STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/1/5

2019-03-25

NOTICE OF AN URGENT MEETING OF THE COUNCIL OF STELLENBOSCH MUNICIPALITY WEDNESDAY, 2020-03-25 AT 10:00

TO

The Speaker, Cllr N Jindela
The Executive Mayor, Ald G Van Deventer (Ms)
The Deputy Executive Mayor, Cllr WC Petersen (Ms) [Chairperson]

COUNCILLORS

F Adams
FJ Badenhorst
FT Bangani-Menziwa (Ms)
Ald PW Biscombe
G Cele (Ms)
PR Crawley (Ms)
A Crombie (Ms)
Z Dalling (Ms)
R Du Toit (Ms)
J Fasser
A Florence
AR Frazenburg
E Fredericks (Ms)
T Gosa
E Groenewald (Ms)
JG Hamilton
AJ Hanekom
DA Hendrickse
JK Hendriks
LK Horsband (Ms)
MC Johnson
DD Joubert
N Mananga-Gugushe (Ms)
C Manuel
NE Mcombring (Ms)
XL Mdemka (Ms)
C Moses (Ms)
RS Nalumango (Ms)
N Olayi
MD Oliphant
SA Peters
MM Pietersen
WF Pietersen
SR Schäfer
Ald JP Serdyn (Ms)
N Sinkinya (Ms)
P Sitshoti (Ms)
Q Smit
LL Stander
E Vermeulen (Ms)

Notice is hereby given in terms of Section 29, read with Section 18(2) of the *Local Government: Municipal Structures Act, 117 of 1998*, as amended, that an **URGENT MEETING** of the **COUNCIL** of **STELLENBOSCH MUNICIPALITY** will be held in the **TOWN HALL, PLEIN STREET, STELLENBOSCH** on **WEDNESDAY, 2020-03-25** at **10:00**.

SPEAKER
N JINDELA

AGENDA

URGENT MEETING OF THE COUNCIL

OF STELLENBOSCH MUNICIPALITY

2020-03-25

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9.1	DELEGATION TO THE EXECUTIVE MAYOR AND EMERGENCY ASSISTANCE TO CITIZENS IN LIGHT OF COVID-19 **(ITEM TO BE DISTRIBUTED UNDER SEPARATE COVER IN DUE COURSE)**	
10.	**MATTERS TO BE CONSIDERED IN-COMMITTEE**	
10.1	(see pink documentation)	

8.	STATUTORY MATTERS

8.1	APPROVAL OF THE DRAFT THIRD REVIEW OF THE FOURTH GENERATION IDP 2017 – 2022

Collaborator No:
IDP KPA Ref No: **Good Governance and Compliance**
Meeting Date: **20 March 2020**

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

2. PURPOSE

To submit the following to Mayco and Council for consideration:

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

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

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

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

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

5. RECOMMENDATIONS

(a) that the Draft Third Review of the Fourth Generation IDP (2017 –2022) of the Stellenbosch Municipality be tabled in terms of section 34 of the MSA for the purposes of obtaining public inputs and comments;

(b) that an advertisement be placed on the official website of the Municipality, municipal notice boards and in the local newspapers notifying the public that the draft Third Review of the Fourth Generation IDP (2017 – 2022) is open for public inputs and comments during April 2020; and

(c) that the draft Third Review of the Fourth Generation IDP (2017 – 2022) be submitted to the Department of Local Government, Provincial Treasury, National Treasury and the Cape Winelands District Municipality.

6. DISCUSSION / CONTENTS

6.1 Background

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

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

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

DATE	ACTION(S)
August 2019	• Approval of IDP/Budget/SDF Process Plan and Time Schedule.
September – November 2019	• Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the Third Review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. • Ward plan update meetings were held in October 2019 with all 22 wards with the respective ward committees and Ward Councillors.
December 2019 – February 2020	• Compilation of Draft IDP document in collaboration with all Directorates. • Administration prepared the Draft IDP in finalising the chapters of the document. • Administration prepared the Draft Budget. • Administration prepared the draft Top Layer SDBIP. • Provincial TIME held to support the Fourth Generation IDP.
March – April 2020	• Mayco and Council to consider the draft IDP and Budget. • SDF/IDP/BUDGET public meetings to be held in all 22 wards. • Sector engagements to be held to determine the needs in Stellenbosch Municipal Area and exploring potential partnerships in addressing these needs. • Closing date for submission on draft IDP, Budget and SDF (April 2020). • Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for consideration.
May – June 2020	• Capital Planning Forum (CPF) – to consider inputs received from SDF/IDP/BUDGET meetings. • Consultation and refinement of SDF, IDP and Budget documents. • Approval of Final SDF, IDP, Budget, Tariffs and Budget related policies • Submit approved IDP to Provincial Government. • Approval of Top Layer SDBIP by the Executive Mayor within 28 days after adoption of the IDP and Budget.

6.2 Financial Implications

The IDP and the Budget have been aligned, taking into account ward priorities and public needs identified through the public participation engagements outlined above.

6.3 Legal Implications

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

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

"(a) must review its Integrated Development Plan-

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

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

6.4 Staff Implications

This report has no additional staff implications to the Municipality.

6.5 Previous / Relevant Council Resolutions:

The adoption by Council of the First and Second Review of the Fourth Generation Integrated Development Plan.

6.6 Risk Implications

This report has no risk implications for the Municipality.

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

RESOLVED

that this matter stand over until a Continuation Meeting of Mayco on 2020-03-25 at 10:00.

ANNEXURE

ANNEXURE 1: The draft Third Review of the Fourth Generation Integrated Development Plan (IDP: 2017 – 2022). **(UNDER SEPARATE COVER)**

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

FOURTH GENERATION

Integrated Development Plan

As prescribed by Section 34 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

IDP 2017-2022

Third Review

March 2020

Integrated Development Plan for 2017-2022

Compiled in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

Fourth Generation IDP 2017 – 2022 adopted by the Municipal Council in May 2017. IDP first Revision adopted in Council on 28 May 2018, second Revision on 29 May 2019 and the First Amendment on 28 August 2019.

The Integrated Development Plan is the Municipality's principal five-year strategic plan that deals with the most critical development needs of the municipal area (external focus) as well as the most critical governance needs of the organisation (internal focus).

The Integrated Development Plan–

- is adopted by the council within one year after a municipal election and remains in force for the council's elected term (a period of five years);
- is drafted and reviewed annually in consultation with the local community as well as interested organs of state and other role players;
- guides and informs all planning and development, and all decisions with regard to planning, management and development;
- forms the framework and basis for the municipality's medium term expenditure framework, annual budgets and performance management system; and
- seeks to promote integration by balancing the economic, ecological and social pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across sectors and spheres of government.

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Overview by the Municipal Manager	The Forward of the Executive Mayor was reviewed to take into account changes in the social, political and economic conditions.
List of Acronyms	Reviewed
Chapter 1: Introduction	Chapter 1 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 2: Governance and Institutional Arrangements	Chapter 2 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 3: State of the Greater Stellenbosch Area	Chapter 3 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 4: Spatial Development Framework	Chapter 4 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 5: Strategic Policy Context	Chapter 5 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 6: Public Expression of Needs (Community Participation)	Chapter 6 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 7: Legacy Projects and Service Delivery Implementation Plans	Chapter 7 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 8: Financial Plan	Chapter 8 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 9: Implementation, Monitoring and Review (5 Years)	Chapter 9 reviewed and updated were necessary taking into account the changing circumstances of the Municipality
Chapter 10: Implementation, Monitoring and Review – one year	Chapter 10 reviewed and updated were necessary taking into account the changing circumstances of the Municipality

Foreword by the Executive Mayor

Cllr Adv Gesie van Deventer
Executive Mayor

This is our third review of our Fourth Generation Integrated Development Plan (IDP). The IDP forms the cornerstone of our planning process. The IDP is the business plan of the Municipality. It allows us, as a Municipality, to continuously plan ahead, work and deliver the services we are responsible for, over the next five years. The IDP creates the framework within which the Municipality will fulfil its mandate and apply its budget. It allows us to do short, medium and long term planning for our entire Municipal area, and link these plans to projects implemented by the district, provincial and national governments.

The load shedding crisis and slowed economic growth has created additional challenges that the Municipality, as a local government, need to take into consideration as we plan for the future. This has however not deterred us from working hard to create opportunities for excellence within our communities to support and improve the lives of our residents. Despite the challenging national economic climate, we are determined to create a local government environment to improve and enhance economic opportunities and improved living conditions for our residents.

Several major infrastructure projects have been completed or are nearing completion and there are also new projects underway. These projects help us to create an infrastructure backbone that is strong enough to support expansion and growth throughout the entire region. Safety and security, sufficient housing and economic opportunities continue to be a challenge that we are working on to address, in full cooperation with our partners at various government levels.

The needs of our community is the guiding principle for everything that we do. We have listened to them and their needs were translated into projects. This resulted in various projects geared towards service delivery improvement and the improvement of the lives of our residents. Some of the highlights include:

- The handing over of more than 1 420 title deeds since taking office in 2016. This is part of a considerable backlog that I, in my capacity as Mayor, undertook to eliminate when I took office;
- Reform and update of the housing list by implementing the housing demand database; a more efficient modern system which allowed us to re-evaluate and verify the entire housing list;
- Implementing the first of its kind Housing Application for smart phones to make registration on the Housing Demand Database much easier and more accessible for residents;
- The new mixed housing project in Ida's Valley is underway with several of the first GAP units already sold and residents have already taken up residence. The subsidised units are under construction and will be completed in 2020;
- Mandela City in Klapmuts have been upgraded with prefabricated structures and the installation of bulk services, Residents have moved in;
- The upgrade of the rental stock in Cloetesville has begun, with a systematic approach being followed. Residents are relocated to temporary accommodation as units are being repaired;

- A new Hydraulic Platform Vehicle has been acquired and taken into service, the first of its kind in the Cape Winelands;
- The installation of smoke alarms in informal settlements continues;
- Various major intersections have been upgraded to improve traffic flow as well as improve safety:
  - R44/Bird Street Crossing – additional turning lanes added;
  - R44/Helshoogte Crossing – Traffic lights upgraded and additional lanes added;
  - Traffic Circle constructed in Ryneveldt Street;
  - Technopark Intersection upgraded; and
  - Construction of Technopark Link Road is starting.
- Rehabilitation of the solid waste disposal site is underway. This is critical because only limited solid waste can now be delivered at the Devon Valley site. Solid waste must now be transported to the Vissershok site. The Stellenbosch Waste Water Treatment works are now in full operation with the final stage being completed in February 2020. This is the largest capital project in the Municipality's history, using new technology to deliver eco-friendly services;
- The Ida's Valley informal market trading site has been completed and construction on the sites in Franschhoek and Kayamandi are underway;
- The first #GetStarted Expo was hosted in October 2019, an event to help potential entrepreneurs network and gain knowledge about how to start their own business;
- The Victoria Street Clinic project is underway, with the assistance of Ranyaka. This building will be changed into an economic hub, creating retail space and providing support services to upcoming entrepreneurs in the region;
- The review of by-laws and policies are ongoing, with various new policies and by-laws approved by Council;
- A new WhatsApp number has successfully implemented to aid service delivery. Residents can send service delivery issues directly to the Directorate: Infrastructure Services for immediate attention; and
- The Mayoral Cup for youth soccer was held in 2019, as part of Youth Day. This will continue as an annual event.

As our communities change, their needs change and our strategies evolve. We remain committed to the continuous updating of our IDP and the accompanying budget, through extensive public participation, to make sure that the community expresses their needs and that we plan and address it accordingly. Hence our focus over the next five years will be guided by the needs expressed by our community and informed by our municipal strategy.

CLLR ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR

Overview by the Municipal Manager

Geraldine Mettler
Municipal Manager

As we come to the third review of the Fourth Generation Integrated Development Plan (IDP) for the Stellenbosch Municipality, we can report that significant progress has been made in our aim to strengthen the integration of service delivery across the greater municipal area. Stellenbosch Municipality remains committed to ensuring that the strategic intent is responsive to what our communities need. The WCO24 a unique area with superb characteristics which draws people from all walks of life. This rich character is exactly what we need to constructively respond to.

As part of the work achieved during the term of the current IDP, the municipality managed to adopt the Integrated Zoning Scheme (IZS), the Stellenbosch Environmental Management Framework (SEMF), a new Spatial Development Framework (SDF) for the greater Stellenbosch. The new SDF which Council adopted in 2019 provides us with a single spatial strategy guiding spatial development from which to build. Collectively all these frameworks are crucial foundational elements for a responsive strategic developmental agenda.

Stellenbosch Municipality has had the special privilege of being recognised through the Integrated Urban Development Grant to ensure that urban regeneration and integrated urban development happens.

This provides us collectively with great opportunity to grow and develop our urban centres to realise a spatial future of which we can all be proud of. The recognition of Stellenbosch Municipality as an intermediary city municipality (ICM) for the first time provides an important acknowledgement of the growing urban pressures the municipality is facing. These pressures demand smart solutions which can only be achieved by taking hands and working together.

Stellenbosch Municipal in collaboration with the Stellenbosch University and stakeholders are in the process of planning for the first smart city in the Cape Winelands. The objective is to promote social and technological innovation, entrepreneurship and optimisation of existing infrastructure. It is about people and should be more resilient and better able to respond to environmental challenges and needs of society.

The Adam Tas Corridor is the start of Stellenbosch's emerging urban transformation district and the vision is to create an integrated urban-development corridor that is liveable, safe, resource-efficient, socially integrated, economically inclusive and globally competitive, in which all citizens can actively participate.

We have already initiated a number of initiatives towards achieving the Municipality's strategic focus areas across various parts of the Municipal area. We unveiled the new state of the art Wastewater Treatment Works, which is the biggest bulk infrastructure project in the history of Stellenbosch which will serve communities for generations to come. This upgrade has greatly improved our wastewater treatment capacity and is one of the single biggest responses to growing population demands. The Municipality has already begun with upgrades at several other wastewater treatment facilities across our municipal area, to ensure that all our facilities are able to meet the growing demands of our communities across the broader Stellenbosch.

We have followed through on our commitment to do the maintenance of streetlights in Eskom service areas. This means that the municipality will from now on be able to fix and service lights within Eskom supplied areas. We are doing our best to improve the faces of our towns through various upgrades in Stellenbosch Town, Klapmuts and Franschhoek. We are also exploring alternative means of attending to beautification initiatives suitable to our current ecological challenges.

Housing opportunities remains central to our developmental agenda, especially the need to accommodate backyarders. Simultaneously, it is also apparent that the need amongst our more vulnerable members is on the increase. To this end, the municipality is embarking on social housing initiatives to cater for backyarders in

particular. Further to this, Stellenbosch Municipality was identified by Provincial Department of Human Settlements (PDoHS) as one of seven leader municipalities which form part of the Social Housing Programme.

A number of challenges remains with us and old challenges has resurfaced. We continue to battle with unlawful land occupation, with the biggest concerns around the massive occupation that occurred on the Watergang farm in 2019. The municipality is actively managing the situation to ensure that further land occupation do not occur, whilst tirelessly implementing the housing strategy to respond to the housing shortage throughout the municipal area.

Load shedding has been re-instituted at a national level as Eskom struggles to sustain the generation capacity needed. As a municipality we are proactively looking at solutions to the energy crisis. We have submitted an application for a waste-to-energy plant, which is currently pending. The municipality is also working on an energy generation application. In the interim we have generators in place to ensure that essential services continue, during periods of load shedding, while we work on finding more long terms solutions to the impacts of the energy crisis.

Similarly, we are working closely with all stakeholders, Western Cape Government and the Stellenbosch University on a collective response to the Coronavirus (COVID-19).

Numerous public engagements were held across all wards in the Municipality and invaluable inputs were received through these interactions. This forms the backbone of the entire IDP process and through this we were able to ensure that our IDP objectives and targets remain relevant and attainable.

The IDP review provides us with a golden opportunity to revisit the progress made over the past year, revise our priorities going forward and recommit to our strategic objectives. It acts as a tool for us to ensure that we are on track to deliver better services and improve the quality of life for all citizens. Our aim must always be to create a just and equitable society for our communities and the IDP review plays a key role in ensuring that we reach this objective.

Together with the residents and stakeholders of the Stellenbosch Municipality, we can make our towns places of excellence and opportunity for all. Let us work together on this plan to leave a lasting legacy for future generations.

GERALDINE METTLER
MUNICIPAL MANAGER

List of Acronyms

Abbreviation	Description	Abbreviation	Description
AQMP	Air Quality Management Plan	**LUMS**	Land Use Management System
CBD	Central Business District	**LUPA**	Land Use Planning Act
CBO	Community Based Organisation	**MAYCO**	Mayoral Committee
CITP	Comprehensive Integrated Transport Plan	**MDG**	Millennium Development Goal
CoCT	City of Cape Town	**MDGs**	Millennium Development Goals
CRR	Capital Replacement Reserve	**MEC**	Member of the Executive Council
CSP	Community, Social and Personal Services	**MFMA**	Municipal Financial Management Act (Act no. 56 of 2003)
CWDM	Cape Winelands District Municipality	**MOU**	Memorandum of Understanding
DBSA	Development Bank of South Africa	**MSA**	Municipal Systems Act (Act no. 32 of 2000)
DCoG	Department of Cooperative Governance	**MTREF**	Medium-Term Revenue and Expenditure Framework
DEADP	Department of Environmental Affairs and Development Planning	**MTSF**	Medium-Term Strategic Framework
DGDS	District Growth and Development Strategy	**NDP**	National Development Plan
DLG	Department Local Government	**NGO**	Non-Governmental Organisation
DMA	Disaster Management Act (Act no. 57 of 2002)	**NGP**	New Growth Path
DoRA	Division of Revenue Act	**NHDP**	Neighbourhood Development Plan
DTPW	Department of Transport and Public Works	**NMT**	Non-motorised Transport
du/ha	Dwelling units per hectare	**NPO**	Non-Profit Organisation
DWAF	Department of Water Affairs and Forestry (now Department of Water and Sanitation)	**NSDP**	National Spatial Development Perspective
ECD	Early Childhood Development	**PEA**	Potentially Economically Active
EDA	Economic Development Agency	**PGWC**	Provincial Government of the Western Cape
EPWP	Expanded Public Works Programme	**PMS**	Performance Management System
FLISP	Finance Linked Individual Subsidy Programme	**PMS**	Performance Management System
FPSU	Farmer Production Support Unit	**PSDF**	Provincial Spatial Development Framework
GCM	Greater Cape Metro	**PSTP**	Provincial Sustainable Transport Programme
GDP	Gross Domestic Product	**RAP**	Rural Area Plan
GDP-R	Gross Domestic Product in Rand	**RSIF**	Regional Spatial Implementation Framework
GGP	Gross Geographic Product	**SALGA**	South African Local Government Association
GIS	Geographic Information System	**SAMWU**	South African Municipal Workers Union
GRAP	Generally-Recognised Accounting Practices	**SANBI**	South African National Biodiversity Institute
GVA-R	Gross Value-Added in Rand	**SAPS**	South African Police Service
HDI	Human Development Index	**SDBIP**	Service Delivery and Budget Implementation Plan
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome	**SDF**	Spatial Development Framework
HR	Human Resources	**SITT**	Stellenbosch Infrastructure Task Team
IDP	Integrated Development Plan	**SLA**	Service Level Agreement
IHS	Integrated Human Settlements	**SM**	Stellenbosch Municipality

Abbreviation	Description	Abbreviation	Description
IHSP	Integrated Human Settlement Plan	**SMME**	Small Medium and Micro Enterprises
IIC	Infrastructure Innovation Committee	**SOE**	State Owned Enterprises
I-MAP	Implementation Plan	**SOP**	Standard Operating Procedure
IMATU	Independent Municipal Allied Trade Union	**SPLUMA**	Spatial Planning and Land Use Management Act
IMESA	Institute for Municipal Engineers South Africa ITP Integrated transport Plan	**SU**	Stellenbosch University
IPC	Integrated Planning Committee	**UDS**	Urban Development Strategy
IRDP	Integrated Residential Development Programme	**UISP**	Upgrading of Informal Settlements Programme
ISC	Integrated Steering Committee	**US**	University of Stellenbosch
IWMA	Integrated Waste Management Act	**WCDSP**	Western Cape Draft Strategic Plan
JPI	Joint Planning Initiative	**WCG**	Western Cape Government
KPA	Key Performance Area	**WDM**	Water Demand Management
KPI	Key Performance Indicator	**WESGRO**	Western Cape Tourism, Trade and Investment Promotion Agency
LED	Local Economic Development	**WSA**	Water Service Authority
LGMTEC	Local Government MTEC	**WSDP**	Water Services Development Plan
LHA	Lanquedoc Housing Association	**WtE**	Waste to Energy
LM	Local Municipality	**WWTW**	Waste Water Treatment Works

CHAPTER 1

Introduction

1.1 Integrated Development Planning

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) mandates South African municipalities to formulate a five-year Integrated Development Plan (IDP) plan to inform the municipal budget and guide all development within the municipal area. The IDP is considered the Municipality's principal strategic plan that deals with the most critical development needs of the municipal area as well as the most critical governance needs of the organisation.

As the principal planning instrument that guides and informs the municipal budget, the planning process has to provide a forum for identifying, unpacking and resolving the real issues that face the residents of Stellenbosch Municipality. Clearly identifying these issues in consultation with communities, makes it possible for the Municipality to propose realistic and workable solutions that can be budgeted for, implemented and monitored in a controlled environment. These issues may be over-arching issues that affect the whole municipality or may only affect specific communities. It is therefore crucially important that the IDP be developed after the completion of a public participation process in which community stakeholders were thoroughly consulted. The plan is also developed in partnership with the provincial and national government.

