer.

13. SUBSIDIES AND EXEMPTIONS

- 13.1 *The Stellenbosch Municipal Council* is the approving authority for subsidies and exemptions. Applications must be in writing and addressed to the Director: Infrastructure Services for consideration, before submitting to council for approval.
- 13.2 As stated by the Final Draft of the Policy Framework for Municipal Development Charges being drawn up by National Treasury, the Municipality should seek to
- 13.2.1 Minimise the number and value of any subsidies or exemptions it provides for the payment of development charges and
- 13.2.2 Apply any subsidies, exemption or surcharges in an equitable transparent and administratively feasible manner
- 13.3 Developers will be allowed to apply for exemption for developments that comply with the following criteria:
- 13.3.1 In the case of registered non-profit organisations/community organisations/charity organisation developing social development projects that is beneficial to the community and where the applicant is able to demonstrate how the proposed development will have a social and/or economic benefit to the municipality. The use of any land or buildings, or any part thereof, shall not be for the private financial benefit of any individual, including as a shareholder in a company or otherwise.
- 13.4 Before the Municipality grants an individual exemption, it must:
- 13.4.1 calculate the applicable development charge as if it were payable (Infrastructure Services);
- 13.4.2 ensure that the revenue to be forgone as a result of any exemption approved by the Municipal Council is reflected in the Municipality's budget (Finance);
- 13.4.3 must provide for budgetary provision for the realisation of the revenue forgone to be made, from another realistically available source of revenue (Finance);
- 13.4.4 ensure that the monetary value of the exemption, together with the amount of any other payment or payments received by the Municipality towards the capital costs of external engineering services for an approved land development, is at least equal to the development charge calculated in accordance with **Paragraph 13.4.1**.
- 13.5 Any development for which exemption has been granted and is used for any purpose other than the purpose for which it was so granted an exemption, the payment of Development Charges will become applicable.

14. OTHER PRINCIPLES TO BE APPLIED

- 14.1 [TK1] Development Charges will be applied based on the impact on services by the increase in land use rights and/or intensification of land use leading to increased demand, irrespective of the geographical location of the development. For example, the traffic generated by a development located along a provincial road, will ultimately end up on the Municipality's road network that link to the provincial roads. The same applies to the additional stormwater run-

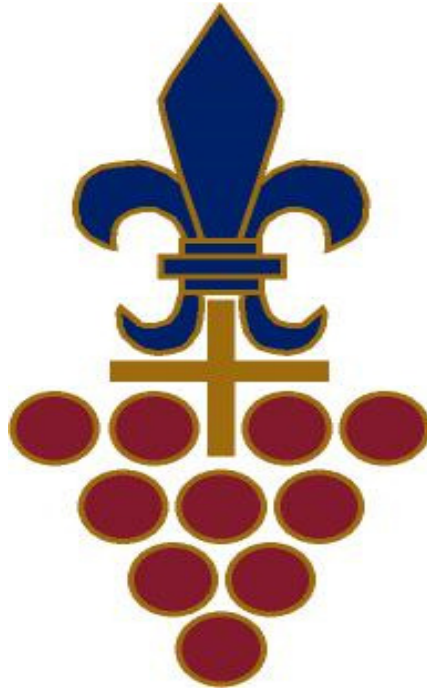
off that ends up in downstream municipal networks and river courses, increase in demand and the bulk supply of water, and sewer and solid waste disposal.

- 14.2 Development Charges in rural areas/farms: Development Charges will be determined in terms of **paragraph 9.1.4** for buildings/development related to the primary farming activities and can be classified as an agricultural building/agricultural industry i.e.: cellar and bottling facilities on a wine farm or a fruit packaging and storage facility on a fruit farm. It can be assumed that in most cases, the people already working or residing on the farm will work in these buildings and not place a significant additional demand on the bulk services. The approved Development Charges tariffs will be applicable for any other development on a farm i.e. a farm stall, function venues, tourist accommodation facilities, conference facilities or other business and commercial activities including wine tasting since these land uses attract people from outside and places an additional demand on the bulk infrastructure.
- 14.3 Where a development's Development Charges are utilised to upgrade a specific service in order to create the required capacity, and the Development Charges for that specific service category is not sufficient to cover the cost of the upgrade, the Director: Infrastructure, at his discretion, will determine if Development Charges from the other service categories can be utilized to cover the cost. Factors to be taken into consideration include the status of bulk services in the development area, the practicality and timing to secure alternative sources of funding, etc. Electrical Development Charges may not be used to cross fund civil engineering infrastructure and vice versa. The Community Facilities Development Charges must be ring fenced and not utilised on civil or electrical infrastructure.
- 14.4 GLA – Gross Leasable Area – where this is not known at the time of the Development Charges calculation being done, it will be deemed to be 15% less than the total bulk i.e. 85% of the total bulk.
- 14.5 Development Charges In lieu of Parking bays: If the development is located in an area where the lack of sufficient on-site parking is currently causing problems for the municipality and or the public, this option will not be considered. Some or all of the following criteria must be met before a Development Charges payment in lieu of parking will be favourably considered:
- If located in the historical CDB core where buildings were approved with limit parking provision
 - When a development is situated within a 500m radius of a public transport hub or facility
 - When a development is situated along a primary functional public transport route – provide that the necessary embayment is provided
 - When a development is situated along a primary NMT route (as defined by the NMT Masterplan) – provide that the necessary facilities is of good state
 - Where public parking garage has been constructed that can cater for shortfall in parking demand.
- 14.6 Provincial Roads – 20% of the value of upgrades on provincial roads have been allowed for in the determination of the Development Charges tariffs and therefore this percentage will be allowed to be offset from Development Charges. The offsetting of Development Charges against the full cost of provincial road upgrades would result in an under-recovery of Development Charges for municipal roads. Exception is upgrades to intersections between municipal and provincial roads, where the full amount can be offset from Development Charges.

*

- 14.7 The use of Development Charges on non-motorised transport (NMT) facilities will be allowed as a functional and safe non-motorised transport (NMT) and public transport network will reduce the dependence on private motor vehicles and therefore relieve road congestion and free up capacity on the roads and intersections. The non-motorised transport (NMT) master plan will be used as a guideline in determining which non-motorised transport (NMT) items this applies to. A further guiding principle is that the non-motorised transport (NMT) item must be for the benefit of multiple users/developments and/or the community as a whole and not just benefit an individual private development/small cluster of private developments.
- 14.8 Handling of properties with historical land use rights: If a property (especially business and industrial zoned property) has an existing zoning right, it does not necessarily mean that DCs have been paid on the full development potential of the property when such zoning was approved. A DC credit can only be granted if a DC for a specific development or building has been paid in the past, or if there are existing permanent, legal buildings (has building plan approval) on the site which service demand has already been absorbed into the bulk service networks. Otherwise there is no justification for granting such a credit. The onus to prove that DCs have been paid is on the Developer/Applicant.
- 14.9 Any increase of the demand of a service, such as electricity, water and sanitation, will trigger the equivalent payment of DCs, whether such property has gone through a town planning development exercise or not. Such DCs will be payable and the increase of services will not be allowed until such DCs have been paid, as provided for in Section 7 of the Norms & Standards for Water Services Authorities as allowed for by the Water Services Act as well as the NRS 069 CODE OF PRACTICE FOR RECOVERY OF CAPITAL COSTS FOR DISTRIBUTION NETWORK ASSETS as allowed for by the Electricity Regulation Act, Section 15
- 14.10 Temporary Departures: No DCs will be charged on a temporary departure application, since the impact will be of a temporary nature. However any further application to extend such right will trigger a DC. Should any upgrades be required due to the impact, even if of a temporary nature, the Developer will have to construct such upgrade at his own cost.

STELLENBOSCH MUNICIPALITY



**GRANTS-IN-AID
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

GRANT-IN-AID POLICY

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1. DEFINITIONS

“**Appendix A**” means the application for Grant-in-Aid, detailed more fully below, and provided for in clause 5.2.

“**Appendix B**” refers to the memorandum of agreement (MOA), detailed more fully below, and provided for in clause 10.

“**Capacity building**” Capacity building refers to a process which enables human beings to realize their potential, build self-confidence and lead lives of dignity and fulfillment. These Capacity Building programs have to align to the basket of services of the Directorate: Social Development and Early Childhood Development i.e. Early Childhood Development, Youth Development, Substance Abuse, Poverty Alleviation, Vulnerable Groups and Street People.

“**Community Based Organization (CBO)**” are nonprofit groups that work at a local level to improve life for residents. The focus is to build equality across society in all streams – health care, environment, quality of education, access to technology, access to spaces and information.

“**Early Childhood Development (“ECD”) Facility**” means any place, building or premises, including a private residence, maintained or used partly or exclusively, for the reception, protection and temporary or partial care of more than six children that shall be registered, managed and maintained in terms of the Children’s Amendment Act, 41 of 2007.

“**Grant-in-aid**” means a grant-in-aid or allocation, as referred to in Section 12, 17 (3) (j) (iv) of the MFMA, made by the municipality to any organisation or body referred to in Section 67(1) and to be utilised to assist the municipality in fulfilling the Constitutional mandates including social developmental and arts and culture programmes as set out therein.

“**Local Agenda 21**” means the international program, adopted by South Africa to put sustainable development into practice.

“**Memorandum of agreement (MOA)**” means the agreement entered into between the municipality and any organisation or body which receives a Grant-in-Aid in terms of this Policy and **Appendix A**.

“**Non-governmental organisation (NGO)**” means a non-governmental organisation (NGO) that is a legally constituted non-profit organisation that operates independently from any form of government.

“**Non-profit company (NPC)**” means a company whose Memorandum of Incorporation must set out at least one object of the company and each such object must be either a public benefit object or object relating to one or more cultural or social activities, or communal or group interests as required by Item 1(1) of Schedule 1 of the Companies Act, 71 of 2008.

“**Non-profit organisation (NPO)**” means a non-profit organisation registered in terms of Section 13 of the NPO Act, 71 of 1997, established for public purpose and which income and

property thereof is not distributable to its members or office-bearers, except as reasonable compensation for services rendered.

“Stellenbosch Environmental Management Framework (SEMF)” means legal and moral obligations of Stellenbosch Municipality as it relates to the environment, and provides a dynamic vision, goals and objectives, and spatial and strategic directives towards giving effect to such obligations.

2. PURPOSE, AIMS AND OBJECTIVES

- 2.1. This policy aims to provide a framework for Grant-in-Aid to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12, 17 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- 2.2. The purpose of the Grant-in-Aid Policy is to complement the goals, objectives, programmes and actions of the Stellenbosch Municipality's Integrated Development Plan (IDP), in order to create a sustainable, credible and caring municipality by empowering and building communities and enhancing growth and sharing through partnerships. Priority ward needs as identified through Council's IDP MUST be the guiding factor in developing these partnerships.
- 2.3. Grant-in-Aid should not duplicate services already provided for by Council or which falls within the geographical jurisdiction in which Council operates, being WC024.
- 2.4. Grant-in-Aid should improve the opportunity for Council to elicit the support of external organisations to deliver those services to communities which fall within the Council's area of responsibility in a way that allows the Stellenbosch community and town to create an enabling environment for community development.

3. LEGAL FRAMEWORK

All transfers of funds in terms of this policy shall comply with the: Constitution of the Republic of South Africa, 1996 as amended (Constitution); Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended (MSA); Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA); and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the above.

4. RESTRICTIONS

- 4.1. The Policy applies to all transfers of grants made by the Municipality towards support of services for the poor, marginalized or otherwise vulnerable people. Individuals may not apply for Grant-in-Aid and no payment may be made under this policy to individuals. Council may however set aside a specific amount from

which the Municipal Manager, after consultation with the Executive Mayor, may, at his/her discretion, make donations to support individual, meritorious cases in order to assist and/or recognise individual excellence in whichever field. Bursaries to individuals are treated according to the Council's Bursary Policy.

- 4.2. The total expenditure on grants may not exceed 1% of the operational budget of the Municipality.
- 4.3. Grants will only be made for services rendered in the WCO24.
- 4.4. Transfers made to categories A and B
 - 4.4.1. Transfers provided for those listed in Category A below may be made to a maximum of R40 000-00 per organisation or body per annum.
 - 4.4.2. Transfers in Category B may exceed this amount where funding relates to night shelters or addresses specific ward priorities identified and specified in the IDP and upon proper motivation contained in a business plan to address said issue. Consideration for grants larger than R 40 000, 00 requires audited financial statements, schedule of estimated annual costs and a business plan as provided for in 6 below. The decision to grant an amount more than R 40 000,00 is solely at the discretion of council and subject to available funds.
- 4.5. Grant-in-Aid transfers/payments shall be restricted to deserving organisation and bodies serving, especially those working with the poor/aged/youth/disabled/women, as per the eligible categories in 6.2, provided that such organisations or bodies:
 - 4.5.1. Operate as a separate legal entity and are recognised as such by South African legislation;
 - 4.5.2. Are governed by their constitutions, have regular meetings with their membership and subscribe to sound accounting practices; and
 - 4.5.3. Are located and serve communities and individuals who are most in need within the jurisdiction of the Municipality.
- 4.6. No Grant-in-Aid may be made to any political body, rate payers association or for any religious purposes.
- 4.7. No grant will be allocated, under this policy, to organisations or bodies in cases where a member of Council, an official of Stellenbosch Municipality or close relatives of said individuals receive any financial or other gain.
- 4.8. Funds may only be transferred to an organisation or body if provision has been made for the expenditure on the budget or appropriations budget.
- 4.9. An organisation or body is only entitled to one allocation per financial year, but disbursements can be made more often.

5. PUBLIC ADVERTISEMENT

- 5.1. The advertisements must meet the following requirements:
 - 5.1.1. The Municipal Manager must, place a public advert in local newspapers distributed in the Stellenbosch Municipal area, calling for proposals.
 - 5.1.2. This advert must be placed in time to complete all relevant processes prior to the approval of the annual draft budget or any adjustment budget in order to invite public comment on the proposed donations prior to the approval of the final or adjustment budget.
 - 5.1.3. Advertisements should clearly specify the categories for which proposals are called, the closing date for applications, who the proposal should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications/proposals, including the prescribed forms.
 - 5.1.4. Advertisements should also clearly reflect the Municipality's right not to make an award, as well as the fact that awards will not be made to organisations that have received funds in the previous year but have not submitted a final report on the projects or previous expenditure.
 - 5.1.5. The advertisement should also clearly state that final approval is reliant on the approval of the budget and that **no late submissions will be considered.**
- 5.2. Only applications made on the prescribed form, being **Appendix A**, may be considered.
- 5.3. Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement and after the attendance of a compulsory briefing session and that have not signed a Memorandum of Agreement with the Municipality.

6. GENERAL GUIDELINES AND CATEGORIES

6.1. General Guidelines

Funding of applications shall proceed on the basis listed below in response to an advertisement issued after the expiry of the relevant period associated with the specific category and after a compulsory workshop explaining the policy, application process and the required documentation has been attended by the applicants. Subject to the MOA provided for in clause 10, all funding is unrequited, provided there is compliance with said MOA. Funding of application in –

- 6.1.1. Category A will be considered on an annual basis ; and

- 6.1.2. Category B shall be considered on a three year basis subject to a monthly review at the discretion of the Municipality which may result in early termination for unsatisfactory and reckless expenditure.
- 6.1.3. Council in 6.1.1 and 6.1.2 reserve the right not to fund an organisation for two periods in succession and to cancel said funding in accordance with the MOA concluded.
- 6.1.4. Funding applications however will not be considered in the following instances:
 - (i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding;
 - (ii) Where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year;
 - (iii) Where only an individual will benefit;
 - (iv) For political or ratepayers organisations/groupings;
 - (v) Projects outside the boundaries of the Municipality;
 - (vi) Where expenses have already been incurred,
 - (vii) Where an applicant did not attend the compulsory clarification session as advertised, and
 - (viii) Where applications were received after the due date and time for submissions.
- 6.1.5. Funding of projects and to organisations shall exclude travel costs, subsistence, accommodation, food or entertainment expenses of any kind, staff salaries, bursaries, payments in lieu of rates or other municipal charges except for where the transport and nutrition is intended for beneficiaries/participants in the projects in question. The Municipality may also exercise their discretion to allow funding to extend to the above costs on a needs basis for the organisation or body clearly motivated for in the application.
- 6.1.6. Subsequent requests from applicants to cover overspending on projects will not be considered.

6.2. Categories Eligible for Grant-in-Aid

The following categories currently apply. Cognisance should be taken that these categories are not exhaustive. Other than the general guidelines and conditions set out above, categories now indicated may require specific criteria applicable to its projects/programmes:

Category A

6.2.1. **Health**

Projects/programmes include the following but are not limited to:

- (i) Public Health interventions inclusive of TB, STDs and HIV/Aids;

- (ii) Preventable lifestyle diseases e.g. drug/alcohol abuse, tobacco related illnesses; and
- (iii) Promotive and preventative services to infants, children and women.

6.2.2. **Environment**

Purpose: To stimulate the development of sustainable leisure, aesthetic and environmental projects within the municipal area; to increase the awareness of the environment by promoting “Greening of the City”; to promote swimming skills and water safety.

Projects/programmes include the following but are not limited to:

- (i) Voluntary rescue organisations;
- (ii) Lifesaving clubs and swimming organisations;
- (iii) Environmental groups/organisations; and
- (iv) Organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.
- (v) Projects which further the Council’s aims and the strategies of SEMF (Strategic Environmental Management Framework) and including but not limited to the sustainable management of:
 - o Riverine corridors;
 - o Biodiversity;
 - o Natural and built environment;
 - o Heritage resources;
 - o Quality urban spaces;
 - o Ecological conservation areas;
 - o Urban agricultural complexes;
 - o Bioregional planning;
 - o Nature area management;
 - o Wetlands;
 - o Local Agenda 21 projects

6.2.3. **Solid Waste (Cleansing)**

Purpose: Waste Reduction and awareness.

Projects/programmes include the following but are not limited to:

- (i) Waste reduction and awareness;
- (ii) Educational programmes/projects addressing litter and waste handling; and
- (iii) Waste minimisation solutions.

6.2.4. **Social Development**

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality’s Integrated Development Plan (IDP) focusing especially on the needs of the most marginalised sectors in the greater Stellenbosch as identified in the ward priorities.

Projects/programmes include the following but are not limited to:

- (i) Poverty alleviation;
- (ii) Urban renewal;
- (iii) Capacity building of communities;

- (iv) Youth development;
- (v) Women and gender development;
- (vi) Early childhood development;
- (vii) Street people programmes;
- (viii) Arts and culture programmes
- (ix) Facilitation of public participation processes; arts and culture programmes
- (x) Development of disabled persons, and
- (xi) Development of elderly people

6.2.5. **Sports and Recreation**

Purpose: To stimulate the development of sustainable Sport and Recreation infrastructure and programmes within the municipal area especially targeting disadvantaged communities; encourage creativity and self-reliance on the part of grassroots sport and recreation bodies or groups; to increase participation in sport and recreation programmes and activities.

Projects/programmes include the following but are not limited to:

- (i) Local sport and recreation clubs;
- (ii) School sport teams
- (iii) Local sport and recreation councils or associations
- (iv) Informal sport and recreation groups; and
- (v) Community and non-government organisations.

Category B

6.2.6. **Night Shelters**

Purpose: Provision of shelter for vulnerable individuals living on the street, without homes, in the need of shelter at night. Shelter is provided on a temporary basis and residency should not be provided for on a permanent basis. The Municipality aims to reduce the number of people living on the streets of Stellenbosch and as such the organisation or body's goals should align with this vision. Further the Municipality aims to reduce the socio-economic effects of poverty on the community of Stellenbosch. The organisation or body must therefore present to Council a clear business plan with a comprehensive response to the prevention, reduction, outreach and stabilisation of street people. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred. Street people programmes listed in Category A shall fall under this category if provision is made for overnight stay.

Projects/programmes must include the following but are not limited to:

- (i) Provision of basic services (overnight facility, shower, morning and evening meals
- (ii) Provision of social work services inclusive of referrals

- (iii) Family re-integration services
- (iv) Social support
- (v) Community work programme
- (vi) Facility maintenance (Infrastructure and operational equipment)

6.2.7. **Projects aligned to the strategic objectives of the municipality as described in the IDP**

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing on the strategic objectives of the Municipality and identified ward priorities. The organisation must therefore present to Council not only a clear business plan detailing how they intend to address the specific issue but how they intend to partner with other organisations to achieve a unified approach to that particular challenge. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred.

Projects/programmes include the following strategic objectives but are not limited to:

Those listed in Category A that address specific ward priorities identified and specified in the IDP and upon proper motivation contained in a potential plan to address said issue.

- (i) Valley of Possibility
- (ii) Green and Sustainable Valley
- (iii) Dignified Living
- (iv) Safe Valley
- (v) Good Governance and Compliance

7. APPLICATION PROCEDURE

Applications and proposal for Grant-in-Aid must be on the prescribed form stated in 5.2 above, a copy of which is attached hereto as **Annexure A for Category A and B**. Applications must be accompanied by a covering letter on the letterhead of the organisation or body, signed by the head of the organisation or body and must include the following information. Should an applicant wish to submit a Category B application, but would want to be considered for a Category A application in the event that the Category B application is declined, this must be clearly stated in the covering letter and supporting documents **MUST** be submitted for both types of applications:

- 7.1. The applicant's legal name and a brief description of the applicant organisation's or body's business;
- 7.2. if the applicant claims to be a non-profit organisation, the registration number and the certificate;
- 7.3. the date of establishment, details of the applicant's member founding documents, including constitution and certificates of incorporation;

- 7.4. a contact name, full street address, telephone number and an e-mail address;
- 7.5. if funding is required for a specific project, a brief description of the project what it aims to achieve, as well as the detailed budget for and duration of the project;
- 7.6. a description on how the project aligns with the needs identified in the community through the IDP process and which ward priorities will be addressed through the project;
- 7.7. if the request is for general support, the organisation's or body's overall budget must be included;
- 7.8. references, independent of the applicant and its executive;
- 7.9. most recent audited financial statements (subject to MFMA, section 67(4)) statements; or at least statements signed off by the treasurer and chairperson of the organization in the case of small emerging organizations;
- 7.10. a summary of past achievements;
- 7.11. a declaration by the head of the organization to the satisfaction of the Municipal Manager, that the organisation or body implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds; and
- 7.12. notwithstanding the above requirements, the CFO after considering the merits of an application not complying with the minimum application criteria and after consulting the Municipal Manager, may for the purpose of this policy approve a deviation from the norm;
- 7.13. Applications for Category B **must** include a schedule of annual costs for a three year period, business plan and audited financial statements.

8. OBLIGATIONS OF THE APPLICANT

- 8.1. The head of the organisation or body must acknowledge in writing to the Municipal Manager that the money was received in its bank account and that the amount is/will be utilised to the benefit and in accordance with the role of the organisation or body in society. The funds should be used as outlined in the application form.
- 8.2. The organisation or body shall regularly report, if and when required but at least once a year, to the Municipal Manager regarding the activities conducted, the ward within which activities are conducted, as well as the number of people benefiting from the activities.

- 8.3. If funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget for and duration of the project.
- 8.4. The applicant must attend a compulsory workshop on the Grant-in-Aid policy and application procedure prior to submission of the application.
- 8.5. If successful with the application, the applicant must spend funds according to the approved Grant-in-Aid funding request. Should the need change over the funding period, written consent needs to be obtained from the municipality prior to spending the funds on alternative needs. Failure to spend funding on approved projects can result in the applicant being required to return the funding and/or the applicant being excluded from future applications for a period of 5 years.

9. RIGHTS OF THE MUNICIPALITY

- 9.1. The Municipality shall be entitled, from time-to-time, to verify and inspect the existence and activities of the organisation or body. The municipality will therefore have the right to physically visit the premises where the organisation, or the funded project, is based; to peruse the budgets and any progress reports related to the project (in contract).
- 9.2. The Municipality shall manage contracts entered into with organisations or bodies by receiving reports and doing the necessary site visits and inspections to ensure that this policy and contract are being complied with.
- 9.3. The Municipality has the right not to give a Grant-in-Aid to any or all organisations applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.
- 9.4. The Municipality will run proposed donations through a public participation process before final awards are made.

10. AGREEMENT

Before any funds are transferred to an organisation an agreement (**Annexure B**) must be concluded by the Municipal Manager with the beneficiary to protect the interest of the Municipality.

11. DEVIATION

This policy constitutes the entire framework for Grant-in-Aid and no deviation will be entertained.

12. COMMENCEMENT

This Policy takes effect on the date on which it is adopted by the Council of Stellenbosch Municipality.



APPLICATION FOR GRANT-IN-AID: 2021/22

NOTE: ATTENDANCE OF THE GRANT-IN-AID WORKSHOP IS COMPULSORY

PLEASE COMPLETE THE FOLLOWING			
A	REGISTERED NAME OF ORGANISATION		
B	DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED: (include a brief description of the business or activities of the organization)		
C	ADDRESS OF REGISTERED ORGANISATION		
	PHYSICAL ADDRESS	POSTAL ADDRESS	
	CODE:		CODE:
D	CONTACT DETAILS (Details of the person to contact regarding this GIA application)		
	NAME & SURNAME:		
	POSITION:		
	TEL: ()	FAX: ()	
	MOBILE:	ALTERNATIVE:	
	EMAIL ADDRESS:		

E REGISTRATION:				
	Is the organization a NP/NG Organisation?	YES		NO
	If YES, please provide the Registration Number: (Attach a copy of the registration certificate or proof of other affiliation where applicable)			
F BOARD/COMMITTEE MEMBERS OF THE ORGANISATION: (List ALL Board/Committee Members of the Organisation) Insert a separate page if the space is not enough).				
1	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
2	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
3	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			
4	NAME & SURNAME:			
	POSITION:			
	ADDRESS:			
	CONTACT NUMBER:			

5	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
6	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
7	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
8	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
9	NAME & SURNAME:	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	

10	NAME & SURNAME:				
	POSITION:				
	ADDRESS:				
	CONTACT NUMBER:				
G PREVIOUS FUNDING:					
		Have you successfully applied and received Stellenbosch Municipal Grant-In-Aid funding previously?			
		If yes for which financial year?			
		What amount was received?			
		Did you submit Financial Reports for the funds received?			
		Do you receive any other sources of funding? (If YES please provide details)			
H CATEGORY A:					
For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)					
		HEALTH			
		ENVIRONMENT			
		SOLID WASTE			
		SOCIAL DEVELOPMENT			
		SPORTS & RECREATION			
CATEGORY B:					
For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)					
		NIGHT SHELTER			
		OTHER (Please specify)			
I REQUEST FOR FUNDING:					
		Is funding required for the ensuing year?		YES	NO
		Is funding required for a specific project? (If YES attach details separately)		YES	NO
		Is funding required for general support? (If YES, attach a copy of the Organisation's Overall Budget)		YES	NO
		Budgeted amount requested			
		Duration of project?			

	If Category B Application					
	Total amount requested for 3 year period					
	Annual amounts requested:	Year 1		Year 2		Year 3
J	SERVICE FOCUS					
	Ward number/s in which services are delivered:					
	Which Ward Priority/ies are addressed through the service: (Please provide details below)					
	Which Municipal Strategic Goal/s is linked to the services: (Please mark with a X)					
	Valley of Possibility					
	Safe Valley					
	Dignified Living					
	Good Governance and Compliance					
	Green and Sustainable Valley					
K	THE FOLLOWING MUST BE ATTACHED TO THIS APPLICATION: (Category A and B applications) (Please use this form as a check-list, to ensure that you comply to the specified requirements)					
1	AUDITED FINANCIAL STATEMENTS (A copy of the latest audited financial statements. Should the organization be classified as an emerging organization, the financial statements MUST be dated and signed by the Treasurer and Chairperson and MUST include a monthly income and expense statement for the months that the organization has been in existence or for the last 12 months)					
2	ORGANISATIONAL CONSTITUTION (A signed and dated copy of the Organisation's Constitution, as well as a signed copy of the Minutes of the AGM/Special Meeting , to verify the acceptance of the Constitution.)					
3	PROJECT PROGRAMME/BUSINESS PLAN (A copy of the project/program description and/or a business plan for the ensuing financial year. Please ensure that the following is included in the project/program and or business plan, by using the below mentioned bullet points as a guide). ❖ Full details of the proposal/project/business plan including objectives; ❖ The number of people who will benefit and how the project/program will contribute or enhance the strategic objectives of Stellenbosch Municipality; ❖ The project/program commencement and completion dates; ❖ Information on the total costs of the project/program budget; ❖ A breakdown of costs and an outline of any contributions by fundraising and / or own contributions; ❖ A list of all other sources of funding together with the assessments; ❖ A summary of past achievements; ❖ Reference independent of the applicant and its executive/board or committee members.					
4	SIGNED AND STAMPED CREDITOR CONTROL FORM (An original signed copy of a correctly completed Creditors Control form of the Stellenbosch Municipality)					
5	ACCOUNT ON EXPENDITURE FOR PRECEDING FUNDING (If you have received funding from Stellenbosch Municipality in the preceding financial year, expenditure of the funds received needs to be accounted for with this new application). Please refer to Section M for the format.					
6	PROOF OF REGISTRATION/AFFILIATION (Attach a copy of the organisation's Registration Certificate of Affiliation)					

REQUIREMENTS CATEGORY B APPLICATIONS	
L	(Please note that Category B applications MUST adhere to the following requirements and those listed under section K, except where indicated otherwise.)
1	AUDITED FINANCIAL STATEMENTS A copy of the latest audited financial statements must be included in the application. Category B applications MUST submit their latest audited financial statements. Statements signed off by the treasurer, chairperson or other delegated party will not be accepted.
2	THREE YEAR BUSINESS PLAN See the requirements for the business plan as listed under section K as guideline. NOTE: Category B applications MUST provide a clear proposal for a period of three years. Each year must be indicated separately and be costed per annum indicating all expenditure against the projected measurable outcomes. Outcomes must be listed to how they will be reported on and measured on a monthly basis.
M	FORMAT FOR FEEDBACK REPORT (Please ensure that your feedback of previous funding received, includes the following)
1	Narrative report on the project including numbers reached, outcomes reached, evaluation of the project indicating successes and failures/lessons learned.
2	Pictures of the project/program.
3	Financial report on expenditure regarding previous donation separate from the annual financial statements. (Attach proof of expenditure).
N	THE FOLLOWING SHALL APPLY:
1	The allocation of Grant-In-Aid will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein.
2	An applicant who has been registered as a non-profit organization in terms of Section 13 of the Non-Profit Organisation Act, 1997, and the necessary proof thereof is submitted together with this application.
3	Applicants must in their submission clearly indicate/specify and motivate what the funds will be utilized for.
4	The Grant-In-Aid must be exclusively utilized for the purpose defined and the successful applicant must submit the necessary undertaking to this effect.
5	Applicants must in their submission satisfy the Council of their ability to execute the project successfully.
6	Organisations who have already received financial or other assistance from the Council during the previous financial year MUST specify same in their application.
7	No funding will be considered for political groupings, churches or ratepayers organisations.
8	No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain.
9	Projects outside the boundaries of the Council will not be considered.
10	Expenditure that will not be funded includes: travel costs (unless it is for the transport of beneficiaries), subsistence, accommodation, food (unless intended for the beneficiaries) or entertainment expenses of any kind, staff salaries including bonuses, bursaries and payments in lieu of rates or other municipal charges.
11	Subsequent requests from the applicants to cover overspending on projects will not be considered.
12	Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act no. 56 of 2003 which inter alia stipulates that the organization or body has to:- ❖ Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting financial management and auditing requirements as may be contained in such an agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programs of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion. ❖ Report monthly on the actual expenditure of the amount allocated to it. Should monthly allocations be made.
13	The Council reserves the right not to give a Grant-In-Aid to any organization applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.
14	Funding will not be considered where a project or organization is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
15	Funding will not be considered where in Council's opinion, an organization received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.
16	Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attach to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of Section 17 of the Non-profit Organisation Act, 1997 and Section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).
17	Funding will not be considered where expenses have already been incurred on a project by the applicant. (The Council's Grant-In-Aid Policy must be consulted for the sake of completeness).

O DECLARATION OF INTEREST:

The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations:

Name & Surname: _____

Designation: _____

Name & Surname: _____

Designation: _____

P UNDERTAKING:

I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of a Grant-in-Aid as set out above and in the GIA Policy have been read and is understood and will be complied with.

I/We also declare that the organization implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.

Thus completed and signed at Stellenbosch on this _____ day of _____ 20_____.

Chairperson/Authorised Representative Secretary/Duly Authorised Signatory

Q PLEASE TAKE NOTE:
(Completed application forms, together with all the required supporting documentation must be posted to):

The Director: Planning & Economic Development
P O Box 17
Stellenbosch
7599

Or hand delivered to:

The Manager: Community Development
58 Andringa Street
Stellenbosch
7600

The submission of applications closes at 13H00 on the closing date as per the advertisement.

PLEASE NOTE: Neither LATE nor INCOMPLETE applications shall be considered.



STELLENBOSCH

STELLEN BOSCH • PN I E L • FR ANSC HHOE K

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

MEMORANDUM OF AGREEMENT

Entered into and between

STELLENBOSCH MUNICIPALITY

(hereafter called the "**MUNICIPALITY**")

Herein represented by **Geraldine Mettler**, in her capacity as **Municipal Manager**, being duly authorised

and

(hereafter called the "**BENEFICIARY**")

Herein represented by _____ in his/her capacity as _____, being duly authorised.

WHEREAS Section 67(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA) oblige the Accounting Officer of a **MUNICIPALITY** to satisfy himself that, before transferring funds of the **MUNICIPALITY** to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, that such organisation or body:-

- (a) has the capacity and has agreed-
 - (i) to comply with any agreement with the **MUNICIPALITY**;
 - (ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - (iii) to report at least monthly to the Accounting Officer on actual expenditure against such transfer (should transfers be done on a monthly basis); and

- (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
- (c) has in respect of previous similar transfers complied with all the requirements as set out above; and
- (d) give permission to site visits done by the **MUNICIPALITY**.

WHEREAS the **MUNICIPALITY** has approved a Grants-in-Aid Policy, in terms whereof applications are considered;

WHEREAS the **BENEFICIARY** has applied for a grant-in-aid as per the official grant-in-aid application form; and

WHEREAS the **MUNICIPALITY** has approved such application, subject to certain conditions;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. TRANSFER OF FUNDS

1.1 The **MUNICIPALITY** hereby undertakes to transfer an all-inclusive amount of **R..... (.....)**, being a donation for the period **01 July 20...** to **30 June 20...** to the **BENEFICIARY**.

