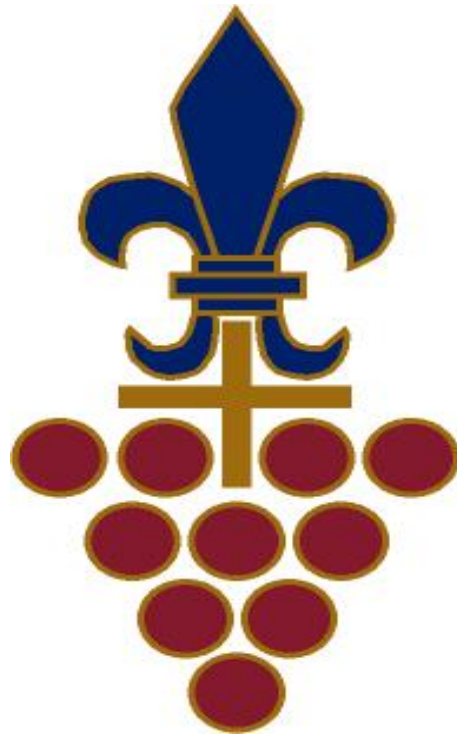


STELLENBOSCH MUNICIPALITY



SUMMARY OF POLICIES

2020/2021



STELLENBOSCH MUNICIPALITY

SUMMARY OF POLICIES

Policy/ By-law	Summarized Nature of change
Rates Policy	<p>Changes were made to the following sections within the policy</p> <p>2. LEGISLATIVE CONTEXT</p> <p>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.</p> <p>4. DEFINITIONS</p> <p>“agricultural activities” “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.</p> <p>5. IMPOSITION OF RATES</p> <p>5.8. Valuation value constraints</p> <p>(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.</p> <p>(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.</p> <p>8. RELIEF MEASURES</p> <p>8.2. Residential Property</p> <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 R185 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>8.6. Stellenbosch Special Rebate</p> <p>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.</p> <p>This rebate will only be applicable to said organisations that apply as per paragraph 14.1 of this Policy for such rebate.</p>

Policy/ By-law	Summarized Nature of change
	<p>8.8 Non-Profit Organisations</p> <p>8.8.1 Prescribed not-for-gain organisations</p> <p>(a) Health and welfare institutions</p> <p>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.</p> <p>(f) Heritage properties</p> <p>Open to the public and used as historical monuments, museums, libraries, and art galleries. This provision will apply only until the transition of the new General Valuation to be implemented on 01 July 2021.</p> <p>8.11 Exceptional General Valuation Rates Increases: Phasing in</p> <p>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:</p> <p>(a) the rates for the financial year preceding the start of the GV cycle must be at greater than R1 000 per annum;</p> <p>9. LIABILITY AND PAYMENT OF RATES</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>(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.</p> <p>(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.</p> <p>12. CLEARANCE CERTIFICATES</p> <p>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</p>

Policy/ By-law	Summarized Nature of change										
	<p>118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:</p> <ul style="list-style-type: none"> (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. <p>13. ADJUSTMENTS OF RATES PRIOR RO SUPPLEMENTARY VALUATION</p> <p>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.</p> <p>14. GENERAL</p> <p>14.1 Applications for Relief Measures</p> <p>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.</p> <p>17. CATEGORY AND REBATE CODES</p> <p>17.1 Category Codes</p> <table border="0" data-bbox="459 1406 1321 1509"> <tr> <td>Residential</td> <td>RES</td> <td>RESIF</td> <td>Informal settlements, 100% exclusion will apply</td> </tr> <tr> <td>Vacant Other</td> <td>VACM</td> <td colspan="2">Vacant Municipal properties</td> </tr> </table> <p>17.2 Rebate Codes</p> <table border="0" data-bbox="459 1639 1136 1666"> <tr> <td>NPO1 Non-Profit Organisation (20% rebate)</td> <td>Rates Policy paragraph 8.8</td> </tr> </table>	Residential	RES	RESIF	Informal settlements, 100% exclusion will apply	Vacant Other	VACM	Vacant Municipal properties		NPO1 Non-Profit Organisation (20% rebate)	Rates Policy paragraph 8.8
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NPO1 Non-Profit Organisation (20% rebate)	Rates Policy paragraph 8.8										
Tariff Policy	<p>Changes were made to the following sections within the policy:</p> <p>2. LEGAL FRAMEWORK</p> <p>The following legislation is applicable for the determination of tariffs for municipal services delivered or for the purchase of surplus energy:</p> <p>The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)</p>										