At the heart of the IDP lies the improvement in the provision of basic municipal services and expanding livelihood opportunities for the people of the Stellenbosch Municipality. The IDP also focusses on expanding and transforming Municipal capacity, enterprise development and crucially, exploring new ways of working and living together. This is especially relevant in an ever changing environment.

1.2 Review of the Integrated Development Plan

Section 34 of the MSA prescribes that a municipality –

a) must review its integrated development plan-
   (i) annually in accordance with an assessment of its performance measurements in terms of section 41; and
   (ii) to the extent that changing circumstances so demand;

b) may amend its IDP in accordance with a prescribed process.

The review process serves as an institutional learning process where stakeholders can meet to discuss the successes and frustrations of the previous year. It is not designed to interfere with the long-term strategic objectives of the municipality. The review process is a strategic process to ensure the institution remains in touch with their intentions, informed of the varying needs of residents and up to date with the changing environment within which it functions.

The Stellenbosch Municipality, in collaboration with all relevant stakeholders and following the completion of the IDP focused engagements during the past financial year, must now review its IDP.

This is the third IDP revision to occur since the adoption of the Fourth Generation IDP.

Importantly, this review does not seek to replace or rewrite the IDP that was adopted by Council on

31 May of 2017. The purpose of this review, as instructed by the MSA, is to examine the progresses made and assess the municipality's strategic objectives and targets as set out in the IDP.

The priorities and actions identified in this review of the IDP will seek to better inform the municipality's budget and streamline service delivery initiatives. This will ensure that the Stellenbosch Municipality remains on course to attain its strategic objectives.

The IDP review outlines:

- Introduction;
- Governance and Institutional Arrangements;
- State of the Greater Stellenbosch;
- The Strategic Policy Context;
- Public Expression of Needs (Community Participation);
- Legacy Projects and Service Delivery and Implementation Plans;
- Financial Plan;
- Implementation, Monitoring and Review (5 Years); and
- Implementation, Monitoring and Review (one year).

1.3 Legal Status of the IDP and IDP review

In terms of Section 35(1) of the MSA an IDP is adopted by the council of a municipality-

(a) is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;
(b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails; and
(c) binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed as a by-law.

In terms of the core components of IDPs, Chapter 5 and Section 26 of the MSA indicate that:

An integrated development plan must reflect-

(a) The municipal council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
(b) An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
(c) The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
(d) The council's development strategies which must be aligned with any national and provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
(e) A spatial development framework which must include the provision of basic guidelines for a land-use management system for the municipality;
(f) The council's operational strategies;
(g) Applicable disaster management plans;
(h) A financial plan, which must include a budget projection for at least the next three years; and
(i) The key performance indicators and performance targets determined in terms of section 41.

The IDP is informed by a leadership agenda – as contained in national and provincial policy documents – as well as the needs of local citizens and public, private and community organisations. It directs and is informed by different aspects of the municipality's work, including how the municipality

is structured politically and administratively, the municipal budget, the sector plans and service delivery and budget implementation plans of different municipal services, and how the municipality manages its performance.

1.4 Relationship between the IDP, Budget, Performance Management and Risk Management

The IDP Process, together with the performance management process, should be seamlessly integrated, where the IDP ensures that the planning stage for performance management occurs and performance management fulfils the implementation, monitoring and evaluation of the IDP process. This is prescribed according to the Performance Management Guide for Municipalities, DPLG, 2001.

The role of the Budget is to attach money to the objectives that are contained in the IDP and the Budget gets monitored through the Service Delivery Budget Implementation Plan (SDBIP). The IDP therefore provides the strategic direction for the Municipality, whereas the Budget should ensure the implementation of the IDP.

Risk Management is one of Management's core responsibilities according to section 62 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Stellenbosch Municipality. When properly executed, risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

1.5 The IDP and Ward Plans

The twenty-two (22) ward plans, include:

- The profile of the ward, as well as the strengths, weaknesses, opportunities and threats facing the community;
- A consensus on priorities for the relevant ward(s);
- An implementation plan; and
- The capital budget available for the relevant wards, including the small capital budget.

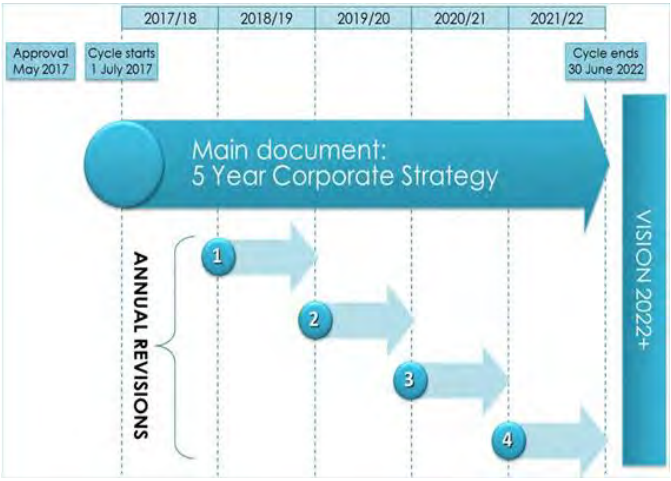
Ward plans help to ensure that the IDP is more targeted and relevant to addressing the priorities of all groups, including the most vulnerable. These plans provide ward committees with a systematic planning and implementation tool to perform their roles and responsibilities. They form the basis for dialogue between the municipality and ward committees regarding the identification of priorities and budget requests and will also be used by ward committees for ongoing monitoring and evaluation throughout the year. The information is however on a detail level and not duplicated in the IDP, but a detailed Ward Plan is available on request.

1.6 The IDP Planning Process (five-year cycle)

According to the MSA, every new council that comes into office after the local government elections has to prepare its own IDP that will guide them for the five years that they are in office. The IDP is therefore linked to the five-year term of office of Councillors. This does, however, not restrict all proposals in the IDP to five years. The strategic goals that are part of the Municipality's strategy all have a longer than five-year horizon, similar to the Spatial Development Framework (SDF) of the Municipality.

A clear distinction must also be made between the main IDP which is compiled every five years (or if a new council comes into power within the five-year period and does not accept the previous council's IDP) and the annual review of the IDP. The annual review is not a replacement of the five year IDP and its purpose is not to interfere with the long-term strategic orientation of the Municipality. The annual review reflects and reports on progress made with respect to the five-year strategy (and strategic goals) and proposes adjustments to the strategy if necessary because of changing internal and external circumstances that impact on the appropriateness of the IDP.

Figure 1: 5 Year Corporate Strategy



(The figure on the right reflects the five-year process of the IDP.)

1.7 Roles and Responsibilities

1.7.1 Executive Mayor

In terms of the MSA and the MFMA, the Executive Mayor must:

- Manage the drafting of the IDP;
- Assign responsibilities in this regard to the Municipal Manager;
- Submit the draft plan to the municipal council for adoption; and
- co-ordinate the annual revision of the IDP and determine how the IDP is to be taken into account or revised for the purposes of the Budget.

1.7.2 The Municipal Council

The Council is the ultimate decision-making authority. Decisions to approve or amend the Municipality's IDP may not be delegated and have to be taken by the full Council.

1.7.3 Proportional Councillors, Ward Councillors and Ward Committee Members (Ward Committees)

- Assist with public participation process;
- Assist the ward councillor (who is the chairperson) in identifying challenges and needs of residents;
- Provide a mechanism for discussion and negotiation between different stakeholders in the ward;
- Interact with other forums and organisations on matters affecting the ward;
- Draw up a ward plan that offers suggestions on how to improve service delivery in the particular ward;
- Disseminate information in the ward; and
- Monitor the implementation process concerning its area.

1.7.4 Municipal Manager and Management Team

- Provide technical/sector expertise and information;
- Provide inputs related to the various planning steps;
- Summarise/digest/process inputs from the participation process;

- Discuss/comment on inputs from specialists; and
- Address inputs from and give feedback to the community.

1.8 First Year Process Followed

The table below, reflects the preparation for the 2018/19 financial year to complete the first review of the Fourth Generation IDP 2017 - 2022.

Table 1: Preparation for the First Review of the Fourth Generation IDP

Date	Action(s)
July /August 2017	• Approval of IDP/Budget/SDF Process Plan and Time Schedule. • Provincial Government hosted a District Alignment Workshop on the Joint Planning Initiative (JPI's).
September – November 2017	• Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the 2018/19 financial year for the first review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. • Provincial IDP Manager's Forum hosted by Department Local Government. • Sector engagement was held to determine the basic needs and collectively devise plans to address the needs.
December 2017 – February 2018	• Compilation of Draft IDP document in collaboration with all Directorates. • Administration prepared the Draft IDP in finalising the chapters of the document. • Administration prepared the Draft Budget. • Administration prepared the draft high-level SDBIP. • Ward plan update meetings were held in all 22 wards with the respective ward committees and Ward Councillors. • Provincial LGMTEC held to agree on Joint Planning Initiatives to support the Fourth Generation IDP. • Various thematic sector engagements held to determine the needs in WC024 and exploring potential partnerships in addressing the needs.
March – April 2018	• MayCo and Council considered the draft IDP and Budget. • IDP/Budget/SDF public meetings held in 22 wards within WCO24 (Cluster meetings) • Closing date for submission on draft IDP, Budget and SDF (30 April 2017) • Inputs received from the IDP/Budget/SDF meetings - collated and distributed to the Directorates for inputs.
May – June 2018	• Budget Steering Committee – to consider inputs received from IDP/Budget/SDF meetings. • Consultation and refinement of IDP and Budget documents. • Approval of Final IDP, Budget, SDF; Tariffs and Budget related policies. • Submit approved IDP to Provincial Government. • Approval of SDBIP by the Executive Mayor within 28 days after adoption of the IDP and Budget.

1.9 Second Year Process Followed

The table below reflects preparation for the 2019/20 financial year to complete the second review of the Fourth Generation IDP 2017 - 2022.

Table 2: Preparation for the Second Review of the Fourth Generation IDP

Date	Action(s)
July /August 2018	• Approval of IDP/Budget/SDF Process Plan and Time Schedule.
September – November 2018	• Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the 2019/20 financial year for the second review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. • Ward plan update meetings were held in all 22 wards with the respective ward committees and Ward Councillors. • Provincial IDP Manager's Forum hosted by Department Local Government.
December 2018 – February 2019	• Compilation of Draft IDP document in collaboration with all Directorates. • Administration prepared the Draft IDP in finalising the chapters of the document. • Administration prepared the Draft Spatial Development Framework (SDF). • Administration prepared the Draft Budget. • Administration prepared the draft high-level SDBIP. • Provincial LGMTEC held to agree on Joint Planning Initiatives to support the Fourth Generation IDP. • Various thematic sector engagements held to determine the needs in WC024 and exploring potential partnerships in addressing the needs. • Capital Planning Forum sessions held to determine capital needs for capturing the IDP and Medium Term Revenue and Expenditure Framework (MTREF) Budget.
March – April 2019	• MayCo and Council considered the draft IDP and Budget. • SDF/IDP/BUDGET public meetings held in 22 wards within WCO24. • Various thematic sector engagements will be held to determine the needs in WCO24 and exploring potential partnerships in addressing the needs. • Closing date for submission on draft IDP, Budget and SDF (30 April 2019). • Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for inputs.
May – June 2019	• MayCo and Council considered the draft IDP and Budget. • SDF/IDP/BUDGET public meetings held in 22 wards within WCO24. • Various thematic sector engagements will be held to determine the needs in WCO24 and explore potential partnerships in addressing the needs. • Closing date for submission on draft IDP, Budget and SDF (30 April 2019). • Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for inputs.

1.10 Third Year Process Followed

The table below reflects preparation for the 2020/21 financial year to complete the third review of the Fourth Generation IDP 2017 - 2022.

Table 3: Preparation for the Third Review of the Fourth Generation IDP

Date	Action(s)
August 2019	• Approval of IDP/Budget/SDF Process Plan and Time Schedule.
September – November 2019	• Community engagement meetings were held in all 22 wards, explaining the processes to be followed for the next five years and the time schedule for the 2020/21 financial year for the third review of the Fourth Generation IDP. Feedback was provided on the implementation of priorities listed by the wards. The priorities in the basic needs assessment were presented and the communities were given time for additional inputs. • Ward plan update meetings were held in all 22 wards with the respective ward committees and Ward Councillors. • Provincial IDP Manager's Forum hosted by Department Local Government.
December 2019 – February 2020	• Compilation of Draft IDP document in collaboration with all Directorates. • Administration prepared the Draft IDP in finalising the chapters of the document. • Administration prepared the Draft Budget. • Administration prepared the draft Top Layer SDBIP. • Provincial LGMTEC held. • Capital Planning Forum sessions held to determine capital needs for capturing the IDP and Medium Term Revenue and Expenditure Framework (MTREF) Budget. • Provincial IDP Manager's Forum hosted by Department Local Government.
March – April 2020	• MayCo and Council considered the draft IDP and Budget. • SDF/IDP/BUDGET public meetings held in 22 wards within WCO24. • Various thematic sector engagements will be held to determine the needs in WCO24 and exploring potential partnerships in addressing the needs. • Closing date for submission on draft IDP and Budget (30 April 2020). • Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for inputs.
May – June 2020	• MayCo and Council considered the draft IDP and Budget. • SDF/IDP/BUDGET public meetings held in 22 wards within WCO24. • Sector engagement will be held to determine the needs in WCO24 and explore potential partnerships in addressing the needs. • Closing date for submission on draft IDP, Budget and SDF (30 April 2020). • Inputs received from the SDF/IDP/BUDGET meetings - collated and distributed to the Directorates for inputs.

CHAPTER 2

Governance and Institutional Arrangements

2.1 Roles and Responsibilities

Section 53 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the municipality and of the Municipal Manager must be defined.

2.2 Municipal Council

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

Stellenbosch Municipality is represented by 43 councillors (of which one is currently vacant), of whom 22 were elected directly as ward councillors. The rest of the councillors were elected on the basis of the proportion of votes cast for the different political parties. The political composition of the Council is as follows:

Table 4: Council Political Representation

Political Party	Number of Councillors
DA (Democratic Alliance)	**30**
ANC (African National Congress)	**8**
EFF (Economic Freedom Fighters)	**2**
PDM (People's Democratic Movement)	**1**
ACDP (African Christian Democratic Party)	**1**
DNCA (Democratic New Civic Association)	**1**
Total	**43**

Below is a table that categorises the Councillors within their respective political parties and wards.

Table 5: Ward Councillors and Proportional Representative Councillors

No.	Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
1.	F Adams	Part-time	DNCA	PR
2.	R Badenhorst	Part-time	DA	Ward Councillor: Ward 21
3.	FT Bangani-Menziwa (Ms)	Part-time	ANC	Ward Councillor: Ward 13
4.	PW Biscombe	Chief Whip	DA	Ward Councillor: Ward 17
5.	PR Crawley (Ms)	MayCo Member	DA	PR
6.	A Crombie (Ms)	Part-time	DA	Ward Councillor: Ward 20
7.	J Fasser	Part-time	DA	PR
8.	Z Dalling (Ms)	Part-time	DA	Ward Councillor: Ward 9
9.	R Du Toit (Ms)	Part-time	DA	Ward Councillor: Ward 10
10.	G Cele	Part-time	ACDP	PR

No.	Name of Councillor	Capacity	Political Party	Ward Councillor and Proportional (PR)
11.	A Florence	Part-time	DA	PR
12.	AR Frazenburg	MayCo Member	DA	Ward Councillor: Ward 1
13.	E Fredericks (Ms)	Part-time	DA	Ward Councillor: Ward 18
14.	T Gosa	Part-time	DA	PR
15.	E Groenewald (Ms)	MayCo member	DA	Ward Councillor: Ward 22
16.	J Hamilton	Part-time	DA	PR
17.	A Hanekom	Part-time	DA	Ward Councillor: Ward 7
18.	DA Hendrickse	Part-time	EFF	PR
19.	JK Hendriks	Part-time	DA	Ward Councillor: Ward 19
20.	LK Horsband (Ms)	Part-time	EFF	PR
21.	N Jindela	Speaker	DA	PR
22.	M Johnson	Part-time	DA	Ward Councillor: Ward 4
23.	DD Joubert	Part-time	DA	Ward Councillor: Ward 5
24.	N Mananga-Gugushe (Ms)	Part-time	ANC	Ward Councillor: Ward 12
25.	C Manuel	Part-time	DA	Ward Councillor: Ward 3
26.	N Mcombring (Ms)	Part-time	DA	Ward Councillor: Ward 6
27.	XL Mdemka (Ms)	MayCo Member	DA	PR
28.	C Moses (Ms)	Part-time	ANC	PR
29.	RS Nalumango (Ms)	Part-time	ANC	PR
30.	N Olayi	Part-time	DA	PR
31.	MD Oliphant	Part-time	ANC	PR
32.	S Peters	MayCo Member	DA	PR
33.	WC Petersen (Ms)	Deputy Executive Mayor	DA	Ward Councillor: Ward 2
34.	MM Pietersen	MayCo Member	DA	PR
35.	WF Pietersen	MPAC Chairperson	PDM	PR
36.	S Schäfer	Part-time	DA	PR
37.	JP Serdyn (Ms)	Part-time	DA	Ward Councillor: Ward 11
38.	N Sinkinya (Ms)	Part-time	ANC	Ward Councillor: Ward 15
39.	P Sitshoti (Ms)	Part-time	ANC	Ward Councillor: Ward 14
40.	Q Smit	MayCo member	DA	Ward Councillor: Ward 8
41.	L Stander	Part-time	ANC	PR
42.	G Van Deventer (Adv)	Executive Mayor	DA	PR
43.	E Vermeulen (Ms)	Part-time	DA	Ward Councillor: Ward 16

2.3 Executive Mayor and Mayoral Committee (MayCo)

The Executive Mayor of the Municipality, Adv. Gesie van Deventer, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in the executive mayor to manage the day-to-day affairs. This encompasses an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, in addition to the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in consultation with the Mayoral Committee.

Table 6: Executive Mayor and Mayoral Committee (MayCo)

Name of member	Portfolio
Alderman G van Deventer	Executive Mayor
Cllr WC Petersen	Deputy Executive Mayor, including Human Settlements
Cllr P Crawley	MayCo member: Financial Services
Cllr Q Smit	MayCo member: Infrastructure Services
Cllr R Badenhorst	MayCo member: Community and Protection Services
Cllr A Frazenburg	MayCo member: Corporate Services
Cllr M Pietersen	MayCo member: Youth, Sport and Culture
Cllr S Peters	MayCo member: Rural Management and Tourism
Cllr E Groenewald	MayCo member: Planning and Economic Development
Cllr X Mdemka	MayCo member: Parks, Open Spaces and Environment

Figure 2: Executive Mayoral Committee

EXECUTIVE MAYOR
CLLR ADV GESIE VAN DEVENTER

DEPUTY EXECUTIVE MAYOR
CLLR WILHELMINA PETERSEN

Portfolio: Corporate Services
Cllr Aldridge Frazenburg

Rural Management and Tourism
Cllr Salie Peters

Portfolio: Protection Services
Cllr Rikus Badenhorst

Portfolio: Financial Services
Cllr Patricia Crawley

Portfolio: Infrastructure Services
Cllr Quintin Smit

Portfolio: Parks, Open Spaces and Environment
Cllr Xoliswa Mdemka

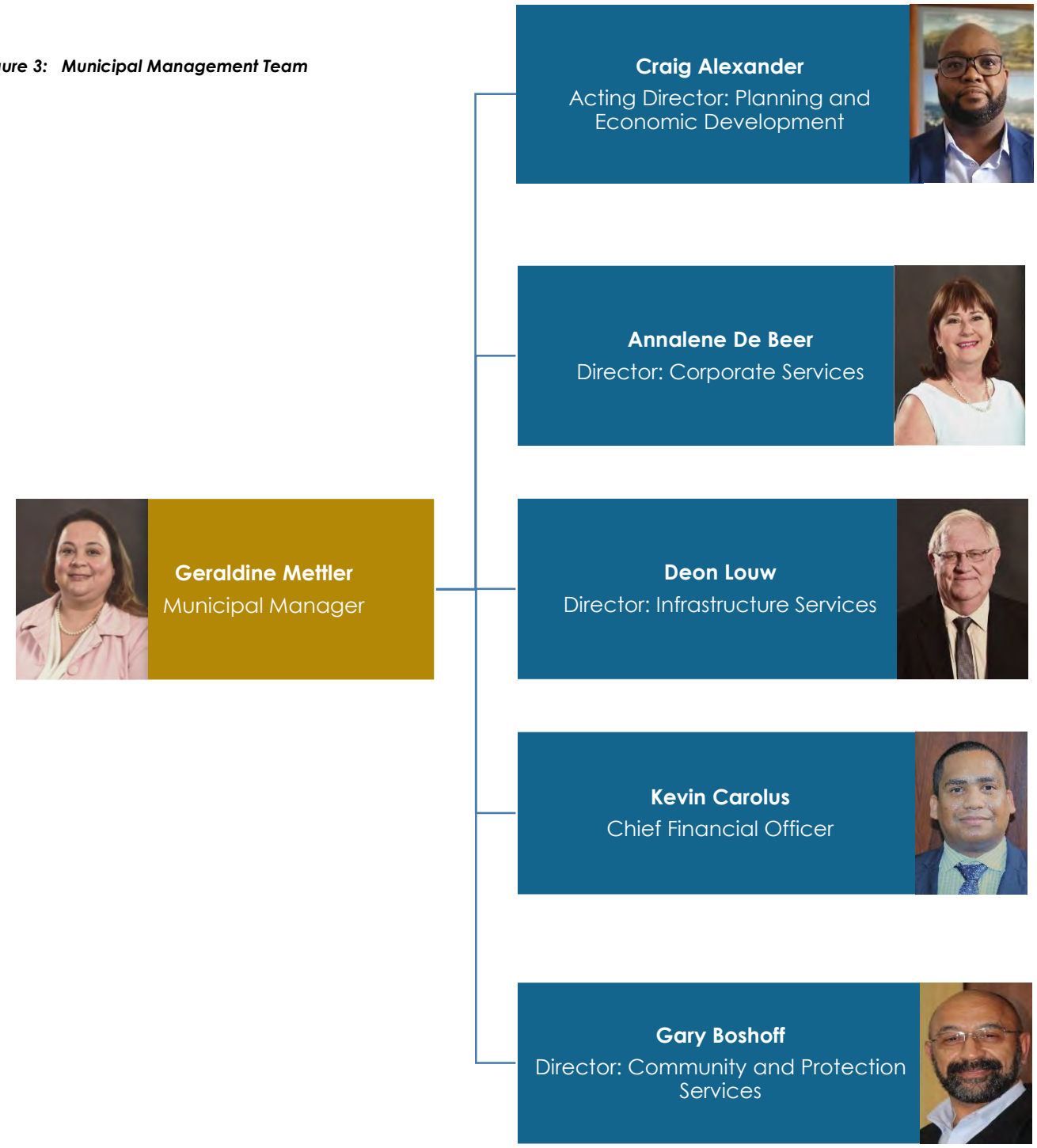
Portfolio: Planning and Economic Development
Cllr Esther Groenewald

Portfolio: Youth, Sport and Culture
Cllr Manie Pietersen

2.4 The Administration

The Municipal Manager is the Chief Accounting Officer of the Municipality. The Municipal Manager is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. The Municipal Manager is assisted by the Management Team that reports directly to the Municipal Manager.