1.2 Bank Account details: (The following are confirmed through a correctly completed Creditors Control Form.)

Account number	:	_____
Name of financial institution	:	_____
Name of account holder	:	_____
Branch code	:	_____
Type of account	:	_____

1.3 The all-inclusive amount will be transferred in equal amounts on the following dates (if applicable):

2. OBLIGATIONS OF BENEFICIARY

- 2.1 The **BENEFICIARY** must acknowledge in writing to the Municipal Manager that the amount(s) was(were) received in its bank account.
- 2.2 The **BENEFICIARY** hereby certifies that the money will be utilised in accordance with the role of the organisation or society, to the benefit of the community and in accordance with the project(s) / programme(s) as indicated in the application form.
- 2.3 The **BENEFICIARY** undertakes to regularly report on a monthly basis to the Municipal Manager regarding the activities conducted, actual expenditure against such transferred funds, as well as the number of people benefiting from the activities should monthly payments be made. If not, an annual report on the expenditure will be provided.
- 2.4 The **BENEFICIARY** further undertakes to submit an audited financial statement for its financial year to the Municipal Manager by not later than **30 April 20...**

3. SPECIFIC CONDITIONS

- 3.1 The parties specifically agree on the following:

That the organization will commit to active involvement in any programme run by the municipality in the area of operation of the organization when such a programme is active in the community.

Other conditions:

4. DECLARATION OF INTEREST

The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations: (Name and designation)

5. ACQUISITION OF ASSETS

- 5.1 Should the **BENEFICIARY** wish to acquire any moveable or immovable assets with the money donated in terms of this Agreement, the **BENEFICIARY** hereby undertakes to:-
- 5.1.1 adhere to the principles as per the **MUNICIPALITY'S** Supply Chain Management Policy, and
- 5.1.2 take all reasonable steps to ensure that such assets are maintained and that a system of internal control of such assets is in place.

6. RIGHTS OF THE MUNICIPALITY

- 6.1 The **MUNICIPALITY** shall be entitled, from time to time, to verify the existence and to inspect the activities of the **BENEFICIARY**, having regards for its right to privacy as entrenched in terms of the Constitution of the Republic of South Africa..
- 6.2 The **MUNICIPALITY** shall further be entitled to peruse the budgets and any progress reports related to the project / programme as per this Agreement.

7. FAILURE TO COMPLY

- 7.1 Failure by the **BENEFICIARY** to comply with the obligations as set out in Clause 2 of this Agreement, may lead to the cancellation of this Agreement, in which case the **MUNICIPALITY** may demand that the organisation pays back any unspent funds as per this Agreement. The **MUNICIPALITY** may even, depending on the circumstances leading to the non-compliance by the **BENEFICIARY**, demand that the organisation pays back the full amount paid to the **BENEFICIARY**.

8. INDEMNIFICATION

- 8.1 The **BENEFICIARY** hereby acknowledges that it receives the grant voluntarily and that it shall keep the **MUNICIPALITY** indemnified at all times against any loss, cost, damage, injury or liability suffered by the **MUNICIPALITY** resulting from any action, proceeding or claim made by any person (including themselves) against the **MUNICIPALITY** caused directly or indirectly by the use/spending of the grant.

9. DISPUTE RESOLUTION

9.1 Any dispute arising from this Agreement shall be mediated between the Parties by a mutually agreed upon and suitably skilled mediator. Should the mediator be unsuccessful and the Parties fail to reach agreement, the dispute may be referred by the aggrieved Party to the arbitration of a single arbitrator, to be agreed upon between the Parties, or failing agreement, to be nominated on the application of any Party, by the President for the time being of the South African Association of Arbitrators. The decision of the single arbitrator shall be final and binding on the Parties.

10. NOTICES AND DOMICILIA

10.1 The parties choose as their *domicilia citandi et executandi* their respective addresses as set out in this clause for all purposes arising out of or in connection with the agreement at which addresses all processes and notices arising out of or in connection with this Agreement, its breach or termination, may validly be served upon or delivered to the Parties.

10.2 For purposes of this Agreement the Parties' respective addresses shall be:

10.2.1 The MUNICIPALITY:

Town House
Plein Street
Stellenbosch
7600
Fax: 021 – 808 8025

10.2.2 The BENEFICIARY:

email address: _____

or at such other address of which the Party concerned may notify the other(s) in writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or poste restante.

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

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

10.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (eighth) day following the date of such posting;

10.3.3 if transmitted by facsimile be deemed to have been received by the addressee on the day following the date of dispatch;

10.4 Notwithstanding anything to the contrary contained or implied in this Agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such party.

11. ENTIRE AGREEMENT

This Agreement, including the **Grant-in-Aid policy and application form**, reflects the entire Agreement between the Parties and no variation, amendment or addendum shall be of any force and effect between the Parties unless contained in writing, signed and agreed on by both Parties.

Signed at Stellenbosch on this _____ day of _____ 20....

.....
for the **MUNICIPALITY**

WITNESS: 1.
2.

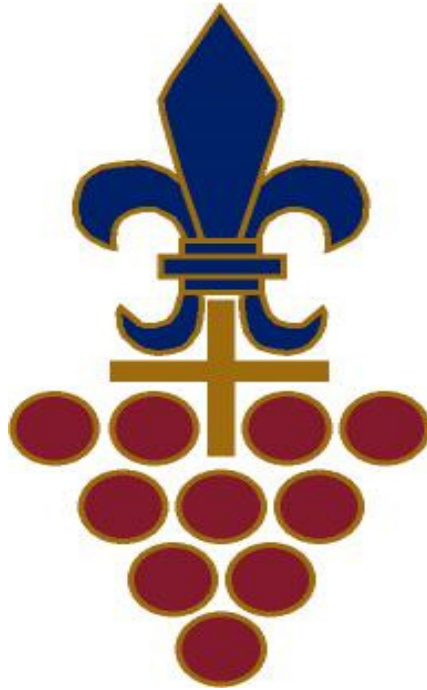
Signed at Stellenbosch on this _____ day of _____ 20....

2.
.....
.....
.....

WITNESS: 1.

..... for the
BENEFICIARY

STELLENBOSCH MUNICIPALITY



**ACCOUNTING
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

ACCOUNTING POLICY

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1. Basis of Preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Going concern assumption

These unaudited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.2 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC

responsible for housing.

1.3 Internal reserves

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Self-insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments. Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.4 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Revenue recognition

Accounting Policy 1.16 on Revenue from Exchange Transactions and Accounting Policy 1.17 on Revenue from Nonexchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Impairment of financial assets

Accounting Policy 1.11: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.8 and 1.9 the municipality depreciates its property, plant

and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use.. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

The municipality obtains actuarial valuations of its employee benefit obligations. The employee benefit obligations of the municipality that were identified are post-retirement health benefit obligations and long-service awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the annual financial statements.

Impairment of non-financial assets

The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions are raised and management determines an estimate based on the information available. Additional disclosures of these estimates of provisions are included in note 20 - Provisions.

Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus/deficit.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the municipality measures the impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the municipality discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Accounting by principals and agents

The entity makes assessments on whether it is the principal or agent in principal-agent relationships.

1.6 Biological assets that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural produce when and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less

costs to sell.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological assets that form part of an agricultural activity, is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable, is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The municipality classifies biological assets as consumables which consist of timber in the form of pine trees. All biological assets are held for sale.

Item	Useful life
Trees in a plantation forest	indefinite

1.7 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or for
- administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that is associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Depreciation is calculated at the straight line method over a period of 30 - 99 years

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - buildings	30-99 years
Property - land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 11).

When classification is difficult, the criteria used to distinguish investment property from owner - occupied property and from property held for sale in the ordinary course of operations, are as follows:

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- (a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) commencement of development with a view to sale, for a transfer from investment property to inventories;
- (c) end of owner-occupation, for a transfer from owner-occupied property to investment

- property; or
- (d) commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

1.8 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is recognised as an asset when:

- it is probable that the future economic benefits or service potential that are associated with the property, plant and equipment will flow to the municipality; and
- the cost or fair value of the item can be determined reliably.

Measurement

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and standby equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Depreciation

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Land	indefinite
Machinery and equipment	1-25
Furniture and office equipment	2-24
Transport assets	4-20
Computer equipment	5-23
Community assets	4-30
Other property, plant and equipment	6-99
Capital restoration asset	5-30
Electrical infrastructure	10-50
Water supply infrastructure	10-100
Solid waste infrastructure	10-30
Roads infrastructure	10-100
Information and communication infrastructure	3-15
Waste water network	10-100
Stormwater infrastructure	10-50

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

1.9 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations. A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service

potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are initially measured at cost.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item		Useful life
Computer software		3 - 30 years
Internally generated: Capital development	Straight-line	5 - 7 years
Service operating and land rights	Straight-line	5 - 30 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.10 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by a municipality on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability

from an municipality's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, a municipality shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the municipality shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another municipality; or
- a contractual right to:
 - receive cash or another financial asset from another municipality; or
 - exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another

financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern

- of short term profit-taking
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Short term investments	Financial asset measured at amortised cost
Long term receivables	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value,

transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data..

Short-term receivables and payables are not discounted where the initial credit period granted

or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification

Where the municipality cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the municipality reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference

between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past history of fines per category.

Derecognition Financial assets

The municipality derecognises financial assets using trade date accounting. The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Cash includes cash on hand and cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at amortised cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight- line basis.

Any contingent rent is expensed in the period in which they are incurred.

1.13 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, and then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.14 Landfill site

Site restoration and dismantling cost - The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and

- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.15 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Cash generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Management has judged all assets as non cash generating assets.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if

there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.16 Impairment of non- cash generating assets

Non cash generating assets are assets other than cash generating assets.

Identification

When the carrying amount of a non cash generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non cash generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non cash generating intangible asset with an indefinite useful life or a non cash generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with

its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non cash generating assets is the present value of the non cash generating assets remaining service potential.

The present value of the remaining service potential of a non cash generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset.

Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non cash generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non cash generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non cash generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non cash generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non cash generating asset is adjusted in future periods to allocate the non cash generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.17 Employee benefits

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- a municipality's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide postemployment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from a municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-

accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a municipality provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Multi-employer plans

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the municipality accounts for in the same way as for any other defined contribution plan.

Where a plan is a defined benefit plan, the municipality account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the municipality account for the plan as if it was a defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognizes the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long- term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are

changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;

- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long term employee benefits

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

Long term service awards is payable after 10 years of continuous service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continuous employment on their 30th and every 5th year onward. Furthermore a retirement gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long service award based on historical staff turnover based on historical staff turnover. No other long service benefits are provided to employees.

The entitlement to post-retirement health care benefits is based on the employee remaining

in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they

are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments result in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in surplus or deficit as they occur.

Provision for constructive obligations

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition, contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end

are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the billings done during July and August. The billing and invoiced amounts done in July are recognized in total as an accrual as all billing in July pertains to services rendered prior 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of

ownership of the goods.

- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on

behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces

the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables. Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
- the amount of revenue can be measured reliably; and

to the extent that there has been compliance with the relevant legal requirements (if applicable).

1.21 Statutory receivables Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the accounting policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount. Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised. Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.22 Accounting by principles and agents

2 Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 59 and 60 for detail.

1.25 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

Management are those persons responsible for planning, directing and controlling the activities of the municipality including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality

to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.30 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.31 Value Added Tax

The municipality accounts for Value Added Tax on the cash (receipt) basis.

1.32 Budget information

The approved budget is prepared on the accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2019/07/01 to 2020/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts.

1.33 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur

between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.34 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term “contractor” thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

2 New standards and interpretations

2.1 Standards and interpretations not yet effective or relevant

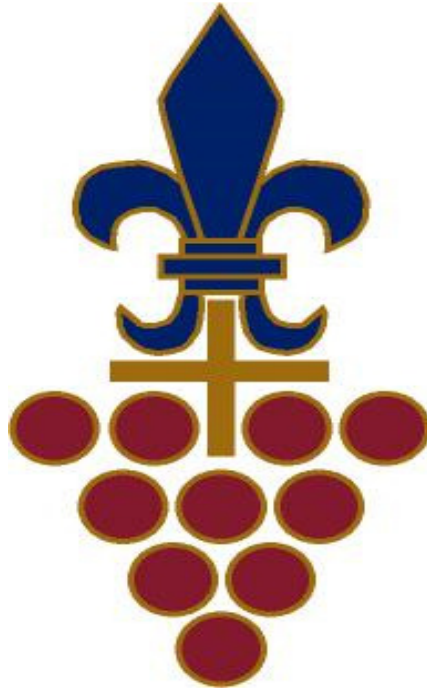
The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality’s accounting periods beginning on or after 01 July 2019 or later periods but no effective date has been determined by the Minister:

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality’s accounting periods beginning on or after 01 July 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 34: Separate Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 35: Consolidated Financial Statements	01 April 2020	Unlikely there will be a material impact
• GRAP 36: Investments in Associates and Joint Ventures	01 April 2020	Unlikely there will be a material impact
• GRAP 37: Joint Arrangements	01 April 2020	Unlikely there will be a material impact
• GRAP 38: Disclosure of Interests in Other Entities	01 April 2020	Unlikely there will be a material impact
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2020	Unlikely there will be a material impact
• GRAP 18 (as amended 2016): Segment Reporting	01 April 2020	Not expected to impact results but may result in additional disclosure

STELLENBOSCH MUNICIPALITY



**ASSET MANAGEMENT
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

ASSET MANAGEMENT POLICY

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1. PREAMBLE

- Section 63 of the Municipal Finance Management Act Number 56 of 2003 governs Asset and Liability Management and states the following:

Asset and liability management

63. (1) The accounting officer of a municipality is responsible for the management 10
of—

- (a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and
- (b) the liabilities of the municipality.

(2) The accounting officer must for the purposes of subsection (1) take all reasonable 15
steps to ensure—

- (a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- (b) that the municipality's assets and liabilities are valued in accordance with 20
standards of generally recognised accounting practice; and
- (c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

The Municipal Finance Management Act Number 56 of 2003 will be the legislative framework for the Asset Management Policy whilst Generally Recognised Accounting Practice (GRAP) will be the accounting framework.

- The Municipal Council of Stellenbosch is in terms of the MFMA and GRAP obliged to adopt an Asset Management Policy to regulate the effective management of all council's assets.
- **And whereas** the municipal manager as accounting officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.
- **And whereas** these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes in meeting the municipality's operational requirements.
- **Now therefore** the municipal council of the Stellenbosch Municipality adopts this asset management policy:

2. DEFINITIONS

In this Policy, unless the context indicates otherwise

An **asset** means a resource

- a) controlled by Stellenbosch Municipality
- b) as a result of a past event
- c) it is probable that future economic benefits or service potential associated with the assets will flow to the municipality

Property, Plant and Equipment (PPE) refers to tangible, identifiable assets that:

- a) are held for-
 - i. use in the production or supply of goods or services
 - ii. rental, or
 - iii. administrative purposes, and
 - iv. are expected to be used for more than one year.

PPE should be classified according to the following definition groups:

- a) **Infrastructure assets** which are defined as assets that usually display some or all of the following characteristics:
 - i. they are part of a system or network,
 - ii. they are specialised in nature and do not have alternative uses
 - iii. they are immovable, and
 - iv. they may be subject to constraints on disposal
 - v. examples are road networks, sewer systems, water networks etc.
- b) **Community assets** which are defined as assets that contributes to the communities' well-being. Community assets are disclosed in accordance with its nature.
- c) **Heritage assets** which are defined as cultural significant resources.
- d) **Investment Properties** are defined as properties (land or buildings) that are acquired for economic and capital gains or held by Stellenbosch Municipality as finance lease to earn rentals. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.
- e) **Other assets** which are defined as assets utilised in normal operations.
- f) **Intangible assets** which are defined as being assets without physical substance.

g) **Biological assets** are assets acquired for agricultural purposes.

Capitalization of assets means the recording of assets in the Fixed Asset Register with its historical financial cost in accordance with GRAP.

Carrying amount means the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

Classification of assets means the grouping of assets of a similar nature of functionality in an entities operation that is shown as a single item for the purpose of disclosure in the financial statements.

Cost means the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with specific requirements of other Standards of Generally Recognized Accounting Practices (GRAP).

Contributed assets means items received by the municipality as a donation.

Depreciation means the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount means the cost of an asset, or other amount substituted for the cost less its residual value.

Fair value means the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fixed Asset Register means a register for recording assets in accordance with GRAP

Impairment of an asset

- An impairment loss of cash - generating assets is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- An impairment loss of non - cash generating assets is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Recoverable amount means the amount that the municipality expects to recover from the future use of an asset, including the residual value on disposal.

Residual value means the estimated amount that Stellenbosch municipality would

currently obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Useful life means the period over which an asset is expected to be available for use by the municipality.

Contributed Assets means items received by the Stellenbosch Municipality in the form of a donation.

3. ACRONYMS

PPE:	Property, Plant and Equipment
AMC Form:	Asset Movement Capture Form
MFMA:	Municipal Finance Management Act
GRAP:	General Accepted Accounting Practice
DIR:	Departmental Inventory Register
SCM:	Supply Chain Management
FAR:	Fixed Asset Register
NARC:	New asset receipt capture form
AT:	Asset transfer form

4. AIM

This policy will lay down broad guidelines for consistent, effective and efficient asset management principles of Stellenbosch Municipality

5. OBJECTIVES

- Specifying Council's practice regarding accounting for assets
- Ensure consistency in accounting treatment.
- To assist officials in understanding their legal and managerial responsibilities with regard to key asset functions such as:
 - safeguarding of assets,
 - maintaining assets,
 - establishing and maintaining a management, accounting and information system

- that accounts for the assets of the municipality.
- asset valuation principles in accordance with GRAP.
- establishing and maintaining systems of internal controls over assets.
- establishing and maintaining asset registers.
- clarifying responsibilities and accountabilities for the asset management process.

6. STATUTORY AND REGULATORY FRAMEWORK

This policy must comply with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa, 1996
- Municipal Structures Act, 1998
- Municipal Systems Act, 2000
- Division of Revenue Act (enacted annually)
- Municipal Finance Management Act of 2003

Also, this policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognized accounting standards include:

- GRAP 17 Property, plant or equipment
- GRAP 16 Investment property
- GRAP 100 Non-current Assets held for Sale and Discontinued Operations
- GRAP 31 Intangibles
- GRAP 103 Heritage Assets
- GRAP 101 Agriculture
- GRAP 21 & 26 Impairment

7. RESPONSIBILITIES AND ACCOUNTABILITIES

The purpose of this section is to prescribe the responsibilities of the various functionaries within Stellenbosch Municipality.

7.1 The Accounting Officer (Municipal Manager)

The Accounting Officer (Municipal Manager) or his duly delegated representative is responsible to ensure implementation and compliance with the responsibilities prescribed in section 63 of the MFMA.

- The municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;

- The municipality’s assets are valued in accordance with standards of generally recognized accounting practice;
- The municipality has and maintains a system of internal control of assets, including an asset register; and
- The senior managers and their teams comply with this policy.
- In consultation with the asset managers, he approves the temporary or permanent transfer of a movable asset between departments as determined in the “Delegation of Authority to officials of the Stellenbosch Municipality”.

7.2 The Chief Financial Officer (Director: Finance)

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipality’s assets is safeguarded and maintained.

The Chief Financial Officer must take reasonable steps to ensure that:

- i. Appropriate systems of financial management and internal control are established and carried out diligently;
- ii. The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- iii. Any unauthorized, irregular or fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented;
- iv. The systems, processes and registers required to substantiate the financial values of the municipality’s assets are maintained at standards sufficient to satisfy the requirements of the Auditor-General.
- v. Financial processes are established and maintained to ensure that the municipality’s financial resources are optimally utilized through an appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.
- vi. The managers and asset champions are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
- vii. The policy and supporting procedures or guidelines are established, maintained and effectively communicated;
- viii. The Chief Financial Officer may delegate or otherwise assign responsibility for performing the functions but he/she will remain accountable for ensuring these activities are performed.

7.3 Asset Managers/ Directors

- a) The manager referred to in Section 56 of the municipal systems act being someone reporting directly to the Municipal Manager and has the functional accountabilities for the physical management of a particular set of assets in order to achieve the municipalities strategic objectives relevant to their directorate.
- b) Directors shall be directly responsible for the physical safeguarding of any fixed asset controlled or used by the directorate in question. In exercising this responsibility, directors shall adhere to the stipulations of this policy as well as any other written directives issued by the municipal manager to the directorate in question, or generally to all directorates, in regard to the control of or safeguarding of the municipality's fixed assets.

Asset managers should:

- i. ensure that employees in their departments adhere to the approved Asset Management Policy;
- ii. ensure that all assets are procured in terms of the SCM Policy;
- iii. ensure that council are properly informed about any contributed (donated) assets and that approval from council is obtained timeously
- iv. ensure that the contributed asset is recorded on the NARC form and communicated with the Asset Management Department.
- v. ensure that employees with delegated authority have been nominated to implement and maintain physical control over assets in their departments. Although authority has been delegated, responsibility remains with the respective Managers of the departments and overall accountability with the Directors of relevant directorates;
- vi. ensure that the termination of service asset verification form for staff, is duly completed and submitted to the Strategic and Corporate Services Directorate;
- vii. ensure that assets are properly maintained in accordance with their respective asset maintenance policy;
- viii. ensure that, where applicable, all their movable assets as reflected on the Fixed Asset Register are barcoded to exercise control;
- ix. ensure that the Asset Management Section is notified via the AT form within 10 working days of any changes in the status of assets under the department's control;
- x. ensure that transfers between departments within directorates are administered internally;
- xi. ensure that a complete asset verification of all inventory and asset

- items is performed annually;
- xii. ensure that all obsolete, damaged and unused assets, supported by relevant asset and condemnation forms, are handed in at the Asset Management Department without delay;
 - xiii. be responsible for maintaining and managing their own DIR;
 - xiv. ensure that all assets are safeguarded against loss/theft and that they are adequately insured; and
 - xv. ensure that location changes are made timeously and location/room information are updated and reported on the relevant form to the Asset Management Section regularly.

7.4 Asset Champions

Asset Champions are senior officials appointed by the Asset Manager in the different Directorates.

The Asset Champion must:

- i. Assist the Asset Manager/ Director in performing his/her functions and duties.
- ii. Ensure that all new assets (purchased or donated) are recorded on the NARC form.
- iii. Ensure that the NARC forms are completed in full and send with copies of the relevant documentation to the asset control department within 7 working days after receipt of the assets.
- iv. Ensures that all their movable assets, where applicable, are barcoded.
- v. Ensure that asset listings are verified and kept up to date in collaboration with the Finance Directorate.
- vi. Assist the Finance Department with the annual verification of movable assets by making sure that the assets, as per asset listing, are at the correct locations, that these locations are accessible when the verification of assets takes place and provides a full report on any missing assets to the Asset Manager.
- vii. Notify the Finance Department when he/she identifies obsolete and redundant assets so that these assets can be moved to the Write-off Store.
- viii. Report all changes affecting asset listing sheets to the Director: Finance and the Finance Department: Asset Management Division within 7 days of occurrence.

The following require the written recommendation of the Asset Manager and approval of Municipal Manager on the prescribed form:

- a) The temporary or permanent transfer of all movable assets between departments.
- b) The writing off or disposal of obsolete or redundant assets.

7.5 Financial Services Directorate: Asset Management Section

- i. Is the asset registrar of the municipality and shall ensure that a complete, accurate and up to date asset register is maintained that conforms to the GRAP specifications.
- ii. Ensures that physical asset verification is performed annually by all departments to verify the assets on the asset register. The results of this verification must be reported to the Municipal Manager and Council.
- iii. Will perform reconciliations between the asset register and the General Ledger on a monthly basis.
- iv. Ensures adequate bar codes and equipment to exercise the function relating to asset control is available at all times.
- v. Will ensure that all audit queries are resolved in a timely manner.
- vi. Dispose of asset in accordance with the SCM policy
- vii. Handles the administrative functions with regards to the transfers received.

7.6 The responsibility of the Budget and Treasury

- i. Ensure that a clear description is provided with each project and the appropriate funding source is identified.
- ii. Release capital funds only after receiving written authority and a clear and concise description of the item to be purchased.
- iii. Ensure that any changes in the capital budget, with regards to funds transferred or project description changes are communicated to the Asset Management Division.

7.7 The Strategic and Corporate Services Directorate

The Strategic and Corporate Services directorate shall ensure that no monies are paid out to the staff on termination of their service prior to receiving the relevant asset resignation form signed off by the relevant directorate- refer to Termination of Service Asset Confirmation form.

8. SAFEGUARDING OF ASSETS

Custody and Security

- i. All barcoded assets shall be tracked by physical location through the Fixed Asset Register.
- ii. A physical asset verification process shall be performed every year and all directorates will be verified simultaneously.
- iii. The coordination of the process and verification of the assets will rest with the Asset Management Section and all directorates are responsible to see that the assets under their control are available during the verification process.

Communication

- i. Directorates are responsible to report any stolen or damage property to the Asset Management Section.
- ii. All changes must be accurately recorded on the AT forms and reported to the Asset Management Section within 10 working days.
- iii. Any discrepancies between the Fixed Asset Register and the physical inventory must be reconciled and motivated by the relevant directorates.

9. PROCEDURE WITH REGARD TO CONTRIBUTED ASSETS

Governance

- i. The authority to endorse and approve acceptance of assets contributed to the Stellenbosch Municipality vests with Council as such assets have an impact on future operational costs.
- ii. A report including the fair value/cost price of the contributed asset as well as the financial implications of acceptance of the contributed asset must be submitted to Council, so that acceptance of the asset can be confirmed.

Procedures

- i. Once Council has approved the donation, the departments must:
- ii. Notify the Financial Services Directorate of any assets contributed, by submitting the Council approved report including the cost/fair value of the contributed asset so that the asset can be recorded and capitalized

at the appropriate value.

10. FINANCIAL MANAGEMENT

Pre-Acquisition Planning

Before a capital project is included in the draft municipal budget for approval, the Asset Manager must prove that they have considered:

- The projected acquisition and implementation cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including tax and tariff implications;
- The financial sustainability of the project over its economic life span including revenue generation and subsidization requirements;
- The physical and financial stewardship of the asset through all stages in its economic life span including acquisition, installation, maintenance, operations, disposal and rehabilitation; and
- The inclusion of the capital project in the Integrated Development Plans and future budgets.

The Chief Financial Officer is accountable to ensure that the Asset Managers/ Directors receive all reasonable assistance, guidance and explanation to enable them to achieve their planning requirements.

Approval to acquire Property, Plant and Equipment:

Funds can only be invested with a capital project if:

- The funds have been appropriated in the capital budget;
- The project, including the total cost and funding sources, has been approved by the Council;
- The Director: Finance confirms that funding is available for that specific project; The Supply Chain Management prescripts/procedures have been adhered to.
- Any contract that will impose financial obligations more than two years beyond the budget year is appropriately disclosed.

The funding sources of Assets:

Within the municipality's ongoing financial, legislative or administrative capacity, the Chief Financial Officer will establish and maintain the funding strategies that optimize the municipality's ability to achieve its Strategic Objectives as stated in the Integrated Development Plan.

Four main sources of finance are utilized to acquire Property Plant and Equipment

for the municipality, namely:

- The Accumulated Surplus/Deficit (Capital Replacement Reserve)
- The External Financing Fund (EFF).
- Grants, Subsidies and Public
- Contributions. Fair value

The sources of finance that may be utilized to finance assets are utilized in accordance with the provisions of S19 of the Municipal Finance Management Act.

a) Accumulated Surplus/Deficit (The Capital Replacement Reserve)

The Council must annually approve the basis and the amounts for which contributions should be appropriated to the Accumulated Surplus/Deficit in conjunction with the availability of funds and the requirements of the capital program for that financial year.

The funds in the Accumulated Surplus/Deficit are accumulated by: An annual contribution from revenue

The cash backed profit on the sale/disposal of assets

When an amount is advanced to a borrowing service to finance the acquisition of an asset, the money must be transferred to the Accumulated Surplus created for the purpose of acquiring a specific asset and the accumulated funds in the Accumulated Surplus/Deficit must be reduced by the amount of the advance.

The balance of the accumulated funds in the Accumulated Surplus/Deficit will therefore represent the amount that is available to finance assets in future periods. This balance must be cash backed at all times.

The balance in the Accumulated Surplus is transferred to the income statement over the estimated life of assets financed by the Accumulated Surplus/Deficit to offset the depreciation charge included in the income statement relating to fixed assets.

b) The External Financing Fund (EFF)

When loans are obtained from external sources, they must be paid into the EFF. The corresponding cash should be invested until utilized for the purpose of acquiring assets. When the external loan is utilized to finance assets in a service entity it should be recorded in an “advances” account in the EFF.

Where a loan has a fixed period the installments should be calculated to determine the cash that should be set aside in the EFF. This is done so that there will be sufficient money to repay the loan when it matures as well as any interest charges as they occur.

When the loan is an annuity loan, the cash required to be paid into the EFF should be based on the actual loan repayments. Once the money has been received by the EFF, the cash would be used to repay the loan.

When the EFF is consolidated with the various services, the “advances made” account in the EFF will contra with the “advances received” account in the various service entities.

Loan finance option

A municipality should ensure that a loan satisfies the requirements of legislation on incurring debt. In particular, municipalities should ensure that long-term debt is:

- Incurred only for the purposes of capital expenditure for the purpose of achieving the objectives stated in section 152 of the Constitution (MFMA S46);
- incurred in line with its capital budget (MFMA S19 and S46(2));
- Is incurred only after the anticipated debt repayment schedule has been submitted to council (MFMA S46(3)(b)(i));
- Included in the liabilities register and
- Satisfies the other requirements of sections 19, 46 and 63 of the MFMA, the MSA and the Constitution.

c) Grants, Subsidies and Public Contributions (Capital Receipts)

Unutilized conditional grants are reflected on the Balance Sheet as a Creditor called Creditor (Unspent and Receipts). They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash.

The following provisions are set for the creation and utilization of this creditor:

- The cash which backs up the creditor is invested until it is utilized.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the council’s interest it is recognized as interest earned in the income statement.
- Whenever an asset is purchased out of the unutilized conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilized Capital Receipts into the income statement as revenue. Thereafter

an equal amount is transferred on the statement of changes in equity to a reserve called an Accumulated Surplus/Deficit (Future Depreciation Reserve). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilized Capital Receipts. The Future Depreciation Reserve is used to offset depreciation charged on assets purchased out of the Unutilized Capital Receipts to avoid double taxation of the consumers.

- If a profit is made on the sale of assets previously purchased out of Unutilized Capital Receipts the profit on these assets sold is reflected in the notes to the income statement and is then treated in accordance with Council policy.

The acquisition of assets will not be funded over a period longer than the useful life of that asset.

Disposal of assets

- The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.
- The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.
- The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.
- The transfer of assets to another municipality, municipal entity, national department or provincial department is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework. Directors shall report in writing to the Director: Finance on 31 May of each financial year on all fixed assets controlled or used by the directorate concerned which such Director wishes to alienate by public auction or public tender. The Director: Finance shall thereafter consolidate the requests received from the various directorates, and shall promptly report such consolidated information to the council or the Municipal Manager of the municipality, as the case may be, recommending the process of alienation to be adopted.
- Once the fixed assets are alienated, the Director: Finance shall de-recognize the asset from the accounting records and the fixed asset register.

Loss, theft, destruction or impairment of fixed assets

The different directorates shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the directorate in question is promptly reported in writing to the Director: Financial Services, to the internal auditor, and in cases of suspected theft or malicious damage, also to the South African Police Service.

11. ACCOUNTING FOR ASSETS

Capitalization of Assets

Stellenbosch Municipality does not capitalize an asset based on a capitalization cost threshold, but recognizes an asset when it complies with the definition of an asset as stipulated in GRAP 17 and the cost of the asset to the municipality can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition (GRAP 17.22).

Assets will only be capitalized in the asset register on completion or finalization of the project.

Multi Year projects

Projects to be completed over more than one financial year will be initially disclosed in the asset register and financial statements as “Work in Progress” thereafter only on completion the asset will be capitalized and depreciated.

Assets will be recorded in the asset register continuously on completion thereof and bar-coded with an aluminium label where appropriate for identification.

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized (GRAP 17.19-.20):

- Parts of some items of property, plant and equipment may require replacement at regular intervals. For example, a road may need resurfacing every few years, a furnace may require relining after a specified number of hours use, or aircraft interiors such as seats and galleys may require replacement several times during the life of the airframe. Items of property, plant and equipment may also be required to make a less frequently recurring replacement, such as replacing the interior walls of a building, or to make a non-recurring replacement. Under the recognition principle in an entity

recognizes in the carrying amount of an item property, plant and equipment the cost replacing part of such an item when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the de-recognition provision of this Standard (GRAP 17.19).

- A condition of continuing to operate an item of property, plant and equipment (for example, an aircraft) may be performing regular major inspections for faults regardless of whether parts of the item are replaced. When each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognized. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed (GRAP 17.20)

Computer software will be capitalized and classified as intangible assets.

MAINTENANCE

Maintenance Strategy

Each directorate must develop a maintenance strategy that will ensure that the assets of Stellenbosch Municipality are maintained at an adequate operational level or standard by ensuring that all statutory, technical and operational objectives are achieved. This strategy must ensure that tangible assets under the custody and control of the relevant directors are properly maintained and repaired so that their possible maximum useful lives are realised.

Directorates Responsibilities

Each Directorate is responsible for ensuring:

- i. That all tangible assets under their control are maintained in a good working condition. The directorates must take adequate care that the working environments for the various assets are appropriate and suitable for such types of tangible assets.
- ii. That their assets are not misused or used for personal use or benefit.
- iii. That repair and maintenance costs incurred is reviewed and properly controlled.
- iv. The development of a maintenance program according to their

operating budget resources. The program must provide a schedule of the repairs and maintenance to be done. The program must also consist of planned and unplanned repairs and maintenance to be performed.

- v. The following matrix will assist in distinguishing capital expenditure from maintenance expenditure:

CAPITAL EXPENDITURE	MAINTENANCE
<ul style="list-style-type: none"> • Acquiring a new asset 	<ul style="list-style-type: none"> • Restoring an asset so that it can continue to be used for its intended purpose
<ul style="list-style-type: none"> • Replacing an existing asset 	<ul style="list-style-type: none"> • Maintaining an asset so that it can be used for the period for which it was initially intended
<ul style="list-style-type: none"> • Enhancing an existing asset so that its use is expanded 	
<ul style="list-style-type: none"> • Further developing an existing asset so that its original useful life is extended 	

When assets are capitalized a distinction should be made on whether the new asset is purchased to replace an existing asset or whether it is a total new asset that is purchased.