Policy/ By-law	Summarized Nature of change
	<p>Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)</p> <p>Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)</p> <p>Water Services Act, 1997 (Act 108 of 1997)</p> <p>Electricity Regulation Act, 2006 (Act 4 of 2006)</p> <p>Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)</p> <p>5. CALCULATION OF TARIFFS FOR MAJOR SERVICES</p> <p>5.1 Water Tariffs</p> <p>The first block rate for domestic consumers represents the Life Line 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.</p> <p>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:</p> <p>(a) Domestic:</p> <p>Includes residential erven, Sectional Title Units, as well as residential erven managed by body legal entities, each being served by an individually metered water connection.</p> <p>(f) All other consumers and Miscellaneous cases:</p> <p>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.</p> <p>5.2 Electricity Tariffs</p> <p>(i) Electricity is primarily supplied by a sole supplier, Eskom, and distributed by the Municipality.</p> <p>Electricity is distributed by Stellenbosch Municipality in the areas of Stellenbosch, Johannesdal, Pniel and Franschhoek.</p> <p>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.</p> <p>(a) Domestic Life line (PP): Domestic Life line 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.</p> <p>(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.</p>

Policy/ By-law	Summarized Nature of change
	<p>(c) Commercial Life line Low energy rate: A Commercial Life line 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.</p> <p>5.3 Refuse (Solid Waste) Removal Tariffs</p> <p>(a) Residential properties:</p> <p>Residential refuse (solid waste) will be removed once a week. Households are allowed 3 bags or one "Otto"-type container per week.</p> <p>Refuse removal tariffs are based on a flat rate per household.</p> <p>A specific tariff for Indigent consumers in respect of single residential properties will apply as per the approved Solid Waste Tariff Schedule.</p> <p>(c) Availability Fee:</p> <p>An availability fee is charged to all vacant properties, businesses, flats, and developments not permanently using the municipal collection services.</p> <p>5.4 Sewerage Tariffs</p> <p>(b) Business and industries:</p> <p>A tariff structure utilizing plot sizes, as well as floor areas per usage is applied to allocate the sewerage costs to a specific property.</p> <p>The removal of industrial effluent is charged at a cost as per the applicable tariffs.</p> <p>6. CALCULATION OF OTHER TARIFFS</p> <p>6.2 Rates Tariffs</p> <p>The Stellenbosch Municipality's Rates Policy describes the process for imposing of property rates for the various categories of owners and properties.</p> <p>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.</p>
Indigent Policy	<p>Changes were made to the following sections within the policy</p> <p>Preamble</p> <p>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.</p> <p>1.DEFINITIONS</p> <p>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:</p>

Policy/ By-law	Summarized Nature of change
	<p>“Valuation Threshold” means that value of municipal valuation as set for residential properties in paragraph 8.2 of the Municipality’s Rates Policy.</p> <p>2.POLICY PRINCIPLES</p> <p>(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.</p> <p>5. QUALIFICATIONS AND SCOPE</p> <p>5.2 Household:</p> <p>(d) Child-headed households will only be approved based on the following criteria:</p> <p>5.4 Liability for payment of municipal accounts:</p> <p>(a) Subsidies will only be granted to households liable for the payment of municipal service fees.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(e) Prepaid electricity meters will be installed on all properties of formal households before receiving indigent subsidies to prevent escalation of debt.</p> <p>(f) Water management devices may be installed on properties of formal households before receiving indigent subsidies to prevent escalation of debt.</p> <p>5.5 Qualifying income:</p> <p>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.</p> <p>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.</p> <p>(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.</p> <p>(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.</p> <p>5.6 Targeting mechanisms:</p>

Policy/ By-law	Summarized Nature of change
	<p>The following principles for the granting of free basic services apply:</p> <ul style="list-style-type: none"> (a) Properties in respect of which property tax is levied on a municipal valuation amount will qualify as follows: <ul style="list-style-type: none"> (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. <p>5.7 Basic services</p> <p>5.7.1 Formal Households</p> <p>Free basic services for Formal households will consist of the following:</p> <ul style="list-style-type: none"> (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 property not exceeding an area of 250m² and a maximum valuation not exceeding the defined Valuation Threshold; (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. <p>5.8 Free bulk services</p> <p>Free Bulk Services shall be the provision of services (water standpipes, high mast lighting, ablution facilities and refuse removal) to informal settlements.</p> <p>7. APPLICATION OF INDIGENT SUBSIDIES</p> <ul style="list-style-type: none"> (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.