Figure 3: Municipal Management Team



The structure of the Management Team is outlined in the table below:

Table 7: The Administration[1]

Directorate/ Business Centre	Responsibilities	Name	Designation
Office of the Municipal Manager	Strategic Management, Internal Audit, Risk Management, Intergovernmental Relations	**Geraldine Mettler**	Municipal Manager
Financial Services	Revenue management, expenditure management; budget preparation and management, management of financial statements, supply chain management; asset management	**Kevin Carolus**	Chief Financial Officer
Corporate Services	Corporate Strategy And Policy Formulation and Management Knowledge Management, Human Resources and Information Technology, Integrated Development Planning, Performance Management, Communications, Inter-Governmental Relations, International Relations, Property management	**Annalene de Beer**	Director: Corporate Services
Infrastructure Services	Transport, roads and storm water; water services, electrical services, mechanical workshops, area cleaning, solid waste management, development and project management, drawing office	**Deon Louw**	Director: Infrastructure Services
Planning and Economic Development	Management and planning of heritage and environmental resources; spatial planning and land use management, stakeholder management, neighbourhood revitalisation, community development, local economic development and tourism, Housing, informal settlement upgrade and management, housing management	**Craig Alexander**	Acting Director: Planning and Economic Development
Community and Protection Services	Disaster management, social conflict management, fire services, traffic services, law enforcement, security services, land invasion, VIP Protection, By-law enforcement, safety/disaster control room, fleet management, libraries, cemeteries, sport and parks and recreation.	**Gary Boshoff**	Director: Community and Protection Services

[1] A revised organisational structure has been approved in Council on 27 February 2019.

The revised Micro-Organisational Structure was approved on 27 February 2019. The Municipality is currently in the final stages of the Placement Process which include:

- Office of the Municipal Manager;
- Financial Services;
- Corporate Services;
- Infrastructure Services;
- Planning and Economic Development; and
- Community and Protection Services.

The Human Settlements and Property Management Directorate has been split, with Human Settlements being absorbed into Planning and Economic Development and Property Management into Corporate Services.

2.5 Corporate Governance

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

2.6 Risk Management

Section 62 of the MFMA, states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and **risk management** and internal control, as well as the effective, efficient and economical use of the resources of the municipality.

The top 5 strategic risk identified include:

1. Scarcity of landfill space;
2. Availability and cost of electricity;
3. Financial Sustainability;
4. Economic downturn due to perceived civil unrest and crime; and
5. Increase community unrest due to the fact that growth in demand for housing exceeds the resources available for development.

The Municipal risks have been aligned to the Integrated Development Plan through linkages to the Strategic Focus Areas. The following table depicts these linkages:

Table 8: Risk and IDP Alignment

Revised Strategic Risks						
Risk Item	**Risk Description**	**Risk Background**	**Strategic Focus Areas**	**Impact Rating**	**Likelihood Ratings**	**Directorate**
SR 1	Scarcity of landfill space.	Unavailability of suitable land Costs of SLA's and alternative waste disposal Legislative requirements i.e. EIA applications and approvals etc.	Green and Sustainable Valley	**5**	**5**	Infrastructure Services
SR 2	Availability and Cost of Electricity	Continuous and persistent load shedding; sustainability of the national power supplier	Green and Sustainable Valley, Dignified Living	**5**	**5**	Infrastructure Services
SR 3	Financial Sustainability	Debt management; cash flow; changing patterns in revenue (more of the grid connections to water and electricity) Increase in criminal activities	Good governance and Compliance, Green and Sustainable Valley	**5**	**4**	Financial Services
SR 4	Economic downturn due to perceived civil unrest and crime.	Civil unrest Reputational risk due to perceived increase in the said activities	Safe Valley, dignified Living	**5**	**4**	Community and Protection Services
SR 5	Increase community unrest due to the fact that growth in demand for housing exceeds the resources available for development.	Illegal invasions and land grabs Lack of bulk infrastructure Housing backlogs migration	Safe Valley; Dignified Living	**4**	**5**	Planning and Economic Development
SR 6	Loss of credibility and reputation due to perceived fraud and corruption	Abuse of legislation. Reputational risk and credibility Incorrect media statements and role of social media in incorrect negative reports etc.	Good Governance and Compliance	**4**	**4**	All Directorates
SR 7	Material Misstatements in the AFS that constitutes non-compliance with Section 122 of the MFMA.	System errors Transactions and events not recognised as they occur and accordingly nor recorded in the financial period it occurred	Good Governance and Compliance	**5**	**3**	Financial Services
SR 8	Cyber-attacks.	Cyber-attacks and cyber safety/security has become essential in municipalities. Investigate security gaps.	Good Governance and Compliance	**3**	**5**	Corporate Services
SR 9	Urbanisation and growth	Comprehensive understanding of the developmental needs in the greater Stellenbosch area housing pipeline; Rapid and continued urbanisation Changes in the needs of the community; master plans; housing	Valley of Possibility	**3**	**2**	Infrastructure Services

Revised Strategic Risks						
Risk Item	**Risk Description**	**Risk Background**	**Strategic Focus Areas**	**Impact Rating**	**Likelihood Ratings**	**Directorate**
		pipeline IDP and SDF alignment				
SR 10	Corona	Outbreak of Corona virus	Safe Valley, Dignified Living	**5**	**2**	All Directorates
Revised Operational Risks						
OR 1	Insufficient burial space in the greater Stellenbosch	Planning and Funding. Land availability.	Dignified Living	**3**	**5**	Community and Protection Services
OR 2	Business Continuity	Disasters, Electricity outages, hacking of systems.	Good Governance and Compliance	**5**	**3**	Corporate Services
OR 3	Climate Change	Changing weather patterns Unpredictable rainfall/flash floods Natural disasters – fires (seasonal and other)	Green and Sustainable Valley; Safe Valley	**4**	**3**	Office of the Municipal Manager
OR 4	Timeous Capital Spending	Steady increase in budget allocation Growing population and demand for services Demand Management	Good Governance and Compliance	**5**	**2**	Financial Services
OR 5	Water Scarcity	Limited sustainable water sources Growing population with increase in demand Pollution of sources	Dignified Living; Valley of possibility; Green and Sustainable Valley	**5**	**2**	Infrastructure Services
OR 6	High Vacancy Rate	A skilled and capable workforce is necessary to support growth objectives, quality and timeous service delivery needs to be provided by all departments.	Good Governance and Compliance	**4**	**2**	Corporate Services
OR 7	Lack of integrated Information and Communication Technology	Disparate systems	Good Governance and Compliance	**3**	**2**	All Directorates
OR 8	Losing the historic status of Stellenbosch w.r.t environment (trees, biodiversity, buildings, rivers, etc.)	Keeping the balance - development and the historic status Occurrence of natural disasters	Dignified Living; Valley of Possibility; Green and Sustainable Valley	**3**	**2**	All Directorates

2.7 Anti-Corruption and Anti-fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption. Section 115(1) of the MFMA states that the accounting officer must take reasonable steps to ensure that mechanisms and separation of duties in a supply chain management system are in place to minimise the likelihood of corruption and fraud.

Section 62 (1) of the MFMA, states the following "the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure: –

(a) That the resources of the municipality are used affectively, efficiently and economically;
(b) That the full and proper records of the financial affairs are kept in accordance with any prescribed norms and standards;
(c) That the municipality has and maintains effective, efficient and transparent systems –
  (i) Of financial and risk management and internal control;
  (ii) Of internal audit operating in accordance with any prescribed norms and standards;
(d) That unauthorised, irregular of fruitless and wasteful expenditure and other losses are prevented; and
(e) That disciplinary or, when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial or an offence in terms of Chapter 15."

2.8 Audit and Performance Audit Committee (APAC)

The Municipal Audit and Performance Audit Committee (APAC) (refer to Table below for members of the Audit Committee), appointed in terms of Section 166 of the MFMA, has also been appointed as the Performance Audit Committee. Section 166(2) of the MFMA states that an audit committee is an independent advisory body that must:

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to: –

- internal financial control and internal audit;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting information;
- performance management;
- effective governance;
- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
- performance evaluation; and any other issues referred to it by the municipality.

Table 9: Members of the Audit Committee

Name of representative	Capacity
Dr NL. Mortimer (Mr)	Chairperson
J. Fairbairn (Mr)	Member
V. Botto (Mr)	Member
T. Lesihla (Mr)	Member

2.9 Ward Committees

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

Figure 4: Main duties of the ward committees

2.10 Partnerships

In order to ensure effective service delivery, it is essential that high levels of cooperation exist between all three spheres of government. Effective inter-governmental relations (IGR) structures are especially important to the developmental role of municipalities. This role can only be fulfilled through the active involvement of all spheres of government in the setting of priorities, resource allocation and development planning.

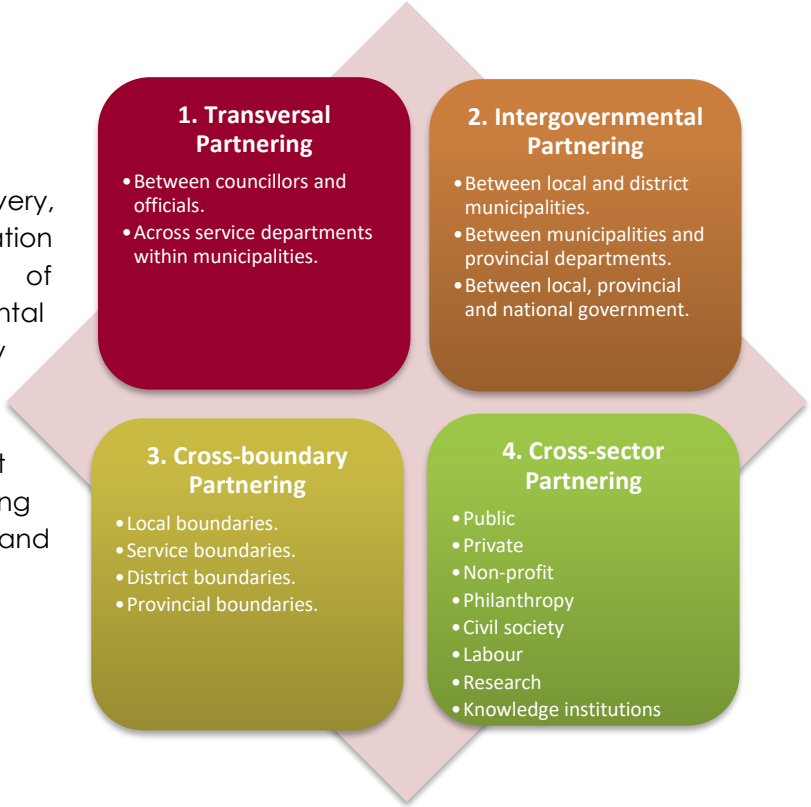


Figure 5: Partnering

The demonstration of the importance of partnerships for the Municipality is illustrated in the table below.

Table 10: Key Partnerships

Name of Partner/ Partnership	Purpose
@ Heart	The @heart partnership is a long standing relationship built on past experience with youth work and HCT testing from a municipal facility.
Arte Velden Hoge School in Gent	A partnership for the placement of practical students from Belgium (third year Social Work students). This only applies when they have students who indicate a willingness to come to Stellenbosch for practical training.
Barrier Improvement Programme	A partnership was formed to improve the quality of the storm water runoff from the Langrug Informal Settlement. The project entails the implementation of biomimicry, waste recycling and a Sustainable Urban Drainage lab.
Community Organisation Resource Centre	Partnerships Towards Informal Settlements Upgrading: CORC/ISN - Stellenbosch Municipal Partnership Objectives: build an urban poor platform through a network of informal settlements and informal backyarders invest in the social institutions of the poor in order to partake in development Share knowledge among stakeholders around informal settlement upgrading strategies.
Community structures (Forums, ECD centres, religious fraternities, etc.)	Aim to promote and implement: platforms to share knowledge; disaster risk reduction initiatives; community safety programmes; and campaigns to promote safe resilient sustainable communities.
CSIR (Council of Scientific and Industrial Research)	A partnership aimed at multidisciplinary research and development by supporting innovation in Stellenbosch.
Department of Education	Aims to promote a culture of prevention, preparedness and resilience at all levels through knowledge, innovation and education.
Department Social Development, DCAS, Cape Winelands District Municipality	Joint implementation of programmes focusing on common issues within WC024.
Dilbeek Twin City Agreement	Dilbeek is a partnership with the Dilbeek Congregation in Belgium focussed on community and youth development. The partnership has recently changed their focus to include LED.
Disaster Management Advisory Forum	An advisory forum on all safety issues as well as remedial measures implemented to address and alleviate and/or minimise risks.
Executive Mayor/ Rector Forum	A partnership with the University of Stellenbosch to ensure aligned development planning and that the Municipality draws from the University's expertise and resources.
Fire fighter and Fire Officer Training assistance	To aid in the professional development of fire and emergency responders. Partnership between Stellenbosch Municipality and Provincial Government Western Cape (PGWC).
Fire Services Mutual aid agreement	To ensure that incidents are responded to in a coordinated manner, using existing infrastructure to its optimum effectiveness. Mutual agreement between Stellenbosch Municipality and Cape Winelands District Municipality.
Genius of Space	This initiative developed from, and forms part of the Western Cape 110% Green Initiative. The Biomimicry Genius of Space project is a registered flagship project of 110% Green. This initiative combines two priorities of the Western Cape Government – the Berg River and the Green Economy – to find an innovative solution to water pollution in the Berg River.

Name of Partner/ Partnership	Purpose
Green Cape	The Green Cape partnership represents cooperation with the Province's 110% green initiatives, focusing on alternative waste management initiatives and energy efficiency.
HeartFlow	Helping people on fringes of society. Provide paper coupons which can be exchanged a stay at the night-shelter, a blanket or a meal.
ICLEI (International Council for Local Environmental Initiatives)	A partnership between the City of Cape Town, ECLEI and Stellenbosch Municipality to discuss developments in Transport, Waste and Electricity Generation, towards ensuring sustainability.
IMESA (Institute for Municipal Engineers South Africa)	A partnership with IMESA aimed at strengthening knowledge and capacity related to municipal infrastructure and service delivery.
Infrastructure Innovation Committee (IIC)	A partnership with the University and other stakeholders aimed at exploring sustainable and innovative infrastructure provision to meet the needs of the municipality and achieve future sustainability.
Integrated Development Committee (IDC)	A partnership with the University and other stakeholders aimed at exploring spatial and urban planning possibilities for Stellenbosch to meet the needs of the Municipality and University.
IPC (Integrated Planning Committee)	The Integrated Planning Committee is a working group between the City of Cape Town, Stellenbosch, Saldanha Bay, Overstrand, Theewaterskloof, and Drakenstein Municipality that discuss all transport related matters to effectively promote regional planning.
Landfill Monitoring Committee	A partnership with the Devon Valley residents, whereby residents monitor the Stellenbosch landfill site.
LTAB (Land Transport Advisory Board)	A partnership was formed between political leaders to discuss Land Transport related matters that affect transport in the area.
Memorandum of Cooperation between the Stellenbosch Municipality and Stellenbosch University (SU)	Cooperation in terms of closed circuit television in the interest of the security of the town and the campus with a view to a crime-free university town.
NMT (Non-motorised Transport) Working Group	A working group that discusses all Non-Motorised Transport matters in the Stellenbosch area. The group consists of NMT users, officials, representatives from the University and the disabled fraternity.
Provincial Disaster Management Centre, Cape Winelands District Municipal Disaster Management Centre	Aims to promote the development, implementation and maintenance of effective services within its area of jurisdiction.
Provincial Waste Management Officer's Forum	Quarterly Meetings (All designated Waste Management Officers of Western Cape engage with Provincial Government's Waste Management Department (D:EA&DP on issues relating to policy, best practice, etc.)
Ranyaka	Sustainable and integrated solutions to the challenges facing towns, neighbourhoods and communities. Activate communities to self-help. Community based data collection, analysis, planning and stakeholder mapping. Project pipeline development for coordination of public, private and NGO partners to achieve collective, sustainable impact. Identify community priorities. Measure improvement of communities against the Ranyaka Protocol.
Roads Safety Management	Assisting with schools and education, special projects, e.g. Learners license classes.
Safety Forum	An advisory forum to the Executive Mayor on all safety issues as well as remedial measures implemented to address and alleviate threats

Name of Partner/ Partnership	Purpose
SALGA Municipal Benchmarking Committee	A partnership aimed at improving efficiency and effectiveness through comparative process benchmarking, peer-to-peer operational knowledge sharing, and interactive performance improvements.
SCORE	Youth Sport Development at the Indoor Sport Centre, Franschhoek.
Stellenbosch 360 Advisory Committee	A partnership with the umbrella tourism body for the Greater Stellenbosch area aimed at growing and sustaining the Municipality's tourism industry and broadening tourism-related benefits.
Stellenbosch Gotland Municipality Partnership	A partnership with Gotland municipality focusing on programmes in local economic development.
Stellenbosch Heritage Foundation	The initiative is aimed at providing support to the Municipality on the interactive website of the Heritage Foundation and to assist with the compilation of the heritage inventory.
Stellenbosch Infrastructure Task Team (SITT)	A partnership with the University of Stellenbosch and other stakeholders aimed at exploring sustainable infrastructure provision to meet the needs of the Municipality.
Stellenbosch Night Shelter	A partnership to enable appropriate management of the municipal night shelter.
Stellenbosch River Collaborative Steering Committee	A partnership was formed between various role-players to improve the water quality in the Eerste River catchment, with the focus being on the Plankenbrug river.
Transport Working Group	A Transport Working Group was established to discuss transport related matters that affects the Stellenbosch, including all relevant governmental institutions and other role-players.
University of Stellenbosch – Student Representative Council	A partnership with the University, whereby students provide: relief aid (clothing, food) placement of students to assist during incidents/disasters awareness programmes
University of Stellenbosch – Department of Geography and Environmental Studies	A partnership with the University and other stakeholders focusing on strengthening community-based risk assessment capabilities in disaster prone areas.
University of Stellenbosch – Maties Sport: Community Interaction	A partnership striving for excellence in meeting the needs of the youth through innovative and sustainable programmes to disseminate information on risk avoidance, hazards and their effects and preventative activities.
Western Cape Department of Public Works , Roads and Transport	As part of the Provincial Sustainable Transport Programme (PSTP) the Western Cape Department of Public Works, Roads and Transport identified Stellenbosch as a priority Municipality for the development of a sustainable transport system. The emphasis will be the development of a public transport system and the development of infrastructure to improve non-motorised transport.
Western Cape Recycling Action Group Forum	Quarterly Meetings (Meetings involving private sector, industries and government in terms of waste minimisation initiatives).
WOF (Working on Fire)	A partnership aimed at promoting capacity building through various programmes which helps to develop social cohesion.
Youth Empowerment Action (YEA)	The YEA partnership is a long standing relationship built on past experience with youth work.

CHAPTER 3

State of the Greater Stellenbosch Area

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

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

A variety of sport facilities are available. Coetzenburg, with its athletics and rugby stadiums, has hosted star performances over many generations while the Danie Craven Stadium is the home of Maties rugby, the largest rugby club in the world. The municipal area has a number of theatres, which include the University's HB Thom Theatre, Spier Amphitheatre, Dorpstraat Theatre, Aan de Braak Theatre, and Oude Libertas Amphitheatre – well-known for its summer season of music, theatre and dance.

Limited municipal resources require an increase in multi-sectoral partnerships to address the broad spectrum of needs in the community. The Municipality cannot address the challenges of Stellenbosch on its own, not only because of limited resources, but also because it does not control all the variables impacting on development and management in the town. Welfare and community organisations play a leading role in assisting to meet the needs of previously neglected communities. The business sector also play a key role in shaping the economic development of the Municipal area.