Assets held under leases

- **Finance leases** are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the fixed asset register. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.
- **Operating leases** are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

INVESTMENT PROPERTY

- An item shall be recognised as investment property if it meets the definition. Investment property is recorded at cost.
- Disclosable value measured at recognition:
 - Initially at acquisition cost plus transaction cost, or nominal value
 - Where acquired at no cost or nominal value, fair value at acquisition is deemed to be cost for disclosure
 - If held under a lease and classified as Investment Property, is the lower of fair value and the present value of the minimum lease payments
- Cost value is determined according to the requirements of the GRAP standard on Investment Property.
- Assets classified as Investment Property shall be re-defined once such assets usage changes

Cost Model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses

Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property, which is as follows:

Item	Useful life
Property – buildings	30-99 years
Property – land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable

Depreciation

- Depreciation will be done in accordance with the GRAP frame work
- The depreciable amount of an item of property, plant or equipment should be allocated on a systematic basis over its useful life.
- Stellenbosch Municipality's depreciation method will be the straight-line method for all assets of the Council unless otherwise agreed to in writing by the Director: Financial Services.
- Depreciation shall be calculated from the day the fixed asset is available for

use (commissioning date) (GRAP 17.65).

- If the cost of land includes the cost of site dismantlement, removal and restoration, the portion of the land asset is depreciated over the period of benefits or service potential obtained by incurring those costs. In some cases, the land itself may have a limited useful life, in which case it is depreciated in a manner that reflects the benefits or service potential to be derived from it (GRAP 17.69).

Review of residual value and useful life

- The municipality should assess whether there is any indication that the expected useful life of the asset has changed based on whether the condition of the asset has improved or declined. This is based on any condition assessments undertaken by the entity on its assets during the reporting period. Paragraph .60(f) of GRAP 17 should not be read as requiring a condition assessment at each reporting date. Condition assessments will be undertaken by entities on selected or identified assets as part of its on-going asset management. Instead, any information available from any condition assessments undertaken during the reporting period should be used to assess whether the useful life of particular assets should be changed.
- All movable assets with a useful life of two years or less will be reviewed on an annual basis to ensure adherence to GRAP 1757 (c) if no other indicators are present or detected during the year under review.
- If the review indicates that a change has taken place and expectations differ from previous estimates, the changes should be accounted for as a change in the accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.
- The remaining useful life of capital assets should be reviewed annually and, if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods should be adjusted.
- This review should be done by the asset manager in conjunction with the impairment review.
- The review of useful life is a check to see if there is any evidence to suggest that expected life should be changed.
- The Table of Useful Lives is provided in the MFMA Local Government Capital Asset Management Guideline (Refer to Annexure A). These should be used as a guide to the minimum useful lives only because actual asset lives experienced greatly exceed those recommend lives.
- The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount (GRAP 17.65).

Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in GRAP 17:

- The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.
- Recoverable amount is the higher of a cash – generating asset's net selling price and its value in use.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognized as an expense immediately.
- The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis.
- However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

Procedure to identify, budget and account for impairment losses:

- The following needs to be done to ensure that impairment losses that are identified by the above indicators are budgeted for during the operating budget cycle and are accounted for in the next financial year. The following steps will have to be performed during the operating budget cycle:

Financial Services Directorate - Asset Management Section shall issue a memo to all directorates requesting them to identify assets that:

- a) Are in a state of damage at the start of the operating budget cycle;
- b) Are technologically obsolete at the start of the operating budget cycle; This can be facilitated if directorates require that Financial Services Directorate - Asset Management - section to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
- c) Have remained idle for a considerable period either prior to them being put into uses at the start of the operating budget cycle or during their useful life;
- d) Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments;
 - The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
 - The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.
 - The impairment loss needs to be budgeted for.
 - The following steps will have to be performed regularly during the year to account for impairment losses:

Directorates will identify and inform Financial Services Directorate - Asset Control section of assets that:

- a) Are in a state of damage at year-end,
- b) Are technologically obsolete at year-end. This can be facilitated if directorates require Finance Directorate - Asset Control section to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
- c) Have remained idle for a considerable period either prior to them being put into uses at year-end or during their useful life
- d) Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments. The recoverable amounts of these assets need to be

calculated by calculating the Net selling Price per asset as defined above.

The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.

The impairment loss needs to be accounted for by identifying the relevant funding source.

Disclosure requirements relating to impairment losses:

All material impairment losses need to be disclosed in the notes to the income statement as a separately disclosed item. They are normally disclosed as part of the note on the amounts that are included in the calculation of the Net Surplus or Deficit for the year.

DISPOSAL AND RETIREMENTS

Governance

Section 14 and 90 of the MFMA governs the disposal of assets. This section provides inter alia:

- The council may not dispose of assets that are utilized to provide minimum level of basic municipal services.
- Assets other than those utilized to provide minimum level of basic service may be disposed of subject to Council approval.
- An item of property, plant or equipment should be eliminated from the Statement of Financial Position, on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from its disposal, in accordance with GRAP 100.
- Gains or losses arising from the retirement or disposal of an item of property, plant or equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.

Procedures

- a) Any items declared obsolete or damaged will be handed in to the Finance department - Asset Control section for safekeeping.

- b) No items will be received by the Financial Services Directorate, Asset Management section without a completed AT form and attached condemnation forms, counter signed by Finance Directorate - Asset Management section, describing the status of the item and the reason for writing-off the item.
- c) Directorates must ensure that assets are disposed of in terms of the SCM policy.
- d) It is the responsibility of each directorate to ensure that all such assets to be disposed of are delivered to and received at the Finance Directorate - Asset Management section.
- e) Approval for the disposal of assets is considered by the Municipal Manager only after a recommendation has been obtained from the following persons:
 - i. Vehicles and Plant - The Fleet Manager and applicable Directorate;
 - ii. Computers -Information Technology Manager;
 - iii. Other Items - Directors (Asset Managers) within the different directorates.
- f) After the approval of the Municipal Manager has been obtained, any vehicle written off must be deregistered immediately.
- g) All asset items lost, stolen or damaged must be reported to the Financial Services Directorate – Insurance section as well as Finance Directorate - Asset Management section by completing the AT form.
- h) All asset items lost or stolen also need to be reported to the SAPS by the relevant department.

An item of property, plant and equipment should be eliminated from the balance sheet on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from when it is disposed of.

Gains and losses arising from the retirement or disposal of an item of property, plant and equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.

The accounting treatment relating to the profit or loss on the sale of property, plant & equipment is outlined in GRAP 17. The following is a summary of the relevant aspects:

Profits and losses, which are disclosed in total in the financial statements, are

calculated by use of the following formula: -

<i>Proceeds</i>	Sales value, trade-in value or proceeds received from insurance if the asset was damaged or stolen.
<i>Less: Carrying value</i>	Cost, or if valued, revaluation amount, less accumulated depreciation up to the date of sale or when asset can no longer be used for its intended purpose.
<i>Equals PROFIT or</i>	If proceeds greater than carrying value, or
<i>Equals LOSS</i>	If proceeds less than carrying value.

12.INTERNAL CONTROL OVER ASSETS

- Establishment and Management of the Financial Asset Register:

The Chief Financial Officer will establish and maintain the Asset Register containing key financial data on each item of Property, Plant or Equipment that satisfies the criterion for recognition as per the accounting standards.

Each Asset Manager is responsible to ensure that sufficient controls exist to substantiate the quantity, value, location and condition of all assets in the asset register.

Each Asset Manager must appoint an Asset Champion in each Directorate/Section which will be responsible to ensure that the asset listings are verified and kept up to date in collaboration with the Directorate: Finance Services.

- Contents of the Fixed Asset Register

The fixed asset register shall be maintained in the format determined by the Director: Financial Services, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribe Directors under whose

control any fixed asset falls shall promptly provide Director: Financial Services in writing with any information required to compile the fixed asset change which may occur in respect of such information. Contents of the Financial Asset Register:

The details included in the Asset Register will include:

- The depreciation methods used
- The useful live
- Depreciation charge
- The carrying amount
- The accumulated depreciation
- Additions
- Disposals and transfers
- Date of acquisition
- Date of disposal (if relevant)
- Asset description
- Historical cost of the asset
- Asset classification
- Asset ID
- Residual value

Internal Controls over the Financial Asset Registers

- Controls around their asset register should be sufficient to provide an accurate, reliable and up to date account of assets under their control to the standards specified by the Chief Financial Officer and required by the Auditor-General.
- Controls around the asset registers should be sufficient to provide Directors with an accurate, reliable and up to date account of assets under their control to the standards specified by the Director: Finance and required by relevant legislation.

These controls will include the physical management and recording of all acquisition, assignments, transfers, losses and disposals of assigned assets as well as regular asset counts and systems audits to confirm the adequacy of controls.

Identification of fixed assets:

The Municipal Manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerized fixed asset register.

Transfers, Reallocation or Reassignment of Property, Plant or Equipment

- a) An Asset Manager retains management accountability and control for a particular asset until another Asset Manager in writing does accept responsibility for that asset, and the Chief Financial Officer endorses the transfer.
- b) The Asset Manager must advise the Chief Financial Officer on the prescribed form whenever an asset is permanently or temporarily reallocated or reassigned from one location to another.
- c) The form must be completed and signed by both the sender and receiver
- d) The Director: Financial Services will appropriately amend the Asset Register with all approved transfers.
- e) Assets must solely and exclusively be used for the purpose of the
- f) Council's business.

Verification of fixed assets

- a) Financial Services Directorate: Asset Management Section shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the directorate concerned.
- b) Finance Directorate: Asset Management Section shall promptly and fully report in writing to the Director: Financial Services in the format determined by the Director: Financial Services, all relevant results of such fixed asset verification, provided that each such asset verification shall be undertaken and completed as closely as possible to the end of each financial year, and that the resultant report shall be submitted to the Director: Financial Services not later than 30 June of the year in question.

Asset listings

- a) The Chief Financial Officer must submit within six months after each financial year, asset listings of capitalised assets to all Asset Managers.
- b) At all times these asset listings should indicate the assets in particular location and should be easily accessible.
- c) When employees get appointed or resign from any specific post the relevant asset listings must be verified and accordingly endorsed by the Asset Champion for the specific workplace.
- d) All changes on asset listing sheets must be reported in writing to the Director:

Financial Services within 7 days of when change took place.

13. FINANCIAL DISCLOSURE

Assets must be disclosed in respect of each class of property, plant and equipment, in accordance with Generally Recognized Accounting Practice.

14. CLASSIFICATION OF ASSETS

Any asset recognized as an asset under this policy will be classified according to categories as per the Fixed Asset Register. All fixed assets should be classified under the following headings in the Asset Register:

Property, plant and equipment:

Other Assets

Other Assets shall be recorded under the following main categories;

- Bins and Containers;
- Emergency Equipment;
- Furniture and Fittings;
- Motor Vehicles;
- Office Equipment;
- Plant and Equipment;
- Specialised Vehicles;
- Watercraft; and
- Other Assets.

Heritage Assets

A Heritage Asset is an asset that has historical, cultural or national importance and needs to be preserved. The following is a list of some typical heritage assets encountered in the municipal environment:

- Archaeological sites;
- Conservation areas;
- Historical buildings or other historical structures (such as war memorials);
- Historical sites (for example, historical battle site or site of a historical

settlement);

- Museum exhibits;
- Public statues; and
- Works of art (which will include paintings and sculptures).

Intangibles Assets

- Computer Software
- Databases

Community Assets

Community Assets shall be recorded under the following main categories;

- Recreational Facilities;
- Sporting Facilities; and
- Other Facilities.

Land and Buildings

Land and buildings shall be treated using the cost model.

Land shall be accounted for at cost, and shall not be depreciated. Land on which infrastructure and community assets are located shall be identified as land and buildings and not disclosed together with the infrastructure and community assets. Land not registered in the name of the municipality but controlled by the municipality by virtue of owner-occupied buildings thereon, shall be recognised at cost.

Buildings shall be accounted at cost, less any accumulated depreciation and any accumulated impairment losses.

Investment property

The classification of an investment property is based on management's judgement; the following criteria will be applied to distinguish investment properties from owner-occupied property or property held for resale:

Investment property	PPE	Non-current assets held for sale
the asset generates its own cash flows in the form of rentals (on a commercial basis)	rental income earned is below market value, and the asset is held for service delivery rather than to generate a commercial return	land and other properties held for sale within the next 12 months, if the criteria in GRAP 100 are met
the asset is held for capital appreciation	the asset is held to achieve service delivery objectives rather than to earn rental or for capital appreciation	
investment property that is being redeveloped for continued use as an investment property	property that is being constructed or developed for future use as investment property (until the asset meets the definition of investment property it is accounted for as PPE)	
Land held for an undetermined use	owner occupied-property such as office buildings and residential buildings occupied by staff members (assets used by employees, irrespective of whether or not the employees pay rent at market rates, are owner-occupied)	

The judgement of the Management of Stellenbosch Municipality is that the following classes of Municipal Property will be classified as Investment Property:

- Land held for long-term capital appreciation rather than for short-term sale in

the ordinary course of operations which council intends to sell at a beneficial time in the future.

- Land held for a currently undetermined future use.
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases on a commercial basis.
- A building that is currently vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

ANNUAL REVIEW ON THE POLICY

This policy will be reviewed and updated annually or whenever legislative or accounting standards amendments significantly change the requirements pertaining to asset management in general and the administration of property, plant and equipment at a sooner event.

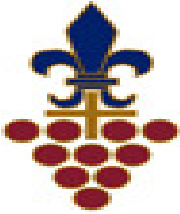
GENERAL

This policy does not overrule the requirement to comply with other policies like supply chain management, tendering or budget policies. The Chief Financial Officer will provide guidance or recommend an amendment to this policy to comply with the essence and understanding of the policies, regulations or legislation being conflicted.

COMMENCEMENT

01 July 2015

Asset Transfer form



STELLENBOSCH MUNICIPALITY

ANNEXURE "A"

ASSET MOVEMENT / WRITE OFF FORM

GENERAL INFORMATION

Type of asset movement to be recorded (indicate with X)

Asset Transfer: Interdepartmental			Asset Obsolete/Damaged/Written-Off		
Asset Transfer: Unused Asset to Stores			Asset Written-Off due to Loss (Burglary/Theft)		
Basic Asset Data					
Asset Bar Code	Location Bar Code	No. from	Location Bar Code	No. to	SERIAL NUMBER

AUTHORISATION OF TRANSACTION – LINE MANAGER

Signature	Name & Surname (Print)	Title

Recipient Confirmation

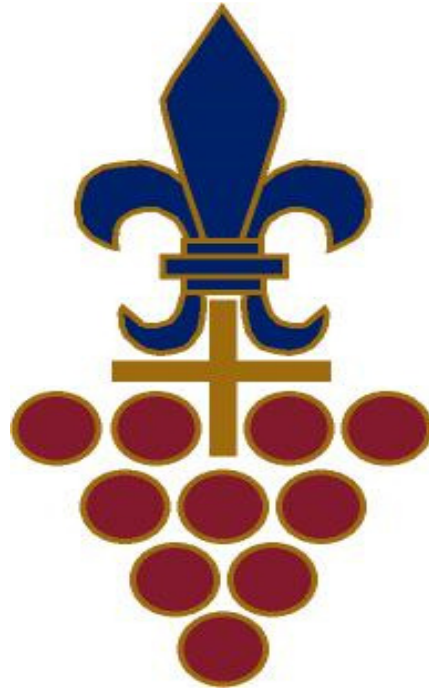
Condition of Asset when received	Received By	Date

Remarks:

Good

.....

STELLENBOSCH MUNICIPALITY



**SPECIAL RATING AREA
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA POLICY

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1. DEFINITIONS

In this Policy, words or expressions shall bear the meaning assigned to them and, unless context otherwise indicates: –

“**additional rate**” means an additional rate contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act and in section 12(2) of the By-Law;

“**applicant**” means any owner who makes an application for the determination of a special rating area in accordance with provisions of Chapter 1 of the By-Law, or if a management body is established in terms of section 10 of the By-Law, any reference to “**the Applicant**” means the management body;

“**By-Law**” means the Stellenbosch Municipality’s Special Rating Area (SRA) By-Law;

“**CFO**” means the Chief Financial Officer of Stellenbosch Municipality, or his or her nominee;

“**Council**” means Council of Stellenbosch Municipality;

“**implementation plan**” means an Implementation Plan as contemplated in section 6 of the By-Law;

“**majority**” means the majority of property owners as contemplated in section 22 of the Property Rates Act;

“**management body**” means the management body of a special rating area to be establishment in accordance with the provision of section 10 of the By-Law;

“**motivation report**” means a motivation report as contemplated in section 6 of the By-Law;

“the Municipality” means Stellenbosch Municipality (WC024),

“**owner**” has the meaning assigned to it in section 1 of the Property Rates Act;

“**Policy**” means the policy for the determination of special rating areas and will be referred to as this Policy;

“**Property Rates Act**” means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004);

“**rateable property**” has the meaning assigned to it in section 1 of the Property Rates Act;

“special rating area” means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act and section 8 of the By-Law.

2. INTRODUCTION

- 2.1 This policy for the establishing of special rating areas must be read together with the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) and the Municipality’s Special Rating Area (SRA) By-law, as in force from time to time.
- 2.2 This policy is strictly applicable to Special Rating Areas that have been established in terms of sub-sections 22(1) to 22(4) of the Property Rates Act. Therefore, this policy does not deal or apply to internal municipal service districts as envisaged in section 85 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and in sub-section 22(5) of the Property Rates Act.
- 2.3 All words and phrases defined in the Property Rates Act and the By-Law have the same meaning in this Policy.
- 2.4 In the event of any conflict between the provisions of the By-Law and the provisions of this Policy, the By-Law prevails.
- 2.5 This Policy needs to be read together with the Municipality’s Rates Policy.

3. AIM OF THE POLICY

This Policy aims to –

- 3.1 Set out Council’s position on special rating areas and the factors that will influence Council’s decision whether or not to institute a particular Special Rating Area.
- 3.2 Provide guidance to members of the local community and to decision-makers within the Municipality in relation to the establishment of special rating areas; and
- 3.3 Strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods by –
 - (a) making use of Council resources and structures; or
 - (b) making use of a Non-Profit (previously known as a Section 21) company structure (refer paragraph 8.12.5 of this Policy); and to
 - (c) ensure commitment to good, fair and transparent governance by the managing body, by implementing a transparent process when appointing service providers to

improve and/or upgrade the special rating area in the public areas and ensuring that these improved and/or upgraded services are not provided on private properties.

4. POLICY STATEMENT

- 4.1 The special rating area model is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.
- 4.2 The purposes of a special rating area are to –
- (a) enhance and supplement the municipal services provided by Stellenbosch Municipality;
 - (b) facilitate investment in the special rating area;
 - (c) facilitate a cooperative approach between Stellenbosch Municipality and the private sector in the provision of municipal services;
 - (d) halt the degeneration and facilitate the upliftment of distressed business and mixed-use areas; and
 - (e) promote economic growth and sustainable development and in this way, assist the Council in the fulfilment of its objects and developmental duties as set out in its Integrated Development Plan (“IDP”).
- 4.3 Stellenbosch Municipality regards special rating areas as a potential tool for allowing it to fulfil its constitutional and statutory obligations to promote;
- (a) social and economic development; and
 - (b) a safe and healthy environment in a way which balances the guiding principles underlying its Rates Policy.
- 4.4 Special rating areas allow property owners within an explicitly defined geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate.
- 4.5 Special Rating Areas do not give property owners or the management structures of the Special Ratings Area the right to infringe on any of the constitutional rights as enshrined in the Bill of Rights, Chapter Two of the Constitution of South Africa, 1996 of any juristic or natural person in any way. Specifically, the right to freedom of movement and residence of any juristic or natural person referred to in Section 21 of the Constitution must be guaranteed by the Special Rating Area as a pre-requisite for approval by the municipality.

5. FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA

The Council will consider instituting a special rating area where the requirements of Section 22 of the Property Rates Act are complied with, including that –

- 5.1 the purpose of the special rating area is to allow an additional rate to be levied on property in the defined area to raise funds for improving or upgrading the area;
- 5.2 the special rating area will not be used to reinforce existing inequities in the development of the Stellenbosch Municipality's (WCO24) area of jurisdiction;
- 5.3 the determination of the special rating area is consistent with Stellenbosch Municipality's IDP;
- 5.4 residential special rating area refers to an area in which more than 40% (forty percent) of the rates based municipal valuation consists of Residential Property as defined in the Rates policy.
- 5.5 any residential special rating area must comply fully with the provision of the By-Law, save that, with reference to the majority support the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 60% (sixty percent) in number of such properties, approve the formation of the special rating area.
- 5.6 the majority of members of the local community who will be liable for paying any additional rate in the special rating area, other than residential special rating areas, have consented to its establishment;
- 5.7 the procedural requirements of Section 22 of the Property Rates Act as well as the By-Law and this Policy are complied with, which include the community consultation requirement as determined by the Municipality's Chief Financial Officer (CFO);
- 5.8 the proposed improvement or upgrade has been clearly and fully defined;
- 5.9 the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which must be clearly determined;
- 5.10 there is evidence that it will be financially viable to use a special rating area to raise funds for the proposed improvement or upgrade;
- 5.11 Stellenbosch Municipality is satisfied with the institutional arrangements proposed in respect of the special rating area; and
- 5.12 Ultimately, the decision whether or not to determine a special rating area rests with the Council in its sole discretion.

6. APPLICABILITY OF STELLENBOSCH MUNICIPALITY'S RATES POLICY AND OTHER POLICIES

- 6.1 When Stellenbosch Municipality grants any rebate to Senior Citizens, Disabled Persons and Non-Profit Organisations in terms of the Rates Policy, or registered indigents in terms of the Indigent Policy, the relevant property owner will be granted a full (100%) rebate in relation to the additional special ratings area rate.

7. PROCESS

This Policy sets out –

- (a) the institutional arrangements for special rating areas (paragraph 8 of this Policy)
- (b) the establishment requirements which must be followed (paragraph 9 of this Policy);
- (c) the information which needs to be submitted to Stellenbosch Municipality in order to motivate a request for determination of a special rating area (paragraph 10 of this Policy);
- (d) the annual requirements which must be followed (paragraph 11 of this Policy);
- (e) the amendments and/or extension of term for a special rating area (paragraph 12 of this Policy);
- (f) the dissolution requirements which must be followed (paragraph 13 of this Policy)
- (g) financial arrangements (refer paragraph 14 of this Policy).

8. INSTITUTIONAL ARRANGEMENTS

Section 22 of the Property Rates Act is not prescriptive as to the structural arrangements which need to be put in place to administer a special rating area. The structural arrangement that will be considered by the municipality is the following:

8.1 Administration by a Non-Profit Company

- 8.1.1. Stellenbosch Municipality will require the ratepayers within the special rating area to establish and participate in an appropriate structure to carry out planning, contracting, financial control and administrative functions within the special rating area.
- 8.1.2. This does not entail ratepayers setting the additional rate, which under law can only be done by Stellenbosch Municipality (paragraph 14 of this Policy).
- 8.1.3. This places funds collected by government in the hands of the private sector, thus the requirements set out in this Policy must be met.

8.1.4. The functions of the Non-Profit Company would include:

- (a) Determining the funding required each year (refer paragraph 14.2 of this Policy);
- (b) Appointing contractors or service providers to effect the improvement/s or upgrade/s;
- (c) Receiving the additional rate collected by Stellenbosch Municipality and expending the funds in accordance with the approved Business Plan.

8.1.5. Structural requirements of the Non-Profit company:

- (a) Before Stellenbosch Municipality will consider allowing ratepayers in a special rating area to carry out administrative and other functions in relation to the area, the Steering Committee must establish a Non-Profit company (company not for gain) as per the Companies Act, Act 71 of 2008 (as amended or replaced) (“the Companies Act”) for that purpose. The provisions of the Companies Act must be complied with, particularly those relating to non-profit companies (which effectively replaced Section 21 companies as per the old Companies Act, Act 61 of 1973), subject to the transitional provisions contained therein;
- (b) The founding documentation (“the Memorandum of Incorporation”) in relation to the structure established by ratepayers (this is equivalent to the Memorandum and Articles of Association, as per the old Companies Act, Act 61 of 1973), must be as per the prescribed format determined by the CFO;
- (c) The Non-Profit company must be managed under the Companies Act, and also comply with any other legislation as a result of the financial connections to Council; and
- (d) The Non-Profit company must give a written notice by the most effective manner to all the property owners within the special rating area of the intention to hold an Annual General Meeting (AGM) on the date stated in the notice;
- (e) A Special General Meeting (“SGM”) must be called within 6 months of the establishment of the Non-Profit Company. The purpose of the SGM is to:
 - (i) Accept new members;
 - (ii) Appoint directors;
 - (iii) Amend the Memorandum of Incorporation if required; and
 - (iv) Approve the following year’s Budget and Implementation Plan (refer paragraph 14.2 of this Policy).

9. APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA

- 9.1 The process for establishing special rating areas as set out in Chapter 1 of the By-Law must be followed.
- 9.2 The special rating area application must be submitted by end of September of the financial year preceding the establishment of the special rating area.
- 9.3 Further to section 7.2 of the By-Law the applicant must hold another public meeting within 30 days after submitting the application to confirm that it was lodged and to discuss details with the community.

10. MOTIVATING A SPECIAL RATING AREA

The Motivation Documentation must comprise of the following:

10.1 Business Plan –

The Business Plan must clearly define and indicate all the required improvements or upgrades and must contain -

10.1.1. Introduction;

- (a) an executive summary of the improvement or upgrade proposed for the special rating area as set out in the Implementation Plan;
- (b) An explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed special rating area;
- (c) An explanation of why the proposed special rating area will not reinforce existing inequities in the development of Stellenbosch Municipality;
- (d) An explanation of how the special rating area, if instituted, will be consistent with Stellenbosch Municipality's IDP as per the Service Departments' Business Plans;
- (e) An explanation of the institutional arrangements proposed in relation to the special rating area.

10.1.2. Vision;

10.1.3. Mission;

10.1.4. Goal;

10.1.5. A diagram clearly indication the boundaries of the proposed special rating area;

10.1.6. Management;

- (a) Administrative policies of the Non-Profit company;
- (b) Proposed management structure:
 - Composition of the management body including allocation of portfolios and;
 - Operational Arrangements

10.1.7. Services;

Service providers must be appointed as per paragraph 3.3(c) and 10.1.1(d) of this Policy.

10.1.8. Financial Impact;

- (a) Provide details regarding the calculation of the cent-in-the-rand and as acted on the municipal valuation value of each property;
- (b) Provide details of criteria to qualify for exemption of additional rate;

10.1.9. A list of all rateable properties within the proposed special rating area, contact details of owners and the value of each property as set out in the Council's municipal valuation role. Differentiation between categories of properties, as provided for in Section 8 of the Property Rates Act and used in the valuation role, must be considered;

10.1.10. Proof of the consent of the majority of the members of the local community as per paragraph 5.5 of this Policy, in the proposed special rating area who will be liable for paying the additional rate;

10.1.11. Proof of the notice of the public meeting or meetings contemplated in the By-Law;

10.1.12. Minutes of the public meeting or meetings; and

10.1.13. Compilation date.

10.2 Implementation Plan

The Implementation Plan is a schedule of goals to implement improvements or upgrades as per the motivation report and must at least address the following:

10.2.1 Milestones;

10.2.2 Tasks per milestone;

10.2.3 Start and finish date per task;

10.2.4 Assign responsibility per goal, milestone & task; and

10.2.5 Performance indicators per milestone.

10.3 Budget Plan

The Budget Plan for the proposed improvements or upgrades must at least address the following:

10.3.1 a budget line item should be set for each milestone or task and grouped in such a way that there is a clear indication how the Implementation Plan is financially structured;

10.3.2 an annual budget per line item commencing on 01 July of the first year and end on 30 June of the last year of the term; and

10.3.3 a budget split for the provision of improvements or upgrades between the different categories of properties.

11. ANNUAL REQUIREMENTS

11.1 Confirm property data base (Register of members in the special rating area);

11.2 Submit an audited financial Statement and Trail Balance as approved/accepted at a SGM called for that purpose and

11.3 Submit an annual budget and an Implementation Plan as approved at the Annual General Meeting (AGM) by 31 January (refer paragraph 14.2 of this Policy).

12. AMENDMENT AND/OR EXTENSION OF TERM

In the event that a special rating area seeks to extend the term over which it will operate or amend the goals as per its Implementation Plan, then the procedures set out in Chapter 3 of the By-Law must be followed and submitted by the end of October.

13. DISSOLUTION

The special rating area may be cancelled by resolution of the Council, subject to the provision of section 16 of the By-Law.

14. FINANCIAL CONTROL

14.1 As stated in the By-Law, the amount of any additional rate levied in a special rating area is determined by the Council. The additional rate as imposed by the Council, is debt owing to Stellenbosch Municipality and is payable and collected in the same manner as other property rates imposed by the Council.

- 14.2 The management structure must recommend the annual budget amount of the additional rate to the Stellenbosch Municipality by 31 January, with appropriate motivation including an Implementation Plan and a Budget Plan for the next financial year, and the Council will consider the recommendation during its budgeting process.
- 14.3 Before Stellenbosch Municipality will pay over any additional rate collected to the management structure, the management structure and Stellenbosch Municipality must have concluded a written finance agreement regulating, amongst other things;
- (a) the mechanisms and manner of payment;
 - (b) how the additional rate is to be held by the management structure;
 - (c) any parameters relating to expenditure; and
 - (d) any obligations on the management structure to take out and maintain appropriate insurance.
- 14.4 The financial year of the Municipality shall be deterministic and shall be applied to the Budget plan and all financial transactions.

15. COMMENCEMENT AND IMPLEMENTATION

- 15.1 Implementation of this Policy will commence on 01 July 2020.
- 15.2 Where Stellenbosch Municipality is legally empowered to do so, requirements set out in this Policy may be imposed as conditions attached to the determination of a special rating area.
- 15.3 This Policy and its implementation will be reviewed annually.

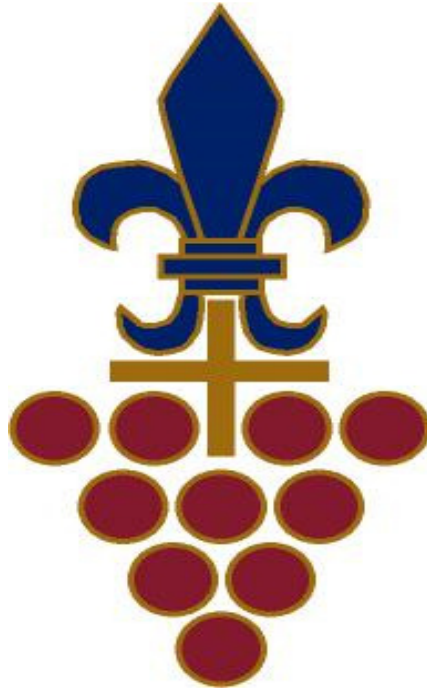
16. COST

Stellenbosch Municipality shall not be liable for any costs incurred by ratepayers within the relevant proposed special rating area in respect of the implementation of the steps set out in this Policy and in the By-Law.

17. SHORT TITLE

This policy is the Special Rating Area Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



TARIFF POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

TARIFF POLICY

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PREAMBLE

In accordance with Section 74 of the Local Government Municipal Systems Act, Act 32 of 2000, Stellenbosch Municipal Council must adopt and implement a tariff policy on the levying of tariffs for municipal services which complies with the provisions of the Municipal Systems Act and with any other applicable legislation.

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided.

In furtherance of reusable energy, Council may consider tariffs pertinent to the purchase of surplus energy from consumers.

1. OBJECTIVE

The objective of this Tariff Policy is to ensure the following:

- (a) Tariffs must conform to acceptable policy principles;
- (b) Municipal services must be sustainable;
- (c) Tariffs must comply with the applicable legislation; and
- (d) Tariffs should take indigent consumers into consideration.

2. LEGAL FRAMEWORK

The following legislation is applicable for the determination of tariffs for municipal services delivered or for the purchase of surplus energy:

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Water Services Act, 1997 (Act 108 of 1997)

Electricity Regulation Act, 2006 (Act 4 of 2006)

Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)

3. TARIFF PRINCIPLES

The following principles will apply in the Stellenbosch Municipal Area of jurisdiction (WC024):

- (a) Users of municipal services are treated equitably in the application of tariffs;
- (b) The amount individual users pay for services are generally in proportion to their use of that service;
- (c) Indigent households have access to basic services through:
 - (i) Special or lifeline tariffs for low levels of use or consumption of services or for basic levels of service; or

- (ii) Any other direct or indirect method of subsidisation of tariffs for poor households.
- (d) Tariffs reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement costs and interest charges;
- (e) Tariffs are set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned. A service is financially sustainable when it is provided in a manner that would ensure its financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing, and replacing the physical assets used in its provision;
- (f) Provision is made in appropriate circumstances for a surcharge or a rebate on the tariff for a service;
- (g) Provision is made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
- (h) The economical, efficient, and effective use of resources, the recycling of waste and other appropriate environmental objectives are encouraged;
- (i) The extent of subsidisation of tariffs for poor households and other categories of users are fully disclosed; and
- (j) The safeguarding of the integrity of the electrical distribution network and the continued economic viability for the purchasing of surplus energy from consumers.

It is further stated that tariffs, rates, and the employment of resources, in general, take into account the Council's Integrated Development Plan (IDP) principles and goals.

4. CLASSIFICATION OF SERVICES

Traditionally, municipal services have been classified into five groups based on how they are financed. The five groups are as follows:

(a) Trading services Water and Electricity Services

These services must generate a surplus which will be used to subsidize community services other than economical services.

(b) Economical services Refuse Removal and Sewerage Services

These services' charges must cover the cost of providing the services, i.e. it must at least break even. In the event of the latter not being possible within a period, the shortfall will be financed from the Municipal Property Rates revenue.

(c) Rates Services The revenue from Municipal Property Rates is utilized for Rates related services.

(d) Housing Services Housing Schemes

These services are ring-fenced in the Housing Development Fund and the net operating balance is set off as a contribution to/from the Housing Development Fund.

(e) Sundry Services Various Services

All Services not defined in paragraphs (a) to (d) above.

5. CALCULATION OF TARIFFS FOR MAJOR SERVICES

5.1 Water Tariffs

Although a fairly large proportion of the water needs is supplied from own sources, water is also purchased from external suppliers, such as the City of Cape Town. The increase in water tariffs are largely influenced by the changes in the Consumer Price Index (CPI),

the purchase price of water and the need for financing bulk water infrastructure expansion.