Policy/ By-law	Summarized Nature of change
	<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>9. INDIGENT REGISTER</p> <p>(a) The Municipality shall draw up and maintain a register in respect of properties and households receiving indigent assistance.</p> <p>(b) The register will be open for inspection by the public during office hours.</p> <p>(c) The Municipality will at regular intervals review the register and apply randomly selected checks as to the status of an application.</p> <p>10. CONTACT OF RESPONSIBLE OFFICE</p> <p>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</p> <p>Postal Address: PO Box 17, Stellenbosch, 7601 Any Municipal Office in the jurisdiction of Stellenbosch Municipality</p>
Special Ratings Area Policy	<p>Changes were made to the following sections within the policy:</p> <p>2. INTRODUCTION</p> <p>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.</p> <p>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.</p> <p>2.3 All words and phrases defined in the Property Rates Act and the By-Law have the same meaning in this Policy.</p> <p>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.</p> <p>2.5 This Policy needs to be read together with the Municipality's Rates Policy.</p> <p>13. DISSOLUTION</p>

Policy/ By-law	Summarized Nature of change
	<p>The special rating area may be cancelled by resolution of the Council, subject to the provision of section 16 of the By-Law.</p> <p>14. FINANCIAL CONTROL</p> <p>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.</p> <p>15. COMMENCEMENT AND IMPLEMENTATION</p> <p>15.1 Implementation of this Policy will commence on 01 July 2020.</p>
Special Ratings By-law	<p>Changes were made within the following sections of the policy:</p> <p>1. DEFINITIONS</p> <p>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.</p> <p>“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;</p> <p>“implementation plan” means an Implementation Plan as contemplated in section 6 of this By-Law;</p> <p>“limited special rating area” means a limited special rating area approved by the Council in terms of section 9 of this By-Law;</p> <p>“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;</p> <p>“management body” means the management body of a special rating area to be establishment established in accordance with the provision of section 10 of this By-Law;</p> <p>“motivation report” means a motivation report as contemplated in section 6 of this By-Law;</p> <p>“Policy” means the Policy for the determination of special rating areas named the Special Rating Area Policy of the Stellenbosch Municipality, ;</p> <p>4. APPLICATION</p> <p>(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.</p> <p>(3) Any application contemplated in subsection (1) above must –</p> <p>(a) be in writing and be in the form as the CFO may determine;</p> <p>(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;</p> <p>(c) be accompanied by –</p> <p>(i) a motivation report and an implementation plan;</p> <p>(ii) the written consent submitted by of 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</p>

Policy/ By-law	Summarized Nature of change
	<p>performed consent forms where 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;</p> <p>(iii) payment of such fee as the Council may determine.</p> <p>5. PUBLIC MEETINGS</p> <p>(1) An application for the determination of a special rating area must be preceded by the holding of a public meeting.</p> <p>(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.</p> <p>(3) Prior to the holding of the public meeting, the applicant must –</p> <p>(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</p> <p>(b) in the notice referred to in subsection (3)(a) above, give notice of a public meeting, which notice must –</p> <p>(i) state the purpose of such meeting; and</p> <p>(ii) contain details of the place, date and time when such meeting is to be held.</p> <p>(7) Any interested person must, at the public meeting, be –</p> <p>(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</p> <p>(b) given an opportunity to ask questions, express their views and make representations.</p> <p>6. MOTIVATION REPORT AND IMPLEMENTATION PLAN</p> <p>(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.</p> <p>(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.</p> <p>(3) The provision of section 5 of this By-Law applies with the necessary changes to the second public meeting.</p> <p>7. ADVERTISING OF APPLICATION AND OBJECTIONS</p> <p>(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 –</p> <p>(a) Cause a notice of the application to be published in a manner approved by the CFO; and</p> <p>(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.</p> <p>(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.</p>