3.1 Stellenbosch Municipal Area at a Glance

Table 11: Stellenbosch Municipal Area at a Glance

Demographics		Population Estimates	
Population	186 274	Households	52 374

Education	2018	Poverty	
Matric Pass Rate	85.2%	Gini-Coefficient	0.609
Learner-Teacher Ratio	1:33	Human Development Index	0.71
Gr 12 Drop-out Rate	72.5%		

Health			2018/2019	
Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies – Delivery rate to women U/18	
13	59.2%	62	13.6	

Safety and Security	% Change between 2016 and 2017 in # of reported cases/100 000			
Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
1140	191	2146	57	182

Access to Basic Service Delivery	% HHs with access to basic services, 2016			
Water	Refuse Removal	Electricity	Sanitation	Housing
98.5%	71.0%	98.1%	90.9%	65.1%

Road Safety	Labour	Socio-economic Risks
Fatal Crashes Road User Fatalities 37	Unemployment 9.9%	1. Scarcity of landfill space; 2. Availability and cost of electricity; 3. Financial Sustainability;

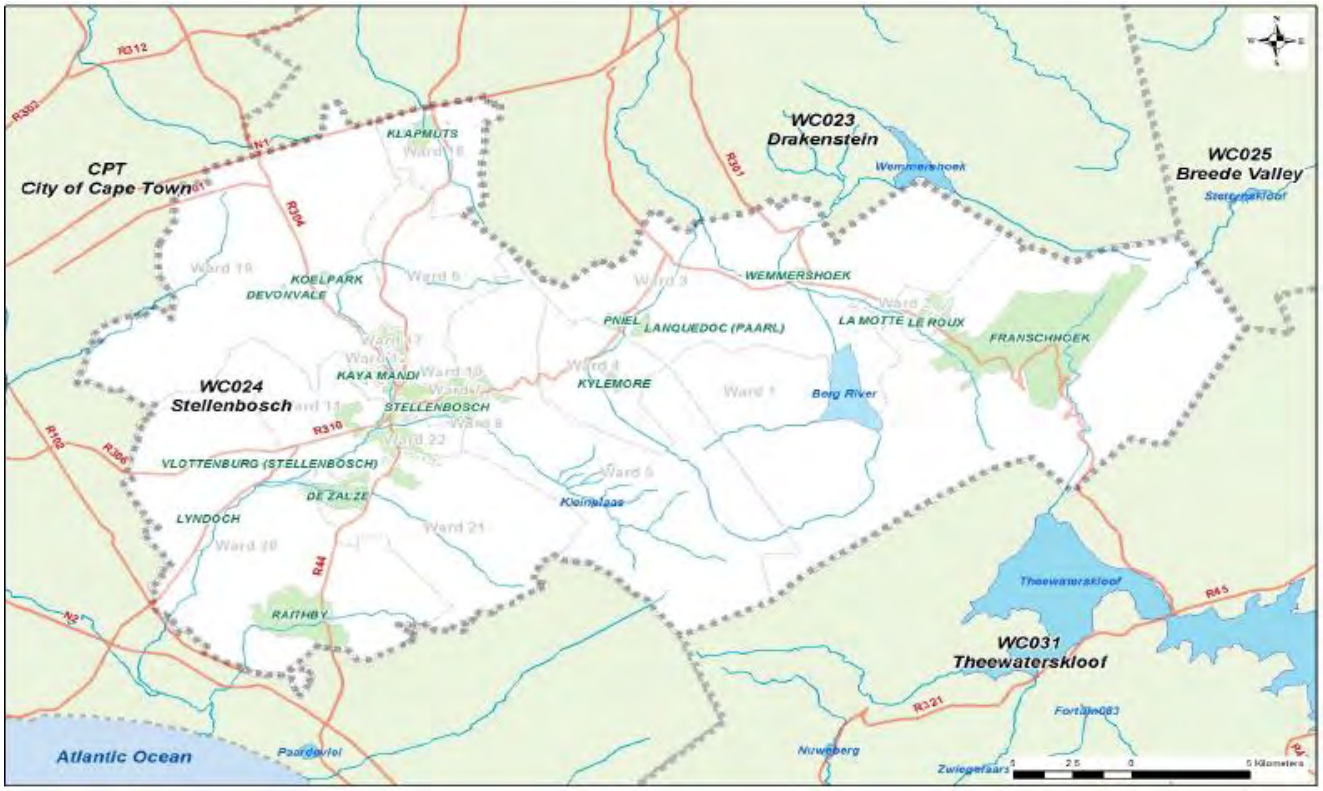
Finance, insurance, real estate and business services	Wholesale and retail trade, catering and accommodation	Manufacturing
21.5%	20.3%	16.8%

Source: DLG 2019 Socio- Economic Profile- Stellenbosch Municipality

3.2 Location

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

Figure 6: Locality map of Municipal Boundaries



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

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

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2019 indicates a number of 186 274 people and 52 374 households. The Municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klapmuts to the North, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschhoek in the East.

The following municipalities share their borders with Stellenbosch Municipality:

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

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

Figure 7: Locality of Cape Winelands District in relation to Provincial Boundaries

Source: Western Cape provincial Spatial Development Framework

The Western Cape Province, which makes up 10.6% of the country's land surface and encompasses an area of 129 462 km2. The province spatial area includes 1 metropolitan area (City of Cape Town), 5 district municipal areas (Central Karoo, Eden *renamed Garden Route*, Overberg, Cape Winelands and West Coast) and 24 local municipalities.

3.3 Socio-Economic Perspective

3.3.1 Population Growth

With an estimated population of 186 274 in 2019, Stellenbosch is the third most populated municipal area in the Cape Winelands District (CWD). The area is expected to grow to 200 157 by 2023, equating to an average annual growth rate of 1.8 per cent, and set to become the second most populated area in the District after Drakenstein from 2020 onwards.

The estimated population growth rate of Stellenbosch is slightly higher than that of the CWD at 1.6 per cent and on par with the Western Cape average annual growth rate of 1.8 per cent over the same period.

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

Between 2019 and 2025, the largest population growth was recorded in the 65+ aged cohort which grew at an annual average rate of 4.1 per cent. This predicted growth rate increases the dependency ratio towards 2025.

Table 12: Age Cohorts and Dependency Ratio

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2019	45,105	131,887	9,282	41.2
2022	47,544	140,077	10,647	41.5
2025	49,749	145,910	11,806	42.2
Growth	1.6%	1.7%	4.1%	-

Source: Western Cape, Socio-Economic Profile 2018

3.3.2 Access to Services and Housing

Since no new household survey information is available (compared to SEPLG 2017), this section highlights housing and household services access levels from the most recent available information from Statistics South Africa's Community Survey 2016. The next household survey which includes municipal level access to household services will be the Census in 2021.

The table below indicates access to housing and services in the Stellenbosch Municipal area. With a total of 52 374 households, only 65.1% have access to formal housing.

Table 13: Access to Services

Community Survey 2016	Stellenbosch	Cape Winelands District
Total number of households	**52 374**	**236 006**
Formal main dwelling	34 071	191 077
	65,1%	*81,0%*
Water (piped inside dwelling/ within 200m)	51 581	232 605
	98,5%	*98,6%*
Electricity (primary source of lighting)	51 386	228 650

Community Survey 2016	Stellenbosch	Cape Winelands District
	98,1%	96,9%
Sanitation (flush/chemical toilet)	47 594	218 483
	90,9%	92,6%
Refuse removal (at least weekly)	37 207	192 974
	71,0%	81,8%

Source: Western Cape, Socio-Economic Profile 2018

Access to water, electricity and sanitation services were however significantly higher as at 98.5%, 98.1% and 90.9% respectively while household access to refuse removal services was at 71.0%. With the exception of refuse removal service, these figures are on par or above that of the Cape Winelands District.

3.3.3 Education

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

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

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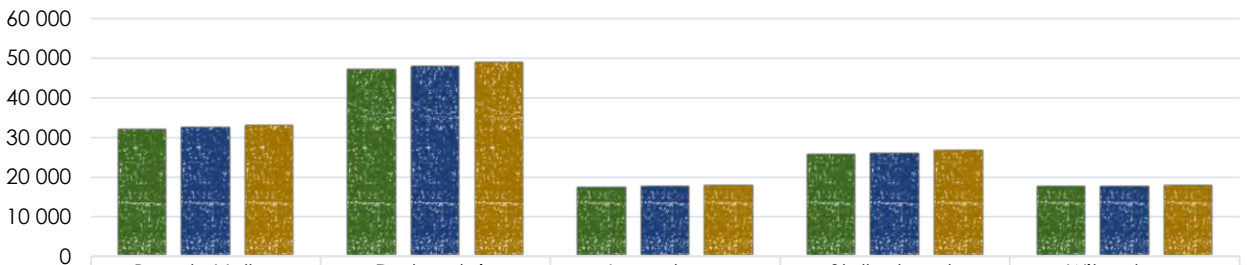
Table 14: Early Childhood Development – attendance levels

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

Source: Western Cape, Socio-Economic Profile 2018

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

Figure 8: Learner enrolment

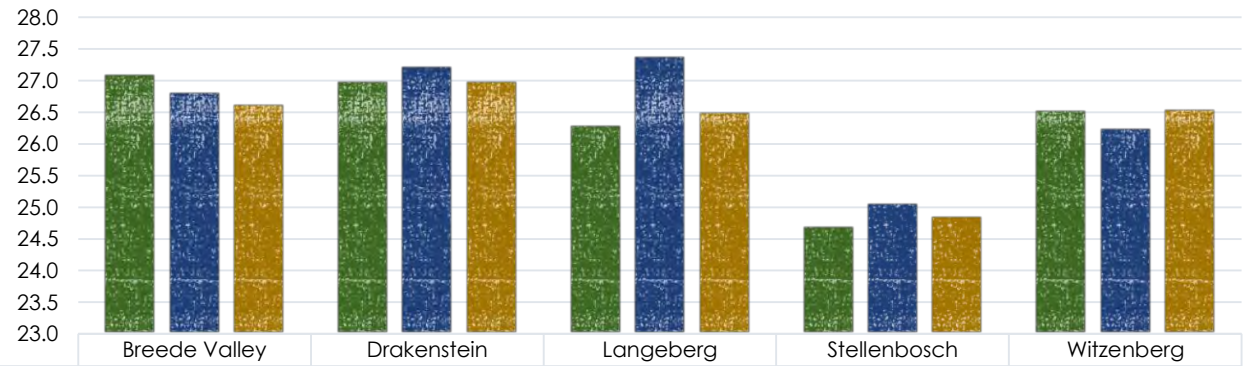


	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
2016	32 558	47 601	17 838	26 085	18 048
2017	32 860	48 208	18 213	26 544	18 070
2018	33 389	49 268	18 374	27 087	18 377

Source: Western Cape, Socio-Economic Profile 2018

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

Figure 9: Learner-Teacher Ratio



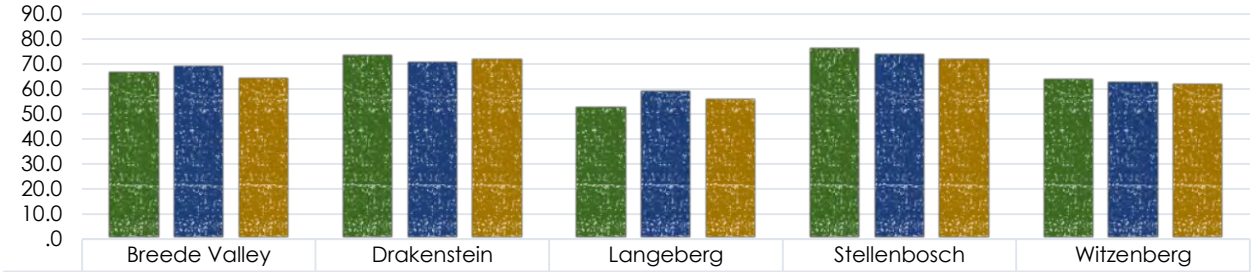
	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
2016	27.1	27.0	26.3	24.7	26.5
2017	26.8	27.2	27.4	25.1	26.3
2018	26.6	27.0	26.5	24.9	26.6

Source: Western Cape, Socio-Economic Profile 2018

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

The school **drop-out rates** for learners within Stellenbosch Municipal area increased from a low 21.7% in 2015 to 23.0% in 2016, increasing further to 25.6% in 2017 and 27.5% in 2018.

Figure 10: School drop-out Rates

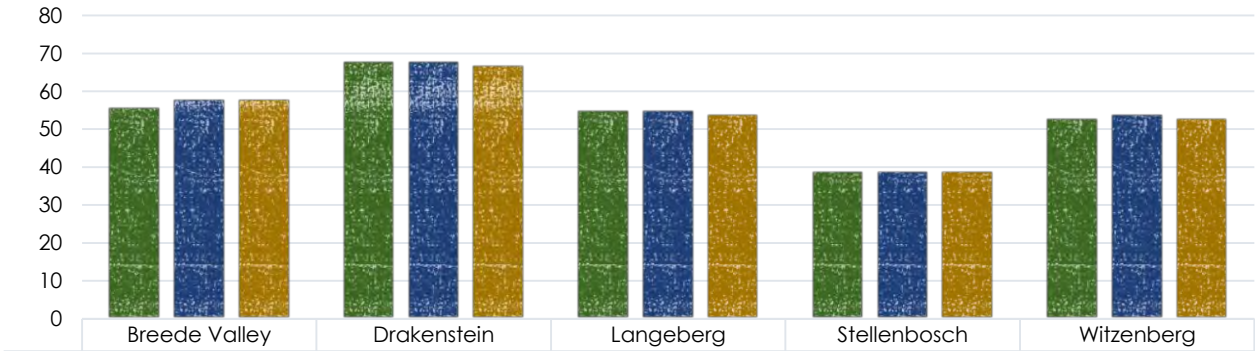


	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
2016	67.3	74.0	53.2	77.0	64.5
2017	69.9	71.2	59.5	74.4	63.4
2018	64.7	72.6	56.3	72.5	62.5

Source: Western Cape, Socio-Economic Profile 2019

The learner retention rate for Stellenbosch has been regressing, from 77.0 per cent in 2016 to 74.4 per cent in 2017 and 72.5 per cent in 2018. Despite the regression, it remains above the retention rate for the Western Cape which was 66.8 per cent in 2018.

Figure 11: Educational Facilities

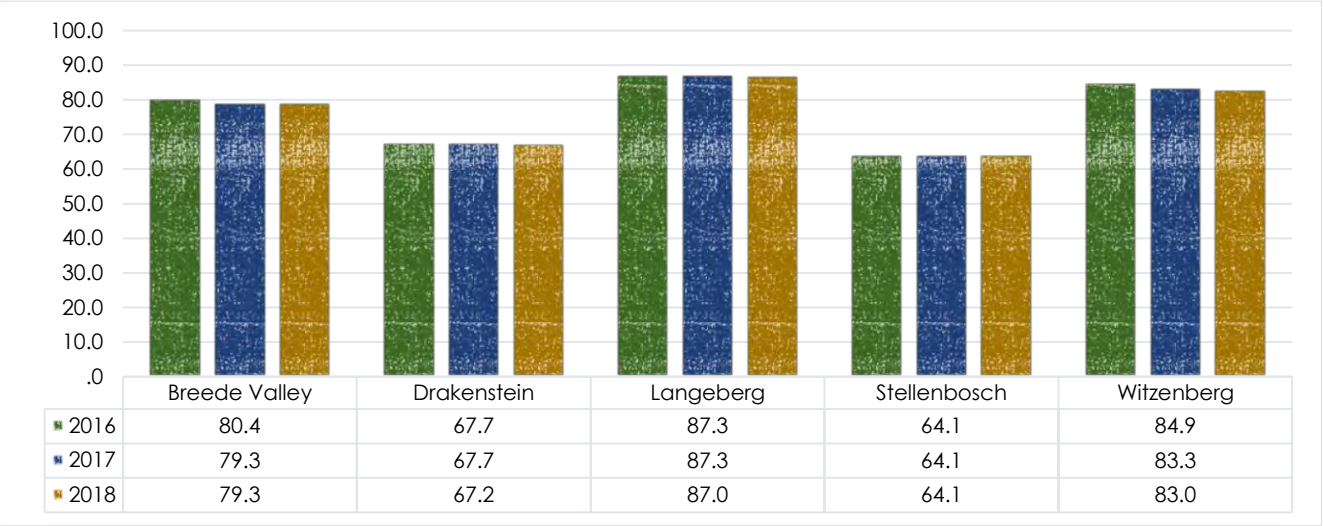


	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
2016	56	68	55	39	53
2017	58	68	55	39	54
2018	58	67	54	39	53

Source: Western Cape, Socio-Economic Profile 2019

The number of schools in the Stellenbosch municipal area and across the CWD remains mostly unchanged in recent years, the exception being the closure of one school in the Witzenberg and Drakenstein municipal areas between 2017 and 2018. The closure of these schools could have a negative impact on education outcomes given the gradual increase in learner enrolment.

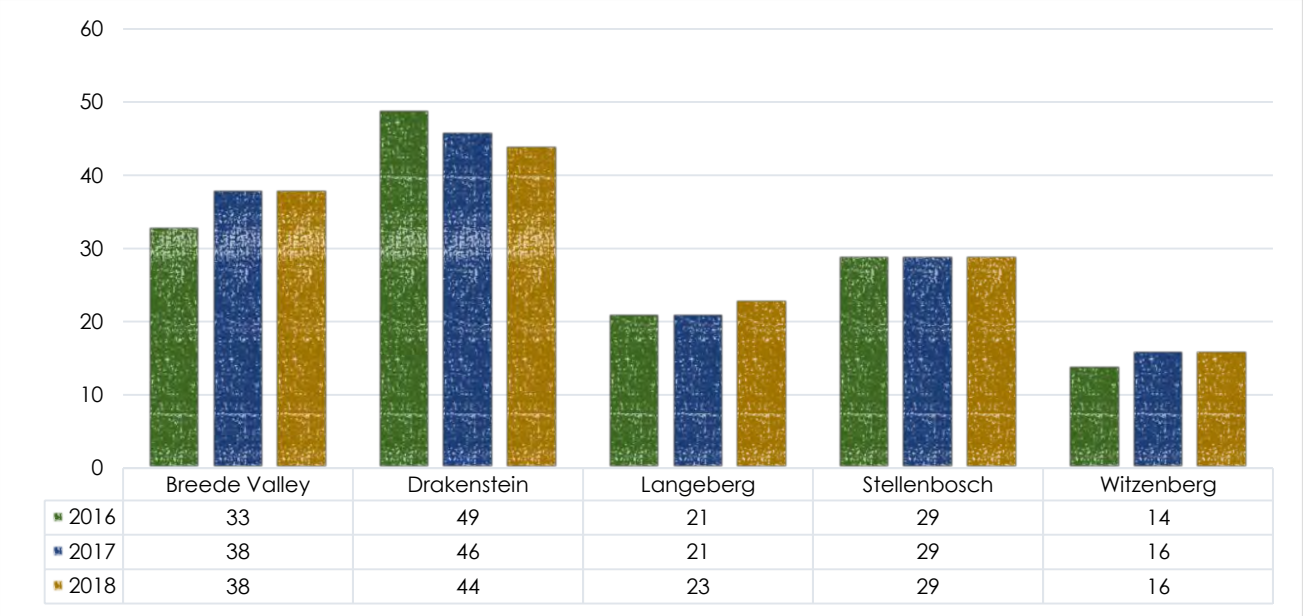
Figure 12: No Fee Schools



Source: Western Cape, Socio-Economic Profile 2019

The proportion of no-fee schools in the Stellenbosch Municipal area remained the same at 64.1 per cent from 2016 to 2018. The proportion of no-fee schools decreased in Breede Valley, Drakenstein, Langeberg and Witzenberg. A decrease in the number of no fee schools could have a negative impact on education outcomes.

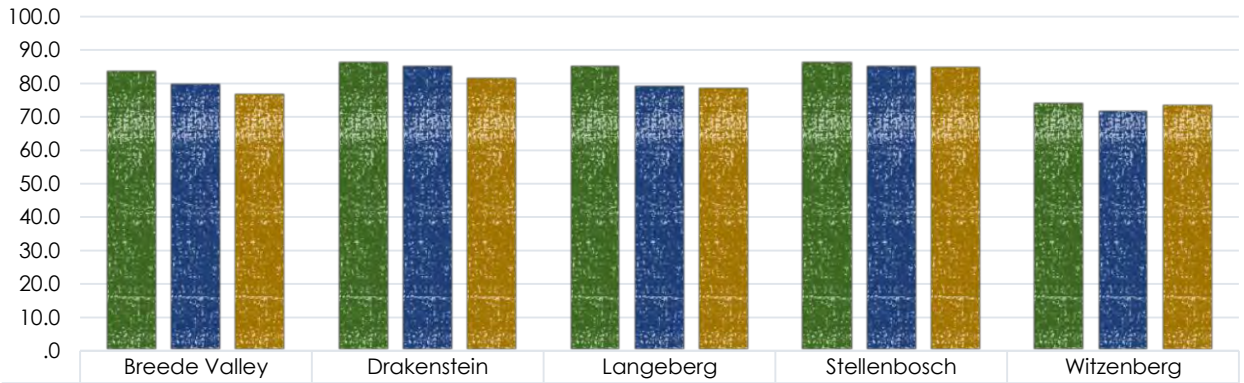
Figure 13: Schools with libraries



Source: Western Cape, Socio-Economic Profile 2019

There were no changes in the number of schools with libraries in the Stellenbosch area from 2016 to 2018. The availability of library facilities within schools contribute towards narrowing the academic attainment gap by allowing students access to information which in turn directly links to improved education outcomes.

Figure 14: Educational outcomes



	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg
2016	84.2	86.7	85.7	86.9	74.5
2017	80.2	85.4	79.5	85.5	72.1
2018	77.1	82.1	79.0	85.2	73.9

Source: Western Cape, Socio-Economic Profile 2019

The matric pass rates for the CWD declined overall in 2018, with all areas except for Witzenberg experiencing an increase in their matric pass rates. The 2018 pass rate in the Stellenbosch municipal area (85.2 per cent) is the highest in the District and above the District average (79.5 per cent).
Decreasing pass rates should be seen within context where more students potentially pass matric within a certain region than the previous year (in terms of actual numbers), but that less passed as a percentage of the overall enrolment figure. It could also very well be the case where pass rates overall declined, but that the quality of the pass result improved i.e. more students passed with subjects such as maths and science or more students passed with matriculation exemption (requirement for first-degree study at a South African university.