Water is bought at a one-part tariff expressed in Rand per kilolitre. For this reason, it is found that water tariff structures for end-users follow the same trend. In order to manage consumption, an inclining block rate tariff structure is applied in the Stellenbosch Municipal area of jurisdiction.

The first block rate for domestic consumers represents the Lifeline volume in kilolitres (kl) per month (considered to be the lowest sustainable water volume per household), which is supplied at a rate targeted to be below cost. Losses incurred in this tariff category may be recovered by contributions from the higher tariff categories, conforming to the principle of cross-subsidisation.

Tariff structures for water supply are applied in the form of a sliding scale or a flat tariff in the area of jurisdiction of Stellenbosch Municipality. This is reflected in the Tariff Schedule approved by Council.

The specific sliding scale(s) linked to each consumer group or the service charge types and the applicable tariffs, including any specific tariffs that would be applicable when Council adopts water restriction strategies, are reflected in the Water Tariff Schedule as approved by Council.

The following table illustrates the principals for tariff charges applied to various consumers or the specialised water service charge types for water consumption in the Stellenbosch Municipal Area:

(a) Domestic:

Includes residential erven, Sectional Title Units, as well as residential erven managed by legal entities, each being served by an individually metered water connection.

(b) Domestic Cluster:

Refers to a cluster (block of flats) served by a single water connection.

(c) MASO:

A MASO tariff for the affected parties will be applied.

(d) Bulk Users:

A sliding scale tariff will be applied on water consumption for irrigation of sports grounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds or properties serviced by Council's Parks and Recreation Department.

(e) Business, Commercial and Industrial:

A single tariff for all business, commercial and industrial consumers will apply.

(f) All other consumers and Miscellaneous cases:

A single tariff for all other consumers and miscellaneous cases including schools, sportbodies, charity organizations and churches or any other user as determined by the relevant Director, will apply.

(g) Leakages:

Different tariffs may apply to Municipal, Domestic, Business, Commercial or Industrial consumers.

(h) Basic Charge:

A Basic (a fixed monthly) charge will be applied to each domestic consumer, a domestic cluster consumer and all other non-domestic consumers, irrespective whether a gated/non-gated development is supplied via a bulk meter.

The Basic charge will be applied to Indigent Households as per the Indigent Policy of the Municipality.

(i) Availability Fee:

An availability fee is charged on properties not connected to the water network, should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties.

5.2 Electricity Tariffs

In addition to general cost factors, the following is taken into account when determining a tariff structure for electricity:

- (i) Electricity is primarily supplied by Eskom, and distributed by the Municipality.
- (ii) Minimum standards for distribution are determined nationally and must be adhered to in order to conform to both safety and continuity of supply norms.
- (iii) Due to the fact that a large part of the operating expenditure consists of bulk electricity purchases, tariff structures and levels are very sensitive to any change in the cost of supply by Eskom.
- (iv) Electricity is supplied under a distribution license, granted by the National Electricity Regulator of South Africa (NERSA) for a specific area of jurisdiction. All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor on an annual basis.

Electricity is distributed by Stellenbosch Municipality in the areas of Stellenbosch, Johannesdal, Pniel and Franschhoek.

Eskom distributes electricity in the areas of Jamestown, Raithby, Kylemore, Klapmuts and the rural areas. In these areas, the distribution is managed, operated and controlled by the applicable service provider.

Export of surplus energy from an approved and certified consumer to the Municipality's distribution network shall be subject to special and specific agreements embracing in broad terms the operational and financial imperatives for a sustainable and economically viable alliance.

In order to manage consumption, inclining block rate tariff structures are applied in the Stellenbosch Municipal areas of distribution, or any part or area incorporated where due course was followed. In these areas, different tariff structures may be implemented for consumers using renewable energy for own use and/or where the export of surplus energy is approved under the proviso of specific conditions, limits on energy export and reimbursement of exported energy.

Additional fees may be levied on consumers for which maximum demand charges are in effect and who have exceeded specific limits.

The specific inclining block rate(s), any other charges linked to the tariff structure and the applicable tariffs are reflected in the Electricity Tariff Schedule as approved by Council.

The following table illustrates the principals for tariff charges applied to various consumers or the service charge types for electricity consumption or export in the Stellenbosch Municipal Area:

(a) Domestic Lifeline (PP):

Domestic Lifeline Tariffs will apply to prepaid Indigent consumers in order to promote the affordability of the service. A fixed monthly charge will not be applied to this category of consumers.

(b) Domestic Regular:

Domestic Regular tariffs will apply, in various service charge types, to other domestic consumers other than Indigent consumers on either conventional or prepaid metering systems. A fixed monthly charge may be applied to this category of consumers.

(c) Commercial Lifeline Low energy rate:

A Commercial Lifeline energy rate tariff will apply in respect of prepaid commercial low consumers. A fixed monthly charge will not be applied to this category of consumers.

(d) Commercial Low energy rate:

Commercial Low energy rate tariffs will apply, in various service charge types, in respect of conventional and prepaid commercial low consumers. A fixed monthly charge will be applied to this category of consumers.

(e) Commercial Regular energy rate:

Commercial Regular energy rate tariffs will apply, in various service charge types, in respect of conventional and prepaid commercial regular consumers. A fixed monthly charge is applied to this category of consumers.

(f) Agricultural energy rate:

Agricultural energy rate tariffs will apply, in various service charge types, in respect of agricultural use. A fixed monthly charge is applied to this category of consumers.

(g) Industrial energy rate:

Industrial energy rate tariffs as well as various types of energy demand tariffs will apply, in various service charge types, in respect of Industrial use. A fixed monthly charge is applied to this category of consumers.

(h) Municipal energy rate:

Municipal energy rate tariffs will apply, in various service charge types, for municipal consumption for street and traffic lights and for municipal buildings. A fixed monthly charge will not be applied to this category of consumers.

(i) Non-profit Organisations (NPO) energy rate:

Non-profit organisation's tariffs will apply, in various service charge types, to Non-profit Organisations in order to promote the affordability of the service for Non-profit Organisations. A monthly fixed charge will not be applied for this category of consumers.

(j) Sport Organisations energy rate:

Sport energy rate tariffs will apply and a Maximum Demand Charge may apply on sports fields as per approved contracts being classified as either Low Consumers or High Consumers. A fixed monthly charge will not be applied to this category of consumers.

(k) Time-of-Use energy rate:

Different fixed monthly tariffs as well as various types of energy demand tariffs will apply during the low demand and the high demand tariff periods (also referred to as the summer and winter periods respectively) in respect of low and medium voltage consumers. For the purpose of these tariffs the low demand period shall be defined as being the summer period and the high demand period as the winter period.

(l) Availability fee:

An availability fee is charged to properties not connected to the electricity network, where it is available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs.

5.3 Refuse (Solid Waste) Removal Tariffs

The specific services rendered, any other charges linked to the service and the applicable tariffs are reflected in the Solid Waste Tariff Schedule as approved by Council.

(a) Residential properties:

Residential refuse (solid waste) will be removed once a week. Households are allowed 3 bags or one “Otto”-type container per week.

Refuse removal tariffs are based on a flat rate per household.

A specific tariff for Indigent consumers in respect of single residential properties will apply as per the approved Solid Waste Tariff Schedule.

(b) Business and industries:

Business and industry refuse (solid waste) are removed by means of “Otto”-type or bulk containers. Each container (size in volume) is accepted as a refuse unit at a specific tariff and number of removals per week.

(c) Availability Fee:

An availability fee is charged to all vacant properties, businesses, flats and developments not permanently using the municipal collection services.

5.4 Sewerage Tariffs

Tariff structures for sewerage are applied uniformly in the area of jurisdiction of Stellenbosch Municipality.

The tariff structures for specific services rendered, any other charges linked to the service and the applicable tariffs are reflected in the Sewerage Tariff Schedule as approved by Council.

(a) Residential properties:

A tariff structure utilizing plot sizes is applied to allocate the sewerage costs to a specific property.

(b) Business and industries:

A tariff structure utilizing plot sizes, as well as floor areas per usage is applied to allocate the sewerage costs to a specific property.

The removal of industrial effluent is charged at a cost as per the applicable tariffs.

(c) Septic Tanks:

The clearance of septic tanks is charged per 5 000 litre or part thereof.

(d) Availability Fee:

An availability fee based upon a tariff structure utilizing plot sizes will apply to all vacant properties.

6. CALCULATION OF OTHER TARIFFS

6.1 Sundry Tariffs

(a) Tariff Structure:

(i) The tariff structure as reflected in the Sundry Tariffs Tariff Schedule as annually approved by Council will be used to determine regulatory community and subsidized services.

(b) Method of calculation:

(i) Existing tariffs will be revised annually, for application during the next financial year, by adjusting the tariff that applied during the current financial year by a percentage (suitable rounding will be applied) to recover increased costs or to compensate for any cost reductions where appropriate.

(ii) New tariffs will be calculated based on the estimated actual cost where appropriate or to recover some costs depending on the type of community service.

(c) Building Clause references:

- (i) Obligations pertaining to Building Clauses as per the development agreements or contracts will be dealt with according to the contract obligations.

6.2 Rates Tariffs

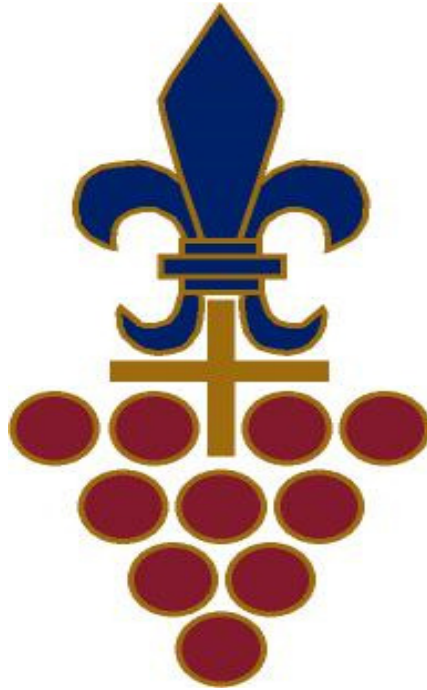
The Stellenbosch Municipality's Rates Policy describes the process for imposing property rates for the various categories of owners and properties.

The tariff structures for the applicable categories, any other charges linked to the service and the applicable provisions for relief measures are reflected in the Property Rates Tariff Schedule and Rates Policy as approved by Council.

7. SHORT TITLE

This policy is the Tariff Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



TARIFF BY-LAW POLICY

Effective from 01 July 2017



STELLENBOSCH MUNICIPALITY

TARIFF BY-LAW

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1. PREAMBLE

- (1) Section 229(1) of the Constitution authorizes a municipality to impose:
 - (a) rates on property and surcharges on fees for services provided by or on behalf of the municipality; and
 - (b) if authorized by national legislation, other taxes, levies and duties.
- (2) In terms of section 75A of the Systems Act a municipality may:
 - (a) levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and
 - (b) recover collection charges and interest on any outstanding amount.
- (3) In terms section 74(1) of the Systems Act, a municipal council must adopt and implement a tariff policy on the levying of fees for a municipal service provided by the municipality or by way of service delivery agreements and which complies with the provisions of the Systems Act, the Municipal Finance Management Act and any other applicable legislation.
- (4) In terms of section 75(1) of the Systems Act, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy.
- (5) In terms of section 75(2) of the Systems Act, by-laws adopted in terms of section 75(1) of the Systems Act may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.
- (6) In furtherance of reusable energy, Council may determine tariffs pertinent to the purchase of surplus energy from consumers, subject to regulations issued and approved by the National Electricity Regulator of South Africa (NERSA).

2. INTERPRETATION

"**Municipality**" means the Stellenbosch Municipality (WC024).

"**Tariff Policy**" means the Tariff Policy adopted by the Municipality in terms of this By-Law.

"**Constitution**" means the Constitution of the Republic of South Africa.

"**Council**" means the Council of the Municipality.

"**Credit Control and Debt Collection Policy**" means the Municipality's Credit Control and Debt Collection Policy as stipulated by sections 96(b) and 97 of the Systems Act.

"**Systems Act**" means the Local Government: Municipal Systems Act, (Act 32 of 2000).

"**Finance Management Act**" means the Local Government: Municipal Finance Management Act, (Act 53 of 2003).

"**Tariff**" means fees, charges or any other tariffs levied by the Municipality in respect of any function or service provided, or surplus energy purchased, by the Municipality including rates levied by the Municipality in terms of the Local Government: Property Rates Act, (Act 6 of 2004).

"**Tariff List**" or "**Tariff Schedule**" means the list of the Tariffs applicable and in respect of any function or service provided, or surplus energy purchased, by the Municipality. This list, effective for a specific financial year, is approved by Council during the annual budget process.

3. OBJECTS

The object of this By-Law is to give effect to the implementation of the Tariff Policy as contemplated in section 74(1) of the Systems Act, and of the Tariff Schedule for a given financial year as approved by Council during the Municipality's annual budget process.

4. ADOPTION AND IMPLEMENTATION OF TARIFF POLICY

- (1) The Municipality shall adopt and implement a Tariff Policy on the levying of fees for a municipal service provided by the Municipality or by way of service delivery agreements which complies with the provisions of the Systems Act, the Municipal Finance Management Act and any other applicable legislation.

- (2) The Municipality shall not be entitled to impose tariffs other than in terms of the valid Tariff Policy.

5. CONTENTS OF TARIFF POLICY

The Municipality's Tariff Policy shall, inter alia:

- (1) Apply to all the tariffs fees (as per the Tariff List) imposed by the Municipality pursuant to the adoption of the Municipality's annual budget.
- (2) Reflect the principles referred to in section 74(2) of the Systems Act and specify any further principles for the imposition of Tariffs which the Municipality may wish to adopt.
- (3) Specify the manner in which the principles referred to in paragraph 4(2) above are to be implemented in terms of the Tariff Policy.
- (4) Specify the basis of differentiation, if any, for tariff purposes between the different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.
- (5) Include such further enforcement mechanism, if any, as the Municipality may wish to impose in addition to those contained in the Credit Control and Debt Collection Policy.
- (6) Provide tariffs for the export of surplus energy from approved and certified consumers, within the jurisdiction of the Municipality, into the Municipality's distribution network.

6. ENFORCEMENT OF TARIFF POLICY

The Tariff Policy shall be enforced through the Credit Control and Debt Collection Policy and any further enforcement mechanisms stipulated in the Municipality's Tariff Policy.

7. REPEAL

The provisions of any by-laws relating to Tariffs by the Municipality are hereby repealed insofar as they relate to matters provided for in this By-Law.

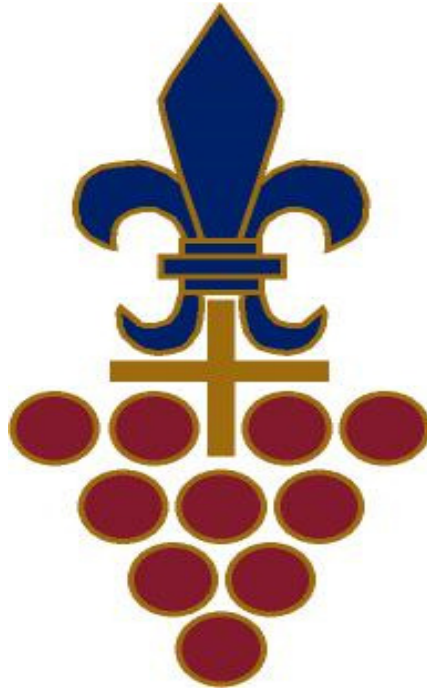
8. INTERPRETATION

If there is a conflict of interpretation between the English version of this By-Law and a translated version, the English version prevails.

9. SHORT TITLE and EFFECTIVE DATE

This By-law is the Tariff By-Law of Stellenbosch Municipality and shall take effect on 01 July 2017.

STELLENBOSCH MUNICIPALITY



VIREMENT POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

VIREMENT POLICY

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1. Preamble

Cognisance taken of the need that may arise to transfer within approved votes due to the change in circumstances and priorities.

2. Definitions

"Approved budget," means an annual budget-

- a) approved by a municipal council, or
- b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Budget transfer" means transfer of funding within a vote subject to limitations.

"Capital budget" means a financial plan catering for large and long-term sums for investment in property, plant and machinery, over a period greater than the period considered under an operating budget.

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"Delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"Financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"Municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"Municipality"-

- a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"Official", means-

- a) an employee of a municipality or municipal entity;

- b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"Operating budget" An operating budget is the annual budget of an activity stated in terms of Budget Classification Code, functional/sub-functional categories and cost accounts. It contains estimates of the total value of resources required for the performance of the operations in terms of revenue and expenditure including reimbursable work or services for others;

"Overspending"-

- a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"Virement" refer to the definition of budget transfer

"Vote" means-

- a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the
- b) municipality; and
- c) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. Legislative Framework

Paragraph 4.6 of Circular 51 of the MFMA states that:

“The MFMA and the Municipal Budget and Reporting Regulations seek to move municipalities away from the traditional approach of appropriating/approving budgets by line item. The aim is to give the heads of municipal departments and programmes greater flexibility in managing their budgets. To further facilitate this, each municipality must put in place a council approved virements policy, which should provide clear guidance to managers of when they may shift funds between items, projects, programmes and votes.”

4. Objective of Policy

This policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the Approved budget.

The policy sets out the virement principles and processes which Stellenbosch Municipality will follow during a financial year.

These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year.

The policy shall apply to all staff and councillors of the Stellenbosch Municipality that are involved in budget implementation.

5. Virement Clarification

Virement is the process of transferring budgeted funds from one line item number to another, with the recommendation of the relevant Director to the CFO or delegated finance official, to enable the Budget Office to effect the adjustments.

6. Virement Procedure

- a) All virement proposals must be completed on the appropriate documentation and forwarded to the relevant Finance Officer for checking and implementation. (See annexure 1 and 2)

- b) All virements must be signed and supported by the relevant Director of the directorate within which the vote is allocated. (Section 79 MFMA)
- c) Projected cash flows in the SDBIP should be attached to all virement request and be adjusted in line with the virement.
- d) Relevant corroborating documentation must be attached on the virement form to support the transfer.
- e) All documentation must be in order and approved before any expenditure can be committed and incurred.
- f) All virementations must be motivated and need to be approved by the CFO or a delegated official after the Director of the department has recommended said transfer. The latter requires that such application reaches the office of the CFO prior to incurring expenditure.
- g) The turnaround time for processing of virementations are 72 hours, only if the virement request meets all the necessary requirements.
- h) No virementations will be considered if it equates to facilitating fiscal dumping
- i) No virements after the closing of orders as stipulated in the financial protocol and/or formally communicated in line with the financial year-end preparation will be considered unless in an absolute emergency that could reasonably not have been foreseen.

7. Virement Restrictions

- a) Virements are not permitted in relation to the revenue side of the budget.
- b) No virements of funds across votes (directorates) will be accommodated during the year; unless within the adjustments budget.
- c) Virements from the capital budget to the operating budget are not permitted.
- d) Virements will not result in adding 'new' projects to the Capital Budget.

- e) Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework will not be permitted.
- f) The budget savings from the following line items (necessary adjustments) may only be considered and transferred by the CFO:
 - (i) Employee Related Cost
 - (ii) Remuneration of councillors
 - (iii) Depreciation and asset impairment
 - (iv) Finance Charges (Interest on Loan)
 - (v) Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
 - (vi) Bulk Purchases (Water and Electricity)
 - (vii) Transfers and subsidies paid
- g) An approved virement does not give expenditure authority outside of what is allowed by Council's Supply Chain Management Policy.

8. General Principle

Virements will only be approved if they facilitate and promote sound risk and financial management.

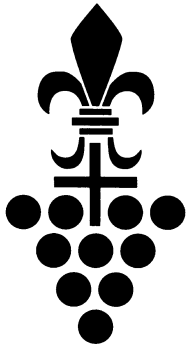
9. Accountability

Accountability to ensure that the virement application forms are completed in accordance with Council's virement policy and are not in conflict with the directorate's strategic objectives manifests with the head of the relevant directorate.

10. Annexures

Annexure 1: Virement Form (Capital and Operating)

Annexure 2: Supporting document to Ward Allocation virement request.



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TYPE	
CAPITAL	
OPERATING	

BUDGET VIREMENTATION FORM

TO: FINANCIAL SERVICES

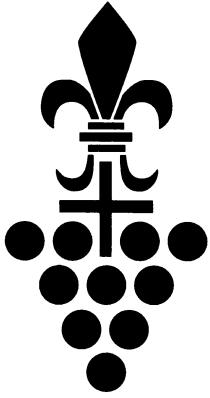
FROM:

DATE:

The following transfers are requested, as per motivation provided.

From Unique Key :	Amount
Unique Key Description:	
To Unique Key :	Amount
Unique Key Description:	

- 1. Why are additional funds requested ?**
- 2. Is it part of the legislative mandate of the municipality?**
Yes/ No
- 3. Which measures will be implemented to ensure expenditure are managed within the approved budget?**
- 4. Where funds would be transferred from?**
- 5. Reasons why funds are not needed from the transferring Unique Key?**



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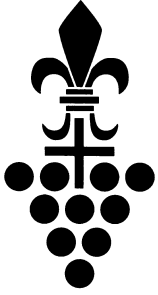
Requested by

Name :

Designation :

Telephone Number :

Supported:



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FOR OFFICAL USE

BUDGET OFFICE

FUNDS AVAILABLE ON UNIQUE KEY : YES NO

CASHFLOW ATTACHED : YES NO

SUPPORTING DOCUMENTS : YES NO N/A

VERIFIED BY : NAME: _____

SIGNATURE: _____

DATE: _____

COMMENTS: _____

APPROVAL

APPROVED BY CHIEF FINANCIAL OFFICER/ : _____
DELEGATED OFFICIAL

DATE : _____

COMMENTS: _____

PROCESSED BY : NAME: _____

SIGNATURE: _____

DATE: _____



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WARD ALLOCATIONS
Supporting document to Virement Request

Ward: Amount: Fin Year:

Transferring Ukey:
Job number:

Project Description:

Receiving Ukey:
Job number:

Project Description:

Approved: Project Manager (Transferring)

Name:

Signature:

Approved by the Ward Councillor:

Name:

Signature:

Approved: Project Manager (Receiving)

Name:

Signature:

Approval by the CFO/Manager: Budget Office

Name:

Signature:

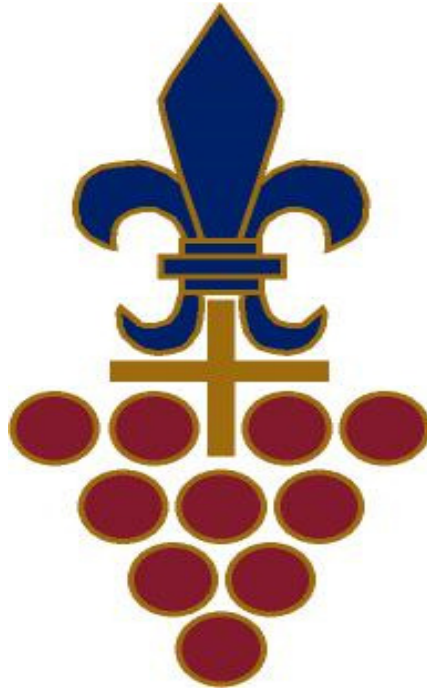
Budget Office Use only

Processed by:

Signature:

Date:

STELLENBOSCH MUNICIPALITY



**BUDGET IMPLEMENTATION AND
MONITORING POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

BUDGET IMPLEMENTATION AND MONITORING POLICY

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1. PREAMBLE

In the spirit of the Municipal Finance Management Act, (No.56 of 2003) “ to modernize budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents customers, users and investors” and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

In terms of the Budget and Reporting Regulations the municipality has to adopt a policy which includes the following:

1. a policy dealing with the shifting of funds within votes
2. a policy dealing with the introduction of adjustment budgets
3. policies dealing with unforeseen and unavoidable expenditure
4. policies dealing with management and oversight

Therefore the Stellenbosch Municipality revised its Budget Policy to give effect to the Budget and Reporting Regulations as set out in this policy.

2. DEFINITIONS

"Accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"Allocation", means-

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget-

- (a) approved by a municipal council, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-

- (a) the tariff policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget transfer" means transfer of funding within a function / vote subject to limitations.

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"councillor" means a member of a municipal council;

"current year" means the financial year, which has already commenced, but not yet ended;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

"financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means-

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA , and which has not been condoned by Council (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (b) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

- (c) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment/s", in relation to funds of a municipality, means-

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"long-term debt" means debt repayable over a period exceeding one year;

"municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipality"-

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means-

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"-

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"quarter" means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

"service delivery and budget implementation plan" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- (a) projections for each month of-
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

"virement" refer to the definition of budget transfer

"vote" means-

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the
- (b) municipality; and
- (c) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. OBJECTIVES OF POLICY

The objective of the budget policy is to:

- a) Set out the principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget
- b) Outline the responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- c) Establish and maintain procedures to ensure adherence to Stellenbosch Municipality's Integrated Development Plan (IDP) review and budget processes
- d) Give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets

The policy shall apply to all staff and councillors of the Stellenbosch Municipality that are involved in budget implementation.

4. BUDGET PREPARATION PROCESS

4.1 Budget Steering Committee

- a) The mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.
- b) The steering committee must consist of at least the following persons:
- I. the councilor responsible for financial matters;
 - II. the municipal manager;
 - III. the chief financial officer;
 - IV. the senior managers responsible for at least the three largest votes in the municipality;
 - V. the manager responsible for budgeting;
 - VI. the manager responsible for planning; and
 - VII. any technical experts on infrastructure.

4.2 Roles and responsibilities

4.2.1 Executive Mayor

- a) As provided in Section 21(1) of the MFMA, the Mayor is responsible for:
- I. Co-ordinating the process for preparing the annual budget and for reviewing the Integrated Development Plan (“IDP”) and budget related-policies;
 - II. Tabling in the council a time schedule outlining key deadlines.
- b) In addition, as provided in Section 21(2) of the MFMA, for purposes of preparing the budget, the Mayor is required to:
- I. Take into account the Municipality’s IDP;
 - II. Take all reasonable steps to ensure that the Municipality revises the IDP;
 - III. Take into account the national budget, the provincial budget, the national government’s fiscal and macro-economic policy, the Annual Division of Revenue Act and any agreements reached in the budget forum;

- IV. Consult the relevant district municipality, if applicable, and local municipalities within the district, the provincial treasury, and when requested, the national treasury, and any national organs of state as may be prescribed;
 - V. Provide on request information to the National Treasury and other organs of state and other municipalities affected by the budget.
- c) Pursuant to Section 52 of the MFMA the mayor must:
- I. provide general political guidance over the fiscal and financial affairs of the municipality;
 - II. in providing such general political guidance. may monitor and. to the extent provided in
 - III. the MFMA, oversee the exercise of responsibilities assigned in terms of the MFMA to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
 - IV. must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;
 - V. must within 30 days of the end of each quarter. submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and
 - VI. must exercise the other powers and perform the other duties assigned to the mayor in terms of the MFMA or delegated by the council to the mayor.
- d) As Required by Section 53 of the MFMA, the mayor must:
- I. provide general political guidance over the budget process and the priorities that must guide the preparation of a budget;
 - II. co-ordinate the annual revision of the integrated development plan in terms of section 34 of the Municipal Systems Act and the preparation of the annual budget, and determine how the integrated development plan is to be taken into account or revised for the purposes of the budget; and
 - III. take all reasonable steps to ensure that:
 - a. the municipality approves its annual budget before the start of the budget year;
 - b. the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget; and

- c. the annual performance agreements as required in terms of section 57(1)(6) of the Municipal Systems Act, for the municipal manager and all senior managers comply with the MFMA and in particular, the provisions of Section 53(1)(c)(iii) of the MFMA;
- iv. promptly report to the municipal council and the MEC for finance in the province any delay in the tabling of an annual budget, the approval of the service delivery and budget implementation plan or the signing of the annual performance agreements referred to above; and
- v. ensure-
 - a. that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter. as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan: and
 - b. that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.

4.2.2 Accounting Officer

- a. The Accounting Officer shall provide technical and administrative support to the Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.
- b. The Accounting Officer shall ensure that all heads of departments provide the inputs required by the Chief Financial Officer for the purpose of preparing the budget.
- c. The Accounting Officer shall delegate to the Chief Financial Officer all such powers as may be necessary for the Chief Financial Officer to prepare the budgets.

4.2.3 Chief Financial Officer

- a. The Chief Financial Officer shall provide technical and administrative support to the Executive

Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.

- b. The Chief Financial Officer shall be responsible for preparing the budgets, as delegated by the Accounting Officer.
- c. The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determine by the mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the mayor on the revision of the IDP and the budget-related policies where these are indicated.

4.2.4 Directors directly accountable to the Accounting Officer

- a. Directors shall provide technical and administrative support to the Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.

4.3 Public participation process

- a) Immediately after the draft resolutions of the annual budget is tabled in a municipal council, the Accounting Officer of the municipality must— in accordance with Chapter 4 of the Municipal Systems Act-
 - I. make public the annual budget and the documents referred to in section 17(3); and
 - II. invite the local community to submit representations in connection with the budget; and
 - III. submit the annual budget—(draft budget)
 - IV. in both printed and electronic formats to the National Treasury and the relevant provincial treasury as prescribed by National Treasury ; and
 - V. in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.
- b) When the annual budget has been tabled, the municipal council must consider any views of-
 - I. the local community; and
 - II. the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.

c) The Municipal Manager must also make public any information that the municipal council considers appropriate to facilitate the budget consultation process, including:

- i. Summaries of the annual budget and supporting documents in alternate language predominant in the community; and
- ii. Information relevant to each ward in the municipality
- iii. All the information contemplated in sub-regulation (c) must cover
- iv. The relevant financial and service delivery implications of the annual budget; and
- v. At least the previous year's actual outcome, the current year's forecast outcome, the budget year, and the following two years.

d) When submitting the annual budget to the National Treasury and the relevant provincial treasury, the municipal manager must also submit to National Treasury and the relevant provincial treasury, both in printed and electronic form –

- I. The supporting budget documentation as tabled in the municipal council;
- II. The draft Service Delivery and Budget Implementation Plan (SDBIP); and
- III. Any other information as may be required by National Treasury.

e) The Municipal Manager must send copies of the annual budget and supporting documentation as tabled in the municipal council, in both printed and electronic form to:

- I. Any other municipality affected by the annual budget within ten working days of the annual budget being tabled in the municipal council; and
- II. Any organ of state on receipt of a request from the organ of state.

f) After considering all budget submissions, the council must give the Executive Mayor an opportunity-

- I. to respond to the submissions; and
- II. if necessary, to revise the budget and table amendments for consideration by the council.

g) Within consideration of the approval of the Annual Budget and thirty (30) days before the start of the budget year the Executive Mayor must table the following documents in the Council in consideration of the annual budget approval

- I. A report summarizing the local community's views on the annual budget;

- II. Any comments on the annual budget received from National Treasury and Provincial Treasury;
 - III. Any comments on the annual budget received from any organ of state, including any affected municipality; and
 - IV. Any comments on the annual budget received from any other stakeholders.
- h) The Municipal Manager must assist the Executive Mayor in the preparation of the documents referred to in sub-regulation (g) and 23 (2) of the Act.

4.4 Approval of the budget

- (a) Council shall consider the medium term revenue and expenditure framework budget (MTREF) for approval not later than 31 May (30 days before the start of the budget year).
- (b) The council resolution must contain budget policies and the performance measures to be adopted.
- (c) The council must consider the full implications, financial or otherwise, of the annual budget and supporting documentation before approving the annual budget.
- (d) When approving the annual budget, the council must consider and adopt separate resolutions dealing with each of the matters contemplated.
- (e) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.
- (f) The budget tabled to Council for approval shall include the following supporting documents:
 - I. draft resolutions approving the budget and levying property rates, other taxes and
 - II. tariffs for the financial year concerned;
 - III. measurable performance objectives for each budget vote, taking into account the
 - IV. municipality's IDP;
 - V. the projected cash flows for the financial year by revenue sources and expenditure
 - VI. votes;
 - VII. any proposed amendments to the IDP;
 - VIII. any proposed amendments to the budget-related policies;
 - IX. particulars of any proposed allocations or grants to other municipalities, municipal
 - X. entities, external mechanisms assisting the municipality in service delivery, other

- XI. organs of state, and organizations such as non- governmental organizations,
- XII. welfare institutions and so on;
- XIII. particulars of the municipality's investments;
- XIV. particulars of any proposed service delivery agreements, including material
- XV. amendments to existing service delivery agreements;
- XVI. the proposed cost to the municipality for the budget year of the salary, allowances
- XVII. and benefits of-

- (i) each political office-bearer of the municipality;
- (ii) councillors of the municipality; and
- (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;

4.5 Service Delivery and Budget Implementation Plan (SDBIP)

a) The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council, and within ten days (10) after the Executive Mayor has approved the Plan it has to be made public.

b) The SDBIP shall include the following components:

- I. Projections for each month of Revenue to be collected, by source, and Operational and capital expenditure, by vote;
- II. Service delivery targets and performance indicators for each quarter;
- III. Monthly projections of revenue to be collected for each source;
- IV. Monthly projections of expenditure (operating and capital) and revenue for each vote;
- V. Quarterly projections of service delivery targets and performance indicators for each vote;
- VI. Information for expenditure and delivery; and
- VII. Detailed capital works plan.

5. BUDGET PRINCIPLES

- a) The municipality shall ensure that revenue projections in the budget are realistic taking into account actual collection levels. The expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- b) Stellenbosch Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) which will be reviewed annually and will be approved by Council. The MTREF budget will at all times be within the framework of the Municipal Integrated Development Plan (IDP).
- c) The annual budget will consist of a Capital and Operating Budget which will be discussed below:

5.1 Capital Budgets

- a) The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year.

5.1.1 Basis of Calculation

- a) The zero based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.
- b) The annual capital budget shall be based on realistically anticipated revenue (capital loans to be taken up will be deemed to be part of this), which should be equal to the anticipated capital expenditure in order to result in a balanced budget.
- c) The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.
- d) In addition, the council shall consider the likely impact of such operational expenses- net of any revenues expected to be generated by such item- on future property rates and service tariffs.

5.1.2 Financing

1. Own Financing Sources

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

- a) unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
- b) further amounts appropriated as contributions in each annual or adjustments budget; and
- c) net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

2. Other Finance Sources

The Ad- Hoc capital budget shall be financed from external sources such as the following:

- a) Grants and subsidies as allocated in the annual Division of Revenue of Act;
- b) Grants and subsidies as allocated by Provincial Government;
- c) External Loans;
- d) Private Contributions;
- e) Contributions from the Capital Development Fund (developer's contributions); and
- f) Any other financing source secured by the local authority.