Policy/ By-law	Summarized Nature of change
	<p>(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.</p> <p>(4) Any objector to the application who owns property within the proposed special rating area may make oral representation to the CFO.</p> <p>(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.</p> <p>8. DECISION</p> <p>(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 –</p> <p>(a) determine a special rating area which must be implemented in accordance with the motivation report and implementation plan;</p> <p>(b) determine a special rating area with such amendments or conditions as the Council considers to be in public interest;</p> <p>(c) determine a special rating area in respect of a limited area in terms of section 9 of this By-Law;</p> <p>(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</p> <p>(e) refer the application back to the applicant for amendments in such manner as the Council may direct.</p> <p>(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.</p> <p>(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-, with advertised in accordance with the provision of section 7 of this By-law, with the necessary changes.</p> <p>9. DETERMINATION OF A LIMITED SPECIAL RATING AREA</p> <p>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 –</p> <p>(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</p> <p>(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,</p> <p>then the Council may, subject to the other provisions of this By-Law, determine a limited special rating area.</p> <p>CHAPTER 2 SPECIAL RATING AREAS – STRUCTURES AND FINANCES 10. COMMENCEMENT OF THE IMPLEMENTATION PLAN</p> <p>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.</p>

Policy/ By-law	Summarized Nature of change
	<p>11. ESTABLISHMENT, COMPOSITION, POWERS AND DUTIES OF MANAGEMENT BODY</p> <p>(1) The applicant must establish a management body for the purposes of implementing the provisions of the implementation plan.</p> <p>(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).</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(6) Within two months of the end of each financial year, the management body must provide the CFO with –</p> <p>(a) Its audited financial statements for the immediately preceding year; and</p> <p>(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.</p> <p>(7) Within two months after the Annual General Meeting, the management body must provide the Finance Portfolio Committee with –</p> <p>(c) Its audited financial statements for the immediately preceding year; and</p> <p>(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.</p> <p>12. FINANCES</p> <p>(1) The financial year of the management body must coincide with the financial year of the Stellenbosch Municipality.</p> <p>(3) 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, 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.</p> <p>(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.</p> <p>(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 –</p> <p>(a) the mechanisms and manner of payment; and</p> <p>(b) terms on which payment to the relevant management body is to be made.</p> <p>(8) The Council, may for the purposes of this By-law, determine and impose on the management body and administrative charge.</p> <p>13. THE ROLE OF THE CFO</p> <p>(b) Monitor compliance with the applicable legislation, including this By-Law and the Policy, by –</p> <p>(i) receiving and considering the audited financial statements and reports regarding the carrying out of duties laid out in the implementation plan;</p>

Policy/ By-law	Summarized Nature of change
	<p style="text-align: center;">(ii) nominating, if he or she elects to do so, representatives to attend and participate but not vote at meetings of the management body.</p> <p>CHAPTER 3 AMENDMENT AND EXTENSION OF IMPLEMENTATION PLANS 14. AMENDMENT TO IMPLEMENTATION PLANS</p> <p>(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.</p> <p>(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.</p> <p>(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 –</p> <p style="padding-left: 40px;">(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.</p> <p>(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.</p> <p>15. EXTENSION OF IMPLEMENTATION PLANS</p> <p>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 –</p> <p style="padding-left: 40px;">(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;</p> <p style="padding-left: 40px;">(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.</p> <p>CHAPTER 4 DISSOLUTION OF A SPECIAL RATING AREA 16. DISSOLUTION</p> <p>(1) The Council may terminate the municipality’s business relationship (connection and commitment) to a management body of a specific special rating area –</p> <p style="padding-left: 40px;">(a) Upon written application signed owners of the majority of properties within the boundaries of the special rating area who are liable for paying the additional rate; or</p> <p style="padding-left: 40px;">(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.</p> <p style="padding-left: 40px;">(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.</p>