3.3.4 Health

Health is another major factor contributing to the general quality of life in the Western Cape. It is therefore important to monitor the public health facilities as well as a variety of factors such as Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) or Tuberculosis (TB) and general topics that affect the community, like maternal health. This Socio-economic Profile provides the basic statistics concerning these issues. Since this profile focusses on public health facilities, data on private facilities are not included.

Table 15: Health care facilities

Area	PHC Clinics		Community Health Centres[2]	Community Day Centres[3]	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Stellenbosch	7	6	0	1	1	0	8	15
Cape Winelands District	39	33	0	6	4	2	49	100

Source: Western Cape, Socio-Economic Profile 2019

In 2018, there were a total of 13 primary healthcare clinics (PHC) in Stellenbosch – 7 fixed and 6 mobile facilities. Although there are no community health centres in Stellenbosch, there is one community day centre. There is also 1 district hospital as well as 8 antiretroviral treatment clinics/sites and 15 Tuberculosis clinics/ sites.

Access to emergency medical services is critical for rural citizens due to distances between towns and health facilities being much greater than in urban areas. Combined with the relatively lower population per square kilometre in rural areas, ambulance coverage is greater in rural areas to maintain adequate coverage for rural communities.

In 2018, Stellenbosch had 1 ambulance for every 10 000 inhabitants. It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

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

Table 16: HIV/AIDS Management

Area	ART clients that remain with treatment month end		Number of new ART patients	
	2017/18	2018/19	2017/18	2018/19
Stellenbosch	5 702	6 064	801	637
Cape Winelands District	29 019	30 724	4 602	3 851

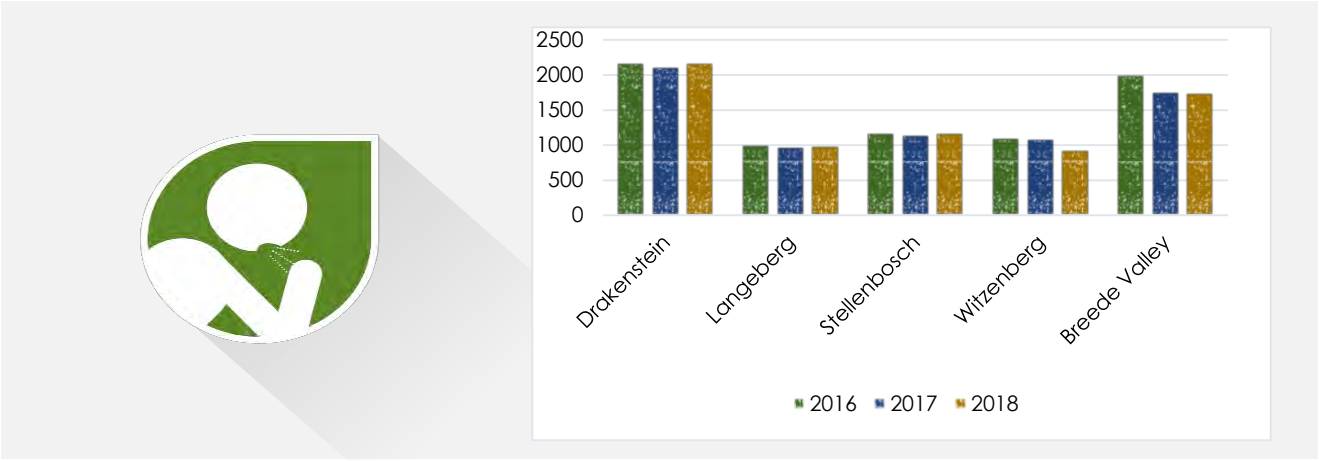
Source: Western Cape, Socio-Economic Profile 2019

The number of clients (patients) that remain committed to their antiretroviral treatment (ART) plan in the Stellenbosch municipal area increased by 6.3 per cent from 5 702 patients in 2017/18 to 6 064 in 2018/19. There is a notable decrease in the number of new clients starting ART treatment – the number of new patients in the Stellenbosch municipal area decreased by 20.5 per cent from 801 in 2017/18 to 637 in 2018/19. This could be an indication that the HIV infections are decreasing or an indication that less people are being tested and access HIV treatment.

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

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

Figure 15: Tuberculosis



Source: Western Cape, Socio-Economic Profile 2019

Tuberculosis (TB) accounted for 7.6 per cent of the premature deaths in the Province in 2016. The number of TB patients within the Stellenbosch municipal area has gradually decreased from 1 173 in 2016/17 to 1 151 in 2017/18 before increasing to 1 175 in 2018/19. The 1 175 registered TB patients received treatment at 15 TB clinics/treatment sites. Above figures refer to registered patients and should not be interpreted as a general decline in TB infections.

TB accounted for 7.6 per cent of the premature deaths in the Province in 2016. The number of TB patients within the Stellenbosch municipal area has gradually decreased from 1 173 in 2016/17 to 1 151 in 2017/18 before increasing to 1 175 in 2018/19. The 1 175 registered TB patients received treatment at 15 TB clinics/treatment sites. Above figures refer to registered patients and should not be interpreted as a general decline in TB infections.

Child Health

Table 17: Child Health

Area	Immunisation Rate		Malnutrition		Neonatal Mortality Rate		Low birth weight	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Stellenbosch	52.3	59.2	2.6	1.8	5.6	6.6	9.6	9.2
Cape Winelands District	58.9	61.8	4.7	4.4	9.5	9.3	16.0	15.8

Source: Western Cape, Socio-Economic Profile 2019

The **immunisation coverage rate** for children under the age of one in the Stellenbosch municipal area increased from 52.3 per cent in 2017/18 to 59.2 per cent in 2018/19. This is the second lowest immunisation rate within the CWD.

In 2018/19, there were 1.8 **malnourished children** under five years of age (severe acute malnutrition) per 100 000 people in the Stellenbosch municipal area. This is an improvement from 2.7 the previous year. In 2018/19, the Cape Winelands District was the worst performing district for malnourished children.

The **neonatal mortality rate** (NMR) (deaths per 1 000 live births before 28 days of life) for the Stellenbosch municipal area declined from 5.6 deaths in 2017/18 to 6.6 in 2018/19. A fall in the NMR may indicate improvement in new-born health outcomes, or it may potentially reflect reporting constraints.

A total of 9.2 per cent of all babies born in facility in the Stellenbosch municipal area in 2018/19 **weighed less than 2 500 grams**. This is an improvement from the 9.6 per cent recorded in 2017/18 and below the District average of 15.8.

3.3.5 Safety and Security

South African society is becoming more and more violent. This was confirmed by the 2018/19 crime statistics released by the South African Police Service (SAPS) and Stats SA.

Table 18: Safety and Security Statistics

Safety and Security		2017		2018		2019	
		Cape Winelands District	Stellenbosch	Cape Winelands District	Stellenbosch	Cape Winelands District	Stellenbosch
Murder	Actual number	345	56	353	58	336	57
	Per 100 000	38	31	38	31	31	37
Sexual Offences	Actual number	954	188	970	201	835	182
	Per 100 000	106	103	105	108	92	99
Drug-Related Offences	Actual number	13 882	2 272	16 008	2 724	10 751	2 146
	Per 100 000	1 249	1 538	1 459	1 727	1 186	1 166
Driving under the Influence	Actual number	814	131	875	189	818	191
	Per 100 000	90	72	94	101	90	104
Residential Burglaries	Actual number	6 278	1 579	5 820	1 525	5 454	1 140
	Per 100 000	696	868	628	817	602	620
Road User Fatalities	Actual number	307	47	243	34	237	37

Source: Western Cape, Socio-Economic Profile 2019

According to the official 2018/19 crime statistics, the Western Cape murder rate increased by 4.4. per cent between 2017 and 2018. In comparison, the rate decreased within the Stellenbosch municipal area and most of the broader CWD over the same period, with the exception of Drakenstein. The number of murders in the Stellenbosch municipal area decreased by 1.7 per cent even though the number per 100 000 people remains at 31 whilst in turn decreasing by 2.6 per cent from 38 in 2017 to 37 in 2018 in the District.

The actual number of reported sexual offences in Stellenbosch has decreased from 2017 to 2018. The number of reported occurrences per 100 000 people decreased from 108 in 2017/18 to 99 in 2018/19 (8.3 per cent decrease). The sexual offences rate for Stellenbosch for 2018/19 was higher than that of the District which also decreased from 105 in 2017/18 to 92 in 2018/19 (12.4 per cent decrease).

Although there was an improvement between 2017/18 and 2018/19, the Western Cape still has the highest drug-related crime rate in the country at 1 203 reported incidents per 100 000 people in 2018/19. The drug-related crime rate for Stellenbosch decreased from 1 459 reported incidents per 100 000

people in 2017/18 to 1 166 in 2018/19, a 20.1 per cent drop. The incidences of drug-related crime rate decreased amongst all local municipal areas across the District between 2017/18 and 2018/19 with the District average decreasing from 1 727 to 1 186 respectively, a 31.3 per cent decrease.

The number of reported cases of driving under the influence (DUI) of alcohol or drugs per 100 000 people in the Stellenbosch municipal area increased by 3.0 per cent from 101 incidences in 2017/18 to 104 in 2018/19. The DUI rate across the CWD decreased from 94 incidences per 100 000 people in 2017/18 to 90 in 2018/19 (4.3 per cent). Overall, the DUI rate for the Western Cape on average has declined.

The 2018/19 crime statistics indicate that residential burglaries per 100 000 people in the Western Cape decreased from 644 in 2017/18 to 583 in 2018/19 (9.5 per cent decrease). Overall the incidence of residential burglaries in the CWD and Stellenbosch also decreased by 4.1 per cent and 24.1 per cent respectively.

According to a recent study, most road fatalities in Africa fall within the working age cohort - between the ages of 15 – 64 years – whilst three out of four fatalities were found to be male (Peden et al., 2013). The untimely death of these primary breadwinners therefore impacts directly upon not only the livelihood of family structures, but deprive society of active economic participants that contribute towards growth and development. The socio-economic impact of such road fatalities has proven to be particularly devastating in South Africa where most road users hail from poor and vulnerable communities.

The number of road user fatalities in the Stellenbosch municipal area increased from 29 in 2017 to 37 in 2018. (27.6 per cent increase). In comparison, the number of fatalities across the broader CWD region increased by 10.2 per cent from 215 in 2017 to 237 in 2018. Contributing factors to road fatalities include driver fatigue and distractions, excessive speeding and reckless driving as well as road obstacles such as pedestrians and animal

3.3.6 Economic Outlook

In 2017, the total GDPR for Stellenbosch amounted to R15.639 billion with economic activity mostly focussed within the tertiary sector (R10.953 billion; 70.0 per cent). The overall economy grew by 1.9 per cent between 2008 and 2017. From 2014 – 2018 (estimated) economic growth in the municipal area slowed to 1.4 per cent compared to the District's growth of 1.0 per cent over the same period. Stellenbosch's GDPR economy is expected to grow at 0.8 per cent 2018.

Table 19: Stellenbosch: GDPR performance per sector, 2008 - 2018

Stellenbosch: GDPR performance per sector, 2008 - 2018									
Sector	Contribution to GDPR (%) 2017	R million value 2017	Trend		Real GDPR growth (%)				
			2008 - 2017	2014 – 2018e	2014	2015	2016	2017	2018e
Primary sector	**6.4**	**1 003.6**	**2.1**	**-0.3**	**6.7**	**-3.3**	**-9.6**	**9.0**	**-4.3**
Agriculture, forestry and fishing	6.2	974.0	2.1	-0.3	6.7	-3.4	-9.8	9.2	-4.4
Mining and quarrying	0.2	29.6	1.4	1.6	7.2	0.3	0.6	2.2	-2.5
Secondary sector	**23.5**	**3 682.4**	**-0.6**	**-0.2**	**0.3**	**0.0**	**-0.4**	**-0.9**	**-0.2**
Manufacturing	16.8	2 627.0	-1.5	-0.8	-0.7	-0.8	-1.0	-1.3	-0.2
Electricity, gas and water	1.4	221.4	0.1	-0.3	0.1	-1.3	-2.5	1.1	1.4
Construction	5.3	834.0	4.0	2.2	4.9	3.5	2.7	0.5	-0.6
Tertiary sector	**70.0**	**10 952.5**	**2.9**	**2.1**	**3.0**	**2.4**	**2.0**	**1.5**	**1.6**
Wholesale and retail trade, catering and accommodation	20.3	3 179.2	3.3	2.3	3.1	3.6	3.1	0.7	1.1
Transport, storage and communication	10.8	1 693.0	4.7	3.8	5.9	3.2	3.3	3.4	3.3
Finance, insurance, real estate and business services	21.5	3 359.4	2.9	2.4	2.7	2.9	1.8	2.4	2.1
General government	10.7	1 669.7	1.9	0.1	2.4	-0.5	-0.6	-0.9	0.2
Community, social and personal services	6.7	1 051.3	1.2	0.9	1.2	0.6	1.2	1.0	0.3
Total Stellenbosch	**100**	**15 638.5**	**1.9**	**1.4**	**3.0**	**1.4**	**0.6**	**1.4**	**0.8**

Source: Quantec Research, 2017 (e denotes estimate)

The **primary sector** is almost exclusively supported by the agriculture, forestry and fishing sector which contributed 6.2 per cent (R974.0 million) to total GDPR in 2017. The agriculture, forestry and fishing sector which grew at an average rate of 2.1 per cent between 2008 and 2017, which is slower when compared to the other sectors. The sector contracted by 0.3 per cent from 2014 to 2018 dropping off mainly due to the impact of the drought.

Challenges were encountered in the **secondary sector**, specifically in the manufacturing and electricity, gas and water sectors. The secondary sector contributed 23.5 per cent (R3.682 billion) to total GDPR in 2017 and contracted by 0.6 per cent between 2008 and 2017. Strong growth within the construction sector (4.0 per cent) was offset by weakened performance in the manufacturing (-1.5 per cent) and electricity, gas and water (0.1 per cent) sectors. From 2014 to 2018 growth in the construction sector slowed to 2.2 per cent while the manufacturing sector shrunk by -0.8 per cent.

The finance, insurance, real estate and business services sector is the most dominant sector in the tertiary sector and the largest contributor to GDPR in 2017 (R3.359 billion; 21.5 per cent), followed closely by the wholesale and retail trade, catering and accommodation sector (R3.179 billion; 20.3 per cent). From 2008 to 2017, the fastest growing sector was the transport, storage and communication sector,

growing at 4.7 per cent on average per annum. It is also expected to be the fastest growing sector in 2018, with a growth rate of 3.3 per cent.

Table 20: Cape Winelands District GDPR contribution and average growth rates per municipal area, 2012 – 2017

Municipality	R million value 2016	Contribution to GDPR (%) 2016	Trend 2006 - 2016	Trend 2013 - 2017e	Real GDPR growth (%) 2012	2013	2014	2015	2016	2017e
Witzenberg	8 197.9	13.5	4.9	3.7	4.9	5.0	5.6	2.9	1.6	3.2
Drakenstein	19 896.8	32.9	2.4	1.7	2.8	2.6	2.7	1.4	0.7	1.2
Stellenbosch	14 561.2	24.0	2.5	1.7	2.9	2.6	2.7	1.5	0.9	1.0
Breede Valley	11 665.3	19.3	3.0	2.1	3.2	3.2	3.6	1.5	0.6	1.9
Langeberg	6 234.7	10.3	3.1	2.3	3.4	3.2	3.9	1.7	0.0	2.7
Total Cape Winelands District	**60 555.9**	**100**	**2.9**	**2.1**	**3.2**	**3.1**	**3.4**	**1.7**	**0.8**	**1.7**
Western Cape Province	**529 927.7**	**-**	**2.6**	**1.8**	**2.9**	**2.6**	**2.4**	**1.5**	**1.2**	**1.0**

Source: Quantec Research, 2018 (e denotes estimate)

In 2017, the CWD economy grew by an estimated 1.7% which is higher than the provincial growth of 1%. In 2016, the CWD contributed R60.6 billion to the economy of the Western Cape, with the largest contributions made by the Drakenstein (R19.9 billion) and Stellenbosch (R14.6 billion) municipal areas. The economies of these two municipal areas grow at very similar rates, and it is estimated that between 2013 and 2017, the Drakenstein and Stellenbosch Municipal areas' economies grew at an annual average rate of 1.7%.

The local economies were influenced by the volatile national economy, especially in 2015, 2016 and 2017. The economic growth in these three years has fluctuated sporadically and is still much lower than the average 10-year economic growth rates.

The local economy of the Stellenbosch Municipal area is driven by the wholesale and retail trade sector; the finance, insurance, real estate and business services sector; and the manufacturing sector. Collectively, these sectors contribute 58.7% (R8.6 billion) to the Municipal GDPR. The manufacturing sector in the Stellenbosch Municipal area is highly reliant on the agriculture, forestry and fishing sector, as 40% of manufacturing sector activities are within the food, beverages and tobacco subsector.

3.3.7 Labour

Table 21: Cape Winelands District employment growth, 2012 – 2017

Municipality	Contribution to employment (%) 2016	Number of jobs 2016	Trend 2006 – 2016	Trend 2013 - 2017e	Employment (net change) 2012	2013	2014	2015	2016	2017e
Witzenberg	16.1	60 633	6 588	11 803	2 471	2 815	886	6 082	723	1 297
Drakenstein	28.6	107 760	10 271	14 151	2 865	3 500	1 346	6 755	449	2 101
Stellenbosch	19.9	74 877	7 801	9 251	1 738	2 504	1 001	4 167	-171	1 750
Breede Valley	21.8	81 940	4 691	11 791	2 240	3 018	610	6 758	-309	1 714
Langeberg	13.6	51 171	2 877	7 958	1 363	2 274	372	4 638	-929	1 603
Total Cape Winelands District	**100**	**376 381**	**32 228**	**54 954**	**10 677**	**14 111**	**4 215**	**28 400**	**-237**	**8 465**
Western Cape Province	**-**	**2 460 960**	**289 207**	**272 208**	**55 379**	**69 794**	**38 527**	**105 507**	**8 279**	**50 101**

Source: Quantec Research, 2018 (e denotes estimate)

The Stellenbosch Municipal area has a large farming community; the agriculture, forestry and fishing sector contributed 14.7 per cent to employment in 2016 making it the 3rd largest contributor to employment.

Stellenbosch contributed 76 585 jobs to formal employment in the CWD in 2017.

Table 22: Stellenbosch employment growth per sector 2006 – 2017

Stellenbosch employment growth per sector 2006 – 2017									
Sector	Contribution to employment (%) 2017	Number of jobs 2017	Trend		Employment (net change)				
			2008 - 2017	2014 – 2018e	2014	2015	2016	2017	2017e
Primary Sector	14.0	10 726	-4 528	425	-581	2 245	-517	-463	-259
Agriculture, forestry and fishing	14.0	10 692	-4,526	424	-583	2 243	-518	-463	-255
Mining and quarrying	0.0	34	-2	1	2	2	1	0	-4
Secondary Sector	15.6	11 921	404	666	176	163	135	135	57
Manufacturing	10.2	7 847	-546	-28	-37	89	-89	68	-59
Electricity, gas and water	0.2	157	45	17	6	6	8	0	-3
Construction	5.1	3 917	905	677	207	68	216	67	119
Tertiary Sector	70.4	53 938	13 735	6 726	1553	1 855	320	1 833	1 165
Wholesale and retail trade, catering and accommodation	25.4	19 444	5 631	3 125	451	951	253	1,073	397
Transport, storage and communication	4.3	3 255	1 504	455	118	250	-151	168	70
Finance, insurance, real estate and business services	16.7	12 794	3 541	2 214	387	550	238	395	644
General government	9.7	7 439	1 152	148	365	-156	122	-261	78
Community, social and personal services	14.4	11 006	1 907	784	232	260	-142	458	-24
Total Stellenbosch	**100%**	**76 585**	**9 611**	**7 817**	**1 148**	**4 263**	**-62**	**1 505**	**963**

Source: Quantec Research, 2017 (e denotes estimate)

In 2017, employment within the Stellenbosch Municipality was mostly concentrated within wholesale and retail trade catering and accommodation (25.4 per cent; 19 444), the finance, insurance, real estate and business services sector (16.7 per cent; 12 794) and the Community, social and personal services (14.4 per cent, 11 006) sectors. Collectively, these three sectors in contributed 56.5 per cent to total employment in the municipal area.

Between 2008 and 2017, a net total of 9 611 jobs were created in Stellenbosch – notable job creation in the wholesale and retail trade catering and accommodation (5 631) and the finance, insurance, real estate and business services (3 541) sectors were offset by job losses in the agriculture, forestry and fishing (-4 526) and manufacturing (-546) sectors. Job losses in the agriculture, forestry and fishing sector can mostly be attributed to the impact of the drought, although other factors such as mechanisation also contributed to job losses.

Table 23: Stellenbosch: Trends in labour force skills, 2014 – 2018

Stellenbosch: Trends in labour force skills, 2014 - 2018				
Formal employment by skill	Skill level contribution (%)	Average growth (%)	Number of jobs	
	2017	2014 – 2018e	2017	2018e
Skilled	23.9	2.6	13 199	13 545
Semi-skilled	43.1	3.5	23 824	24 606
Low skilled	33.0	2.5	18 273	18 368
Total Stellenbosch	**100%**	**3.0**	**55 296**	**56 519**

Source: Quantec Research, 2017 (e denotes estimate)

In 2017, Stellenbosch's labour force mostly consisted of semi-skilled (43.1 per cent) and low-skilled (33.0 per cent) workers. The semi-skilled category (3.5 per cent) grew faster than the skilled (2.6 per cent) and the low-skilled (2.5 per cent) categories. The demand for more skilled labour is on the rise which implies the need to capacitate and empower low-skilled workers.