5.1.3 Implementation

- a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) should be compiled.
- b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.
- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.

- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget

5.2 Operational Budget

The operational budget refers to the funds that would be raised in the delivery of basic services, grants & subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

5.2.1 Basis of Calculation

- a) A zero based approach is used in preparing the annual operating budget.
- b) The annual operating budget shall be based on realistically anticipated revenue.
- c) An income based approach shall be used whereby realistically anticipated income is determined first and the level of operating expenditure would be based on the determined income flows.

5.2.2 Financing

The operating budget shall be financed from the following sources:

- a) Service Charges
 - (i) Electricity Charges
 - (ii) Water Sales
 - (iii) Refuse Removal Fees
 - (iv) Sewerage Fees

Increases in tariffs should be cost reflective.

- b) Property rates

Increases in rates will as far as possible be limited to inflation.

c) Grants & Subsidies

Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other subsidies received by the organization.

d) Interest on Investments

The budget for interest and investment shall be in accordance with the Cash Management and Investment policy of the organization.

e) Rental Fees

Income from rental property will be budgeted for based on the percentage growth rate as determined by Financial Services for a particular budget year.

f) Fines

Income from fines will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year.

g) Other Income

All other income items will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year.

5.2.3 Implementation

- a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is compiled.
- b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.

- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.
- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget.

5.3 Contents of the Budget

- a) The budget must comply with the provisions of Section 17(1) of the MFMA, and in particular:
 - i. The budget must be in the format prescribed by the regulations;
 - ii. The budget must reflect the realistically expected revenues by major source for the budget year concerned;
 - iii. The expenses reflected in the budget must be divided into the votes of the various departments of the municipality;
 - iv. The budget must also contain:
 - 1. the foregoing information for the two years immediately succeeding the financial year to which the budget relates;
 - 2. the actual revenues and expenses for the previous financial year , and
 - 3. the estimated revenues and expenses for the current year.
- b) The budget must be accompanied by all of the documents referred to in Section 17(3) of the MFMA.
- c) For the purposes of Section 17(3) (k) of the MFMA, the salary, allowances and benefits of each group referred to therein must be stated individually.

5.4 Components of the Budget

- a) The annual budget and adjustments budget shall, as required by Section 17(2) of the MFMA consist of:
- I. the capital component, and
 - II. the operating component.
- b) The operating component shall duly reflect the impact of the capital component on:
- I. Compensation of employees & Remuneration of Councilors
 - II. Bulk Service Expenses
 - III. Depreciation charges;
 - IV. Repairs and maintenance expenses;
 - V. Interest payable on external borrowings; and
 - VI. Other operating expenses.
- c) Before approving the capital budget component of the annual or adjustments budget, the council shall consider the impact of the capital component on the present and future operating budgets of the municipality in relation to the items referred to:
- I. The projected cost covering all financial years until the project is operational;
 - II. The future operational costs and revenue on the project, including municipal tax and tariff implications.
 - III. All capital projects have an effect on future operating budgets. The following cost factors must therefore be considered before approval:
 - 1) Additional personnel cost to staff new facilities once operational;
 - 2) Additional contracted services, such as security, cleaning etc.
 - 3) Additional general expenditure, such as services cost, stationery, telephones, material etc.
 - 4) Additional other capital requirements to operate the facility, such as vehicles, plant and equipment, furniture and office equipment etc.
 - 5) Additional costs to maintain the assets;
 - 6) Additional interest and redemption in the case of borrowings;
 - 7) Additional depreciation charges;
 - 8) Additional revenue generation. The impact of expenditure items must be offset by additional revenue generated to determine the real impact on tariffs.

6. ADJUSTMENTS BUDGETS

- (a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.
- (b) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- (c) Council may revise its annual budget by means of an adjustments budget as regulated.
- (d) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- (e) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with Item 2 of Section 10.
- (f) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- (g) Only the Executive mayor shall table an adjustment budget. Adjustments budget shall be done once as part of the mid-year budget performance assessment.
- (h) An adjustments budget must contain all of the following:
 - I. an explanation of how the adjustments affect the approved annual budget
 - II. appropriate motivations for material adjustments; and
 - III. an explanation of the impact of any increased spending on the current and future annual budgets.
- (i) Any unappropriated surplus from previous financial years, even if fully cash-backed, may not be used to balance any adjustments budget, but may be appropriated to the municipality's capital replacement reserve.

- (j) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan and or per National Treasury Regulations.
- (k) Unauthorised expenses may be authorised in an adjustments budget.

6.1 Formats of adjustments budgets

- (a) An adjustment budget and supporting documentation of a municipality must be in the format specified by National Treasury and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

6.2 Funding of the adjustments budgets

- (a) An adjustments budget of a municipality must be appropriately funded.
- (b) The supporting documentation to accompany an adjustments budget in terms of section 28(5) of the Act must contain an explanation of how the adjustments budget is funded.

6.3 Timeframes for tabling of adjustments budgets

- (a) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time during the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.
- (b) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case subregulation (3) applies.
- (c) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

- (d) An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred within the period set in section 29(3) of the Act.
- (e) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.
- (f) An adjustments budget contemplated in section 28(2)(G) of the Act may only authorise unauthorised expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –
- (g) dealt with as part of the adjustments budget contemplated in subregulation (1); and
- (h) a special adjustments budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.

6.4 Submission of tabled adjustments budgets

- (a) The municipal manager must comply with section 28(7) of the Act, read together with section 22(b)(i) of the Act, within ten working days after the mayor has tabled an adjustments budget in the municipal council.
- (b) When submitting the tabled adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28(7) of the Act, read together with section 22(b)(i) of the Act, the municipal manager must submit in both printed and electronic form
 - i. the supporting documentation referred to in section 28(5) of the Act within ten working days of the adjustments budget being tabled in the municipal council; and
 - ii. any other information as may be required by National Treasury.
- (b) The municipal manager must send copies of an adjustments budget and supporting documentation, in both printed and electronic form to –
 - i. any other municipality affected by that adjustments budget within ten working days of the adjustments budget being tabled in the municipal council; and

- II. any other organ of state on receipt of a request from that organ of state.

6.5 Approval of adjustment budget

- (i) A municipal council must consider the full implications, financial or otherwise, of the adjustments budget and supporting documentation referred to in section (1) (a) before approving the adjustments budget.
- (j) When approving the adjustment budget, a municipal council must consider and adopt separate resolutions dealing with each of the matters listed in item 4 of Schedule B.

6.6 Publications of approved adjustment budget

- (a) Within ten 10 working days after the municipal council has approved an adjustment budget, the municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved adjustments budget and supporting documentation, as well as the resolutions referred to in section 5 (a).
- (b) When making public an adjustment budget and supporting documentation, the municipal Manager must make public awareness of the adjustment budget, including –
- (c) Summaries of the adjustment budget and supporting documentation in alternate languages predominant in the community;
- (d) Information relevant to each ward in the municipality, if that ward is affected by the adjustments budget; and
- (e) Any consequential amendment of the service delivery and budget implementation plan that is necessitated by the adjustments budget.

6.7 Submission of approved adjustments budget and other documents

- (a) The municipal Manger must comply with section 28(7) of the Act read together with section 24(3) of the Act within ten working days after the municipal council has approved and adjustments budget.

- b) When submitting an adjustments budget to National Treasury and other relevant provincial treasury in terms of section 28(7) of the Act read together with section 24(3) of the Act, the municipal manager must also submit to National Treasury and the relevant provincial treasury, in both printed and electronic form –
 - i. The supporting documentation within ten working days after the municipal council has approved the adjustments budget;
 - ii. The amended service delivery and budget implementation plan, within ten working days after the council has approved the amended plan in terms of the section 54(1)(c) of the Act; and
 - iii. Any other information as may be required by the National Treasury.

- (c) The municipal manager must send copies of an adjustments budget and supporting documentation, in both electronic and printed form to –
 - i. Any other municipality affected by that adjustments budget within ten (10) working days of the adjustments budget being tabled in the municipal council; and
 - ii. Any other organ of state on receipt of a request from that organ of state.

7. BUDGET IMPLEMENTATION

7.1 Monitoring (Section 71 of MFMA)

- (a) The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take all reasonable steps to ensure that:
- I. funds are spent in accordance with the budget;
 - II. expenses are reduced if expected revenues are less than projected; and
 - III. revenues and expenses are properly monitored.

7.2 Reporting

7.2.1 Monthly budget statements (Section 71 of the MFMA)

- (b) Accounting Officer with the assistance of the Chief Financial Officer must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.
- (c) This report must reflect the following:
- i. actual revenues per source, compared with budgeted revenues;
 - ii. actual expenses per vote, compared with budgeted expenses;
 - iii. actual capital expenditure per vote, compared with budgeted expenses;
 - iv. actual borrowings, compared with the borrowings envisaged to fund the capital budget;
 - v. the amount of allocations received, compared with the budgeted amount;
 - vi. actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - vii. explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;

- viii. the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- ix. projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

7.2.2 Quarterly Reports (Section 52 of MFMA)

- (a) The Executive Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality. The report submitted to National and Provincial Treasury must be both in electronic format and in a signed written document.

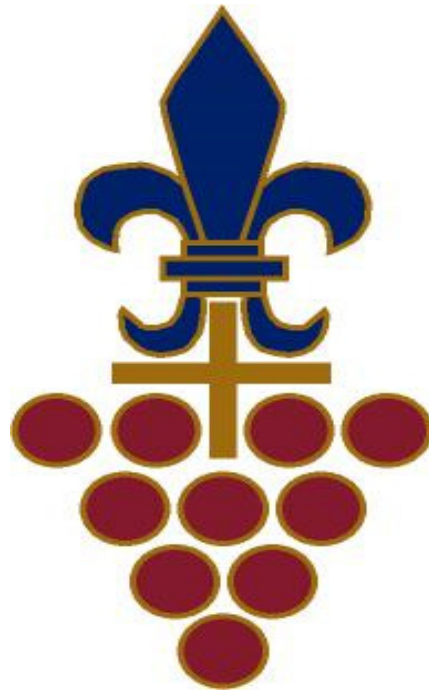
7.2.3 Mid-year budget and performance assessment (Section 72 and 88 of MFMA)

- (a) The Accounting Officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- (b) The Accounting officer must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- (c) The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

8. REVIEW OF POLICY

- (a) This shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives, good governance, prudent expenditure management and with relevant legislation.

STELLENBOSCH MUNICIPALITY



**BORROWING, FUNDS AND
RESERVES POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

BORROWING, FUNDS AND RESERVES POLICY

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1. INTRODUCTION

The documented **Borrowing, Funds and Reserves Policy**, sets out the framework for the prudent use of Borrowing, Funds and Reserves available to the Municipality.

This Policy should be implemented in conjunction with the approved **Liquidity Policy**. The Liquidity Policy sets out the prudent level of cash to be maintained by the Municipality as one of several factors to ensure long term financial sustainability. It is however of equal importance to protect, maintain and extend the infrastructure of the Municipality to ensure the continued provision of services at an acceptable standard.

This policy is implemented to provide guidance on the appropriation of capital funding resources on a sustainable basis in the longer term.

2. BACKGROUND AND APPROACH

With reference to the applicable legislation as referred to in paragraph 3 below. Legislation exists and prescribes the framework of a Borrowing as well as Funds and Reserves Policy and these factors will all be addressed in this Policy.

Although legislation provides guidance as to the broader framework to ensure financial management of resources to ensure the Council meets all of its obligations timeously, it is not prescriptive with regards to quantifying not only the prudent level of Borrowing, Funds and Reserves but more so the optimal level hereof.

Therefore in this Policy cognisance has been taken of the legislative guidelines whilst more prescriptive guidelines are set for the optimal management and monitoring of resources to the Municipality's avail based on sound financial practices.

3. LEGISLATIVE REQUIREMENTS

The legislative framework governing borrowings, funds and reserves are:

1.1. Local Government Municipal Finance Management Act, Act 56 of 2003 (MFMA) must be complied with; and

1.1.1. MFMA Circular 71 stipulates the following guidelines regarding borrowing:

Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure

(Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure) x100

Criteria: 6% - 8%

Debt (Total Borrowings) / Revenue

(Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue

Criteria: Maximum 45%

1.2. Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.

4. FUNDING POLICY

The Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009 stipulates:

8. (1) *Each municipality must have a funding and reserves policy which must set out the assumptions and methodology for estimating –*

- (a) *projected billings, collections and all direct revenues;*
- (b) *the provision for revenue that will not be collected;*
- (c) *the funds the municipality can expect to receive from investments;*
- (d) *the dividends the municipality can expect to receive from municipal entities;*
- (e) *the proceeds the municipality can expect to receive from transfer or disposal of assets;*
- (f) *the municipality's borrowing requirements;*
- (g) *the funds to be set aside in reserves.*

In terms of Section 18 and 19 of the MFMA an **annual budget** may only be funded from:

Cash backed accumulated funds from previous years' surpluses not committed for other purposes:

Transfers from the accumulated surplus to fund operating expenditure will only be allowed for specific once-off projects with no recurring operating expenditure resulting thereof.

Borrowed funds, but only for capital projects:

Actual capital expenditure may only be incurred on a capital project if the funding for the project has been appropriated in the Capital Budget, but has also been secured from the financial source that is not committed for another purpose.

Realistically anticipated revenues to be collected:

Realistic anticipated revenue projections must take into account projected revenue for the current year based on actual collection levels in previous financial years.

4.1. OPERATING BUDGET

The Operating Budget should be cash funded. The Operating Budget is funded from the following main sources of revenue:

- a) Property Rates;
- b) Surplus generated from Service Charges;
- c) Government Grants and Subsidies;
- d) Other revenue, fines, interest received etc.;

The following guiding principles apply when compiling the Operating Budget:

- a) Growth parameters must be realistic taking into account the current economic conditions;
- b) Tariff adjustments must be in line with the following approved policies: ***Tariff Policy and Indigent Policy***;
- c) Revenue from Government Grants and Subsidies must be in line with allocations gazette in the Division of Revenue Act and provincial gazettes. Transfers of a conditional nature must be appropriated only as prescribed and should not be used to fund the Operating Budget;
- d) Revenue from public contributions, donations or any other grants may only be included in the Budget if there is acceptable documentation that guarantees the funds and if the transfers are unconditional of nature;

- e) Provision for revenue that will not be collected is made against the expenditure item bad debt and based on actual collection levels for the previous financial year and the reasonably projected annual non-payment rate;
- f) Interest received from actual Long-term and or Short-term Investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends. The actual amount allocated for interest on investments is contributed to the Capital Replacement Reserve;
- g) A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total as well as new and/or funded vacant positions. As a guiding principle the salary budget should not constitute more than 35% of annual Operating Expenditure;
- h) Depreciation charges are fully budgeted for according to the Asset Register.
- i) The annual cash flow requirement for the repayment of borrowings must fully be taken into consideration with the setting of tariffs;
- j) Sufficient provision must be made for the maintenance of existing infrastructure based on affordable levels. The maintenance budgets are normally lower than the recommended levels. As a guiding principle repair and maintenance should constitute between 5% and 8% of total operating expenditure and should annually be increased incrementally until the required targets are achieved;
- k) Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over expenditure.

4.2. CAPITAL BUDGET

The capital budget provides funding for the municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments and enlargement of bulk infrastructure.

The capital budget is limited by the availability and access to the following main sources of funding:

- a) Accumulated cash backed internal reserves such as the Capital Replacement Reserve;
- b) External borrowings;
- c) Government Grants and Subsidies;
- d) Public Donations and Contributions.

The following guiding principles apply when considering sources of funding for the capital budget:

a) Government Grants and Subsidies:

- a. Only Government Gazetted allocations or transfers as reflected in the Division of Revenue Act or allocations as per Provincial Gazettes may be used to fund projects;
- b. The conditions of the specific grant must be taken into consideration when allocated to a specific project.

b) Public Donations and Contributions:

- a. In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the funding has been received by the municipality already.

c) External Borrowing:

- a. The borrowing requirements as contained in the **Borrowing Policy** in paragraph 6 are used as a basis to determine the affordability of external loans over the Medium Term Income and Expenditure Framework. The ratios to be considered to take up additional borrowings are as follows, unless in contravention with any loan covenants:
 - i. Estimated long-term credit rating of BBB and higher;
 - ii. Interest Paid to Total Expenditure not to exceed 5%;
 - iii. Total Long-term Debt to Total Operating Revenue (excluding conditional grants and transfers) not to exceed 35%;
 - iv. Operating Cash Surplus generated before loan repayments are made covers the Total Annual Repayment at least 1 time;
 - v. Percentages of Total Annual Repayment (Capital and Interest) to Operating Expenditure to be less than 10%.

d) Cash backed Reserves

- a. Allocations to capital projects from cash backed internal reserves will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve. With reference to Paragraph 5, **Reserves Policy**.

All capital projects have an effect on future operating budget therefore the following additional cost factors should be considered before approval:

- a) Personnel cost to staff new facilities once operational;
- b) Contracted services, that is, security, cleaning etc.;
- c) General expenditure such as services cost, stationery, telephones, material etc.;
- d) Other capital requirements to the operate facility such as vehicles, plant and equipment, furniture and office equipment etc.;
- e) Costs to maintain the assets;
- f) Interest and redemption in the case of borrowings;
- g) Depreciation charges;
- h) Revenue generation as the additional expenses incurred may be offset by additional revenue generated to determine the real impact on tariffs.

5. RESERVES POLICY

All reserves are “ring fenced” as internal reserves within the accumulated surplus, except for provisions as allowed by the General Recognized Accounting Practices (GRAP):

- a) Housing Development Fund;
- b) Revaluation Reserve

The municipality endeavours to effectively utilise and maintain the **Capital Replacement Reserve** for the funding of capital replacement and renewal for future financial years. This reserve needs to be cash backed. This will provide the Municipality with a more balanced capital funding approach in the longer term thereby reducing the risk of reaching its maximum gearing ability or depleting its free cash.

This Reserve can be generated as follows from the Operating Budget; the following methodology needs to be read in conjunction with the **Liquidity Policy**:

a) Cash generated from Operating Activities:

- a. The Municipality has maintained a strong ability to generate surplus operational cash flow which it has used to fund most of its capital spending in the past;
- b. In the past depreciation charges could be considered sufficiently cash backed based on the cash surplus generated prior to capital spending. However going

forward should capital spending increase sharply it will result simultaneously with Depreciation charges increasing sharply which may therefore in future not be fully supported by cash;

- c. Depreciation is a method to generate future cash. Therefore it is prudent to annually measure the cash coverage for depreciation charges until it is fully funded from cash through tariff setting;
- d. As at year end it is to be determined whether the Municipality meets its **Minimum Liquidity Criteria** as stipulated in the **Liquidity Policy**, excess cash in addition to this prescribed level is to be calculated and appropriated to the Capital Replacement Reserve and no more than 80% of the balance of the Capital Replacement Reserve as at year end should be allocated to the following year's capital budget unless sufficient recommendations are made to Council to substantiate such a decision.

b) Interest received on the investment made for the Capital Replacement Reserve

6. BORROWING POLICY

It is required that the Municipality comply with the guidelines of Chapter 6 of the MFMA with regards to Debt Disclosure as detailed in Sections 46, 47, 48 and 49. This section should be read in conjunction with point c) under paragraph 4.2. on page 6. External borrowings may only be incurred for approved capital programmes and may under no circumstances be allocated to fund the Operating Budget.

Municipal infrastructure has a long-term economic life and it is appropriate to fund assets of this nature with long term external borrowing. The economic life of assets should be equal to or longer than the tenure of the external borrowing.

The following needs to be taken into consideration when accessing external borrowing:

a) Types of loan financing

- a. Annuity Loans enable the Municipality to provide for the redemption of loans on an amortising basis which is generally the most cost effective method of financing often referred to as vanilla funding;
- b. Bullet Redemption Loans are attractive as interest on the loan is serviced with the capital redemption only taking place at the end of the tenure of the loan. However, this method is more costly as interest is paid on the full debt

throughout the term as the Capital does not reduce. This type of loan also requires an annual contribution to a sinking fund, which in essence then mimics the traits of an annuity loan although at a higher cost. The use of such structure warrants a detailed motivation based on the benefits to the implementation of the capital project;

- c. Sculpted Repayment Loans offer a combination of the above two types, as loans are sculpted according to the potential cash flows to be generated from the capital project in future. For example the following can be included in a sculpted loan:
 - i. A capital grace period in the first years of the development of the capital project;
 - ii. An incremental annual increase in the repayment in relation to the projected growth in revenue from the project.

b) Interest Rate Risk Management

- a. The impact of interest and capital redemption payments on both the current and forecasted property rates and service charges through tariffs taking into consideration the current and future capacity of the consumer to pay therefore;
- b. Likely movement in interest rates for variable rate borrowings. There are benefits to be yielded from borrowing on a variable rate if rates are projected to decrease in future, however it is prudent for the Municipality to enter into fixed interest rate loans to accurately budget for expenses incurred.

c) Tenure of Borrowing

- a. The tenure of external borrowings should where possible match the economic useful life of the asset.

d) Security

- a. Unless sufficient motivation is provided and other than for the provision of a sinking fund for the redemption of a bullet loan, the provision of any security against external borrowings, should be specifically motivated by the CFO for approval.

e) Loan Covenants

- a. The Municipality is to maintain a Loan Covenants Register detailing the covenants entered into with each active loan agreement until date of maturity thereof;
- b. Compliance with all loan covenants are to be monitored and reported on semi-annually to ensure that the Municipality does not breach any covenants;
- c. Should a default be triggered based on non-compliance with loan covenants, the Municipality is to alert Council and send the related Financial Institutions a written commitment to address the matter within a reasonable timeframe.

f) Level of gearing

- a. As stipulated in point c) under paragraph 4.2. on page 6, gearing is not only limited by the level of debt against the Total Operating Income (excluding conditional grants) but also limited by other operational factors including compliance with the stipulations of the approved **Liquidity Policy**.

7. CORPORATE GOVERNANCE (OVERSIGHT)

Compliance with the various stipulations as documented in this Borrowing, Funds and Reserves Policy need to be monitored by the Chief Financial Officer and reported on to the Municipal Manager on a monthly basis and to the Finance/Audit Committee on a quarterly basis.

Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Finance Committee must monitor the successful implementation of the corrective action plans and report progress to Council.

8. TRANSITIONAL ARRANGEMENT

Upon adoption of this policy by the Council, the Municipal Manager in conjunction with the Chief Financial Officer must determine the current performance levels of the Municipality against this Policy and present a plan of action towards achieving and maintaining the stipulation as set out in this policy thereby utilising a more blended funding mix for capital infrastructure investment.

The Council must approve an appropriate timeframe within which the Municipality must achieve the approved stipulations as set out in this Policy. The period between the date of the policy adoption by Council and the target date for compliance shall be known as the Transitional Period.

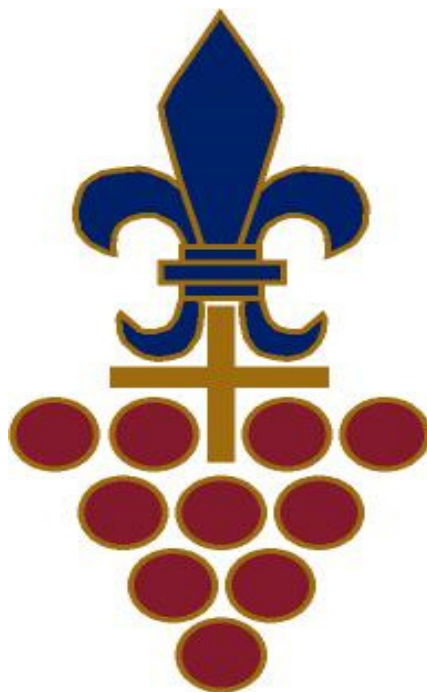
The Finance Committee must report progress during the approved Transitional Period to the Council.

9. POLICY MANAGEMENT

The Borrowing, Funds and Reserves Policy forms part of the Municipality's overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval.

The Policy is effective from the date it is approved by Council.

STELLENBOSCH MUNICIPALITY



**FINANCING OF EXTERNAL
BODIES PERFORMING MUNICIPAL
FUNCTIONS POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY

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1. DEFINITIONS

1.1 In this policy unless the context indicates otherwise:

- 1.1.1 “**Accounting Officer**” means the Municipal Manager as referred to in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003 (“MFMA”);
- 1.1.2 “**Approved Budget**” means the Municipality’s annual budget approved by the Council in terms of section 24 of the MFMA and include an adjustment budget in terms of Section 28 of the MFMA;
- 1.1.3 “**Community**” means the residents within the Stellenbosch WCO24 area;
- 1.1.4 “**Constitution**” means the Constitution of the Republic of South Africa, 1996;
- 1.1.5 “**Director**” means a person appointed in terms of section 56 of the Systems Act who is directly accountable to the Municipal Manager;
- 1.1.6 “**Executive Mayor**” means the councillor elected as the Executive Mayor in terms of section 55 of the Local Government: Municipal Structures Act, 32 of 2000 (“the Structures Act”);
- 1.1.7 “**Chief Financial Officer**” or “CFO” means an official as envisaged in section 80(2)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003 (“MFMA”);
- 1.1.8 “**Grant**” means a grant or allocation, as referred to in section 17(3)(j(ii) and 17(3)(j(iv) of the MFMA, made by the Municipality to any organisation or body referred to in section 67(1) and to be utilised to assist the Municipality in fulfilling its constitutional mandates including local tourism, municipal health services and such other municipal functions contemplated in Part B of Schedules 4 and 5 of the Constitution;
- 1.1.9 “**Grant Committee**” means the Committee established in terms of clause 7 of this policy;
- 1.1.10 “**official**” means an employee in the service of the Municipality;
- 1.1.11 “**organisation or body**” means those organisations or bodies outside any sphere of government making application for Grants in terms of this Policy, Which include associations, non-profit organisations or companies or trusts;
- 1.1.12 “**the Systems Act**” means the Local Government: Municipal Systems Act, 32 of 2000;
- 1.1.13 “**the Structures Act**” means the Local Government: Municipal Structures Act, 117 of 1998;
- 1.1.14 “**the MFMA**” means the Local Government: Municipal Finance Management Act, 56 of 2003;
- 1.1.15 “**the Municipality**” means the Stellenbosch Municipality and reference to Council has a similar meaning;

- 1.1.16 **“the Policy”** means the Financing of External Organisation/Bodies Performing Municipal Function Policy as set out in this document.
- 1.1.17 **"service delivery agreement"** or "MOA" means the agreement entered into between the Municipality and any organisation or body which received a Grant in terms of this Policy.

1. PURPOSE, AIMS AND OBJECTIVES

- 1.1 The purpose of this Policy is to provide a framework for financial assistance by Stellenbosch Municipality (“the Municipality”) to external organisations / bodies performing local government functions to the extent as set out in section 155(6)(a) and (7) of the Constitution as listed in Part B of Schedule 4 and 5.
- 1.2 The purpose of this Policy is to ensure the efficient performance of the municipal function entrusted to that external organisation/body in a manner which gives effect to the goals and objectives of the Municipality’s Integrated Development Plan (“IDP”) by establishing partnerships between the municipality and the organisations and bodies performing the functions on behalf of the Municipality.
- 1.3 The Municipality will favour grants for achievement of outcomes aligned to the IDP. The objective of the funding of external bodied performing municipal functions is primarily to ensure the achievement of agreed outcomes to improve the health and well-being of the citizens and not to cover administrative costs and salaries.

2. LEGAL FRAMEWORK

- 2.1 In terms of section 156 of the Constitution, the Municipality has executive authority in respect of and the right to administer –
- 2.1.1 the local government matters listed in Part B of Schedule 4 and 5; and
- 2.1.2 any other matters assigned to it by national and provincial legislation.
- 2.2 Section 16(2) of the MFMA provides that the Mayor of the Municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. Section 17(3)(j)(ii) and 17(3)(j)(iv) provides that when an annual budget is tabled in terms of section 16(2) it must include particulars of any proposed allocation or grants by the municipality to any municipal entities and other external mechanism assisting the municipality in the exercise of its functions or power and any organisation or bodies referred to in section 67(1).
- 2.3 Immediately after the tabling of the annual budget the accounting officer must make public the annual budget and invite the local community to submit representations in connection with the budget before the budget is approved by Council in terms of section 24 of the MFMA.
- 2.4 Section 67 of the MFMA provides that the Municipality implement and sustain proper and effective controls and procedures when transferring funds of the

- Municipality to an organisation or body outside any sphere of government.
- 2.5 Section 67(1) provides that the accounting officer must be satisfied that the organisation or body has the capacity and agreed to comply with any agreement with the Municipality including all reporting, financial management and auditing requirements as may be stipulated in the agreement, to report at least monthly to the accounting officer on actual expenditure against such transfer and to submit audited financial statements for its financial year to the accounting officer promptly. The organization must implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement and has the obligation to prove in terms of previous similar transfers that it has complied with all the requirements. The accounting officer must through contractual and other appropriate mechanism enforce compliance with this policy.
- 2.6 All transfer of funds in terms of this Policy shall comply with the Constitution, the Systems Act, the Structures Act, the MFMA and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the aforementioned legislation.

3. PUBLIC ADVERTISEMENT AND APPLICATION PROCEDURE

- 3.1 Applications for funding of external bodies performing municipal functions shall be considered where organisations or bodies have responded to advertisements published in the local newspapers distributed in the Stellenbosch Municipal Area calling upon organisations or bodies to submit proposals in the prescribed form, as set out 4.3 below, to perform a specific municipal function for a period up to 3 years. Such advertisements may be published quarterly by the accounting officer.
- 3.2 Advertisements should clearly specify the categories for which requests are called, the closing date for applications, who they should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications, including the prescribed forms. Only applications made on the prescribed form (see Annexure A) may be considered.
- 3.3 The organisation/body must submit a detailed business plan with its application, confirming the envisaged outcomes their past achievements in the field and their commitment to performing that particular municipal function effectively and in line with Council's goals as set out in the IDP. Applications must be accompanied by a covering letter on the organisation/body letterhead, signed by the head of the organisation/body and must include the following information:
- 3.3.1 the organisation/body's legal name and a brief description of the organisation/body's business;
 - 3.3.2 the organisation/body's registration number, if any;
 - 3.3.3 the date of establishment, details of the organisation/body's members, founding documents, including constitution and certificates of incorporation;
 - 3.3.4 the contact name of the person signing the application, full street address, telephone number and email address of the organisation;
 - 3.3.5 if funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget

- for and the duration of the project together with a written confirmation by the relevant municipal Director that the project is part of the IDP projects or programs;
- 3.3.6 references, independent of the organisation/body and the head of the organisation/body;
- 3.3.7 most recent audited financial statements not older than 24 months;
- 3.3.8 a summary of its past achievements; and
- 3.3.9 a declaration by the head of the organisation/body to the satisfaction of the Municipal Manager that the organisation/body implements effective, efficient and transparent financial management and internal control mechanism to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds.
- 3.4 Individuals will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.
- 3.5 Organisations or bodies whose directors, managers, major shareholders or trustees are in service of the state will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.
- 3.6 The appointment of a particular organisation/body to perform a municipal function for a period of three (3) years does not guarantee financial support by the Municipality, which will be determined annually when the municipal budget is approved by the Municipal Council.
- 3.7 No late applications received, in response to an advertisement as contemplated in clause 3.1 and 3.2 above will be considered and processed by the Grant Committee.

4. OBLIGATIONS OF THE ORGANISATION/BODY

- 4.1 The head of the organisation/body must acknowledge in writing to the Municipal Manager that the money allocated was received in its bank account and that the money will be utilised in accordance with the completed and signed MOA, the submitted application and this Policy within 30 days of transfer of funds / payment, failing which no future grants may be considered.
- 4.2 The organisation / body shall submit monthly reports on actual expenditure against such transfer, the ward within which activities are conducted as well as the number of people benefiting from the activity to the Municipal Manager.
- 4.3 The relevant municipal Director must co-sign each monthly report to confirm monthly management and oversight of the activities.

5. RIGHTS OF THE MUNICIPALITY, CONTROL AND MONITORING

- 5.1 The relevant municipal Director shall be entitled, at any reasonable time from time to time, to verify and inspect the existence and activities of the organisation/body. The relevant municipal Director or his delegate has the right to physically visit the premises where the organisation/body or funded project is based, to peruse the budgets and any progress report related to the project.

- 5.2 The relevant municipal Director shall manage the service delivery agreement entered into between the Municipality and the organisation / body by inter alia receiving and considering monthly reports, inspecting financial records including audited financial statement.
- 5.3 If the organisation / body fails to comply with the terms and conditions of its service delivery agreement with the Municipality, the accounting officer may in consultation with the relevant municipal Director terminate the agreement with reasonable notice or grant the organization / body an opportunity to rectify the breach within an agreed period of not more than 90 days, failing which the accounting officer may terminate the agreement with reasonable notice.
- 5.4 The Municipality has the right not to give a Grant to any or all organisations/bodies applying for such Grants or to give proportional or partial grants to give. Having been awarded a Grant previously does not give an organisation/body the right to receive a Grant again.
- 5.5 The relevant municipal Director shall ensure that those organisations or bodies, who have received Grants in terms of this Policy:-
 - 5.5.1 comply with all the provisions of the completed and signed MOA;
 - 5.5.2 comply with all reporting, financial management and auditing requirements as stipulated in the MOA;
 - 5.5.3 report at least monthly to the Municipality on actual expenditure against such transfer;
 - 5.5.4 promptly, or no longer than 4 months after the end of their financial year, submit their audited financial statements; and
 - 5.5.5 utilise the grant funding strictly in accordance with the approved business plan and approved budget.
- 5.6 The requirements in paragraphs 5.5.1 to 5.5.4 above shall not apply to organisations where the transfer does not exceed R200 000,00 (two hundred thousand rand), provided the Accounting Officer takes all reasonable steps to ensure that the targeted beneficiaries, as identified by the organisation or body in its application, receive the benefit of such grants and it certifies that compliance by that organisation or body with 5.5.1 to 5.5.4 above is uneconomical or unreasonable.

6. GRANT COMMITTEE

- 6.1 A Grant Committee consisting of at least the Municipal Manager, the Chief Financial Officer and one director of the Municipality, as well as any other official whom the Municipal Manager may include, shall evaluate all applications received in response to the local advertisement.
- 6.2 The Grant Committee will have the power to make recommendations to Council for final appointments and financial allocations.
- 6.3 The Grant Committee must submit a report on its decisions to the Council for final approval.
- 6.4 The Grant Committee shall, in terms of the Systems Act, establish a programme for community consultation and information dissemination regarding the appointment of any organisation/body and the availability of the service delivery agreement for perusal will be communicated to the local community through the media prior to any service delivery agreement being entered into between the Municipality and the organisation or body.