Policy/ By-law	Summarized Nature of change
	<p>(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.</p> <p>CHAPTER 5 MISCELLANEOUS PROVISIONS</p> <p>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.</p> <p>18. TITLE AND EFFECTIVE DATE (1) This By-Law is called the: Special Rating Areas By-Law of Stellenbosch Municipality.</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> <p>G. Mettler Municipal Manager Plein Street, PO Box 17, Stellenbosch, 7599 Telephone Number 021 808 8025</p>
Credit Control and Debt Collection Policy	<p>Changes were made within the following sections of the policy:</p> <p>PREAMBLE In terms of Section 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) a Municipality shall-</p> <ul style="list-style-type: none"> (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. <p>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.</p> <p>The Stellenbosch Municipality will not pay any interest on any deposits.</p> <p>12. PAYMENT OF ACCOUNTS – GENERAL</p> <p>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.</p>

Policy/ By-law	Summarized Nature of change		
	<p align="center">Facility</p>	<p align="center">Hours</p>	<p align="center">Payment methods accepted</p>
	Cash offices at Stellenbosch, Kayamandi, Franschhoek and Pniel	Office hours: Monday to Friday	Cash, bank guaranteed cheques, debit cards
	Cash offices at Klapmuts	Office hours: Wednesdays only	Cash, bank guaranteed cheques, debit cards
	Debit orders	Application during office hours	Bank transfers
	EasyPay and Pay@: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores	Trading hours: 7 days per week	Cash, cheques, credit cards, debit cards
	EasyPay and Pay@: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers, Pep Stores, Ackermans and other stores	Trading hours: 7 days per week	Cash, cheques, 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, cheques, credit cards, debit cards
	Approved Pre-Paid Vending Agents	Trading hours	Cash, cheques
	<p>INDIGENT CONSUMERS</p> <p>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.</p>		
Irrecoverable Debt Policy	<p>Changes were made within the following sections of the policy:</p> <p>2.Bad Debt Recovered</p> <p>Bad debt recovered after having been written-off will be treated in terms of the Municipality's Accounting Policy.</p> <p>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.</p> <p>5. Rescission of Judgments</p> <p>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:</p> <p>5.1 All outstanding debt accrued on all accounts of the said property have been settled in full, and</p> <p>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.</p>		

Petty Cash Policy

Changes were made within the following sections of the 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 8972 (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.

4. RESPONSIBILITY AND ACCOUNTABILITY

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;

5. PETTY CASH FRAMEWORK

5.1 General Policy

- b. 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.

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

Policy/ By-law	Summarized Nature of change
	<p style="text-align: center;">vi) Car Wash</p> <p style="text-align: center;">vii) Fire Arm Licencing</p> <p>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..</p> <p>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.</p> <p>5.5 Completing a Cash Purchase Claim Form</p> <p>c. The Cash Purchase Claim must be completed as follows:</p> <p style="padding-left: 40px;">(i) description and cost of the goods/services purchased</p> <p style="padding-left: 40px;">(ii) purchaser's signature</p> <p style="padding-left: 40px;">(iii) vote number to be charged</p> <p style="padding-left: 40px;">(iv) Signature of the Officer in Charge of Petty Cash.</p> <p>5.6 Sub-Advances to staff members</p> <p>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:</p> <p style="padding-left: 40px;">(i)description and estimated cost of the goods/services purchased</p> <p style="padding-left: 40px;">(ii) purchaser's signature</p> <p style="padding-left: 40px;">(iii) vote number to be charged</p> <p style="padding-left: 40px;">(iv) Signature of the Officer in Charge of Petty Cash.</p> <p>5.8 Reimbursement of Petty Cash Floats</p> <p>a. A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement-</p> <p style="padding-left: 40px;">(i) returns the cash level of the petty cash float to its original level and</p> <p style="padding-left: 40px;">(ii) Charges the expenditure which has been made, to the correct expenditure vote.</p>
Travel and Subsistence Policy	<p>Changes were made within the following sections of the policy;</p> <p>1. OBJECTIVE</p> <p>In the event of any conflict between a provision of this policy and the Cost Containment Policy, the latter policy shall apply.</p> <p>2. TRAVEL</p> <p style="padding-left: 40px;">2.1 Responsibilities of Representatives who travel on Business of the Municipality</p> <p style="padding-left: 80px;">a) Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.</p>