Table 24: Narrow definition unemployment rate for the Western Cape

Narrow Definition Unemployment Rates for the Western Cape (%)											
Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Stellenbosch	6.8	8.0	9.2	9.4	9.3	9.0	9.3	8.6	9.5	10.0	9.9
Cape Winelands District	6.9	8.1	9.4	9.6	9.4	8.9	9.3	8.3	9.1	9.6	9.5
Western Cape	12.7	14.0	15.4	15.5	15.6	15.5	15.9	15.9	17.1	17.8	17.7

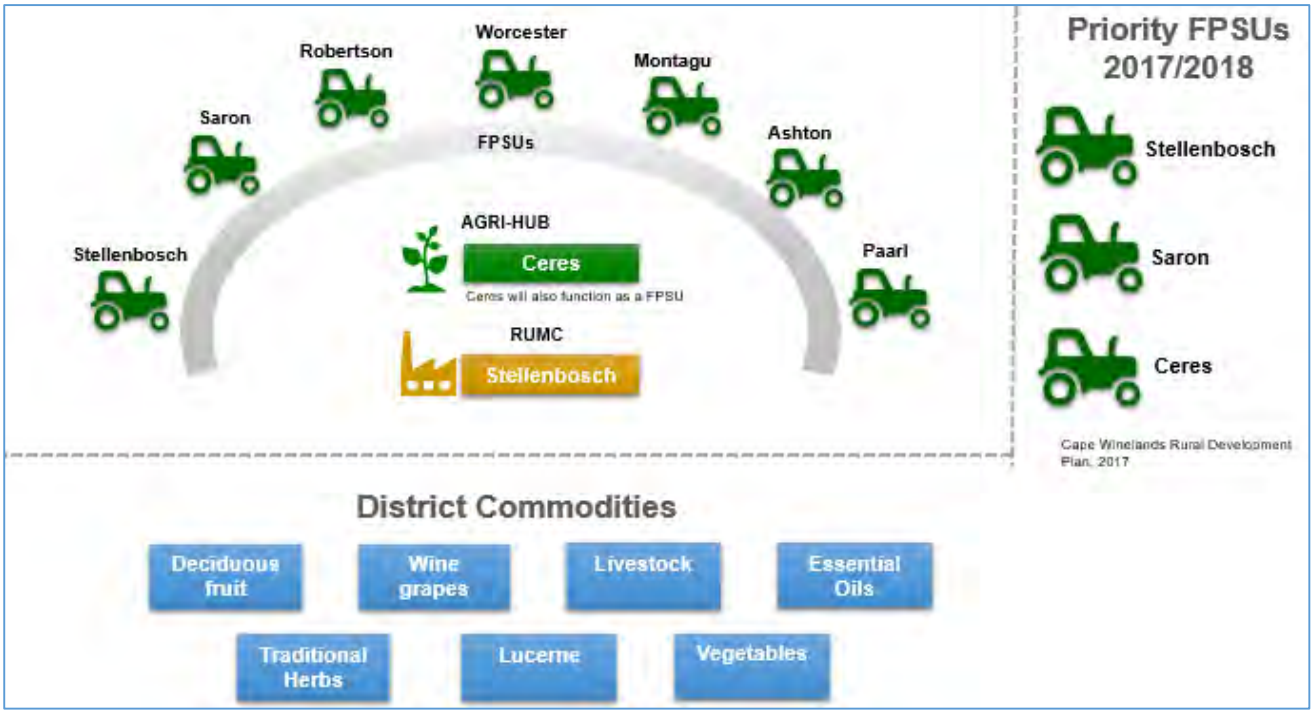
Source: Quantec Research, 2017 (e denotes estimate)

In 2018, unemployment in Stellenbosch stood at 9.9 per cent, higher than the CWD at 9.5 per cent, but still significantly lower than the Provincial average of 17.7 per cent. This estimate is based on the narrow definition of unemployment i.e. the percentage of people that are able to work, but unable to find employment.

3.3.8 Agri-Parks

Agro-processing opportunities, such as vegetable packing facility, an abattoir and feedlot, cold storage for fruit as well as a fruit pulp processing plant, is fast becoming a key economic contributor in Stellenbosch. The below diagram outlines the locations for Farmer Production Support Units (FPSUs), the Agri-Hub and the RUMC within the CWD. The Agri-Park Programme will not only focus on the main commodities (wine grapes and fruit), but also on other commodities that are unique to the areas around each FPSU. These commodities include livestock and lucerne, as well as essential oils, traditional herbs and vegetables.

Figure 16: Agri-Park Implementation



Source: Cape Winelands Rural Development Plan, 2017

Due to the importance of the agricultural value chain, initiatives such as the Agri-Park Programme has the potential for widespread economic benefits since it will not only support farming activities but also promote local processing. Not only will these development support and generate new farming activities in the District, it will also stimulate the economy through the construction sector, the manufacturing sector (forward and backward linkages), the wholesale and retail trade, catering and accommodation sector and the transport, storage and communication sector, contributing to economic growth and employment creation.

Due to the importance of the agricultural value chain within the District, initiatives such as the Agri-Park Programme has the potential for widespread economic benefits since it will not only support farming activities but also promote local processing.

3.3.9 General Demographics of Farmworkers

The Farmworker Household Survey Report of 2014/15 reports on general demographic trends of farmworker households within the Cape Winelands area. According to the study, Stellenbosch had 811 households and approximately 3 351 people living and working on farms.

The study further indicated that there is approximately an equal split between males and females with an average age of 27.37 years. It was also found that over 66% of individuals were below the age of 35, i.e. classified as youth.

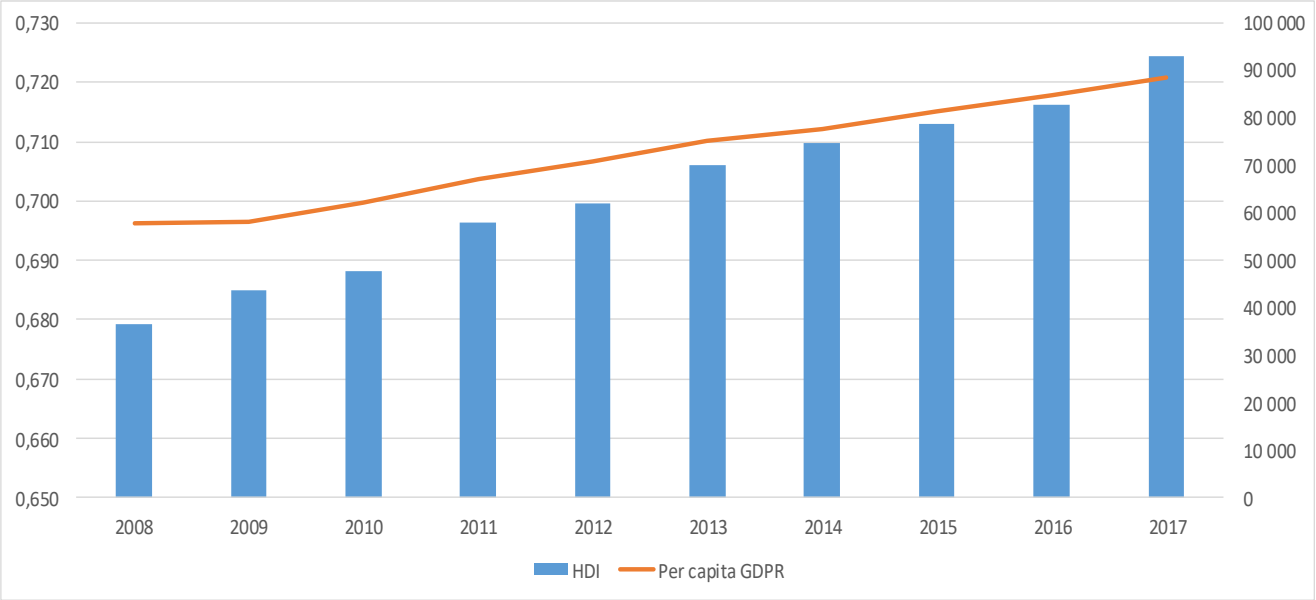
The study found that an overall of 62.63% of individuals living in farmworker households have permanent jobs both on and off the farm on which they reside. Approximately 18.1% of individuals living on farms were unemployed, while 19.27% had either temporary or seasonal work.

3.3.10 Poverty Context

Inflation adjusted poverty lines show that food poverty increased from R219 in 2006 to R531 per person per month in 2017. The lower-bound poverty line has increased from R370 in 2006 to R758 per person per month in 2017 while the upper-bound poverty line has increased from R575 in 2006 to R1 138 per person per month in 2017.

The United Nations uses the Human Development Index (HDI)4 to assess the relative level of socio-economic development in countries. Indicators used to measure human development include education, housing, access to basic services and health indicators. Per capita income is the average income per person of the population per year; per capita income does not represent individual income within the population. The life expectancy and infant mortality rates are other important criteria for measuring development.

Figure 17: Human Development Index (HDI)



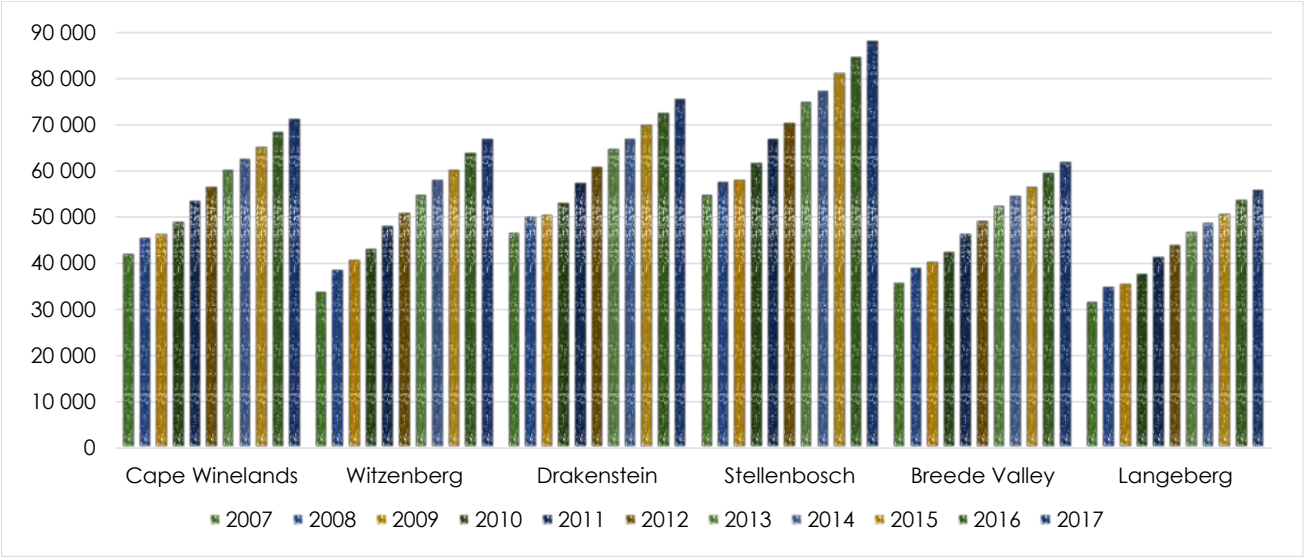
Source: Global Insight, 2017

There has been a general increase in the HDI in Stellenbosch, Cape Winelands and the whole of the Western Cape between 2011 and 2015. With the exception of a drop in HDI levels for the Western Cape for 2016. The human development index increased to 0.72 in Stellenbosch, 0.71 in the Cape Winelands District, and 0.73 in the Province.

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

4 The HDI is a composite indicator reflecting education levels, health, and income. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development.

Figure 18: GDPR per Capita – 2008 to 2017

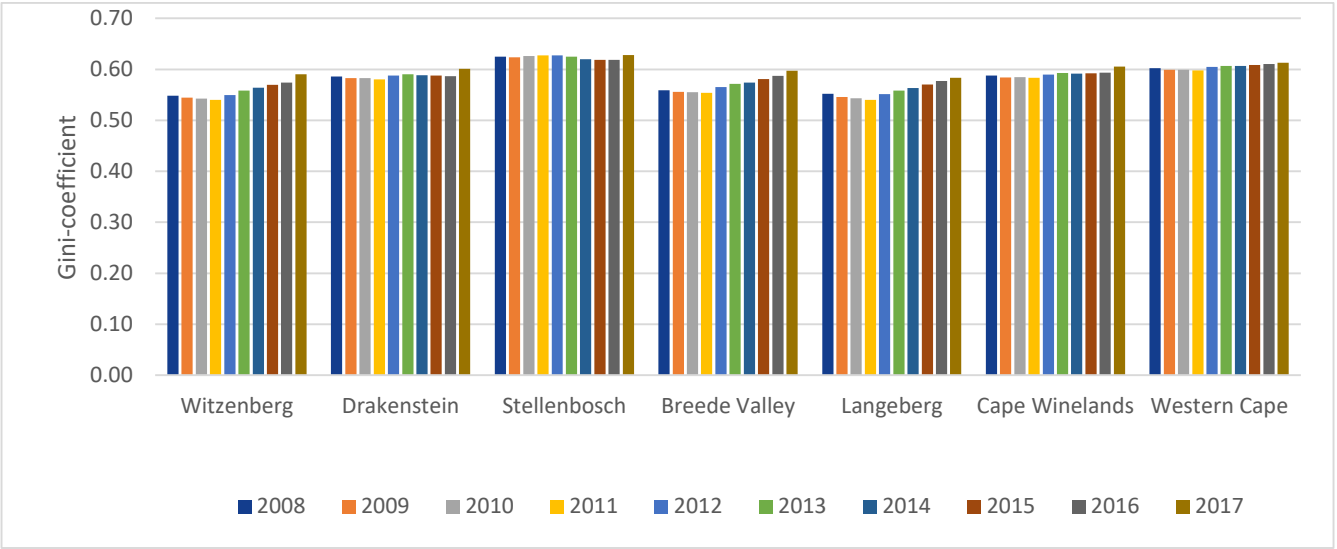


Source: Stats SA 2017, own calculations

At R88 431 in 2017, Stellenbosch Municipal area's real GDPR per capita is significantly above that of the Cape Winelands District's figure of R71 426 as well as slightly above that of the Western Cape (R87 110).

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a gini-coefficient5 of 0.7 in 2010 to 0.6 by 2030. Income inequality in the Stellenbosch Municipal area has generally increased between 2008 and 2011, decreasing to 2015 before picking up again, reaching 0.63 in 2017. For the entire period it has been beyond the NDP's 0.6 target and the increasing trend could see it moving further beyond this level.

Figure 19: Income Inequality – 2008 to 2017



Source: Global Insight, 2017

Income inequality levels were slightly higher in Stellenbosch than in the Cape Winelands District and the Western Cape. According to the United Nations Development Report on Human Development for

5 Gini-coefficient or income inequality is the measure of deviation of the distribution of income among individuals or households within a country. A value of 0 represents absolute equality and a value of 1 represents absolute inequality.

2018, South Africa ranked 113 on the list after the Philippines, classified as medium Human Development.

The objective of the indigent policies of municipalities is to alleviate poverty in economically disadvantaged communities.

Table 25: Indigent Households – 2014 to 2017

Area	2016/2017	2017/2018	2018/2019
Stellenbosch	6 626	5 686	6 813*
Cape Winelands District	42 756	42 292	50 265
Western Cape	516 321	349 484	370 639

**Source: Stellenbosch Municipality - Annual Performance Report 2018/19*

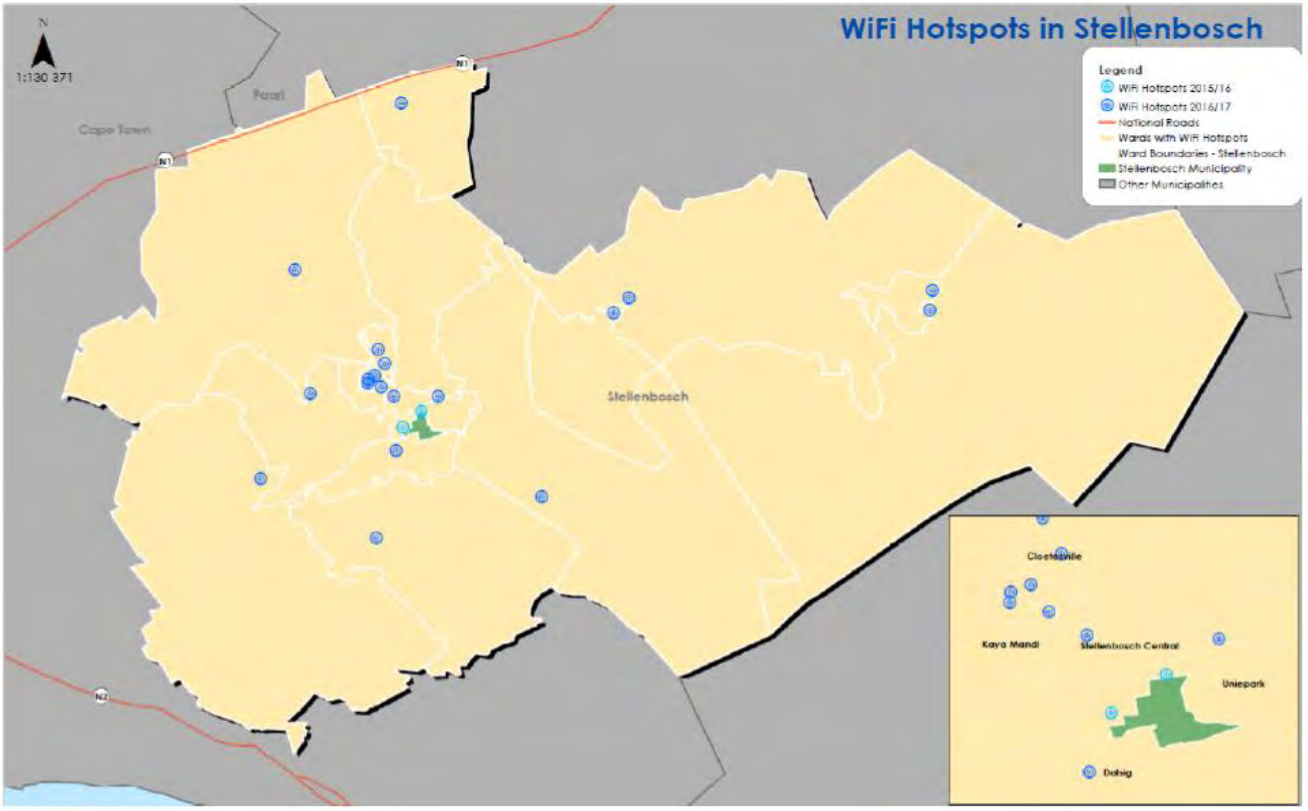
The Stellenbosch municipal area experienced an increase in the number of indigent households between 2017 and 2019, implying an increased demand for indigent support and additional burden on municipal financial resources. Similarly, the number of indigent household.

3.3.11 Broadband Penetration

Broadband penetration offers immense economic benefits by fostering competition, encouraging innovation, developing human capital and by building infrastructure. Improved connectivity will attract new business and investments, reduce the cost of doing business and will offer small, medium and micro- enterprises access to new markets.

The location of the Wi-Fi hotspots is reflected in the map below.

Figure 20: Wi-Fi: Department of Economic Development and Tourism, 2016



Source: WC Department of Economic Development

3.3.12 Law Reform – Implementation of SPLUMA/LUPA in municipalities

The Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA), implemented on 1 July 2015, and the Western Cape Land Use Planning Act of 2014 (LUPA) ushers in a new era of planning and development decision-making where the responsibility rests largely on local municipalities to fulfil their role as land use planning decision-makers as per constitutional mandates and obligations. Section 24(1) of SPLUMA determines that a municipality must, after consultation as prescribed in the Act, adopt and approve a single land use scheme for its entire area within five years from the commencement of this Act.

Stellenbosch Municipality currently has a Land Use Management Scheme in the form of Zoning Schemes compliant with the provisions of the Land Use Planning Ordinance 15 of 1985 (LUPO). Stellenbosch Municipality has developed a draft Integrated Zoning Scheme and is busy with the stakeholder engagement process.

3.3.13 From Waste Management to Integrated Waste Management

There is a shortage of available landfill airspace across the province. The recovery of waste material for the waste economy is only at 9%. It is paramount to move away from the landfill bias to integrated waste management. To achieve this, more integrated waste management infrastructure is urgently needed. This will increase the recovery of waste material and thereby save landfill airspace, promote the waste economy, reduce the environmental impacts of waste management and create jobs. A mind shift is also needed from municipalities to move away from seeing waste just as a nuisance and risk to realise the intrinsic value of waste and to utilise the potential value of it.

3.3.14 Climate Change

To date, the implementation of climate change responses to this changed climate has been slow, but it has to be incorporated into every facet of spatial and land use planning, service delivery, infrastructure development and economic planning. Failure would compromise basic service delivery, exacerbate poverty and undermine the most vulnerable communities.

There is a unique opportunity in the immediate short term to radically shift planning and infrastructure development to become climate resilient and to reduce greenhouse gas emissions that are directly driving the problem. The window of opportunity is however short and closing rapidly, implying that climate change response is urgently needed if the Western Cape aims to continue with a thriving local economy and to continue reducing inequality and poverty.

CHAPTER 4

Spatial Development Framework

4.1 The Purpose of the Spatial Development Framework

Spatial Development Frameworks (SDFs) are policy statements that seek to influence the overall *spatial* distribution of current and future land use within a municipality or other described region to give effect to the vision, goals and objectives of the municipal Integrated Development Plan (IDP) or related business plans of government.

In the case of Stellenbosch Municipality, the SDF must answer the following questions: "How is Stellenbosch going to develop over the next ten to thirty years? What kind of development will take place, where will it take place, and who will be responsible for what aspect of the development?"