- 6.5 No payments in terms of the allocation will be made to any organisation / body until a service delivery agreement in the form approved by the accounting officer has been signed by the respective parties.
- 6.6 No payment can be made to an organisation/body until it has submitted its audited financial statements as contemplated in this Policy and a statement certified by its auditor that it has fully complied with its agreement with the Municipality.
- 6.7 Payments may be allocated as a once off amount or in tranches as determined by the CFO in consultation with the relevant municipal Director.

7. Funding acknowledgement of the Municipality

Successful applicants will be required to acknowledge the Municipality as the provider of Grant funding in their funding record as well as any public record in respect of Grants received in order to confirm that these transfers of funds are also part of the Municipality's endeavours to meet its strategic objectives and to assist it in carrying out its constitutional powers and functions.

8. COMMENCEMENT

This Policy called the **FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY** takes effect on the date on which it is adopted by the Council.



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

Municipality • Umasipala • Munisipaliteit

APPLICATION : FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION

NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM WILL BE CONSIDERED

PLEASE COMPLETE THE FOLLOWING:

A	<p>Registered name of organisation:</p> <p>.....</p>		
B	<p>Date and year in which the organisation was founded or incorporated (include brief description of business or activities of organisation):</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>		
C	<p>Address:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>(i) Street</p> <p>.....</p> <p>.....</p> <p>.....</p> </td> <td style="width: 50%; vertical-align: top;"> <p>(ii) Postal</p> <p>.....</p> <p>.....</p> <p>.....</p> </td> </tr> </table> <p>Contact details:</p> <p>Name and Surname:</p> <p>Title/Position held:</p> <p>Tel: E-mail:</p>	<p>(i) Street</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>(ii) Postal</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>(i) Street</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p>(ii) Postal</p> <p>.....</p> <p>.....</p> <p>.....</p>		
D	<p>List <u>ALL</u> the directors / board / committee members / shareholders / trustees of the organization (use additional pages if necessary):</p> <p>Name and Surname:</p> <p>Position:</p> <p>Contact Address and tel. no:</p> <p>Name and Surname:</p>		

Contact Address and tel. no:

Name and Surname:

Position:

Contact Address and tel. no:

Name and Surname:

Position:

Contact Address and tel. no:

Name and Surname:

Position:

Contact Address and tel. no:

Name and Surname:

Position:

Contact Address and tel. no:

D Indicate in which ward the organisation is active:

Ward: _____

Is the organisation a non-profit company? Yes No

If yes, provide company registration number: _____ -

Is the organisation a non-profit organisation as contemplated in section 13 of the Non-Profit Organisation Act, 1997? Yes No

If yes, provide registration number: _____ -

Is the organisation a public benefit organisation as contemplated in terms of the Income Tax Act, 1962? Yes No

If yes, provide registration number: _____ -

Is funding required for a specific project? Yes No

If yes, attach details separately.

Budget amount of projects:

Duration of project:

Is funding required for general support? Yes No

If yes, attach a copy of the organisation's overall budget and business plan.

<p>E</p>	<p>Category:</p> <p>Please categorise your application (mark with x):</p> <p>Tourism Destination Marketing & Visitors Information</p> <p>Tourism Development</p> <p>Animal Welfare</p> <p>Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy.(general guidelines and categories)</p> <p>Please indicate the specific type of project/programme, as per the Funding of External Bodies Performing a Municipal Function Policy</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>F</p>	<p>The following <u>MUST</u> accompany this application:</p> <ol style="list-style-type: none"> 1. A copy of the latest, audited financial statements. 2. A copy of the Organisation’s Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation. 3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: <ul style="list-style-type: none"> • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. 4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality. 5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application. 6. If the Organisation received funding from other bodies, please identify and list the amounts received;

	<ol style="list-style-type: none"> 7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached; 8. If the Organisation has been registered as a “non-profit” organisation in terms of the Non-Profit Organisation Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached; 9. If the Organisation has been registered as a “Public Benefit Organisation” in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached; and 10. Valid Tax Clearance Certificate issued by SARS.
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<p>G</p>	<p>The following shall apply:</p> <ol style="list-style-type: none"> 1. The allocation of funds will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein. Applicants must in their submission clearly indicate / specify and motivate what the funding will be utilised for. 2. The funding must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect. 3. Applicants must in their submission satisfy the Council of their ability to execute the project successfully. 4. Organisations who have already received financial or other assistance from the Council during the previous financial year <u>must</u> specify same in their application. 5. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations. 6. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain. 7. Projects outside the boundaries of the Council will not be considered. 8. Subsequent requests from applicants to cover overspending on projects will not be considered. 9. Council will not pay any funds to anyone who has already procured against the perception that they will receive any municipal funds. 10. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which <i>inter alia</i> stipulates that the organisation or body has to:- <ul style="list-style-type: none"> • Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programmes of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion. • Report monthly on the actual expenditure of the amount allocated.
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11. The Council reserves the right not to give funding to any or all organisations applying.
 12. Having been awarded funding previously does not give an applicant the right to receive a grant/funding again.
 13. Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
 14. Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.
 15. Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).
- (The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)

H Undertaking:

I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of funds as set out above have been read, understood and will be complied with.

I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds.

This completed and signed at Stellenbosch on this.....day of.....20....

Chairperson / Authorised Representative

Secretary / Duly Authorised Signatory

I Please take note:

(i) That completed application forms together with all the required documentation must be delivered to:

**Director: Planning and Economic Development
P O Box 17
Stellenbosch
7599**

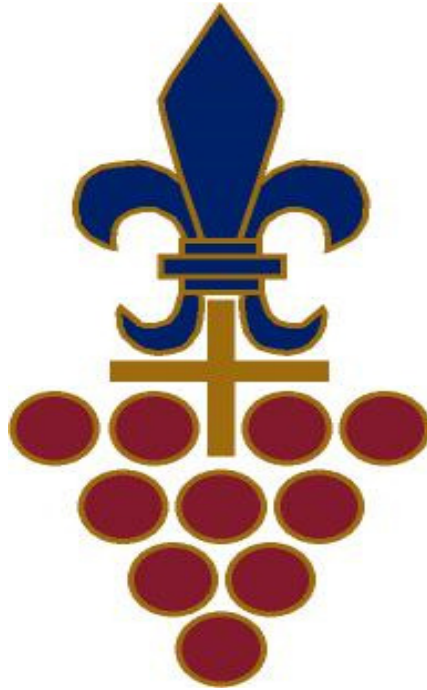
Or delivered to:

**58 Andringa Street
Stellenbosch
7600**

(ii) That the closing date for the submission of applications is: at
.....

(iii) That **neither late nor incomplete applications** shall be considered.

STELLENBOSCH MUNICIPALITY



LIQUIDITY POLICY

2021/2022



STELLENBOSCH MUNICIPALITY

LIQUIDITY POLICY

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1. INTRODUCTION

The documented Liquidity Policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner.

Liquidity is the amount of cash and / or “near cash” (which refers to assets or security that can easily and quickly be converted to cash), available to be utilized to meet obligations and / or pay commitments. The marketability or ability to buy or sell an asset without incurring unacceptable large losses thus determines the liquidity of an asset or defines it as near cash.

This Policy is implemented to provide guidance on the minimum liquidity level that Stellenbosch Municipality has to maintain in order to comply with required legislative and / or National Treasury directives and within the overall financial management objectives as approved/reviewed by the Council from time to time.

2. BACKGROUND AND APPROACH

Various policies and procedures exist that direct the way in which the business of Stellenbosch Municipality is or should be conducted in a prudent manner. Generally these policies and procedures flow from the prescription made in Legislation i.e. the Municipal Finance Management Act (“MFMA”) and/or directives issued by a national department such as National Treasury.

Guidelines provided by National Treasury indicate that an acceptable level of cash resources needs to be available for working capital requirements (see below).

It is for this reason that the need to have an official Liquidity Policy was identified.

3. LEGISLATIVE REQUIREMENTS

3.1. The MFMA circular 71 stipulates the following two prescribed ratios to manage liquidity:

Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants) is calculated as:

$$\frac{((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment})}{\text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}}$$

Criteria: 1 – 3 times

Current Ratio Current Assets / Current Liabilities

Criteria: 1.5 - 2:1

The above guidelines are noted but the proposed policy is more conservative to ensure that the municipality secures its strong financial position thereby providing comfort to investors.

4. LIQUIDITY POLICY

This policy provides guidance on the determination of the minimum liquidity requirement and the calculation of the liquidity available of Stellenbosch Municipality from time to time (see **Annexure 1**).

Notwithstanding the requirements as reflected in this policy, Stellenbosch Municipality should ensure that its Current Assets (excluding debtors older than 90 days) cover all of its Current Liabilities at least two times.

The policy encapsulates certain key aspects and considerations which have been outlined below:

4.1. KEY COMPONENTS OF MINIMUM LIQUIDITY REQUIRED:

The following constitutes the key elements to take into consideration when determining the liquidity requirement of Stellenbosch Municipality:

- 4.1.1. To comply with statutory requirements it is proposed that the following funds, reserves and provisions be fully covered by unencumbered cash and investments:
 - 4.1.1.1. *All earmarked or conditional grant transfers from spheres of Government or from Public Contributions made to Stellenbosch Municipality that have not yet been utilized;*
 - 4.1.1.2. *All commitments resulting from the legally entrenched rights and benefits employees have, with specific reference to the Council's short term commitment to staff retirement benefits and medical fund claims payable;*
 - 4.1.1.3. *All funds not yet been utilized in relation to agency services provided on behalf of Provincial or National Government should also be treated as earmarked funds;*
 - 4.1.1.4. *All reserves stated by Stellenbosch Municipality on its Statement of Financial Position that have been established for the purposes of making provisions for a defined purpose.*

- 4.1.2. Cognisance also needs to be taken of the external loan commitments and the servicing of capital and interest on these loans. Therefore provision should be made that Stellenbosch Municipality can meet its external loan/financial commitments together with the normal operational expenditure, as well as its liabilities to staff.
- 4.1.3. All investments ceded as security against long term loans need to be excluded from total cash and investment balances for calculation of the minimum liquidity level required.
- 4.1.4. In addition, a level of cash available for normal operational expenditure needs to be held in cash to ensure that, notwithstanding fluctuations in the monthly income levels of Stellenbosch Municipality, Stellenbosch Municipality will be in a position to meet its financial requirements. In this respect, the average monthly operational expenditure needs to be used as a guide of the minimum buffer required. One month's operational expenditure excluding debt impairments, depreciation and other non-cash expenses should be available for liquidity cover.
- 4.1.5. The "golden rule" should be to ensure that Stellenbosch Local Municipality will have adequate liquid assets (those that can be made into cash within 24 hours, weekly or monthly as the requirement might be) to meet its short term financial commitments.

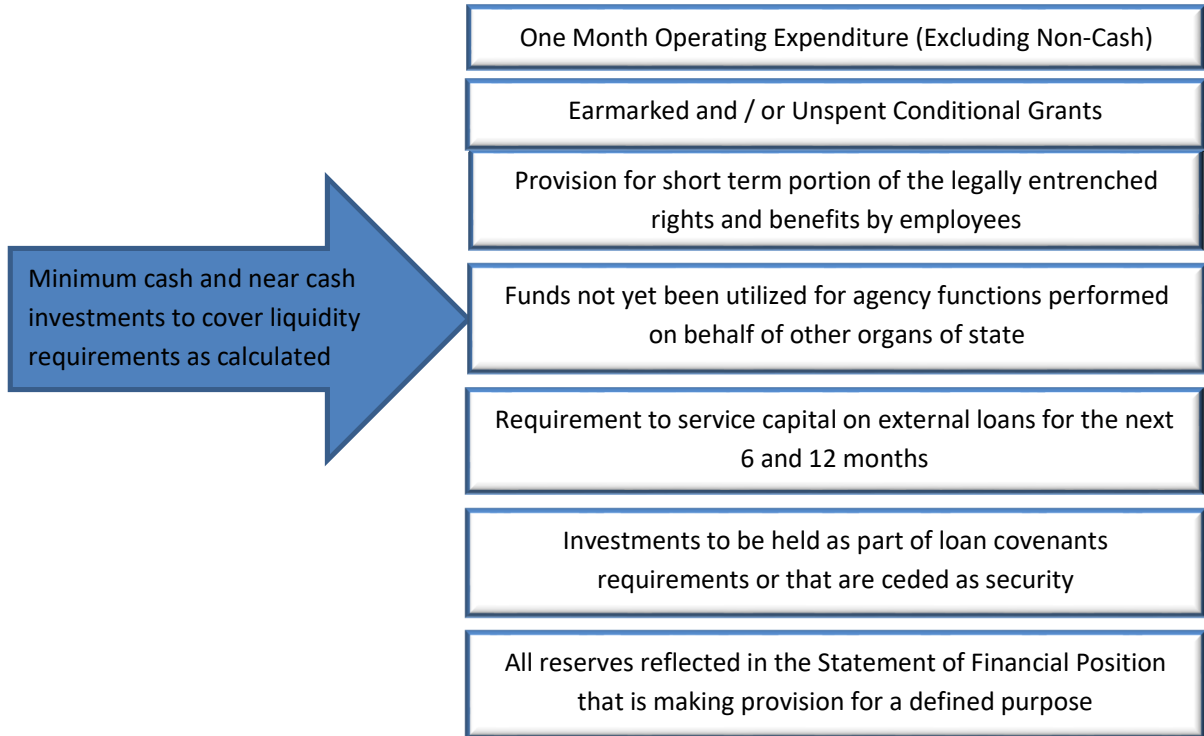
4.2. CALCULATION OF AVAILABLE LIQUIDITY

The amount of liquidity available should be determined from time-to-time. The following, should be regarded as cash and or near cash in calculating the available liquidity:

- 4.2.1. *All cash held in a bank account or invested with a money market fund;*
- 4.2.2. *95% of the value of all NCD's or other tradable instruments issued by a bank that are not already ceded;*
- 4.2.3. *90% of the market value of all listed bonds on the JSE in which Stellenbosch Municipality is allowed to invest in;*
- 4.2.4. *Consumer debtors aged current to 60 days;*
- 4.2.5. *Amount of unspent conditional grants and public contributions excluded from own funds held in bank accounts;*
- 4.2.6. *Funds provided to Council for expenditure on activities executed on behalf of other spheres of Government (Provincial and / or National) as part of an agency function, excluded from own funds held in bank accounts;*
- 4.2.7. *Funds ring-fenced for cash backed reserves that are excluded from own funds held in bank accounts;*
- 4.2.8. *Cash amounts that need to be held by Council resulting from loan covenants' that are part of the conditions of loans extended, but not ceded outright to lenders;*

4.2.9. *The undrawn portion of unconditional bank overdraft facility or liquidity facility available to Stellenbosch Municipality.*

The aforementioned in paragraphs 4.1. and 4.2. can schematically be reflected as follows:



4.3. IMPLEMENTATION AND MONITORING OF COMPLIANCE WITH LIQUIDITY POLICY:

Once the policy is approved, the CFO is to be tasked to ensure that the required cash has to be maintained to continue meeting the requirements as set out in this policy.

Firstly, the minimum required liquidity level should be calculated based on audited annual financial statements. This level of liquidity required needs to be specifically budgeted for and on a quarterly basis be reported to the Finance Committee and / or other Committees as might be stipulated by Council as well as to Council.

Notwithstanding National Treasury's three months operational expenditure guideline and the one month operational expenditure buffer proposed as a minimum by the liquidity policy, it is recommended that Council set a target of one month's operational expenditure liquidity buffer to be achieved at the end of the transitional period (reference paragraph 6).

The cash provisions made to repay external loan commitments, if specifically earmarked, should also be added to this minimum working capital liquidity, to prevent

fluctuations in the working capital reserve that could put the minimum level of liquidity levels under pressure.

5. CORPORATE GOVERNANCE (OVERSIGHT)

Compliance with this policy will be monitored by the Chief Financial Officer. The Chief Financial Officer must present the liquidity compliance reports to the Finance Committee and the Audit Committee of the municipality.

Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Finance Committee must monitor the successful implementation of the corrective action plans and report progress to Council.

6. POLICY MANAGEMENT

The Liquidity Policy forms part of Stellenbosch Municipality overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval.

The policy is effective from the date it is approved by Council.

ANNEXURE 1

Liquidity Requirement as per Liquidity Policy

Financial Year End: _____

Liquidity Requirement Calculation [as stipulated in Paragraph 4.1.]

All earmarked and/or conditional grants received but not yet utilised	
Value of legally entrenched short term rights and benefits of employees related to Medical benefits & Retirement benefits	
Funds held for agency services not yet performed	
Reserve funds reflected in Statement of Financial Position that are assumed to be held in cash	
Capital redemption and interest payments on external loans not reflected as part of normal operational expenditure	
Onemonth operational expenditure excluding non-cash items	
Commitments resulting from contracts concluded as part of Capex Programme, not reflected in operational budget	
TOTAL LIQUIDITY REQUIREMENT	

Actual available liquidity held [reference paragraph 4.2.]

Bank Balance at e.g.:	
- ABSA, FNB, Standard Bank, Nedbank, Investec, Money Market	
Bank balance sub total	
95% of all other term investments with Banks	
90% of Market value of all Bonds on the JSE that are held	
Consumer debtors (current – 60 days)	
Other reserves held in cash not reflected in bank balances mentioned above for e.g.:	
- Unspent conditional grants	
- Payments received for agency functions not yet performed	
- The cash value of reserves held	
- Cash deposits held as part of loan covenants or ceded	
- Undrawn bank overdraft facility or committed liquidity lines available	
TOTAL LIQUIDITY AVAILABLE	

LIQUIDITY SURPLUS (SHORT FALL)

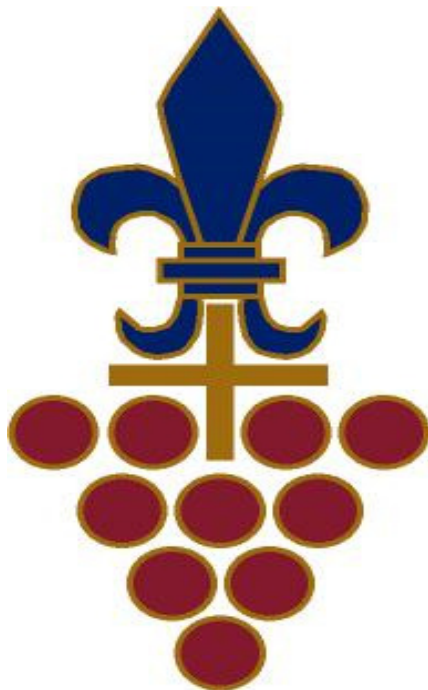
SURPLUS TO BE APPROPRIATED TO CAPITAL REPLACEMENT RESERVE

(See Borrowing, Funds and Reserves Policy)

Liquidity ratio:

Current Asset/Current Liabilities

STELLENBOSCH MUNICIPALITY



**INVENTORY MANAGEMENT
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

INVENTORY MANAGEMENT POLICY

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1. DEFINITIONS

1.1 In this Policy, unless the context indicates otherwise, the following definitions are applied:

- “Accounting Officer”*** means the Municipal Manager for the Municipality as contemplated in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003
- “CFO”*** means the Chief Financial Officer designated in terms of section 80(2) (a) of the Local Government: Municipal Finance Management Act, 56 of 2003
- “Cost”*** shall comprise costs of purchase, costs conversion and other costs incurred in bringing the inventories to their present location and condition
- “Delegated authority”*** means the official who is given the authority for relevant functions in terms of the municipality’s written delegations;
- “Good received note”*** means a document which is used to acknowledge the receipt of goods in good condition and correct quantities
- “Inventories”*** are assets:
In the form of material or supplies to be consumed in the production process,
In the form of materials or supplies to be consumed or distributed in the rendering of services
Held for sale or distribution in the ordinary course of operations,
or
In the process of production for sale or distribution
- “Municipality”*** shall mean the Stellenbosch Municipality;
- “Net Realisable”*** Is the estimated selling price in the ordinary course of operations less the estimated costs of completion and estimated costs necessary to make the sale exchange or distribution.

<i>“Obsolete inventory”</i>	means items that have expired, are redundant or damaged;
<i>“Re-order level”</i>	means the level of inventory at which inventory is re-ordered;
<i>“Requisition form”</i>	means a written request to supply specified inventory;
<i>“Store”</i>	means a place where inventory is stored and reserved for future use, or a source from which supplies may be drawn;
<i>“Inventory Controller”</i>	means an official responsible for the requisition, receipt, issue, recording, safeguarding of inventory and cost-effective and efficient management of inventory.
<i>“Stock Issue Register”</i>	means a document which is used to authorize the removal or issue of stock items from stores.

2. OBJECTIVE OF THE POLICY

2.1 The policy aims to achieve the following objectives which are to:-

- a) Provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory.
- b) Procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy.
- c) Eliminate any potential misuse of inventory and possible theft.

3. SCOPE

3.1 This policy applies to Stellenbosch Municipality's inventory received by the Inventory Controller and issued to users.

3.2 This policy specifically excludes:

- a) Pharmaceutical inventory, livestock and face value forms; and
- b) Equipment and other assets not defined as inventory;

4. LEGAL FRAMEWORK

4.1 In terms of the MFMA, the Accounting Officer for a municipality must:

- a) Be responsible for the effective, efficient, economical and transparent use of the resources of the municipality as per section 62 (1)(a);
- b) Take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and other losses as per section 62(1)(d);
- c) Be responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the municipality as per section 63 (1)(a) and (b).

4.2 In terms of GRAP 12:

4.2.1 Inventories shall be recognized as an asset if, and only if,

- a) it is probable that future economic benefits or service potential associated with the item will flow to the entity ,and
- b) the cost of the inventories can be measured reliably.

4.3 MEASUREMENT AT RECOGNITION

4.3.1 Inventories that qualify for recognition as assets shall initially be measured at cost,

4.3.2 Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition.

4.4 MEASUREMENT AFTER RECOGNITION

4.4.1 Inventories shall be measured at the lower of cost and net realization value, except where paragraph .18 of GRAP 12 applies.

4.4.2 Inventories shall be measured at the lower of cost and current replacement cost where they are held for:

- a) distribution at no charge or for a nominal charge ,or
- b) consumption in the production process of goods to be distributed at no charge or for a nominal charge.

4.5 RECOGNITION AS AN EXPENSE

4.5.1 When inventories are sold, exchanged or distributed, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any writes –down of inventories arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

4.5.2 Some inventories may be allocated to other assets accounts, for example, inventory used as a component of self-constructed property, plant or equipment. Inventories allocated to other assets in this way are recognized as an expense during the useful life of that asset.

5. INVENTORY PROCEDURES

5.1 The procedures for inventory must be followed to ensure that:

- a) Inventory is safeguarded at all times;
- b) There are accurate records of quantities on hand at all times;
- c) Optimum inventory levels are maintained to meet the needs of users;
- d) Only authorised issues of inventory are made to users; and
- e) Items placed in store are secured and only used for the purpose for which they were purchased.

5.2 APPOINTMENT OF RESPONSIBLE OFFICIALS

- 5.2.1 The CFO must appoint, in writing, officials to perform the duties of an Inventory Controller in terms of this Policy.
- 5.2.2 Adequate segregation of duties between the requisition, receipt, recording, storage and safekeeping of inventory and the management and control thereof must be maintained to avoid the potential occurrence of errors and fraud.

5.3 ORDERING OF INVENTORY

Standard Supply Chain Management procedures as per approved Supply Chain Management policy are to be implemented.

5.4 RECEIPT OF INVENTORY

All inventory must be received by the completion of a goods received note and processed on the financial management system.

5.5 STORAGE OF INVENTORY

- 5.5.1 Inventory must be stored in a secured, exclusive use area, under lock and key, furthermore the inventory must be insured in terms of the Risk Management Policy of the municipality.
- 5.5.2 The area must be used exclusively for the storage of inventory, with limited authorised access only.
- 5.5.3 Inventory must be positioned to facilitate efficient handling and checking.
- 5.5.4 All items must be stored separately, with proper segregation.
- 5.5.5 Inventory must be clearly labeled for easy identification. Inventory tag/bin cards or inventory labels may be used to identify each item and to aid in the physical verification of the items.
- 5.5.6 Where practically possible, all items of the same type and reference must be stored together as per the description on the inventory records.
- 5.5.7 Items with limited shelf life must be rotated on a first in first out basis, in accordance with paragraph .35 of GRAP, to reduce the occurrence of expired or obsolete stocks.
- 5.5.8 Due diligence and care must be exercised to prevent damage of, or deterioration of inventory.

- 5.5.9 Due regard must be given to any safety standards which may apply to the storage of certain inventories.
- 5.5.10 Steps must be taken to ensure safe custody of items, including precautions against loss or theft.
- 5.5.11 The Inventory Controller or Delegated Official responsible for the custody and care of inventory must ensure that in his/her absence such items, where applicable, are securely stored.
- 5.5.12 The responsibility for the custody of the storeroom keys must be allocated by the delegated authority to an official who is accountable for its use.
- 5.5.13 No unauthorised persons/officials shall obtain entry to premises, buildings or containers where inventory is kept, unless accompanied by the responsible official.
- 5.5.14 Whenever a change in the Inventory Controller occurs, an inventory count must be conducted.
- 5.5.15 An independent official shall be nominated in writing by the delegated authority to assist the official handing and taking over with the checking of the inventory and any discrepancies.
- 5.5.16 Should the above not be complied with, the official taking over shall be liable for any discrepancies.
- 5.5.17 A handing-over certificate as prescribed by the CFO, must be completed by the handing and taking over officials and a copy retained for record purposes.
- 5.5.18 The following fire protection precautions must be adhered to:
- a) Inventories of an inflammable or dangerous nature shall be stored and handled in such a manner that persons or property are not endangered and in compliance with the requirements of any local authority;
 - b) The area must be clearly signposted; and
 - c) Fire extinguishing equipment must be placed in the area where inventories are held and must be serviced regularly.

5.6 ISSUE OF INVENTORY

- 5.6.1 Only the Inventory Controller is authorised to issue inventory from the storeroom.
- 5.6.2 Inventory must only be issued in terms of the approved requisition form of the Municipality.
- 5.6.3 All requisition forms must be ruled off immediately below the last item to prevent items being added once the requisition is authorised by the responsibility manager.

- 5.6.4 The Inventory Controller must prepare the Stock Issue Register once stock items to be issued have been picked up from the shelves
- 5.6.5 The official receiving the inventory must acknowledge the receipt of stock items requested, by signing the Stock Issue Register prepared by the Inventory Controller.
- 5.6.6 Inventories must be issued and used for official purposes only.

5.7 OBSOLETE INVENTORY

- 5.7.1 The preparatory work for the disposal of obsolete inventory must be undertaken by the Inventory Controller and verified by the Assets Accountant.
- 5.7.2 The Accounting Officer or delegated authority must convene a Disposal Committee for the disposal of obsolete inventory.
- 5.7.3 The Disposal Committee should consist of at least three officials, one of whom must act as the chairperson.
- 5.7.4 The delegated authority may approve the write-off of inventory, if satisfied that: -
 - a) The inventory has expired and is redundant;
 - b) The inventory is of a specialised nature and has become outdated due to the introduction of upgraded and more effective products;
 - c) The inventory cannot be used for the purpose for which it was originally intended; or
 - d) The inventory has been damaged and is rendered useless.
- 5.7.5 All disposed of items must be updated in the inventory records/register/database for the purposes of proper management and control.

5.8 INVENTORY COUNT

- 5.8.1 Items may be subject to an inventory count on a quarterly basis.
- 5.8.2 Where the quantity of inventory is too large for the count to be completed on a single occasion, inventory counts may be carried out on a rotational basis with a full inventory count at the end of each financial year.
- 5.8.3 All approved Municipal procedures and processes must be complied with during the inventory count.

- 5.8.4 The Inventory Controller must submit a report to the CFO after investigating any discrepancies between the inventory records/register/database, bin/tag cards or inventory labels and the physical inventory.
- 5.8.5 The CFO must submit a report with the findings to the Accounting Officer, in order to have the matter reported to the Council of the Municipality for the write-off of any inventories losses, or the write –up of surpluses.
- 5.8.6 The appropriate disciplinary action must be instituted when applicable.
- 5.8.7 The inventory record, register, database or system must be updated accordingly.

6. INVENTORY RECORDS

- 6.1. An inventory record/register/database must be maintained for all inventory items, either manually and / or electronically.
- 6.2 All relevant information must be included for the proper management and control of all inventory items. It is recommended that details include but are not limited to:
 - a) Order number/date;
 - b) Item description;
 - c) Quantity and value of stock on hand;
 - d) Quantity and value of stock received;
 - e) Quantity and value of stock issued;
 - f) Re-order level;
 - g) Optimum inventory level;
 - h) Quantity and value of obsolete stock; and
 - i) Opening/closing balance.
- 6.3 An inventory register/database must be printed monthly and the hard copy filed in a chronological order to maintain a proper audit trail.

7. REPORTING

- 7.1 A report must be submitted at least quarterly to the Chief Financial Officer and/or the Assets Manager detailing the following:
 - a) Any inventory shortages or surpluses and the reasons for such;
 - b) Any inventory deficits proposed to be written-off; and
 - c) Any obsolete inventory items.

7.2 Inventories purchased during the financial year must be disclosed at cost or net realizable value in the disclosure notes of the Financial Statements of the Municipality.

7.3 In terms of GRAP the financial statements shall disclose:

- a) the accounting policies adopted in measuring inventories, including the cost formula used,
- b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity,
- c) the carrying amount of inventories carried at fair value less costs to sell,
- d) the amount of inventories recognized as an expense during the period,
- e) the amount of any write-down of inventories recognized as an expense in the period in accordance with paragraph .43,
- f) the amount of any reversal of any write-down that is recognized as a reduction in the amount of inventories recognized as an expense in the period in accordance with paragraph .43,
- g) the circumstances or events that led to the reversal of a write-down of inventories in accordance with paragraph .43, and
- h) the carrying amount of inventories pledged as security for liabilities.

8. CLASSIFICATION OF INVENTORY

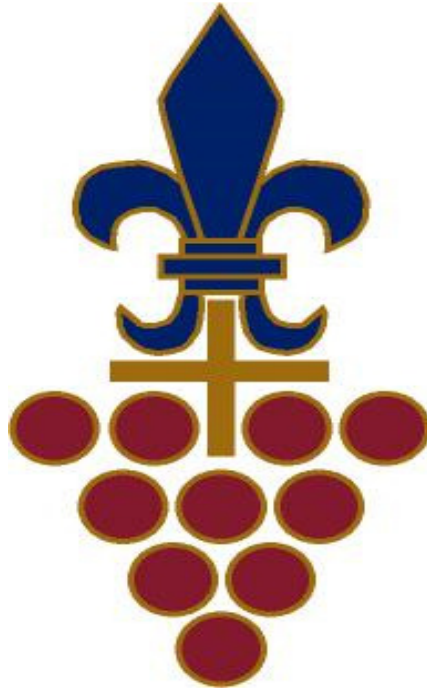
As per National Treasury Standard Chart of Accounts, inventory shall be classified as follows:

Inventory Categories	Consumable Categories
Ammunition & Security Supplies	Consumable Supplies (level 4)
Clothing Material & Accessories	Agricultural Supplies (level 5)
Farming & Gardening Supplies	Gifts & Awards
Fuel, Oil & Gas	Fuel Supplies
Crockery & Linen	Media Collections
Learning & Teaching Support Material	Building & Construction
Assets for Distribution	Contraceptives
Materials & Supplies	First Aid Kit
Medical Supplies	Laboratories
Medicines	Security Accessories
Military Stores	Bags & Accessories
Laboratory Chemicals & Supplies	Stationary

9. POLICY ADOPTION

This policy has been reviewed and approved by the Council of Stellenbosch Municipality and is applicable with effect from 1 July 2019.

STELLENBOSCH MUNICIPALITY



**PREFERENTIAL PROCUREMENT
POLICY**

2021/2022



STELLENBOSCH MUNICIPALITY

PREFERENTIAL PROCUREMENT POLICY

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1. PREAMBLE

- 1.1 The Constitution of the Republic of South Africa, 1996 in section 217 requires an organ of state to contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive and cost effective and to grant preferences within a framework prescribed by National Legislation.
- 1.2 A National Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)- [PPPPFA] was promulgated in response to the Constitutional provision and allow for an organ of state to develop a preferential procurement policy and to implement such policy within the PPPFA framework.

From the preamble from the Constitution:

*We therefore, through our freely elected representatives, adopt this Constitution as **the supreme law of the Republic** so as to*

- *Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;*
- ***Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;***
- ***Improve the quality of life of all citizens and free the potential of each person; and***
- *Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.*

From Chapter 7 of the Constitution:

152. Objects of local government

1. The objects of local government are -

- a. *to provide democratic and accountable government for local communities;*
- b. *to ensure the provision of services to communities in a sustainable manner;*
- c. *to promote social and economic development;*
- d. *to promote a safe and healthy environment; and*
- e. *to encourage the involvement of communities and community organisations in the matters of local government.*

2. A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

153. Developmental duties of municipalities

A municipality must

- a. *structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and*
- b. *participate in national and provincial development programmes.*

2. FOREWORD

The policy of Stellenbosch Municipality – in respect of Preferential Procurement is that:

- 2.1 State expenditure is recognised as an instrument of government policy to achieve economic, socio-economic and development objectives.
- 2.2 Procurement can be applied as an instrument of secondary redistribution to alter primary income distribution and as a means to address historic imbalances by means of creating employment and business opportunities for historically disadvantaged groups in the South African society.
- 2.3 Preferential Procurement is recognised as a valid instrument for such social reform.
- 2.4 It is recognised that preferential procurement cannot be applied without cost and that such cost should be subject to the Municipal Budget and the prioritisation processes applicable to all Municipal expenditure.
- 2.5 Ultimately, preferential procurement could go some way to providing a springboard to encourage redistribution and reducing economic concentration, which in turn would foster competition and promote effective and appropriate resource allocation.
- 2.6 The Stellenbosch Municipality Preferential Procurement Policy will be reviewed regularly.
- 2.7 This Policy marks the beginning of a long term path the Stellenbosch Municipality intends to walk with the citizens of Stellenbosch and that this Policy represents the first phase of implementation. With the increase in maturity of the Stellenbosch Municipality as well as its suppliers, it is further accepted that this Policy will also mature to the extent that visible socio- and economic benefits can be experienced by all citizens living in Stellenbosch.

3. PURPOSE AND OBJECTIVES

The broad purpose of the Preferential Procurement Policy is to:

- 3.1 Validate Stellenbosch Municipality's commitment to Preferential Procurement.
- 3.2 Ensure effective and efficient application of resources.
- 3.3 Promote accountability, transparency and fairness.
- 3.4 Create opportunities for local small, medium and micro enterprises.