Policy/ By-law	Summarized Nature of change
	<p>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.</p> <p>2.2 Air Travel</p> <p>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.</p> <p>b) All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by-</p> <p>(i) the executive committee, with regard to Holders of Public Office and the Municipal Manager, or</p> <p>(ii) The Municipal Manager, with regard to officials and applicants for interviews</p> <p>2.3 International Travel</p> <p>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.</p> <p>b) The report to council for approval of international travel must include:</p> <p>(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;</p> <p>(ii) If international travel to the destination or event was previously undertaken, state what benefits if any derived from the previous attendance;</p> <p>(iii) The full cost of the international travel including travel allowances and visas if applicable to be paid; and</p> <p>(iv) The proposed officials and political office bearers, not exceeding three, to travel and why they have been identified.</p> <p>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:</p> <p>(i) Attendance of international sporting events;</p> <p>(ii) Attendance of international social events;</p> <p>(iii) Attendance of international party-political events;</p> <p>(iv) The opening of another country's parliament or any other country's government's celebration events.</p> <p>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.</p>

Policy/ By-law	Summarized Nature of change
	<p data-bbox="531 237 855 259">2.4 Car Rental, Travel Costs and rates</p> <p data-bbox="531 300 1422 383">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).</p> <p data-bbox="531 421 1422 562">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.</p> <p data-bbox="531 600 1422 651">d) Parking and toll fee – actual cost will be reimbursed via Petty Cash after the submission of proof of expenditure.</p> <p data-bbox="531 663 1422 770">e) 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.</p> <p data-bbox="608 808 735 831">i) Councillors:</p> <p data-bbox="628 871 1422 954">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.</p> <p data-bbox="608 992 943 1014">ii) Officials with vehicle/car allowance:</p> <p data-bbox="628 1055 1422 1167">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.</p> <p data-bbox="608 1205 1278 1227">iii) Officials who are in receipt of an Essential User Transportation Allowance:</p> <p data-bbox="647 1267 1422 1350">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.</p> <p data-bbox="608 1388 1422 1563">iv) 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) (i) (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.</p> <p data-bbox="531 1601 1422 1709">f) 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.</p> <p data-bbox="531 1747 1422 1798">g) 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.</p> <p data-bbox="531 1836 1422 1888">h) The Accounting Officer will when appropriate determine an hourly rate for the different committees serving Council.</p> <p data-bbox="531 1926 1422 1977">i) 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.</p>

Policy/ By-law	Summarized Nature of change
	<p>3. SUBSISTENCE</p> <p>3.1 Subsistence Allowance</p> <p>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.</p> <p>b) In line with SARS guidelines on Subsistence Allowances and Advances, A daily subsistence allowance will only be applicable where-</p> <p>(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</p> <p>(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.</p> <p>f) The subsistence allowance of international travel will be the lesser of:</p> <p>(i) an amount equivalent to the rates as determined by ,SARS, at the beginning of 1 July every year.</p> <p>4. ACCOMMODATION</p> <p>4.1 Accommodation Costs</p> <p>a) Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.</p> <p>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:</p> <p>(i) The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers;</p> <p>(ii) The trips are to be undertaken over a number of consecutive days provided that a return trip is in excess of 200 kilometres;</p> <p>(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.</p> <p>(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:</p> <p>-The cost of one return trip at the applicable rates stated in this policy to be claimed and reimbursed to the official, plus</p> <p>- 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</p> <p>- 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.</p>

Policy/ By-law	Summarized Nature of change
	<p>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.</p> <p>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.</p> <p>e) If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager.</p> <p>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.</p> <p>g) The recoverable cost of accommodation for international travel may not exceed US\$350 per day.</p> <p>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".</p> <p>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.</p> <p>5 CONFERENCES, MEETINGS AND STUDY TOURS</p> <p>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:</p> <p>a) The official's or political office bearer's roles and responsibilities and the anticipated benefits of the conference or event;</p> <p>b) Whether the conference or event addresses relevant concerns of the institution;</p> <p>c) The appropriate number of officials or political office bearers, not exceeding three, attending the conference or event;</p> <p>d) The availability of funds to meet expenses related to the conference or event.</p> <p>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.</p> <p>a) Such benchmark costs may not exceed an amount as determined from time to time by the National Treasury through a notice.</p> <p>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.</p> <p>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.</p>