4.2 Why the SDF is Important?

Future growth, expansion and innovation cannot be allowed to unfold in haphazard ways as this is likely to result in expensive outward, low density sprawl of housing and commercial areas and the related destruction of valuable eco-system and agricultural resources. This kind of development is also likely to exacerbate spatial divisions and exclude citizens with lesser material resources from opportunity to live in proximity to work, commercial opportunity, and social facilities.

Ad hoc development removes the certainty that everyone needs to be able to make long-term investment decisions, including municipal leadership – planning for associated infrastructure – and key players like the property developers, financial investors, development planners, municipal officials dealing with associated approval processes, and ordinary households.

4.3 The Subject Matter of SDFs

At its core, SDFs deal with the art and science of shaping places at different scales (or areas of influence, from large regions to municipal jurisdictions or neighbourhood precincts). The SDF aims to:

- Enable a vision for the future of regions and places that is based on evidence, local distinctiveness and community derived objectives;
- Translate this vision into a set of policies, priorities, programmes, and land allocations together with the public-sector resources to deliver them;
- Create a framework for private investment and regeneration that promotes economic, environmental and social well-being for a specific region or area; and
- Coordinate and deliver the public-sector components of this vision with other agencies and processes to ensure implementation.

4.4 Users of the SDF

The SDF for the Stellenbosch Municipality targets two broad user categories.

The first is the government sector, across spheres from national to local government, and including State Owned Enterprises (SOEs). While the SDF is informed by the spatial direction stated in national,

provincial, and district level policy, it also sets out the municipality's spatial agenda for government departments across spheres of government to consider and follow. Most importantly, the SDF outlines the municipality's spatial agenda to its own service departments, ensuring that their sector plans, programmes, and projects are grounded in a sound and common spatial logic.

The second user category is the private sector, comprising business enterprises, non-government organisations, institutions, and private citizens. While the private sector operates with relative freedom spatially – making spatial decisions within the framework of land ownership, zoning, and associated regulations and processes – the SDF gives an indication of where and how the municipality intends to channel public investment, influence, and other resources at its disposable. In broad terms, this includes where infrastructure and public facility investment will be prioritised, where private sector partnership will be sought in development, and how the municipality will view applications for land use change.

4.5 The Legislative Framework for SDFs

With the enactment of the Spatial Planning and Land Use Management Act (SPLUMA) in 2013, a new planning regime was introduced in South Africa. It replaced disparate apartheid era laws with a coherent legislative system designed to spatially transform the country in its democratic era.

In broad terms, SPLUMA differentiates between two components of the planning system:

- Spatial Development Frameworks; and
- The Land Use Management System (LUMS).

As indicated above, SDFs are guiding and informing documents that indicate the desired spatial form and define strategies and policies to achieve this. They inform and guide the LUMS, which includes town planning or zoning schemes, allocating development rights, and the procedures and processes for maintaining the maintenance of or changes in development rights.

SPLUMA requires national, provincial, and municipal spheres of government to prepare SDFs that establish a clear vision which must be developed through a thorough inventory and analysis based on national spatial planning principles and local long-term development goals and plans.

SDFs are thus mandatory at all three spheres of government. Sub-section 12(2) of SPLUMA confirms that all three spheres must participate in each other's processes of spatial planning and land use management and each sphere must be guided by its own SDF when taking decisions relating to land use and development.

Section 12 (1) of SPLUMA sets out general provisions which are applicable to the preparation of all scales of SDFs. These provisions require that all SDFs must:

- Interpret and represent the spatial development vision of the responsible sphere of government and competent authority;
- Be informed by a long-term spatial development vision;
- Represent the integration and trade-off of all relevant sector policies and plans;
- Guide planning and development decisions across all sectors of government;
- Guide a provincial department or municipality in taking any decision or exercising any discretion in terms of this Act or any other law relating to spatial planning and land use management systems;
- Contribute to a coherent, planned approach to spatial development in the national, provincial and municipal spheres;
- Provide clear and accessible information to the public and private sector and provide direction for investment purposes;

- Include previously disadvantaged areas, areas under traditional leadership, rural areas, informal settlements, slums and land holdings of state-owned enterprises and government agencies and address their inclusion and integration into the spatial, economic, social and environmental objectives of the relevant sphere;
- Address historical spatial imbalances in development;
- Identify the long-term risks of spatial patterns of growth and development and the policies and strategies necessary to mitigate those risks;
- Provide direction for strategic developments, infrastructure investment, promote efficient, sustainable and planned investments by all sectors and indicate priority areas for investment in land development;
- Promote a rational and predictable land development environment to create trust and stimulate investment;
- Take cognisance of any environmental management instrument adopted by the relevant environmental management authority;
- Give effect to national legislation and policies on mineral resources and sustainable utilisation and protection of agricultural resources; and
- Consider and, where necessary, incorporate the outcomes of substantial public engagement, including direct participation in the process through public meetings, public exhibitions, public debates and discourses in the media and any other forum or mechanisms that promote such direct involvement.

Chapter 2 of SPLUMA sets out the development principles that must guide the preparation, adoption and implementation of any SDF, policy or by-law concerning spatial planning and the development or use of land. The table below summarises the five SPLUMA principles and what they mean.

Table 26: SPLUMA and Development Principles

Principle	Meaning
Spatial justice	• Past spatial and other development imbalances must be redressed through improved access to and use of land. • SDFs (and associated policies) must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, and areas characterised by widespread poverty and deprivation. • Spatial planning mechanisms, including land use schemes, must incorporate provisions that enable redress in access to land by disadvantaged communities and persons. • Land use management systems must include all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas and informal settlements. • Land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas. • In considering an application, a Municipal Planning Tribunal may not be impeded or restricted in the exercise of its discretion solely because the value of land or property is affected by the outcome of the application.
Spatial sustainability	• Promote land development that is within the fiscal, institutional and administrative means of government. • Give special consideration to the protection of prime and unique agricultural land. • Uphold consistency of land use measures in accordance with environmental management instruments. • Promote and stimulate the effective and equitable functioning of land markets. • Consider all current and future costs to all parties for the provision of infrastructure and social services in land developments. • Promote land development in locations that are sustainable, limit urban sprawl, and result in communities that are viable.
Efficiency	• Land development must optimise the use of existing resources and infrastructure. • Decision-making procedures must be designed to minimise negative financial, social, economic or environmental impacts.

Principle	Meaning
	• Development application procedures must be efficient, streamlined, and timeframes adhered to by all parties.
Spatial resilience	• Development application procedures must be efficient, streamlined, and timeframes adhered to by all parties.
Good administration	• All spheres of government must ensure an integrated approach to land use and land development. • All government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of SDFs. • The requirements of any law relating to land development and land use must be met timeously.

At the Provincial sphere of government, aligned with SPLUMA, the Western Cape Land Use Planning Act, 3 of 2014 (LUPA) further outlines minimum standards for SDFs, both in preparation process, and content.

At the municipal level IDPs, which include budget projections, financial and sector plans, are set every five years correlating with political terms of office in local government. SDFs should be subject to a major review every five years, with less comprehensive reviews annually.[6]

In support of SPLUMA, the Department of Rural Development and Land Reform prepared detailed process and content "Guidelines for the Development of Provincial, Regional and Municipal Spatial Development Frameworks and Precinct Plans". The Stellenbosch Municipality follows these guidelines in its work on the SDF.

4.6 The Policy Framework for the SDF

Numerous policy frameworks, both focused the work of government holistically, the spatial arrangement of activities or specific sectors. These are explored fully in the approved SDF as well as the IDP. In the sections below, only the most specific policy informants are summarised, namely the National Development Plan (NDP), the Western Cape Government's Provincial Spatial Development Framework (PSDF), the Greater Cape Metro (GCM) and Regional Spatial Implementation Framework (RSIF).

4.7 The National Development Plan 2030

The National Development Plan (NDP), developed by the National Planning Commission and adopted in 2012, serves as the strategic framework guiding and structuring the country's development imperatives and is supported by the New Growth Path (NGP) plus other national strategies.

In principle, the NDP is underpinned by, and seeks to advance, a paradigm of development that sees the role of an enabling government creating the conditions, opportunities and capabilities conducive to sustainable and inclusive economic growth that makes poverty alleviation and the sharp reduction of inequality possible by 2030. The NDP sets out the pillars through which to cultivate and expand a robust, entrepreneurial and innovative economy that will address South Africa's primary challenge of significantly rolling back poverty and inequality.

The legacy of apartheid spatial settlement patterns that hinder inclusivity and access to economic opportunities, as well as the poor location and under-maintenance of major infrastructure, are two of the nine identified core challenges facing the country's development. Aimed at facilitating a virtuous cycle of expanding opportunity for all, the NDP proposes a programme of action that includes the

[6] This does not detract from the SDF including for a longer term spatial development vision, projecting ten to twenty years into the future.

spatial transformation of South Africa's towns, cities and rural settlements given the "enormous social, environmental and financial costs imposed by spatial divides".

4.8 The Provincial Spatial Development Framework

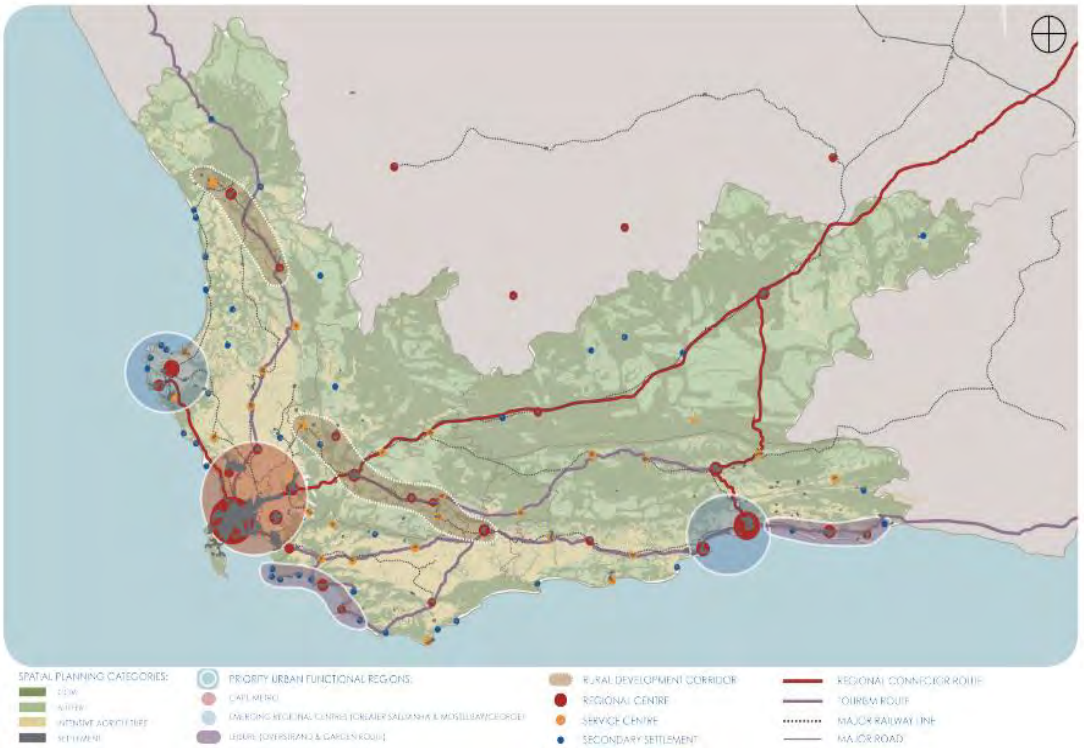
The spatial agenda advocated by the PSDF is summarised the table below.

Table 27: PSDF Spatial Agenda

Focus	What it involves
Growing the Western Cape economy in partnership with the private sector, non-governmental and community based organisations.	• Targeting public investment into the main driver of the Provincial economy (i.e. the Cape Metro functional region, the emerging Saldanha Bay/ Vredenburg and George/ Mossel Bay regional industrial centres, and the Overstrand and Southern Cape leisure and tourism regions). • Managing urban growth pressures to ensure more efficient, equitable sustainable spatial performance. • Aligning, and coordinating public investments and leveraging private sector and community investment to restructure dysfunctional human settlements. • Supporting municipalities in managing urban informality, making urban land markets work for the poor, broadening access to accommodation options, and improving living conditions. • Promoting an urban rather than suburban approach to settlement development (i.e. diversification, integration and intensification of land uses). • Boosting land reform and rural development, securing the agricultural economy and the vulnerability of farm workers, and diversifying rural livelihood and income earning opportunities.
Using infrastructure investment as primary lever to bring about the required urban and rural spatial transitions.	• Aligning infrastructure, transport and spatial planning, the prioritisation of investment and on the ground delivery. • Using public transport and ICT networks to connect markets and communities. • Transitioning to sustainable technologies, as set out in the WCIF. • Maintaining existing infrastructure.

For the agglomeration of urban activity, the Cape Metro functional region, as well as the emerging regional centres of the Greater Saldanha functional region and the George/ Mossel Bay functional region, are prioritised. The priority tourism/ leisure corridors are the Overstrand and Garden Route leisure corridors (the priority tourism routes are the N2-corridor, R62 between Worcester and Oudtshoorn, the N7 corridor and R43). Two priority rural development corridors – areas of agricultural and rural development opportunity – have been identified. The first is on the west coast – stretching from Lutzville in the north to Clanwilliam in the south. The second rural development corridor stretches from Tulbagh in the north-west to Swellendam in the southeast.

Figure 21: The Provincial Spatial Development Framework



4.9 The Greater Cape Metro Regional Spatial Implementation Framework

The Greater Cape Metro (GCM) Regional Spatial Implementation Framework (RSIF) aims to build consensus between the spheres of government and state-owned companies on what spatial outcomes the GCM should strive for, where in space these should take place, and how they should be configured. The GCM covers the municipal jurisdictions of Cape Town, Saldanha Bay, Swartland, Drakenstein, Stellenbosch, Breede Valley, Theewaterskloof, and Overstrand.

The regional settlement concept proposed by the GCM RSIF is built on the following key tenets:

- Containing settlement footprints by curtailing the further development of peripheral dormitory housing projects;
- Targeting built environment investments within regional centres, specifically in nodes of high accessibility and economic opportunity;
- Targeting these locations for public and private residential investment, especially rental housing, to allow for maximum mobility between centres within the affordable housing sector;
- Using infrastructure assets (specifically key movement routes) as "drivers" of economic development and job creation;
- Promoting regeneration and urban upgrading within strategic economic centres as well as high-population townships across the functional region;
- Shifting to more urban forms of development within town centres including higher densities and urban format social facilities;
- Connecting these nodes within an efficient and flexible regional public transport and freight network; and
- Maintaining valuable agricultural and nature assets.

In terms of role and function, Paarl and Wellington is the Northern Winelands service, administrative, tertiary education, agri-processing and distribution, and tourist centre, with very high/ high growth potential.

Stellenbosch is identified as the Southern Winelands service, administrative, tertiary education and research, and agri-processing centre, as well as home to multi-national enterprise headquarters, a key tourism destination, and focus for technology industry, with very high growth potential.

In relation to Klapmuts, the RSIF recognises that:

- Existing infrastructure in the area (i.e. N1, R101, R44 and the Paarl-Bellville railway line and station), which dictate the location of certain transport, modal change or break-of-bulk land uses; and
- Klapmuts is a significant new regional economic node within metropolitan area and spatial target for developing a "consolidated platform for export of processed agri-food products (e.g. inland packaging and "containerisation port") and "an inter-municipal growth management priority".

Figure 22: The diagram illustrates the GCM RSIF in plan form

4.10 Stellenbosch Municipality's Work on a SDF

Over the last decade, the Stellenbosch Municipality has completed a considerable volume of studies, policy documents, and plans, specifically related to SDFs, as well as studies, policy documents, and plans that should inform or be informed by the SDF (for example comprehensive plans like the IDP covering all the activities of the Municipality, or sector specific work related to economic development, transport, the environment, housing, and so on). Some of these studies, policy documents, and plans cover the whole Municipal area, while others focus on specific parts of the area.

Starting in 2008, and culminating in an approved SDF and the "shaping Stellenbosch" initiative, broad consensus has been achieved on the desired future direction and form of development. Some of the country's most accomplished professionals were involved in this work, we spent considerable time and money, and citizens bought in.

In 2013 Stellenbosch Municipality approved a SDF for the Stellenbosch municipal area that includes Franschhoek, the Dwars River Valley, Klapmuts, Stellenbosch town (including Kayamandi, Cloetesville, Ida's Valley), Lynedoch, Vlottenburg and Raithby. An updated version of this document in terms of the requirements of SPLUMA (and summarised for public accessibility) was approved on May 2019.

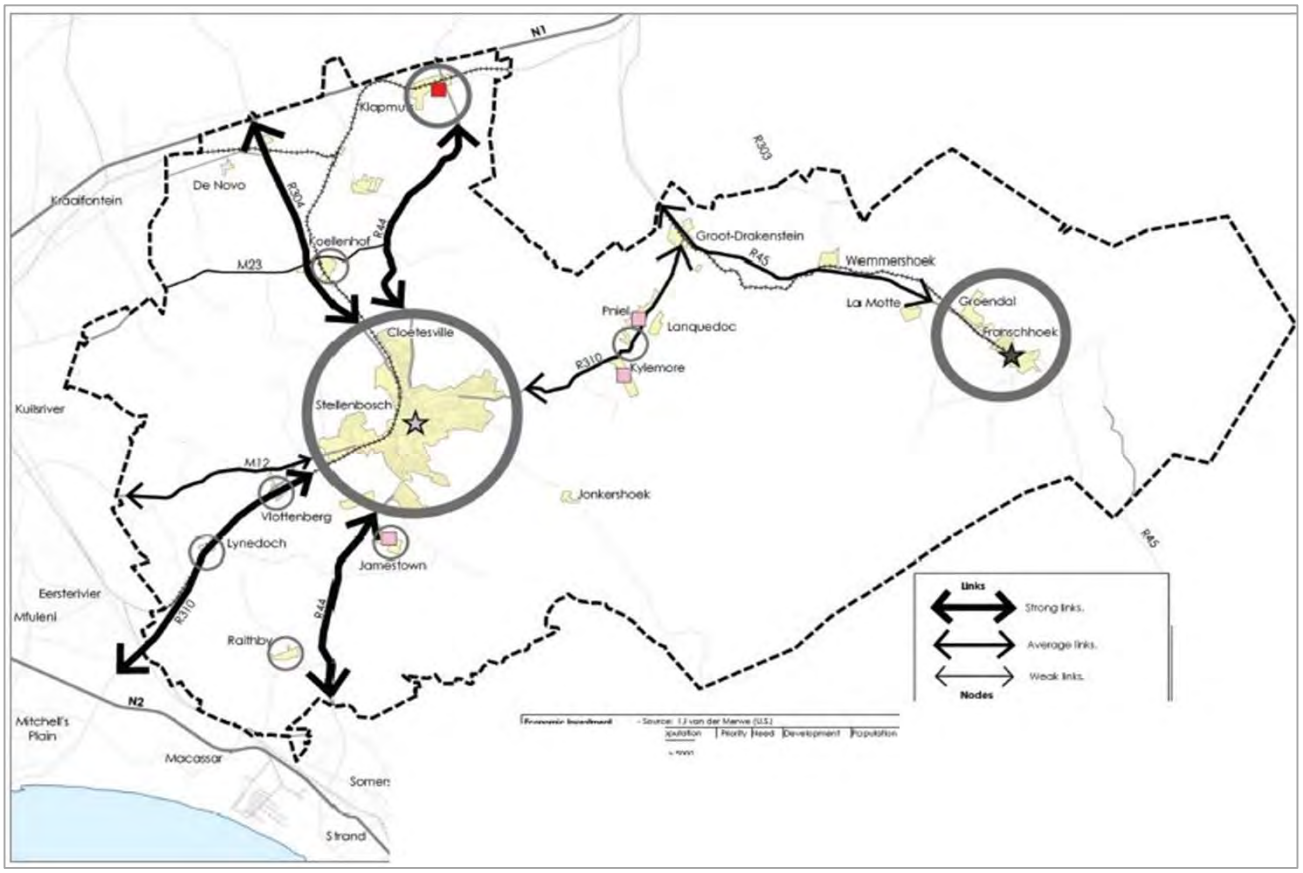
Since approval of the SDF in 2013 and 2019, SDF related work has focused on:

- Development of scenarios of land demand to inform the development of a preferred 20-year growth strategy, development path, and nodal development concepts. This work culminated in status quo and draft Urban Development Strategy (UDS) documents during 2017;
- An analysis and synthesis of the rural areas of Stellenbosch Municipality with a view to prepare a Rural Area Plan (RAP);
- A Draft Heritage Inventory of large-scale landscape areas in the rural domain of the municipality informing proposed heritage areas (complementing previous inventory work completed for urban areas); and
- Area-based planning investigations for parts of the municipality, notably Stellenbosch town, Klapmuts, the area north of Kayamandi, and Paradyskloof.

In parallel to SDF work, considerable progress has been made, in collaboration with the Western Cape Government, developing a strategy for sustainable transport planning, infrastructure provision, and management in Stellenbosch. This work, through application of the Provincial Sustainable Transport Programme (PSTP).

The below diagram illustrates the varied spatial and related sector documents prepared over the last ten years by Stellenbosch Municipality.

Figure 23: Varied spatial and related sector documents prepared over the last ten years



4.11 Institutional Arrangements for Preparing the SDF

The Stellenbosch Municipality's current work on the SDF have taken place with the inputs and oversight of an Intergovernmental Steering Committee (ISC), as prescribed in LUPA, and comprising representatives across spheres of government and sectors.

Further, it should be noted that the approved SDF, as well as specific sector documents and area studies listed in chapter 7, sought inputs from various organisations and individuals as part of public participation processes undertaken during various stages of preparing these studies.[7]

4.12 The Challenges Addressed by the SDF

The Stellenbosch Municipality SDF attempts to address the spatial dimensions of varied challenges, documented in this IDP and numerous studies and documents produced to date, and dealing with spatial and non-spatial matters.