- 3.5 Enhance quality of services.
- 3.6 Stimulate socio-economic development.
- 3.7 Eliminate and counter corruption.
- 3.8 Contribute towards reduction of unemployment, especially within the Stellenbosch Municipal Area.
- 3.9 Broadening the tax base within the Stellenbosch Municipal Area.
- 3.10 Encourage linkages between small and large enterprises.
- 3.11 Promote skills transfer and training of the historically disadvantaged.
- 3.12 Protect local industry against unfair competition.

4. LEGISLATIVE FRAMEWORK

Constitution, 1996 (Act 108 of 1996)

- 4.1 Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective.
- 4.2 Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation.

Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003) – [MFMA] and related SCM Treasury Regulations, 2005 [SCM TR]

- 4.3 The MFMA aims to regulate financial management and Supply Chain Management [SCM] of local government to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively.
- 4.4 Sections 110 – 119 of the MFMA deals with SCM requirements and must be read together with the SCM TR's 1 – 52 issued in terms of section 168 of the MFMA through GG 27636 effective from 30 May 2005. Both these sets of prescripts supports the application of the PPPFA.

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) – [PPPFA]

- 4.5 The PPPFA, 2000 took effect on 3 February 2000. The main thrust of the PPPFA, 2000 is that an organ of state must determine its preferential procurement policy and implement such within the preferential procurement framework, the latter which is commonly called the '80/20 or 90/10 principle'.
- 4.6 The National Treasury, in consultation with the Department of Trade and Industry, reviewed the Regulations issued in terms of the PPPFA, in 2001, and issued new Regulations that become effective on 01 April 2017

5. PRINCIPLES

- 5.1. The principles that underpin this policy are as follows:
- 5.1.1 Sound commercial principles will underlie all transactions. There will be no compromise on quality, service delivery or any other commercial aspects related to the delivery of business objectives.
- 5.1.2 All preferential procurement processes will be transparent and subjected to audit in accordance with sound business principles and practices.
- 5.1.3 Stellenbosch Municipality will only conduct business with service providers that comply with legal requirements (registered with SARS; municipal taxes are not in arrears for more than three months; not on the restricted suppliers or tender defaulters lists; suppliers not deemed as in the service of the State, etc.)
- 5.2. The Policy is founded upon the following core principles:

5.2.1. Value for money

Price alone is often not a reliable indicator and will not necessarily obtain the best value for money by accepting the lowest price offer that meets mandatory requirements. Best value for money means the best available outcome when all relevant costs and benefits over the procurement cycle are considered.

5.2.2. Open and effective competition

All procurement laws, policies, practices and procedures must be readily accessible to all parties involved in the procurement process. The procurement process must be open and transparent and reasons must be provided for decisions in terms of current legislation.

5.2.3. Ethics and fair dealing

All procurement officials must comply with the municipal ethical standards to promote mutual trust and respect and an environment where business can be conducted in a fair and reasonable manner. The following is regarded as an acceptable ethical behaviour:

- Open, honest and co-operative business relations.
- Confidentiality of commercial information.
- Avoidance of conflict of interest or a perception of bias.
- Disclosure of conflict of interest as soon as they arise.
- Fair dealing and impartiality in the conduct of tender evaluations.
- Avoidance of combative or collusive practices.

5.2.4. Accountability and reporting

Procurement officials and other officials involved in SCM must be answerable for their decisions and actions to the public.

5.2.5. Equity

Stellenbosch Municipality will at all times strive to enhance the development of SMME's and B-BBEE enterprises' to allow them to contribute meaningfully in the economy of the Stellenbosch Municipal Area.

6. POLICY STATEMENTS

6.1 Application

6.1.1. This Policy will apply to all active industry sectors in the Stellenbosch Municipal Area. It is accepted that through the population of reliable data, trends will be evident which will continuously require a review of the Policy to ensure its relevance of all active industry sectors.

6.1.2. This Policy must be read with the Stellenbosch Municipality's SCM Policy

6.1.3. Construction tenders will also have to adhere to the requirements of the CIDBA.

6.2 Targeting

6.2.1. Targeting will be regarded as a specific goal identified by Stellenbosch Municipality and will be reflected in Part 7 to this Policy.

6.2.2. These targets will be determined prior to the invitation of tenders and reflected as special conditions.

6.3 Payment cycles

6.3.1. The payment of invoices is dependent on timely invoicing, approval of invoices and on the payment administration. Responsible officials must process approved invoices within 30 days of receiving the invoice, unless otherwise provided for in the contract.

6.3.2. Reasons for not approving an invoice must be communicated to the tenderer prior to the lapsing of the said 30 days.

6.3.3. Officials must endeavour to, where feasible, process invoices of SMME's within 7-15 days in order to promote their cash flow position.

7. PREFERENCE TARGETS IDENTIFIED

7.1 Considering all the data available this Policy for the 2019/20 financial years will strive to achieve the following targets linked to its identified opportunities listed in paragraph 7.1 above:

POLICY OBJECTIVE	TARGET
Improve the local economic market	➤ Make 10%appointments to local businesses through Formal Quotations for appointments below R200,000
Improve the local economic market	➤ Obtain 30% quotations from local businesses for appointments below R30,000
Employment of local semi-& unskilled workers	➤ Identify 10% of SCM tenders that are labour intensive to include specific conditions of a practical content of local semi-& unskilled workers from LED database / Indigent list.

Methodology to achieve targets in the short term is to include specific conditions in the SCM documents for Formal Quotations and Bids similar to the following two examples:

Example No 1:

“SPECIFIC CONDITIONS: TOTAL MAINTENANCE OF PARKS AND P.O.S WITH MANUAL MACHINES AS WELL AS ALL FLOWERBEDS AND YOUNG TREES IN THE MUNICIPAL AREA:

The intention of the municipality is to promote development of all enterprises. Suitably qualified contractors will be expected to spend at least **80%** of the value of the work on local people to ensure that local economic development is promoted. For this purpose the municipal area is divided into 5 smaller areas. For each area the service provider will be required to appoint a supervisor, and a team of at least **6** people.”

Monitoring will be based on the following methods by the End user dept.

1. Local Municipal accounts / Affidavits with ID numbers certified
2. Training and skills development certificates issued

Example No 2:

TENDER DATA: SPECIAL CONDITIONS RELEVANT TO PROJECT.

The following Conditions shall be adopted as per the Municipal PPPFA Policy

SPECIAL CONDITIONS OF TENDER		
	Comply Y/N	Ref in proposal
A. CONDITIONS APPLICABLE TO THE PROMOTION OF MUNICIPAL LOCAL AND SOCIO-ECONOMIC DEVELOPMENT		
The full portion budgeted for unskilled labour will be executed by unskilled, unemployed labourers who are beneficiaries of this project. The service provider must provide evidence of the identity and addresses of these labourers within 14 days after award of the contract. Minimum prescribed wages must be paid. In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.		
All materials procured for this project MUST be sourced from local suppliers In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.		
Use a local EME sub-contractor in for all manual labour in regards to excavations, filling and compaction of cable trenches, pole holes road crossings etc. Suppliers must submit sub-contracting agreement with the tender proposal, together with an indication of the payment arrangements. In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.		
Suppliers must submit sub-contracting agreement with the tender proposal, together with an indication of the payment arrangements		
B. CONDITIONS APPLICABLE AFTER CLOSING OF TENDER BUT BEFORE A SELECTED SERVICE PROVIDER IS ANNOUNCED		
Any additional information upon request must be submitted in writing within 48 hours of receipt.		
C. CONDITIONS APPLICABLE AFTER AWARDING OF THE TENDER		
The service provider must provide the Municipality with a completed list of local labourers to be used, within 14 days after final award of the tender for approval by the Municipality.		
The aforesaid list must be updated and submitted together with the service providers progress report and invoice, inclusive of the following details: a) Salary / wages spent on local employees versus total wages / salary budget at site b) Number of local employees employed versus per total workforce at site c) Payments made to the subcontractor and his performance		

<p>Any amendments prior approval from the Municipality. The service provider must provide local labourers with basic on-the-job training and provide them with a reference letter after completion of their services.</p>		
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8. IMPLEMENTATION

- 8.1 This Policy is effective from 1 July 2019.
- 8.2 It is the responsibility of the Office of the CFO and various Line Department Managers to bring the content of this Policy to the attention of all parties concerned.
- 8.3 This Policy marks the beginning of a long term path the Stellenbosch Municipality intends to walk with the citizens of Stellenbosch and that this Policy represents the first phase of implementation. With the increase in maturity of the Stellenbosch Municipality as well as its suppliers, it is further accepted that this Policy will also mature to the extent that visible socio- and economic benefits can be experienced by all citizens living in Stellenbosch.
- 8.4 In order to achieve the above, the following immediate implementation steps are required:

By 30 September 2019:

- a. Increased capacity in the SCM Unit.
- b. Identification and appointment of a PPPFA Champion.

9. DEFINITIONS

The words in this policy shall bear a meaning as prescribed and/or ascribed by applicable legislation, and in the event of a conflict, the meaning attached thereto by National Legislation shall prevail.

- 9.1 **“Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 9.2 **“Black people”** as defined in the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003), is a generic term which means Africans, Coloured and Indians.
- 9.3 **“B-BBEE”** means broad-based black economic empowerment defined as the economic empowerment of all black people including women, workers, youth, people with

disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to:

- Increasing the number of black people that manage, own and control enterprises and productive assets;
- Facilitating ownership and management of enterprises and productive assets by communities, workers cooperatives and other collective enterprises;
- Human resource and skills development;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement; and
- Investment in enterprises that are owned or managed by black people.

9.4 “**B-BBEE status level of contributor**” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.

9.5 “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);

9.6 “**Collusion**” means an intentional and unlawful agreement by two or more companies/firms which is intended or calculated to misrepresent facts or defraud with the sole purpose of influencing the procurement process thereby prejudicing the interests of the service provider;

9.7 “**Companies and Shares**” shall be read so as to include Close Corporations and members interests mutatis mutandis;

9.8 “**Comparative price**” means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;

9.9 “**Consortium or Joint Venture**” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

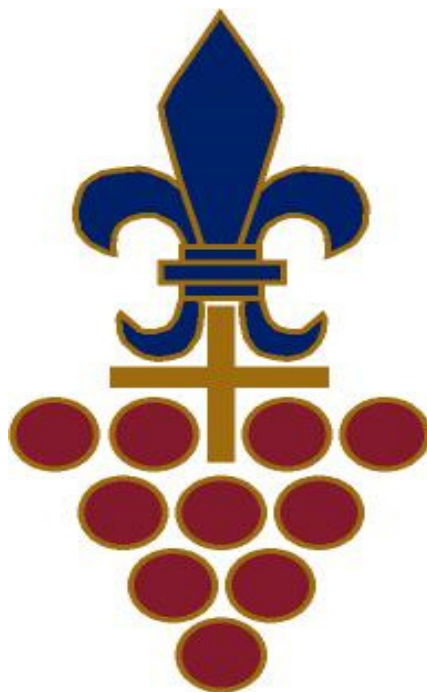
9.10 “**Contract**” means the agreement that results from the acceptance of a tender by an organ of state;

9.11 “**CFO**” means Chief Financial Officer

- 9.12 **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being;
- 9.13 **“Executive Management Committee”** shall mean a committee comprising the Agency’s Heads of Divisions and any other Manager so invited.
- 9.14 **“Firm price”** is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 9.15 **“Individual”** an individual shall mean a natural person;
- 9.16 **“Indigent”** any person who appears on the Municipality’s indigent register as of 1 July of the year under consideration;
- 9.17 **“Local Labour”** means South African residents who permanently resides in the Stellenbosch Municipal area;
- 9.18 **“Local Business”** means an enterprise which has its sole office or head office located within the Stellenbosch Municipal area;
- 9.19 **“Local Content”** means local manufacturing as contemplated in PPPFA Regulations 2011, Regulation 1;
- 9.20 **“Local economic development”** means local and socio-economic development as contemplated in section 152 of the Constitution, 1998;
- 9.21 **“Management”** in relation to an enterprise or business, means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director;
- 9.22 **“Non-firm prices”** means all prices other than “firm” prices;
- 9.23 **“Person”** includes reference to a juristic person;
- 9.24 **“Rand value”** means the total estimated value of a contract in Rand denomination which is calculated at the time of tender invitations and includes all applicable taxes and excise duties;

- 9.25 **“Sub-Contracting”** means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 9.26 **“Nominated Sub-contractor”** means contractors accredited on the Municipal database for construction related work as contemplated in the CIDBA.
- 9.27 **“Tender”** means a written offer or bid in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services or goods;
- 9.28 **“Tender format/strategy”** means the special conditions describing the tender strategy approach in order to achieve identified targets.
- 9.29 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 9.30 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

STELLENBOSCH MUNICIPALITY



MFMA Circular No.107

**MUNICIPAL BUDGET CIRCULAR FOR
THE 2021/2022 MTREF –
4 DECEMBER 2020**



Municipal Budget Circular for the 2021/22 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *mSCOA* is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance on budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury projects real economic growth of 3.3 per cent in 2021, following an expected contraction of 7.8 per cent in 2020. Real GDP growth is expected to moderate to 1.7 per cent in 2022 and 1.5 per cent in 2023, averaging 2.1 per cent over the medium term.

South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020.

High-frequency data for the third quarter – such as the volume of electricity distributed, mining and manufacturing output, business confidence and the Absa Purchasing Managers' Index (PMI) – shows evidence of a limited economic rebound. Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, output is only expected to return to pre-pandemic levels in 2024.

The main risks to the economic outlook are weaker-than-expected growth, continued deterioration in the public finances and a failure to implement structural reforms. A second wave of COVID-19 infections, accompanied by new restrictions on economic activity, would have significant implications for the outlook. Government's fiscal position is a risk to growth: higher long-term borrowing costs and risk premiums have started to affect the broader economy.

In addition, recovery efforts will fail unless structural constraints (including in energy, infrastructure and competitiveness) are urgently addressed. While the reforms required in these areas do not immediately affect growth, they are critical for market confidence and investment.

Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue into 2021. Private generation will only be able to plug the electricity gap to a limited extent over the next year.

Job creation is a top priority of the economic recovery plan that will guide policy actions over the medium term, supported by new infrastructure investment and large-scale public

employment programmes. In addition, targeted skills development will improve productivity and employment prospects.

Headline inflation is at the lower end of the 3 to 6 per cent target range. Goods and services inflation has broadly declined due to weak demand and falling oil prices. Inflation is forecast to fluctuate around the 4.5 per cent midpoint over the medium term in line with moderating inflation expectations.

In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. There are measures in place to reduce expenditure to narrow the deficits.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2016 - 2020

Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Forecast		
CPI Inflation	4.1%	3.2%	4.1%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2020.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2021/22 budget process

2.1 Local government conditional grants allocations

Transfers to local government will be reduced by R17.7 billion, including R14.5 billion from the local government equitable share, R2.7 billion from the general fuel levy and R569 million in direct conditional grants over the 2021 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF period.

Government will revisit underperforming programmes. For example, some cities receiving the Public Transport Network Grant (PTNG) have not launched their integrated public transport networks. Over the MTEF period, government will suspend at least two more poorly performing cities from this grant and the remaining cities will be required to reduce costs and demonstrate their effectiveness to remain funded.

The annual Division of Revenue Bill will be published in February 2021 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2020 Division of Revenue Act to compile their 2021/22 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2020 Division of Revenue Act for 2020/21. The DoRA is available at <http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx>

Division of Revenue Second Amendment Bill, 2020: changes to local government allocations

Roll-over of funds - R390 million is rolled over in the Urban Settlement Development Grant (USDG) to fund commitments for bulk infrastructure related projects in Nelson Mandela Bay Metropolitan Municipality. R98 million is rolled over in the PTNG to continue with the rollout of the integrated public transport network (IPTN) for public and non-motorised infrastructure in Nelson Mandela Bay Metropolitan Municipality.

R307 million is rolled over in the Regional Bulk Infrastructure Grant (RBIG) for drought and COVID-19 water and sanitation interventions nation-wide.

Water Services Infrastructure Grant (WSIG) - R12 million has been reprioritised from the Department of Water Affairs' budget into the indirect component of WSIG for the implementation of various water services interventions.

Reductions to municipal conditional grants

In the Medium-Term Policy Budget Statement, the Minister of Finance indicated that R10.5 billion is required for the rescue plan for the South African Airways. Therefore, R613 million has been proportionately reduced across municipalities in respect of conditional grants while no reductions were made to the local government equitable share for the 2020/21 financial year.

These changes are shown in Schedule 4, Part B; Schedule 5, Part B and Schedule 6, Part B of the Bill.

Additional instruments to finance infrastructure in municipalities

Municipalities can access other instruments to finance the development of infrastructure that boosts economic growth beyond infrastructure grants. Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development. An update on development charges and borrowing reforms is summarised below:

- **Development charges** - Municipalities earn revenue from charging developers to connect new developments to municipal services. The draft Municipal Fiscal Powers and Functions Amendment Bill proposes new, uniform regulations in respect of these development charges, thereby strengthening the revenue-raising framework of municipalities. After processing comments, the National Treasury will submit the Bill to Cabinet and Parliament for consideration in 2021; and
- **Borrowing** - Creditworthy municipalities can also borrow in capital markets. The National Treasury has updated the original municipal borrowing policy framework, which guides this borrowing, and will shortly submit it to Cabinet for approval. The proposed changes aim to increase the term maturity of borrowing improve the secondary market for the trade of municipal debt instruments and define the role of development finance institutions to avoid crowding out the private sector.

3. 2021 Local Government Elections and the budget process

Local government elections are scheduled to take place in 2021, and the proposed date is yet to be determined. Elections are important events as we reaffirm our commitment to democratic and accountable government by choosing representatives of the people who will guide the work of local government for the next five years.

The following four risks need to be explicitly managed:

1. In terms of section 13 of the Municipal Property Rates Act, 2004 (Act No 6 of 2004)(MPRA) and sections 24 and 42 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003)(MFMA), new tariffs for property rates, electricity, water and any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July). This means that the municipal council must approve the relevant tariffs as part of the MTREF budget before the commencement of the financial year on 1 July. Failure to obtain council approval for the annual tariff increases would most likely cause an immediate financial crisis that may lead to the provincial executive intervening in the municipality in terms of section 139 of the Constitution. Therefore, if the elections take place after the start of the financial year, the outgoing council will be responsible for approving tariffs for the 2021/22 MTREF and the newly elected council for the implementation thereof as section 28(6) of the MFMA does not allow the increase of tariffs in-year;
2. In terms of section 16 of the MFMA, a municipal council must approve the annual budget for the municipality before the start of the financial year, and should a municipal council fail to do so, section 26 of the MFMA prescribes that the provincial executive **must** intervene. This provincial intervention may include dissolving the municipal council and appointing an administrator to run the municipality. Therefore, the outgoing council must ensure that they comply with the timeframes for approval of the budget;
3. The outgoing council may be tempted to prepare an 'election friendly budget' with unrealistically low tariff increases and an over-ambitious capital expenditure programme. The outcome of this approach will undoubtedly be an unfunded municipal budget that threatens their respective municipality's financial sustainability and service delivery; and
4. Given that the timing of election campaigning may coincide with the municipal public budget consultations, there is a risk that these consultations may be neglected or used to serve the narrow interests of political parties. It is reiterated that transparency and public participation is an integral part of our constitutional democracy, hence municipalities must ensure that public and stakeholder consultation processes are adhered to as required by the legislative framework.

In the build-up to the 2021 local government elections, the financial sustainability of the municipality should be protected. Now, more than ever before, it is paramount for sound municipal decision-making so that the long-term sustainability of municipal finances and service delivery is achieved beyond the election period.

Finances of some municipalities have been unstable for many years, and this was exacerbated by the financial impact of the COVID-19 pandemic. Therefore, there is severe pressure to maintain healthy cash flows and increase cost containment measures while sustaining efficient service delivery levels. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts. Municipalities are also reminded of the regulatory framework set out in the Municipal Cost Containment Regulations insofar as it relates to the use of municipal funds to fund election campaigns and other non-priority issues as this might further impact the financial sustainability of municipalities.

Furthermore, as the current municipal leadership will be responsible for the compilation of the 2022/23 MTREF budgets, councils are advised to prioritise expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs). Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.

In addition, the outgoing council is advised to critically consider the financial implications before entering into new long-term contracts that are not of priority to the municipality and avoid if possible, committing the incoming council. Municipalities should refrain from filling non-critical positions, purchasing cars, procuring new financial systems and from incurring any other expenditure at this stage that will financially burden the incoming council.

During this time of transition, all stakeholders should work together to ensure that municipalities continue to perform their functions efficiently and effectively. The Mayor and municipal manager should now be engaging in the process of the annual review of the fifth and last year of the IDP in terms of section 34 of the Municipal Systems Act (MSA) and the 2022/23 budget preparation process in terms of section 21 of the MFMA. It is particularly important to ensure that arrangements for the review of IDPs and preparation of budgets continue seamlessly as these processes cannot be delayed in anticipation of the announcement of an election date.

In deciding on the schedule for the 2022/23 budget process, the Mayor and municipal manager must also note that the MFMA, read together with the Municipal Budget and Reporting Regulations, only allows for a 'main adjustments budget' to be tabled after the mid-year budget and performance assessment has been tabled in council, i.e. after 25 January 2022. In addition, the permitted scope of an adjustments budget is quite limited in that taxes and tariffs may not be increased (refer to section 28(6) of the MFMA) and any additional revenues may only be appropriated to programmes and projects already budgeted for (refer to section 28 of the MFMA). Therefore, the idea of the current council passing a 'holding budget' which the new council will change substantially through an adjustments budget soon after the start of the municipal financial year is not legally permitted.

Though an IDP is a five-year strategic document of council, municipalities should note that when a new council takes office after a local government election, the norm has been that the new council implements the last adopted IDP during the first year of office. It is normally only in the second year of office that the newly elected council adopts a new IDP after thorough interrogation, extensive consultation and finalisation of a new five-year strategy.

In the absence of detailed information on the 2021 Local Government Elections, National Treasury will provide further guidance in the follow-up MFMA Budget Circular to be issued in March 2021.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Release of Version 6.5 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.5 is released with this circular.

Version 6.5 of the chart will be effective from 2021/22 and must be used to compile the 2021/22 MTREF and is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

4.2 Budgeting and Reporting for the COVID-19 pandemic and water inventory

In terms of the Annexure to MFMA Circular No. 99, *m*SCOA Circular No. 9, and GRAP 12, municipalities were advised to:

1. Record and ringfence all funding and expenditure pertaining to the COVID-19 pandemic for the 2020/21 MTREF when budgeting and transacting; and

2. Budget and account for bulk water purchases as inventory as per GRAP 12 (paragraph 07).

It is evident from the snapshots that were drawn from the Local Government Database based on the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting, that most municipalities have not budgeted or reported on COVID-19 related allocations and expenditure, nor bulk water inventory as per the guidance provided.

Although the regulated A1 Schedule will only be amended from the 2021/22 MTREF to align to GRAP 12 (as per MFMA Circular No. 98), municipalities should already record water inventory in the *m*SCOA chart. ***Municipalities must budget for water as inventory in the 2021/22 MTREF.*** This means that municipalities will no longer be able to budget for water bulk purchases as an expense on table A4. Municipalities must use bulk water purchases i.e. system input volume on table A6: inventory. This provides for three different water sources i.e. water treatment works, bulk purchases and natural sources. When water is issued through the billing/ distribution, the cost should be expensed through table A4: inventory consumed with the corresponding accounting transaction in the inventory account on table A6: current assets: water: authorised consumption.

Municipalities that did not adjust their 2020/21 MTREF budgets by 30 September 2020 to respond to the COVID-19 pandemic or budget for bulk water inventory are reminded to do so in the main adjustments budget process in February 2021.

It should also be noted that the National Treasury's reporting on COVID-19 will be drawn as per *m*SCOA Circular No. 9 and we will not be able to identify COVID-19 allocations and expenditure that have been ringfenced in another manner.

Municipalities must submit the adjustments budget and revised project list for 2020/21 in the format of a *m*SCOA data strings (ADJB and PRAR) uploaded to the Local Government (LG) Upload Portal within 10 working days after Council has adopted the adjustments.

4.3 Revised Municipal Property Rates Act Categories

By now all municipalities should be aware that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act"). The new rateable property categorisation framework based on use (provided these property categories exist within the municipality) and consequently, all property categories that are based on ownership, geographic location or any other basis fall away.

Municipalities must implement the new property categorisation framework by not later than 1 July 2021. The *m*SCOA chart Version 6.5 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

4.4 Forbidden activities

The Item Assets segment of the *m*SCOA chart currently includes items such as staff loans as non-current receivables from non-exchange transactions. This is in contravention with Section 164(1)(c) of the MFMA that stipulates that a municipality may not make loans to councillors or officials of the municipality; directors or officials of the entity; or members of the public. Therefore, municipalities are advised not to use these items when budgeting as National Treasury may retire these items in the next version of the chart.

4.5 Independent Audits on Municipal Financial Systems

All municipalities and municipal entities had to comply with the *mSCOA* Regulations by 1 July 2017. MFMA Circular No. 80 provided guidance on the minimum business processes and system specifications for all categories of municipality (A, B and C). The Request for Proposal (RFP) issued on 4 March 2016 for the appointment of service providers for an integrated financial management and internal control system for local government (RT25-2016 published in Tender Bulletin No. 2906), provided further guidance on the requirements applicable to a specific category of municipality.

The National Treasury will conduct independent audits on all municipal financial systems in 2021 to determine to what extent the financial systems that are currently being used by municipalities comply with the minimum business processes and system specifications required in terms of *mSCOA*. These audits were initially planned for 2020, but due to restrictions on procurement processes and travel in terms of the COVID-19 pandemic it was postponed to 2021. The results of the audits will also inform the new transversal tender for the procurement of municipal financial and internal control systems in 2022. **Until these audits have been concluded, and the results have been released, municipalities should exercise caution when changing their financial system to avoid purchasing a system that does not comply with the necessary *mSCOA* functionality requirements.** However, should a municipality need to procure a new financial system, they must follow the processes set out in the MFMA read together with the Municipal Supply Chain Management Regulations and MFMA Budget Circulars No. 93, 98 and *mSCOA* Circulars No 5 and 6. In addition, National Treasury has not accredited any of the municipal financial systems available in the market and this should therefore not be advertised as a requirement in municipal tender documents.

It should be emphasised that the onus to ensure compliance with the *mSCOA* Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities must properly manage Service level agreements (SLA) with system vendors. Penalties, including the termination of the SLA in cases of persistent non-compliance, should be imposed if the system vendor does not meet the agreed upon milestones. Likewise, if a system vendor has delivered on the services agreed upon in the SLA, then the municipality should pay all money owing to the system vendor within 30 days of receiving the relevant invoice or statement, as per the requirements of Section 65(2)(e) of the MFMA. Lastly, municipalities must agree on the services that are to be provided by the system vendors and costs thereof in the SLA that is signed by the municipality and system vendor. Municipalities should consider the financial implications thereof and negotiate more favourable terms with the system vendor if necessary before signing the SLA. Once signed, the SLA is legally binding.

4.6 Regulation of Minimum Business Processes and *mSCOA* System Specifications

National and Provincial Treasuries held extensive engagements with key system providers during which the system functionality on the following were demonstrated: IDP and budget, supply chain management (SCM), asset management, annual financial statements, revenue management, cash flow and period control. These engagements provided National and Provincial Treasuries with an understanding of what functionality is available on each system and what the key system related challenges are.

It was evident from the engagements that municipalities are not using their financial systems optimally. Some of the challenges that were identified in this regard include the following:

- Some municipalities have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*mSCOA* enabling) version of their financial systems;

- A few municipalities are not paying for the required licences to use system solutions and they are not upgrading and maintaining their servers, hardware and software to become and remain *mSCOA* compliant and to protect their data;
- Several municipalities are still transacting on their legacy systems that are not *mSCOA* enabling or they are using excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *mSCOA* enabling system that was procured. This constitutes fruitless and wasteful expenditure; and
- Other municipalities are not using all the modules of the core financial system (using 3rd party systems) while they have procured these modules. This is once again fruitless and wasteful expenditure.

Municipalities should include the cost of the above in their 2021/22 MTREF budgets.

One of the key objectives of the *mSCOA* reform is to ensure that municipalities are budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *mSCOA* Regulations.

National Treasury will expand and regulate the business processes and system specifications communicated in MFMA Circular No. 80 and its Annexure B in the 2021/22 MTREF to ensure that municipalities are using the functionality available on their financial systems. MFMA Circular No. 80 was issued in 2016, and several Regulations and best practises as per the MFMA Circulars have been introduced since then. The expansion of the requirements will accommodate these new developments.

4.7 Non-compliance with *mSCOA* requirements

If your municipality has not yet achieved the required level of *mSCOA* implementation, then it must provide a detailed action plan (road map) to the National and the respective provincial treasury to indicate how the municipality will fast track the implementation of *mSCOA*. The action plan should include the following priority areas, as applicable to the municipality:

- The functionality of the financial system, including the minimum system functionality and business process as per MFMA Circular No. 80 and Annexure B and functionality required in terms of Regulations and MFMA Circulars that was issued after 08 March 2016 (the date on which MFMA Circular No. 80 was issued);
- Integration of 3rd party sub-systems with the *mSCOA* enabling financial system as required in terms of MFMA Circular No. 80 and Annexure B;
- Change management initiatives to ensure that *mSCOA* is institutionalised as an organisational reform and not only a financial reform; and
- Training initiatives to ensure that all officials in the organisation are familiar with the *mSCOA* chart, basic accounting, balance sheet budgeting and movement accounting and the use of the *mSCOA* enabling financial system.

Importantly, the action plan must be drafted by the municipality and not the system vendor and the progress against it should be carefully monitored by the municipality's *mSCOA* Project Steering Committee (chaired by the Accounting Officer). Municipalities must present progress against the action plan at the 2020/21 Mid-Year Budget and Performance visits and Budget and Benchmark engagements with the National and the respective provincial treasury.

4.8 Extension and Procuring of Service Level Agreements (SLA) for Financial Systems

At least six (6) months prior to the expiry of the SLA for the support and maintenance of the financial system, the municipality should either:

- Extend the existing SLA with the same system vendor subject to the provisions of Section 33 and 116(3) of the MFMA (read in conjunction with MFMA Circular No. 62); or
- Approach the market to procure services for the support and maintenance of the financial system consistent with the Municipal Supply Chain Management Regulations and municipality's Supply Chain Management Policy.

Importantly, once the SLA has expired, it cannot be extended, and the municipality will have to embark on a new procurement process. In addition, when the contract for the support and maintenance of the financial system comes to an end, it does not mean that the municipality must procure a new financial system. It is only support and maintenance services pertaining to the financial system that needs to be procured. Municipalities need to properly document their systems and the system language used to ensure that system support can be procured in the local market when required.

4.9 Cash flow reconciliation

The population of the cash flow reconciliation in tables A7, B7 and C7 of the MBRR formats using *m*SCOA data strings has been a challenge in previous financial years. The main contributing factors to this were that:

- Municipalities were not using the *m*SCOA segments correctly to populate their cash flow information;
- A number of municipalities did not use the movement accounts correctly in the *m*SCOA chart which distorts the figures reported in the cash flow tables;
- Some municipalities did not budget, transact or report directly in or from their financial systems; and
- There were errors in the linkages of the MBRR cash flow tables to the *m*SCOA data strings in the segment item: asset and liabilities on the Local Government Database.

It is critical that municipalities undertake balance sheet and cash flow budgeting to provide accurate cash flow information. National Treasury has provided guidance in this regard in MFMA Circular No. 98 and *m*SCOA Circular No. 10 and have also corrected the errors in the linkages of the MBRR cash flow tables to the *m*SCOA data strings. This has resulted in improvements in the section 71 cash flow data that were published at the end of quarter 1 of the 2020/21 MTREF. Further guidance on the application of the funding segment has also been issued in *m*SCOA Circular No. 11 on 4 December 2020.

4.10 *m*SCOA Calendar for 2021/22

Important dates pertaining to *m*SCOA related activities for the 2020/21 financial year is summarised below for planning purposes:

Activity		Time Frames
1.	Independent System Audits	February to December 2021
2.	Regulation of Minimum Business Processes and System Specifications	For comments and testing: October 2021
3.	<i>m</i> SCOA Virtual Training Sessions (various topics)	Monthly
4.	Roll out of eLearning <i>m</i> SCOA course through	July 2020

	National School of Governance	
5.	Issue proposed <i>m</i> SCOA chart changes for version 6.6	October 2021
6.	Annual <i>m</i> SCOA CIGFARO Budgeting Workshop	November 2021
7.	Issuing of transversal contract for provision of financial systems	March 2022

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. Even as demand for services rises, weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for the servicing of their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Municipalities are reminded that the local government equitable share allocation is mainly to fund the costs of free basic services and to subsidise the administrative costs of the smaller and more rural municipalities. The increasing unemployment and growth in the number of persons per household means that the revenue foregone in respect of free basic services will likely increase, and it will become even more difficult to collect revenue. Household budgets are becoming increasingly under more pressure, and trade-offs might be applied when it becomes unaffordable to pay all household expenses on a monthly basis.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2021/22** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circular No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2021/22 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities not attaining their desired collection rates.

It is therefore essential that municipalities pay attention to reconciling the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities are encouraged to undertake this exercise as a routine practice. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this with the Deeds Office registry. In accordance with the MFMA Circular No. 93,

municipalities are once more requested to submit the reconciliation of the valuation roll to the financial system to the National Treasury by no later than **05 February 2021**.

The above information must be emailed to linda.kruger@treasury.gov.za or must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/>.

5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (FFC, 2011). Credible budgets are critical for local government to fulfil its mandate and to ensure its financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- An effective budget is one that is adequate to deliver a service of the necessary quality on a sustainable basis; and
- An efficient budget is one that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable municipalities to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is also available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

5.3 Bulk Account Payments - Eskom Concessions

During 2018/19, intense work had been undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom was engaged on providing relieve in certain areas. Municipalities must be made aware that the following concessions were agreed upon:

- Reducing the interest rate charged on overdue municipal bulk accounts from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms being extended from 15 days to 30 days for municipal bulk accounts; and
- Payments received from municipalities will be allocated to capital first and then the interest.

These concessions are aligned to the MFMA and are meant to curb the growing debt levels by allowing municipalities a more conducive payment regime than what was previously employed. In addition, municipalities are encouraged to budget for bulk services and honour their current account payments religiously to avoid stringent application of the bulk suppliers' credit control policy.