Policy/ By-law	Summarized Nature of change
	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>6. TRAVEL AND SUBSISTANCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS</p> <p>(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.</p> <p>(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.</p> <p>(c) If a candidate is made an offer of appointment and declines the offer, no reimbursement of costs will be made.</p> <p>(d) Where necessary the User Department in consultation with Human Resources will make suitable travelling and accommodation arrangements and provide budget for the costs.</p>
<p>Cost Containment Policy</p>	<p>Changes were made within the following sections of the policy:</p> <p>5. LEGISLATIVE FRAMEWORK</p> <p>5.1 This policy must be read in conjunction with the -</p> <p>5.1.1 The Municipal Finance Management Act,</p> <p>5.1.2 MFMA Circular 9782, published on 31 July 2019;</p> <p>5.1.3 Municipal Cost Containment Regulations, 2019; and</p> <p>5.1.4 Travelling and subsistence policy.</p> <p>9. TRAVEL, SUBSISTENCE AND ACCOMMODATION</p> <p>Domestic Accommodation</p> <p>9.6 Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.</p> <p>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:</p>

Policy/ By-law	Summarized Nature of change
	<p>9.7.1 The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers;</p> <p>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;</p> <p>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</p> <p>9.7.4 Overnight accommodation is cheaper than the travelling expenses payable under council policy on travel and subsistence.</p> <p>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;</p> <p>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</p> <p>9.10 A copy of such written approval in terms of paragraph 9.8 must also accompany the request for travel and subsistence.</p>
Accounting Policy	<p>Changes were made within the following sections of the policy:</p> <p>1. Basis of Preparation</p> <p>1.3 Significant judgements and sources of estimation uncertainty</p> <p>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:</p> <p>Useful lives of property, plant and equipment and intangible assets</p> <p>As described in Accounting Policy 1.6 and 1.7 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.</p> <p>Fair value estimation</p> <p>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.</p> <p>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</p>

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 uses the best estimate of the costs at the reporting date with reference to the inflation rate. The municipality used the prime interest rate to discount future cash flows .

Impairment of statutory receivables

If there is an indication that a statutory receivable, may be impaired, the entity measures and 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.

Accounting by principals and agents

The entity makes assessments on whether it is the principal or agent in principal-agent relationships.

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.

1.4 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.1.4 Biological assets that form part of an agricultural activity

1.5 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.

Measurement

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.

1.7 Intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

1.9 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:
 - o receive cash or another financial asset from another municipality; or
 - o 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 a 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:
 - o it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - o 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
 - o non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - o 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

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.

1.14 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.

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.

Multi-Employer Plans (section removed)

Grant-in-Aid Contributions (section removed)

1.16 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.

1.17 Revenue from non-exchange transactions

1.18 Value Added Tax (section removed)

1.19 Cash and Cash Equivalents (section removed)

1.25 Impairment of non-cash-generating assets

Related parties

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.28 Going concern assumptions

These audited 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.

1.29 Accounting by principals and agents

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.

Policy/ By-law	Summarized Nature of change
	<p>Assessing which entity benefits from the transactions with third parties</p> <p>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.</p> <p>The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>Recognition</p> <p>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.</p> <p>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.</p> <p>The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.</p>
Cash Management and Investment Policy	<p>Changes were made within the following sections of the policy:</p> <p>5.5 Internal Controls Over Investments</p> <p>5.5.1 Delegations</p> <p>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.</p> <p>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.</p> <p>5.5.2 Obtaining quotations and concluding deals</p> <p>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,</p>

Policy/ By-law	Summarized Nature of change
	<p>shall be issued to all investees with whom the Council of Stellenbosch Municipality invests funds setting out the following:</p> <p>5.5.2.1 Authorised dealers: name and particulars of the Council's officials who are authorised to transact investments deals with the investees;</p> <p>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.</p> <p>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.</p> <p>A written confirmation of the terms of each investment transaction shall be prepared, and signed off by the CFO and MM.</p> <p>5.5.3 A monthly investment register should be kept of all investments made. The following information must be recorded:-</p> <ul style="list-style-type: none"> - name of institution; - capital invested; - date invested; - interest rate; - maturation date; - interest received; - Investment balance; - total withdrawal amount; - total interest earned. <p>5.5.3.1 The investment register and accounting records must be reconciled on a monthly basis.</p>