5.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

5.5 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

Municipalities are advised to use the tariff increases previously (March 2019) approved by the Regulator of 5.2 per cent 2021/22, 8.9 per cent for 2022/23 and 8.9 per cent in 2023/24 (*for 2023/24, an average annual tariff increase is used for the National Energy Regulator of South Africa's multi-year price determination period of 1 April 2019 to 31 March 2022*). The outer year is anticipated to be the first year of the MYPD 5 period, which is yet to be published.

6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2021/22 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

6.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary

increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC. Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability as many municipalities that are already not in a position to afford the current wage cost would indeed have to apply no more than zero per cent increase in the 2021/22 MTREF and to exercise the option for exemption for any negotiated increase above the level of their affordability.

6.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

7. Conditional Grant Transfers to Municipalities

7.1 Non-compliance of in-year monitoring

In terms of Section 74(1) of the MFMA, municipalities must submit to the transferring officers, National and Provincial treasuries documents and monthly grant reports as may be prescribed or required. The *m*SCOA Regulations requires the uniform recording and classification of municipal budget and financial information at a transaction level in the form of a *m*SCOA data string that must be submitted to the LG Upload portal. Most municipalities are still not reporting on conditional grants as per the *m*SCOA requirements. As per MFMA Circular No 93, the National Treasury has only used *m*SCOA data strings as the source of data for publications on municipal financial performance from 1 July 2019. The *m*SCOA data strings will also be the main source of data that will be used to monitor the performance against grants and to inform decisions on the stopping and reallocation of conditional grants funding in the 2021/22 MTREF. The credibility of the *m*SCOA data strings reporting on grants will be closely monitored going forward.

Furthermore, section 12(2) of the Division of Revenue Act, 2020 (Act No. 4 of 2020) (DoRA) states that the municipality, as part of the report required in terms of section 71 of the MFMA, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant Transferring Officer.

Some municipalities have not been complying with the reporting requirements as stipulated above. Municipalities are reminded that the non-submission of monthly reports translates to non-compliance with the MFMA and DoRA. The National Treasury and Transferring Officer will be implementing stringent measures to municipalities that do not comply with the prescripts. This includes, but is not limited to, the stopping and reallocation of conditional grants funding of non-compliant municipalities. Municipalities are encouraged to comply with the reporting requirements to avoid withholding or stopping of an allocation.

In terms of performance reporting on conditional grants, municipalities and Transferring Officers are urged to pay particular attention to the contents of money spent against conditional grants. Government is not realising full value for money against the substantial investments it makes through grants.

8. The Municipal Budget and Reporting Regulations

8.1 Ensuring municipal sustainability through a funded budget

A budget is funded from realistically anticipated revenues to be collected, cash backed accumulated funds from the previous year as well as borrowed funds to be utilised for capital projects. A budget is realistic if it takes into account projected revenue for the current year based on the collection levels to date and actual revenue collected in the previous financial year. Municipal budgets must be prepared on this basis. The economic climate and the impact of COVID-19 pandemic had an effect on the ability of municipalities to collect arrear debt during levels 5, 4 and 3 of the national lockdown. This inability to exercise credit control measures during this period had decreased the collection rate in many municipalities.

Municipalities need to be proactive in exercising credit control measures to ensure that arrear debt is collected. Whilst collection rates decreased during the period mentioned above, municipalities must implement efforts to collect arrear debt and return collection rates to pre-COVID-19 levels. Whilst this unprecedented COVID-19 period is the exception, collection rates need to be maintained at 95 per cent in order to ensure the financial sustainability of municipalities. If collection rates have decreased, prudent financial management requires expenditure to be adjusted downward accordingly. This is to ensure that deficits are not realised and that realistically anticipated revenue based on projected collection rates funds expenditure. This will also ensure financial sustainability and avoid situations of financial distress in municipalities.

The Municipal Systems Act states that a municipal council must adopt, maintain and implement a credit control and debt collection policy that would be utilised for the collection of money that is due and payable to it. The municipal Councillors therefore are the custodians of the policy and responsible for its implementation. As a result, Councillors are required to encourage consumers in their municipal jurisdiction to pay for municipal services and to ensure that such debt that is due and payable to the municipality is collected. This would ensure compliance with the Act and ensure that a culture of payment is implemented in the municipal area. Council needs to play an active role in implementing their adopted policies to increase collection rates and ensure that funds are received to render services to the people.

Municipalities are reminded to develop a credible funding plan where the budget is unfunded. This plan must be tabled in and adopted by Council with the 2021/22 MTREF budget and submitted to the National and provincial treasuries when they submit their tabled and adopted budget in terms of Section 22(b)(i) and 24 (3) of the MFMA. Failure to approve a credible plan will result in the invoking of Section 216(2) of the Constitution.

8.2 Budgeting for indirect grant allocations

Some municipalities continue to budget for allocations not directly allocated to them as revenue in the Statement of Financial Performance. This results in revenue being overstated. Therefore, municipalities must refrain from budgeting for indirect grant allocations. A municipality must only budget for the allocations that are directly allocated and transferred to them.

8.3 Monthly reporting of debtors

National Treasury has observed through in-year monitoring that most municipalities are overstating debtors as they report on gross debtors instead of net. The format of the monthly debtors' data strings provides for a column to disclose provision for impairment as per council policy. Therefore, municipalities are urged to always reflect the provision for impairment in the column as indicated above for National Treasury to be able to reconcile the net debtors.

8.4 Schedule A - version to be used for the 2021/22 MTREF

National Treasury has released Version 6.5 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.5 of the *m*SCOA classification framework and must be used when compiling the 2021/22 MTREF budget.

It is imperative that all municipalities prepare their 2021/22 MTREF budgets in their financial systems and that the Schedule A1 be produced directly from their financial system. Vendors have demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Therefore, there is no reason why the 2021/22 MTREF budget must be done manually. National Treasury has protected the A1 schedule version 6.5, therefore manual population will not be allowed as the schedule must be extracted from the financial system.

ALL municipalities **MUST** prepare their 2021/22 MTREF tabled and adopted budgets using the A1 schedule version 6.5.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.5 is not allowed** in terms of the *m*SCOA Regulations.

The National Treasury has indicated in MFMA Circular No. 93 that municipalities must submit all A1 Schedules in PDF format only from the 2019/20 MTREF. Given the fact that the *m*SCOA classification framework makes it possible to generate the financial data required in the A1 schedule directly from the data strings and that additional data needed must be obtained from sub-systems that integrate with the financial system, the National Treasury will only accept the prescribed data string containing the supporting data, populated and uploaded by each municipality. National Treasury published the layout for the data string on the website in MFMA Budget Circular No. 98 and an amended version to be used for the 2021/22 MTREF forms part of this circular. The publication in the 2020/21 MTREF of non-financial data will be done using the supporting data uploaded from these data strings.

The National Treasury **will no longer gather supporting data from the MBRR A1 Schedules** but will expect each municipality to **submit the prescribed supporting data strings** containing the required data using the LG Upload Portal.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.5 changes. The revised MBRR Schedules for the 2021/22 MTREF and its linkages to the data string are available on the link below:

<http://cenvappsp10:31200/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2020%2d21&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

8.5 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape Buffalo City	Matjatji Mashoeshoe Mandla Gilimani	012-315 5553 012-315 5807	Matjatji.Mashoeshoe@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
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National and provincial treasuries will analyse the credibility of the data string submissions.

8.6 Assessing the 2021/22 MTREF budget

National and provincial treasuries will assess the 2021/22 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **31 May to 30 June**. In this one-month period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

The previous verification process and timeframes (i.e. July to September) can no longer be applied as municipalities are already transacting against the adopted and locked budget from 01 July 2020.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution, as well as a budget locking certificate (in the case of the adopted budgets) in accordance with the format specified in Regulation 31 of Schedule A of the MBRR. The A1 schedule must be included as part of the budget documentation in pdf format.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the budget and go back to the Municipal Council to ensure they adopt and implement a funded budget as required in terms of Section 18 of the MFMA.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

9. Budget process and submissions for the 2021/22 MTREF

9.1 Submitting budget documentation and A1 schedules for 2021/22 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Thursday, 01 April 2021**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. E.g. if the council approves the annual budget on **31 May 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Hard copies must be submitted in pdf format to the LG Upload portal.

9.2 Expected submissions for 2021/22 MTREF

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA24 and any other information not contained in the financial data string) in the A1 in the prescribed mSCOA data string in the format published with Version 6.5 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

Budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/>. It should be emphasised that municipalities should submit all required documents to the LG Upload portal and not to lgdocuments@treasury.gov.za. National Treasury will retire lgdocuments@treasury.gov.za on 1 July 2021 to ensure that there is a single collection point of municipal financial data.

Also note that the LG Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

1. Be in PDF format only; and
2. Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Any problems experienced with the submission of documents can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

The 2020/21 MTREF and the preliminary Quarter 1 Section 71 results for the 2020/21 financial year that has recently been published, have indicated that the credibility of the mSCOA data strings is still a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/from their core financial systems; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2020/21, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

To improve the credibility of these data string, National and provincial treasuries are analysing the accuracy of the data strings and the use of the six regulated segments. The National Treasury has developed tools to analyse the segment/chart use and trained budget analysts from both National and provincial treasuries on the use thereof. To date, the analysis has highlighted that municipalities are not using the FUND, REGION and COSTING segments correctly. In many instances, these segments are simply defaulted which impedes the multi-dimensional reporting power of the *m*SCOA classification framework. Another common area of concern is that total capital expenditure do not balance to total funding. Currently, the expenditure is much higher than the available funding reported.

It needs to be noted that the single source for all analysis and publications will be the data strings submitted by the municipalities for the 2020/21 municipal financial year. It is therefore imperative that municipalities ensure the credibility and accuracy of the data strings before submission.

9.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

9.4 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



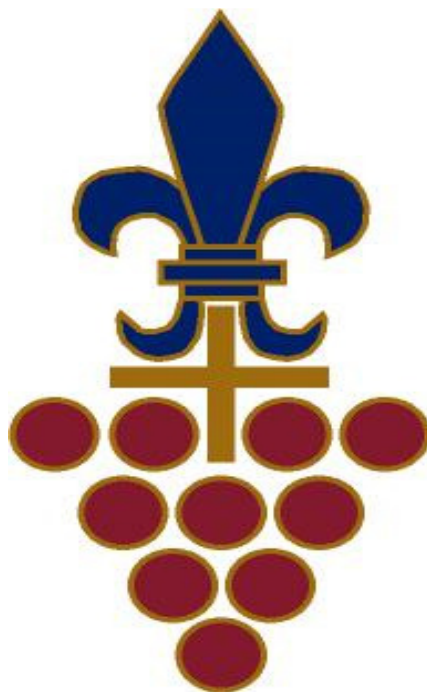
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04 December 2020

STELLENBOSCH MUNICIPALITY



MFMA CIRCULAR NO.108

**MUNICIPAL BUDGET CIRCULAR FOR
THE 2021/2022 MTREF –
8 MARCH 2021**



Municipal Budget Circular for the 2021/22 MTREF

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Introduction

This budget circular is a follow-up to the one issued in December 2020. It guides municipalities with their preparation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars, it should be read within this context. This Circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved. The key focus of this Circular is the grant allocations per the 2021 Budget Review and the 2021 Division of Revenue Bill.

Municipalities are reminded to refer to the previous years' annual budget circulars for guidance on budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The South African economy contracted by an estimated 7.2 per cent in 2020 compared with the 7.8 per cent contraction projected in the 2020 Medium Term Budget Policy Statement (MTBPS). The revised estimate results from easing lockdown restrictions in the third quarter and a faster-than-expected resumption of global growth, especially in China. The National Treasury projects real economic growth of 3.3 per cent in 2021, following an estimated contraction of 7.2 per cent in 2020. Real GDP growth is expected to moderate to 1.9 per cent in 2022 and 2023.

The outlook remains highly uncertain, and the economic effects of the pandemic are far-reaching. There were 1.7 million fewer jobs by the third quarter of 2020 compared to the same period in 2019. Rising unemployment and income losses have entrenched existing inequalities. GDP is only expected to recover to pre-pandemic levels in late 2023. High-frequency data for the third quarter, such as the volume of electricity distributed, mining and manufacturing output, business confidence and the ABSA Purchasing Managers' Index (PMI) shows evidence of a limited economic rebound.

Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, the output is only expected to return to pre-pandemic levels in 2024. Given South Africa's structural constraints, its recovery will be slower than many of its developing-country peers. Industrial sectors (which include mining, manufacturing, construction and utilities) lagged substantially, undermined by structural constraints including unreliable electricity supply and weak public investment that preceded the pandemic. Over the next several years, the country requires the implementation of long-standing structural reforms to sustainably move to a higher growth path.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels; hence a conservative approach is advised for revenue projections.

The following macro-economic forecasts must be considered when preparing the 2021/22 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2019 - 2023

Fiscal year	2019/20	2020/21	2021/22	2022/23	2023/24
	Actual	Estimate	Forecast		
CPI Inflation	4.1%	3.3%	3.9%	4.2%	4.4%

Source: 2021 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2021/22 budget process

2.1 Changes to local government allocations

Over the next three years, municipalities will have to adjust to significant changes in expenditure plans while improving accountability. The 2021 Budget protects transfers that focus on infrastructure, service delivery and COVID-19 spending while reducing those spent less effectively. The 2021 Budget includes funding for initiatives to improve municipal revenue collection and support financially distressed municipalities.

Transfers to local government over the medium-term account for **9.4 per cent** of nationally raised funds after providing for debt-service costs, the contingency reserve and provisional allocations. Local government's share of revenue has risen in relative terms because reductions to the public-service wage bill affect only national and provincial government. Local government transfers grow by an annual average of 5.2 per cent over the MTEF; the equitable share declines by 4.4 per cent and conditional grants grow by 7.3 per cent. As part of government's fiscal consolidation policies over the medium term, transfers to local government are reduced by R19.4 billion, including R14.7 billion from the local government equitable share, R2.7 billion from the general fuel levy and R2 billion in direct conditional grants.

Conditional grants

The reduction to direct conditional grants includes R329 million from the *municipal infrastructure grant* and R21 million from the *integrated urban development grant*. These amounts have been reprioritised from underspending grants to fund a once-off councillor gratuity for non-returning councillors. The largest proportional reduction of R1.3 billion to local government grants has been made in the *public transport network grant*, because only six of the 13 cities receiving the grant have successfully launched public transport systems. Indirect conditional grants are reduced by R286 million over the period.

Government continues to reform the system of conditional grant transfers to local government based on the principles set out in the 2019 Budget Review. In 2021, government will expand the scope of the *municipal infrastructure grant* to allow municipalities to use up to 5 per cent of their allocation to develop infrastructure asset management plans. This change addresses poor asset management in municipalities.

In 2020, the *integrated city development grant* was repurposed to assist cities to build internal capacity or obtain technical support to prepare and package key infrastructure projects. This will continue in 2021 and private sector participation will be encouraged in these projects.

Two standalone *informal settlement upgrading grants* for provinces and municipalities will be introduced from 2021/22. These grants are made up of components previously within the *human settlements development grant* and the *urban settlements development grant* for provinces and municipalities respectively. In addition, the Municipal Systems Improvement Grant scope is extended to fund comprehensive institutional diagnostic assessments of the 21 district areas where the district municipality is a water service authority and the development of institutional improvement/ support plans that will inform all future capacity development programmes and municipal support initiatives to enhance the continued rollout of the rollout of the District Development Model (DDM).

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:
<http://www.treasury.gov.za/documents/national%20budget/2021/>

3. 2021 Local Government Elections and the budget process

Municipalities are advised to refer to MFMA Circular No. 107 on risks related to the Local Government elections and issues to be considered in compiling the 2021/22 MTREF in addition to the information provided below.

3.1 Transitional processes - development and adoption of IDPs during the 2021 election year

The 2020/21 municipal financial year represents the last year of the current municipal councils' electoral term. Therefore, the next municipal election to usher in new councils is expected to take place between August and November 2021 in terms of the Section 24 (2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This particular scenario poses a latent challenge in so far as adherence to legislated timeframes with regard to the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2021, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council will be expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming councils be unhappy with the priorities set out by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed to, amongst others, guide municipalities with regards to the adoption of IDPs during an election year.

3.2 Hand-over reports for the newly elected councils

Each municipal manager, working together with the CFO and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. This hand-over report aims to provide the new councils important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;
- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy;
- An overview of the municipality's financial health, with specific reference to:
 - Its cash and investments, and its funding of commitments (Table A8);
 - Cash coverage of normal operations (see Supporting Table SA10);

- Creditors outstanding for more than 30 days, along with reasons for delayed settlement;
- Current collection levels and debtors outstanding for more than 30 days; and
- Extent of existing loans and associated finance and redemption payments.
- The municipality's 2019/20 audit outcome and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2021/22 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important.

In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2021/22 MTREF budget, the mid-year budget and performance assessment report for 2020/21, and the latest monthly financial statement, and the annual report for 2019/20.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 Opening balances

It was noted that some municipalities are not transferring their opening balances consistently to the current year of transacting. Opening balances for the previous year must be transferred in the first month (M01) of the current year, and all adjustments made during the preparation of the annual financial statements in period 14 and 15 must be transferred through journals to the opening balances of the current year in the month that it becomes apparent. When municipalities are not doing this correctly and consistently, it compromises the credibility of the *m*SCOA data strings submitted.

Importantly, journals may only be passed in the core financial system and not in 3rd party sub-systems.

4.2 Surplus or deficit journals

The Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and MBRR require that municipalities perform their month-end reconciliations at the end of every month before they submit their financial performance information to the National Treasury. Surplus or deficit journals must be passed monthly before a data string is generated to ensure that the financial system remains in balance. The monthly data strings reflected in the Statement of Financial position (table C6 of the regulated C Schedules) will not be in balance for those municipalities that are not doing this, and their *m*SCOA data strings will therefore not be accurate.

Municipalities must also reconcile their creditors and debtors and all month-end processes **before** they submit their monthly data strings to ensure that the data submitted to the National Treasury Local Government Database is credible.

4.3 Rollovers and repayment of unspent grants

Municipalities are required to use the correct posting levels and movement accounting when conditional grants are being receipted, recognised, rolled over, and unspent grants are repaid. The accounting for grants should be done in accordance with GRAP 23: Revenue from

exchange transactions (Taxes and Transfers). Refer to **Annexure A** of this Circular on the correct treatment of rollovers and repayment of unspent grants in *mSCOA*.

5. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the municipality's financial sustainability. The Consumer Price Index (CPI) is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required **to justify all increases in excess of the projected inflation target for 2021/22 MTREF** in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. It is noted that the tariff increases by Eskom and Water Boards are above inflation and should be considered as such while determining cost-reflective tariffs. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving its own revenue collection, working more efficiently and implementing cost-containment measures.

5.1 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. In March, NERSA approved a municipal tariff increase of 6.9 per cent effective 1 July 2020 (1.2 per cent lower than the tariff increase in Multi-Year Price Determination (MYPD) 4 period due to differences in municipal and national financial years).

The equitable share formula uses the 9.9 per cent bulk tariff increase used when National Treasury calculated the baseline for this year in the 2020 MTEF period. Other (non-bulk) electricity costs are updated based on the National Treasury's inflation projections in the 2020 MTBPS. This is due to fiscal constraints and the fact that the court had not pronounced on the Eskom matter at the time that the budget was finalised.

The additional R10 billion that the courts have allowed Eskom to recover in the 2021/22 national financial year translates to a 15.6 per cent bulk increase over the national financial year. However, given that the increase only comes into effect in July for municipalities, NERSA typically allows a higher percentage increase so that Eskom can recover the additional allowable revenue from municipalities over 9 months before the national financial year ends. Therefore, the increase should be expected to be between 16 to 20 per cent. Municipalities can mitigate the negative impact of this increase by improving efficiencies on both the revenue collections and the spending side.

The outer two years of the 2021 MTEF use 8.9 per cent, which is an average annual tariff increase used for the NERSA's multi-year price determination period of 1 April 2019 to 31 March 2022. Moreover, the outer year is anticipated to be the first year of the MYPD 5 period, yet to be published.

6. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. Customers' ability to pay for services is declining, which means that less revenue will be collected.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.

6.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 31 June 2020 has come to an end and a new agreement is under consultation, which we hope will take into account the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability. Some municipalities are already not able to afford the current wage cost and would indeed have to apply no more than a zero per cent increase in the 2021/22 MTREF and exercise the option for exemption for any negotiated increase above the level of their affordability.

Therefore, should accounting officers fail to consider salary increases within the ambit of the municipality's available resources and financial position, such failure will constitute an act of financial misconduct as defined in section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

6.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process.

6.3 Payment of danger allowance to the employees

The work undertaken by the frontline staff in rendering services to communities must be appreciated whilst understanding the country's economic situation and the world resulting from the impact of COVID-19 pandemic. The SALGBC Circular No. 5 of 2020 provides advice to municipalities about the payment of danger allowance to employees working at the frontline to fight the COVID-19 pandemic.

The Circular provides that the council of the municipality must have an approved policy that should guide how the danger allowance should be paid, based on the affordability of the municipality. During this difficult financial situation posed by the COVID-19 pandemic, municipalities must consider the following:

1. Determine whether or not the municipality will afford the percentage increase in order to accommodate the Danger Allowance;
2. Assess the current status of the Employee Related Costs that form part of the municipality's budget in order to ascertain whether or not the inclusion of such allowance will not place the municipality's financial position in jeopardy in terms of the total Employee Related Costs as a percentage of the total expenditure;
3. Determine the credible funding source for the payment of Danger Allowance;

4. In this case the municipality must subject that change to “public participation processes” when dealing with the 2021/2022 MTREF based on the funding source; and
5. The municipality must also have a policy that operationalise the implementation of this kind of an allowance, only based on the determination/ assessment as per the aforementioned points.

6.4 Mayor’s discretionary funds and similar discretionary budget allocations

It has been observed that many municipal budgets contain sub-votes or allocations to “Mayoral Discretionary Funds”, “Special Projects”, “Special Events” or similar discretionary type funds. Municipalities must refer to section 12 of the MFMA in relation to setting up a relief, charitable, trust or other funds.

National Treasury regards these types of allocations as a bad practice because:

- It is not clear how they are aligned to the constitutional requirement that municipalities structure their budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community (see section 153(a) of the Constitution);
- They do not provide for the appropriation of funds for the purposes of a department or functional area of the municipality (see the definition of ‘vote’ in section 1 of the MFMA);
- They undermine the budget consultation processes since the intended use of the funds is not transparently reflected in the tabled budget; and
- There is a risk that they may be abused for personal gain or to improperly benefit another person or organisation.

Therefore, National Treasury discourages allocations of this nature. Good budget practice requires that a municipal budget should transparently indicate the purposes and areas where municipal funds (i.e. public funds) are to be allocated. These kinds of discretionary funds immediately raise public suspicions of impropriety and corruption. In terms of section 52(a) of the MFMA the Mayor “must provide general political guidance over the fiscal and financial affairs of the municipality”. The Mayor, therefore, provides direct input into the budget. If this is the case, why does the Mayor require a ‘discretionary / personal slush fund’?

Section 17(3)(b) of the MFMA requires that when an annual budget is tabled it must be accompanied by “measurable performance objectives ... for each vote in the budget”. What measurable performance objectives can be set in relation to these funds given that their use is at the discretion of the Mayor? This means the transparent and effective use of these funds cannot be monitored and assessed by the council and the public.

National Treasury notes that section 17(3)(j) of the MFMA requires that when an annual budget is tabled it must be accompanied by “particulars of any proposed allocations or grants by the municipality to ... (iv) any organisations or bodies referred to in section 67(1)”. The aim of this provision is to ensure that all proposed allocations or grants are presented transparently in the budget documentation that is tabled for public consultation and council approval, as well as for budget management and monitoring purposes. *Any allocations or grants made to organisations or bodies that are not reflected in a municipality’s budget or adjustments budget must be regarded as unauthorised expenditure because they are “(f) a grant by the municipality otherwise than in accordance with this Act”* (see definition of unauthorised expenditure in section 1 of the MFMA).

National Treasury further notes that section 67 of the MFMA only allows funds to be transferred to ‘an organisation or body’ and not to an individual. Any allocations or grants to individuals, *other than in terms of the municipality’s indigent policy or bursary scheme, must be regarded as*

irregular expenditure because they are expenditures not in accordance with a requirement of the MFMA.

National Treasury and provincial treasuries will exercise close oversight of all discretionary type allocations in municipal budgets. If there are any concerns about the use of these funds, section 74 of the MFMA will be used to request information in this regard and analyse it for consistency with the MFMA legal framework.

7. Conditional Grant Transfers to Municipalities

The annual Division of Revenue Act requires that municipalities must request for a rollover approval against any unspent conditional grants that were allocated through the Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2020/21 unspent conditional grant and rollover process and should be referenced against previous annual budget circulars.

7.1 Criteria for the rollover of conditional grant funds

In terms of Section 22 of the Division of Revenue Act, 2020 (Act No.4 of 2020) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2020 (Act No. 10 of 2020) (DoRAA) and the Division of Revenue Second Amendment Act, 2020 (Act No. 20 of 2020), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2020/21 financial year reverts to the National Revenue Fund, unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 22(2) of the 2020 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2020 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
 - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
 - b) Proof of project tender and tender submissions published and closed before 31 March with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project;
 - c) Incorporation of the Appropriation Statement;
 - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;

7. Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and
9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2021, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2020 DoRA, **including the municipal manager and chief financial officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2021;
3. Accurate disclosure of grant performance in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2020/21 pre-audited Annual Financial Statements in order to verify grant expenditure; and
5. Cash available in the bank (net position including short term investments) as at 30 June 2021 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2020/21 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2020/21 allocation;
2. Rollover request of the same grant for the third consecutive time;
3. Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2021.

7.2 Rollover request against the Covid-19 allocated through the Equitable Share

The Division of Revenue Amendment Act, 2020 (Act No 10 of 2020) made available to Local government an amount of R11 billion following the President's speech on 20 April 2020. The President pronounced that R20 billion would be made available to municipalities in order to provide emergency water supply, increase sanitation of public transport facilities, and provide

food and shelter for the homeless. The R20 billion consisted of an additional allocation of R11 billion, which was transferred through the Equitable Share, and the R9 billion was funded from the repurposed spending within conditional grants allocated to municipalities. This increased the 2020/21 municipal Equitable Share allocation from R74.7 billion to R85.7 billion.

The R11 billion added to the local government Equitable Share allowed municipalities to maintain existing services despite a temporary decline in revenue collections and also cover some additional expenses incurred in response to the pandemic, including the provision of temporary shelter for homeless people during the lockdown.

Although the R11 billion was allocated through an unconditional grant (Equitable Share), these are committed funds in response to the Covid-19 pandemic. Consequently, the municipalities are required to request a rollover from National Treasury of any unspent committed Covid-19 allocation to be rolled over into the 2021/22 financial year.

Municipalities are therefore required to provide the following information to National Treasury in order to prove that the unspent funds are committed and also provide approval to allow the unspent funds to be spent in the 2021/22 financial year.

1. Provide the contracts that are linked to the response of the Covid-19 pandemic in line with the provisions made in the 2020 DoRAA;
2. Reasons why the funds were not fully spent during the year of original allocation per the DoRAA;
3. Accurate disclosure of Covid-19 allocation expenditure in the 2020/21 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS); and
4. Any expenditure incurred against the unspent Covid-19 funds that was not approved for the rollover will be regarded as unauthorized expenditure.

7.3 Unspent conditional grant funds for 2020/21

The process to ensure the return of unspent conditional grants for the 2020/21 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2021 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2021. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2021.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2021;

- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2021. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2021; and
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2021, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 07 December 2021 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

7.4 Importance of section 17 of the Division of Revenue Act

The purpose of this section is to provide further clarity on section 17 of DoRA in relation to the transfer of funds to the organ of state in order to implement projects on behalf of the municipalities.

Section 17 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

- a. The allocation
 - i) Is approved in the budget for the receiving provincial department or municipality; or
 - ii) If not already approved;
 - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
 - bb) the National Treasury approves the allocation; or
- b. The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 17 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 17 (3) before any DoRA allocated funds are allocated to any organ of state, and the municipality should first seek approval from National Treasury.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

1. If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilised for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and IUDG and three per cent for the USDG), municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefitting from this initiative, the PMU should be capacitated enough to implement capital project;
2. Municipalities that are benefitting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained

- accelerated municipal and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital project; and
3. If the request does not comply with the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to organs of the state:

1. In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
2. Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
3. Provide the Service Level Agreement between the municipality and the organ of the state in consultation with the relevant transferring officer;
4. Provide the agreed payment schedule reflecting the disbursement of the funds;
5. Must provide the reasons why the municipality has taken such a decision;
7. If amongst the reasons for the request is related to capacity challenges, the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
8. Upon approval, the municipality must submit the approved budget that includes the allocation.

Note that once the allocation has been approved, the payment for goods or services must be procured in accordance with or in compliance with the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the national transferring officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 17, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

8. The Municipal Budget and Reporting Regulations

8.1 Service Level Standards

Municipalities are reminded to update the service level standards which must form part of their 2021/22 MTREF tabled budget documentation. A broad framework on the minimum service standards was issued with MFMA Circular No. 75. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

8.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za

Gauteng	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
Johannesburg and Tshwane	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
			Sifiso.Mabaso@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
eThekweni	Mpati Rakgwale		Mpati.Rakgwale@treasury.gov.za
	Una Rautenbach	012-315 5700	Una.Rautenbach@treasury.gov.za
	Abigail Maila		Abigail.Maila@treasury.gov.za
Limpopo	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Phumelele Gulukunqu	012 315 5539	Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Willem Voigt and	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Kgomotoso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za

9. Budget process and submissions for the 2021/22 MTREF

9.1 Submitting budget documentation and A1 schedules for 2021/22 MTREF

To facilitate oversight of compliance with the MBRR, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 April 2021**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. E.g. if the council approves the annual budget on **31 May 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2020**.

Municipalities are no longer expected to submit hard copies of all required documents including budget-related, Integrated Development Plan, Service Delivery Budget and Implementation Plan, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the LG Upload portal or lgdocuments@treasury.gov.za.

9.2 Consolidated budgets and reports

Municipalities with entities are reminded that they must prepare and submit MTREF budgets, section 71 reports, annual financial statements and annual reports for both the parent municipalities and consolidated documents that incorporates the entity information in terms of the MBRR.

9.3 Submission using LG Upload Portal

In MFMA Budget Circular No 107, it was indicated that budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/> and that National Treasury was planning to retire lgdocuments@treasury.gov.za from 01 July 2021 to ensure that there is a single collection point of municipal financial data. However, based on workflow licensing challenges on the LG Upload Portal, data string submissions will shortly be shifted to the Open Portal GoMuni while documents must still be submitted using lgdocuments@treasury.gov.za. The document submissions will also be shifted to GoMuni as soon as possible.

All municipalities and their entities had to prepare their MTREF budget directly on the mSCOA financial systems from 01 July 2017. Therefore, all MBRR schedule submissions must be submitted in **PDF format only**.

9.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added/ updated on the website.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001

Phone 012 315 5009

Fax 012 395 6553

Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
08 March 2021

Annexure A: Treatment of Rollovers and repayment of unspent grants in mSCOA

Cash receipting of a conditional grant

The receiving of grants must be accounted for against (Dt) Bank and (Cr) Item Liabilities: Unspent grants: Capital: Monetary: Municipal Infrastructure Grant: Receipts as shown below:

– Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)

Opening Balance(IL-001-007-002-001-002-005-002-001)

Receipts(IL-001-007-002-001-002-005-002-002)

Recognising the revenue when the grant is spent

When the grant is spent in accordance with the conditions of the grant, a transaction must be passed against the (Dt) Item Liabilities: Transferred to Revenue/ Capital Expenditure and (Cr) Item Revenue: Non-Exchange Transactions: Transfers and subsidies: Capital: Monetary allocations: National Government: Municipal Infrastructure Grant as shown below:

Debit Item Liability: posting level

– Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)

Opening Balance(IL-001-007-002-001-002-005-002-001)

Receipts(IL-001-007-002-001-002-005-002-002)

Transferred to Revenue/Capital Expenditure(IL-001-007-002-001-002-005-002-003)

Credit revenue recognised: posting level

– Transfers and Subsidies(IR-003-005)

– Capital(IR-003-005-001)

+ Allocations In-kind(IR-003-005-001-001)

– Monetary Allocations(IR-003-005-001-002)

+ Departmental Agencies and Accounts(IR-003-005-001-002-001)

+ District Municipalities(IR-003-005-001-002-002)

+ Foreign Government and International Organisations(IR-003-005-001-002-003)

+ Households(IR-003-005-001-002-004)

– National Government(IR-003-005-001-002-005)

Integrated National Electrification Programme Grant(IR-003-005-001-002-005-001)

Municipal Infrastructure Grant(IR-003-005-001-002-005-002)

Rollovers

In the event that the full grant was not spent at the end of the financial year, the municipality must apply for a rollover as per the process stipulated in the Division of Revenue Act (DoRA). Until such approval has been granted by the National Treasury, a municipality may not continue to incur expenditure against the unspent conditional grant allocation. This does not mean that the municipality should stop or cancel ongoing projects, but Council approval must be obtained to fund the spending from own funding sources until rollover approval is granted by the National Treasury. Once the rollover has been approved by the National Treasury, the amount of the rollover must be ratified through an adjustments budget. The *mSCOA* chart makes provision for all the required transactions in this regard.

Roll over not approved/ Offset against Equitable share

In the event that the rollover is not approved by the National Treasury, the unspent grant funding must be paid back to the National Revenue Fund or alternatively be offset against the Equitable Share and the Liability must be reduced by:

- 1) Debiting Unspent Grant (Repayment) to reduce the liability that was still outstanding; and
- 2) Crediting Item Revenue Equitable Share to adjust the revenue in line with DoRA.

This is further illustrated below:

- 1) Debit Liability: posting level

■ Municipal Infrastructure Grant(IL-001-007-002-001-002-005-002)

Opening Balance(IL-001-007-002-001-002-005-002-001)

Receipts(IL-001-007-002-001-002-005-002-002)

Transferred to Revenue/Capital Expenditure(IL-001-007-002-001-002-005-002-003)

🏛️ (Retired) Closing Balance(IL-001-007-002-001-002-005-002-004)

Re-payment of Unspent Grant(IL-001-007-002-001-002-005-002-005)

- 2) Credit Revenue: posting level

■ National Revenue Fund(IR-003-005-002-002-006)

Fuel Levy (RSC Replacement Grant)(IR-003-005-002-002-006-001)

Equitable Share(IR-003-005-002-002-006-002)

Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure

If the municipality continues to spend against the conditional grant allocation, but rollover approval has not been granted by the National Treasury, this expenditure will be viewed as unauthorised expenditure.