Policy/ By-law	Summarized Nature of change
Supply Chain Management Policy	<p>Changes were made within the following sections of the policy:</p> <p>CHAPTER 2</p> <p>SUPPLY CHAIN MANAGEMENT SYSTEM</p> <p>9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM</p> <p>(1) This Policy provides systems for –</p> <ul style="list-style-type: none"> (i) Demand management; (ii) Acquisition management; (iii) Logistics management; (iv) Disposal management; (v) Risk management; and (vi) Performance management. <p>11. SYSTEM OF ACQUISITION MANAGEMENT</p> <p>(1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –</p> <ul style="list-style-type: none"> (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. <p>(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.</p> <p>22. PUBLIC INVITATION FOR COMPETITIVE BIDS</p> <p>(1) The procedure for the invitation of competitive bids is as follows –</p> <ul style="list-style-type: none"> (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 <p>The information contained in a public advertisement, must at least include</p> <ul style="list-style-type: none"> (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

(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.

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 and secundus 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.

(4) Secundus referred to in sub-paragraph (2) represents a specific standing member of that specific committee in the event that the standing member is not available. Secundus has the same powers and duties of the standing member.

28. BID EVALUATION COMMITTEES

4. (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

(14) The relevant Director in conjunction 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.

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.

52. CONTRACT MANAGEMENT (section removed)

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

55. 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

Policy/ By-law	Summarized Nature of change
	<p>(c) The remedy sought by the appellant.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>
Development Charges Policy	<p>Changes were made within the following sections of the policy:</p> <p>DEFINITIONS</p> <p>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 - as indicated in the relevant Master Plan shall be used as a guide to identify such bulk services;</p> <p>1.7 'development charge (DC)' means a charge imposed by the Municipality on a developer 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>1.11 '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, Franschoek and Klappmuts</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 early childhood development centres</p> <p>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)</p> <p>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.</p> <p>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.</p> <p>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</p>

– (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 500 000 (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.

6.3 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, including its component charges as contemplated in Paragraph 8;

- 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 requires the developer to install the required link services, as contemplated in Paragraph 10;
- 6.5.4 Whether the Municipality and the developer have agreed that the developer will install any bulk services, as contemplated in Paragraph 10; and
- 6.5.5 Where the developer is to install link services and/or bulk services instead of the payment of some portion or all of a development charge –
 - 6.5.5.1 The nature and extent of the link services and/or bulk services to be installed by the developer;
 - 6.5.5.2 The timing of commencement and completion of the link services and/or bulk services to be installed by the developer;
 - 6.5.5.3 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
 - 6.5.5.4 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 Klamputsthouse

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 of the civil services and community services will be determined, as envisaged in Paragraph 8.7, will be as recorded in the Development Charge Calculation report revision 6, dated 28 April 2018 by iCE Tygerberg Consulting Engineers. The aforementioned report does not provide for the calculation of development charges in respect of all components of municipal infrastructure services. Development charges in respect of any component of municipal infrastructure services not provided for will be determined and calculated in terms of a separate policy, conditions of approval or Council's Resolution/s.
- 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 The Municipality must re-calculate the unit cost for each municipal infrastructure service at least once every five years or within such longer period as is approved in advance by the Council of the Municipality, 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 professionally registered engineer 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.

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”.

10.4 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.

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 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

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

Policy/ By-law	Summarized Nature of change
	<p style="text-align: center;">engineering services for an approved land development, is at least equal to the development charge calculated in accordance with Paragraph 13.4.1.</p> <p>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.</p> <p>14. OTHER PRINCIPLES TO BE APPLIED</p> <p>14.1 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.</p> <p>14.2 Development Charges in rural areas/farms: Development Charges will be determined in terms of paragraph 9.1.3 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.</p> <p>14.3 Where a development's Development Charge's 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.</p> <p>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.</p> <p>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 Other criteria must be met before a Development Charges payment in lieu of parking will be favourably considered:</p>

Policy/ By-law	Summarized Nature of change
	<ul style="list-style-type: none"> • 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. <p>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.</p> <p>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.</p>
Ward Allocation Policy	<p>Changes were made within the following sections of the policy:</p> <p>12. PROJECT SELECTION AND IMPLEMENTATION PROCESS</p> <p>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) Note that the stages are completed in the preceding financial year to ensure implementation of projects within one financial year.</p> <p>Dates were changed on the Ward Allocation Annexure 2. No major changes</p>