[7] For example, the "Shaping Stellenbosch" initiative involved a facilitated process of engagement between Directors of key municipal departments and members of the Mayoral Committee (MayCo), consultations with all ward councillors, meetings with ward committees and 72 formal engagements with various groups, and four major workshops that were attended by a wide cross-section of organisations. By August 2014, a total of over 200 ideas were submitted from around 108 stakeholders to a dedicated web-site.

Framed as a question, the key challenge revolves around how to achieve, through managing the spatial distribution and form of development – primarily land use activities and associated structures, both new and existing – shared and inclusive growth, increased access to opportunities (particularly for disadvantaged citizens), improved sustainability by minimising ecological footprints, and maintenance of the unique sense of place of the settlements and surrounding lands which constitute the municipality.

In addressing these challenges, the SDF has two tasks. The first relates to how activities should be organised and accommodated in space to best address challenges. The second is to guide how other sectors, services, or functional areas, should adjust their focus and work to support the recommended organisation and accommodation of activities in space.

Without re-stating the varied challenges of the municipality outlined in full in the IDP and sector documents, the table below lists specific spatial challenges addressed by work on the SDF, following the broad themes contained in the SPLUMA Guidelines.

Table 28: Spatial Challenges

Theme	Spatial Challenges
Bio-physical context	• The ongoing loss of agricultural opportunity through urban development and land use change of high value agricultural land. • Development which threatens the integrity and value of high worth nature, scenic, cultural, and heritage landscapes and places. • The poor state of rivers within the municipal area.
Socio-economic context	• The current population of approximately 175 000 is very unequal with the municipality having one of the highest Gini-Coefficients in South Africa. 53% of households are classified as low-income, with 20% of these having no registered income. Unemployment stood at around 20% in 2011, and continues to rise. • Despite a relatively positive and resilient economic trend showing some employment growth in the managerial and skilled sectors, job losses continue in the low and semi-skilled sectors. This is of critical concern for the region's sustainability. • Although Stellenbosch Municipality has a slightly lower unemployment rate than the Western Cape and the country, its unemployment rate of more than 20% represents a significant social challenge. • Almost 23% of the population is under 15 in age, indicating that a large percentage of the population will be entering the labour market in the next two decades.
Built environment context	• 60% of households do not have access to a car, and are dependent on unsupported informal public transport or travel on foot. Many trip needs remain unsatisfied or are undertaken with great hardship. For these captive populations, access to ever more dispersed activity is increasingly difficult, yet virtually all available funding is allocated to providing general road infrastructure rather than the development of transport systems and approaches that serve the most effective and sustainable movement of people and goods. • There has been continuous growth in weekday commuter trips from the Cape Town Metropole and surrounding areas into Stellenbosch. This in part reflects increased employment opportunities but also the shortage of affordable local accommodation requiring many employees to commute from distant locations with cheaper housing. • 70% of all trips entering Stellenbosch town are by private car. There is worsening peak period congestion, with average traffic speeds pushed down to 13km/h (below cycling speed) and a throughput per lane of only 600 persons per hour due to the very low vehicle occupancies. • Local (<5km) peak period person trips within the town of Stellenbosch total twice the number of longer distance (>5km) passenger commute trips. 95% of all NMT trips within the Stellenbosch town are made by low income residents. In contrast over 80% of all local trips by choice-user are made by car. There is great potential for reducing private motor vehicle travel through targeting short trips and market sectors (e.g. University students) to switch to cycling and walking, which will help to significantly improve general traffic flow. • Significant unmet and future demand for housing (across housing typologies and income brackets). • Large old industrial complexes in well-located areas are disused or underutilised. • Inadequate sanitation, stormwater and solid waste infrastructure in some lower income areas/ informal settlements are contributing to river pollution.

Theme	Spatial Challenges
Institutional context	• The limited capital budget of the Municipality, given the extent and depth of community needs. • The limited professional resources of the Municipality, specifically in relation to the rigorous, and dedicated full-time management of large scale projects.

4.13 Strategic Component of the SDF

4.13.1 Vision

In line with the SM's vision as the "valley of opportunity and innovation" (as contained in the IDP), the vision for spatial development and management is described as follows:

"we envisage a municipal area even more special than it is today; a place of natural beauty, rich in the way it preserves and exposes elements of history and culture, its produce from the land, the quality of its institutions, and the mindfulness and innovations of its people.

It is a future Stellenbosch municipal area that remains familiar; it has retained what differentiates the municipality from other places, its landscapes, historic buildings and settlement patterns, and the specialness of its institutions. It is resilient; it has adapted to the needs of today without losing what is special from the past. It is inclusive; it has accommodated the needs of citizens from all walks of life without fear. It is diverse and therefore productive. In adapting to new needs, and accommodating new people, it has become the stage for new expressions of culture, new businesses, and new ways of doing.

In form, it comprises a set of compact settlements, large and small, surrounded by natural and productive landscapes, and linked by means of public transport. Internally, settlements are relatively dense, cyclable and walkable. Each portrays a unique character, closely linked to its surrounding landscape, the reach and extent of its public institutions, and the capacity and opportunity of its infrastructure. Each provides for a range of citizens from all walks of life, with significant choice in place of residence."

4.13.2 Strategic focus

The table below illustrates how work on the SDF relates – in terms of its focus and contribution – to achieving the five municipal strategic focus areas as contained in the IDP.

Table 29: IDP strategic focus areas and the SDF

IDP Strategic Focus Area	Related concerns of the SDF	SDF Strategic Direction
Valley of possibility	The way settlements, nature and agricultural are spatially developed and managed to enhance individual and collective livelihood opportunities and enterprise development, and overcome inequity and exclusion.	• Containment of settlements to protect nature/ agricultural areas and enable public and non-motorised transport and movement. • A focus on public and non-motorised transport and movement.
Green and sustainable valley	The way settlements, nature and agricultural areas are spatially developed and managed to maintain and enhance natural resources and ensure future balance between human settlement and its use of natural resources and opportunity.	Protection of nature areas, agricultural areas, and river corridors.
Safe valley	The way settlements, nature and agricultural areas are spatially developed and managed to ensure	Denser settlements with diverse activity to ensure surveillance.

IDP Strategic Focus Area	Related concerns of the SDF	SDF Strategic Direction
	individual and collective safety in living, in movement, at work, institutions, and play.	
Dignified living	The way settlements, nature and agricultural areas are spatially developed and managed to ensure equal access to shelter, facilities and services, notwithstanding material wealth, age, gender, or physical ability.	A specific focus on the needs of "ordinary" citizens, experiencing limited access to opportunity because of restricted available material resources.
Good governance and compliance	The way settlements, nature and agricultural areas are spatially developed and managed to ensure individual and collective participation – based on accessible information and open processes – in matters related to spatial planning and land use management.	Presenting information, including opportunities and choices in a manner that assists its internalisation by all.

As it is not specifically mentioned in the strategic focus areas – perhaps as it is more an approach or "way of thinking and doing" about matters generally than a strategic focus area – a note on innovation is justified, specifically in relation to spatial planning and the SDF.

Innovation is not limited to – as it is often perceived to be – information technology. It cuts across all tasks; it must be at the basis of all efforts and approaches to meet challenges. Much of Stellenbosch's current spatial challenges will not be resolved through conventional spatial planning approaches; ways of doing which have become part of a prevailing culture in planning and development, including accommodating new development on "undeveloped" nature or agricultural land, supporting relatively low density development, attempts to accommodate unimpeded movement by private vehicles with low occupancy, each potential land developer striving to maximise individual development opportunity, and so on. In many ways, these approaches have contributed to varied existing challenges to be addressed today, including inequity in access to opportunity, environmental degradation, and stress on municipal resources.

Arguably, exploring and implementing new approaches or strategy are not easy, as observed by Hamel: "When people sit down and think about strategy … they take 90 or 95% of industry orthodoxies as a given … Instead, they must stare down their orthodoxies and determine that they are not going to be bound by them anymore … The deepest reason [for not doing this] is an unwillingness or inability to look outside of current experiences. It's the whole set of definitions that grew up over time … about what business we're in … you get convergence around those things. A lot of this is not simply blindness; a lot of this is denial. Yes, we see it, but it is so uncomfortable that we can't admit to it."[8]

[8] An interview with Gary Hamel, strategy + business http://www.strategy-business.com/press/16635507/13304

4.13.3 Concept and core argument

The concept for spatial development and management of SM comprises seven key tenets:

1: Maintain and grow our natural assets

Valuable land areas, including critical biodiversity areas, agricultural land, land affecting the maintenance of water resources, and so on, cannot be built upon extensively, it cannot be the focus for significantly accommodating existing or future settlement need spatially.

2: Respect and grow our cultural heritage

The areas and spaces – built and unbuilt – that embody the cultural heritage and opportunity of SM needs to be preserved and exposed further. Some areas and spaces need to be maintained intact, others provide the opportunity for new activity, in turn exposing and enabling new expressions of culture.

3: Direct growth to areas of lesser natural and cultural significance as well as movement opportunity

Within areas of lesser natural and cultural significance, the focus should be on areas where different modes of transport intersect, specifically places where people on foot – or using non-motorised transport – can readily engage with public transport.

4: Clarify and respect the different roles and functions of settlements

The role and potentials of different settlements in Stellenbosch require clarification. In broad terms, the role of a settlement is determined by its relationship to natural and cultural assets and the capacity of existing infrastructure to accommodate change and growth.

5: Clarify and respect the roles and functions of different elements of movement structure

Ensure a balanced approach to transport in SM, appropriately serving regional mobility needs and local level accessibility improvements, aligned with the spatial concept.

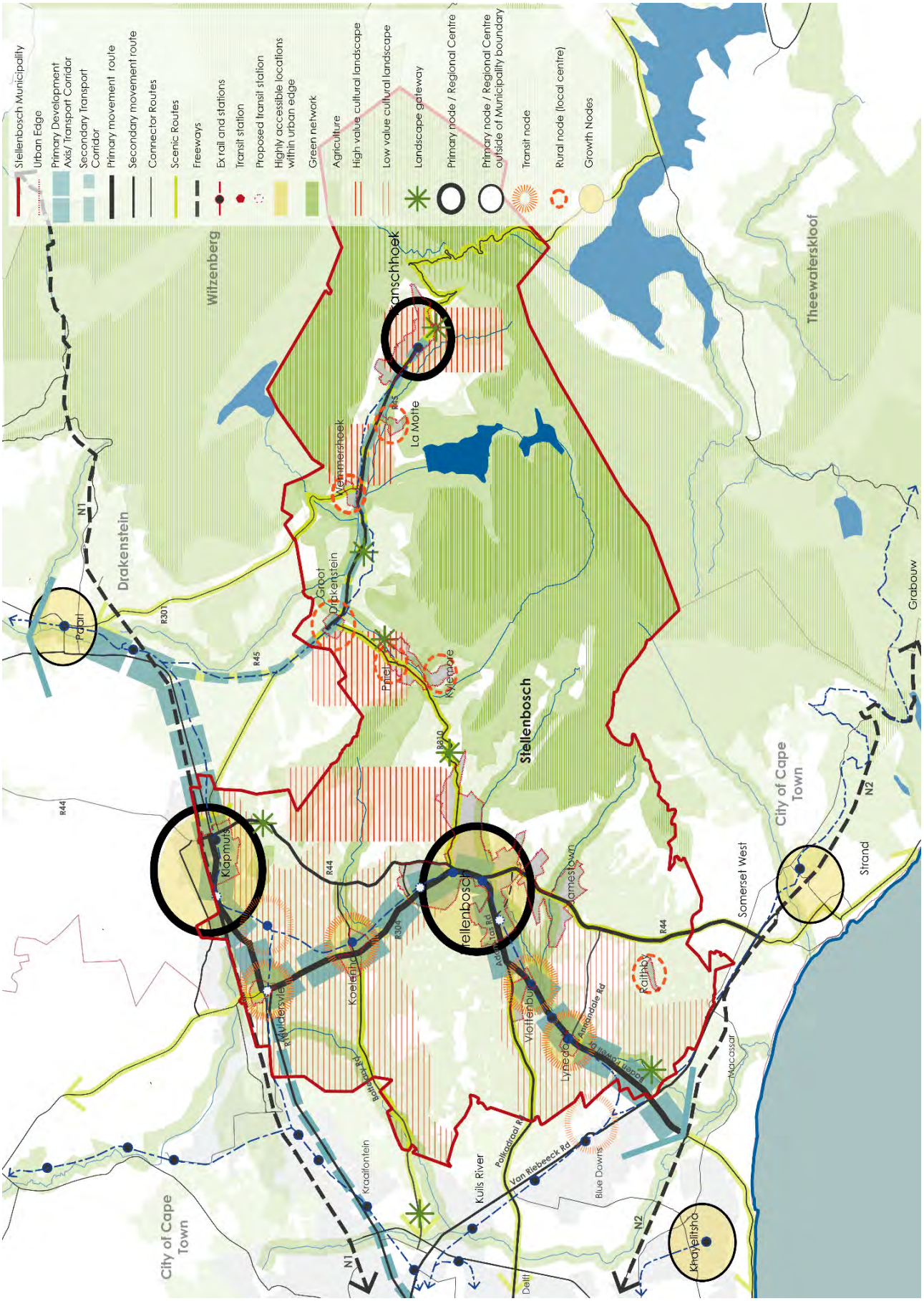
6: Ensure balanced, sustainable communities

Ensure that all settlements are balanced and sustainable, providing for different groups, maintaining minimal development footprints, walkability, and so on.

7: Focus collective energy on critical lead projects

Harness available energy and resources to focus on a few catalytic areas that offer extensive opportunity fastest and address present risk.

Figure 24: The overarching concept is illustrated in figure below



4.14 Implementation Framework

4.14.1 Introduction

The SPLUMA guidelines require, as part of the MSDF, a high-level Implementation Framework setting out the required measures that will support adoption of the SDF proposals while aligning the capital investment and budgeting process moving forward. The MSDF Implementation Framework comprises the following sections:

- A proposed settlement hierarchy.
- Priority development areas and themes.
- A policy framework (linked to strategies).
- Guidelines, studies, and information supporting the policies.
- Implications for sector planning and specific development themes, including:
  - Movement.
  - Housing.
  - Local economic development.
- Implications for inter-municipal planning
- Land use management and regulations.
- Catalytic initiatives.
- Further planning work.
- Institutional arrangements.
- Checklists in support of decision-making.
- A municipal leadership and advocacy agenda related to spatial development and management.

4.14.2 Proposed Settlement Hierarchy

The proposed settlement hierarchy for SM, supporting the spatial plan and proposals for the settlement as a whole, is outlined in the table below.

Table 30: Proposed settlement hierarchy for the Stellenbosch Municipality

Settlement	Role	Development and Land Use Management Focus
Primary settlements		
Stellenbosch town	A significant centre comprising extensive education, commercial and government services with a reach both locally and beyond the borders of the municipality, tourism attractions, places of residence, and associated community facilities.	• Broadening of residential opportunity for lower income groups, students, and the lower to middle housing market segments. • Upgrade of informal settlements. • Retention of University functions in town. • Enablement of the Adam Tas Corridor. • Sensitive residential infill and compaction. • Drive to established "balanced" precincts (e.g. Techno Park). • Public transport development, travel demand management, parking controls, and NMT improvements.
Klapmuts	Focus for economic development (utilising a favorable location for manufacturing, logistics, and warehousing enterprises)	• Support for development of RE/Farm 736 as a lever to economic development utilising a favorable location for manufacturing, logistics, and warehousing enterprises. • Balanced housing provision in Klapmuts South, focused on those who can benefit from employment provision through unlocking Klapmuts North.

Settlement	Role	Development and Land Use Management Focus
	and associated residential opportunity.	• Establishing the Klapmuts town centre. • NMT improvements.
Franschhoek	Secondary service centre, significant tourist destination, and place of residence.	• Upgrade of informal settlements • NMT improvements. • Sensitive infill within urban edge providing inclusive housing and extended commercial opportunity (also for small and emerging entrepreneurs). • Retention of historic character.
Secondary settlements		
La Motte	Contained rural settlement.	• Diversification of existing activities to curtail the need for movement. • Sensitive location of diversified uses closer to the R45. • Limited further housing development.
Wemmershoek	Contained rural settlement.	Possible extension of residential opportunity linked to re-use of saw-mill site and local employment opportunity.
Groot Drakenstein	Contained rural settlement.	Accommodation of sensitive private and public sector initiatives offering expanded livelihood (including tourism) and residential opportunity.
Dwars River Valley	Contained historic rural settlements.	Accommodation of sensitive private and public sector initiatives offering expanded livelihood (including tourism) and residential opportunity.
Jonkershoek	Contained, but dispersed collection of institutional, recreational and residential uses.	Rationalisation and containment of existing occupation rights.
Muldersvlei	Contained rural settlement.	Potential future consolidated, inclusive settlement linked to rail/ bus.
Koelenhof	Contained rural settlement.	Potential future consolidated, inclusive settlement linked to rail/ bus.
Vlottenburg	Contained rural settlement.	Potential future consolidated, inclusive settlement linked to rail/ bus.
Lynedoch	Contained village and institutional cluster.	Gradual expansion of unique development model based focused on sustainable living and education.
Spier	Contained tourism and cultural centre.	Containment and limited expansion of existing offering.
Raithby	Contained historic rural settlement.	Protection of unique historic settlement structure and form.

4.14.3 Priority Development Areas and Trends

In terms of the MSDF concept, prioritisation of development – at a broad level – are of two types. The first is spatial and targeted at significant future growth in specific places. The second is sectoral or thematic, focused on the kind of development to be prioritised.

Spatial areas for priority development over the MSDF planning period are:

- Stellenbosch town.
- Klapmuts.

As argued elsewhere in this document, it is here, by virtue of settlement location in relation to broader regional networks and existing opportunity within settlements, that the needs of most people can be met, in a compact settlement form while protecting the municipality's nature and agricultural assets.

Over the longer term, Muldersvlei/ Koelenhof and Vlottenburg/ Lynedoch along the Baden Powell-Adam Tas-R304 could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, much work needs to be done to ensure the appropriate make-up of these settlements (including each providing opportunity for a range of income groups) and integration with the corridor in terms of public transport. They are therefore not prioritised for significant development over the MSDF period.

Should significant development be enabled in these areas now, it is likely to be focused on private vehicular use and higher income groups (in gated developments), and will in all probability reduce the potential of initiatives to transform Stellenbosch town and Klapmuts.

The focus on Stellenbosch town and Klapmuts does not exclude all development focus in Franschhoek and the smaller settlements. Rather, it is argued that these settlements should not accommodate significant growth as the pre-conditions for accommodating such growth does not exist to the same extent as in Stellenbosch town and Klapmuts. What should be emphasised in Franschhoek and smaller settlements is improving conditions for existing residents and natural growth within a context of retaining what is uniquely special in each (from the perspective of history, settlement structure and form, relationship with nature and agriculture, and so on).

In terms of sectoral or thematic focus, the spatial development priority in all settlements should be to:

- Upgrade the servicing and transformation of informal settlements;
- Provide housing for lower income groups in accessible locations (specifically through infill of vacant and underutilised land or redevelopment of existing building footprints);
- Expand and improve public and NMT routes;
- Improve public and community facilities and places (e.g. through clustering, framing them with infill development to improve edges and surveillance, prioritisation for landscaping, and so on); and
- Expand the recognition, restoration, and exposure of historically and culturally significant precincts and places (both in the form and use of precincts and places).

4.14.4 Policy Framework

The table below sets out specific spatial policies to support the *m*SDF concept and settlement plans. In using the policy framework, it is important to note that one specific policy or guideline should not be highlighted or used exclusively to support a specific initiative. Rather, each policy supports the other; each "frames" the other. Thus, initiatives or proposals should be evaluated in terms of the policy framework as a whole.

Further, the successful implementation of spatial policy and guidelines is often dependent on related, supportive, non-spatial policy. This implies policy alignment across municipal functional areas and services.

The table also includes specific work guidelines which begins to frame work to be undertaken – or continued – in support of proposed policies.

Table 31: Specific work guidelines

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
1.	Maintain and grow the assets of SM's natural environment.	• As far as is possible, protect and expand priority conservation areas, establish ecological linkages, and preserve high-potential agricultural land within the municipality. • Resist the subdivision of viable agricultural land unless it forms part of a new balanced, integrated, and inclusive settlement supportive of the MSDF objectives, an agri-village in line with provincial policy for the settlement of farm workers, or the formalisation of the "urban" component of existing forestry settlements (for example Jonkershoek and La Motte). • Support compatible and sustainable rural activities outside the urban edge (including tourism) if these activities are of a nature and form appropriate in a rural context, generate positive socio-economic returns, and do not compromise the environment, agricultural sustainability, or the ability of the municipality to deliver on its mandate.	• Proactively maintain and upgrade municipal infrastructure services to limit/ mitigate risk to ecological services. • Support initiatives to protect water resources, rehabilitate degraded aquatic systems, retrofit or implement water demand management systems, and mainstream water conservation. • Support energy diversification and energy efficiency initiatives to enable a transition to a low carbon, sustainable energy future. • Support initiatives to extend public access to nature assets without compromising the integrity of nature areas or ecological services. • Support initiatives by the private sector to extend environmental stewardship. • Assist in initiatives to diversify, strengthen, and open up new opportunities and jobs in the rural economy, including the identification of strategically located land for land reform purposes. • Support initiatives to utilise municipally-owned agricultural land for small scale agriculture, forge partnerships with non-governmental or public benefit organisations to assume management responsibilities for commonages, and provide basic agricultural services to commonages.	• Prepare and implement management plans for municipal nature reserves and other ecological assets. • Prepare and implement invasive species control plans for municipal properties. • Prepare and implement initiatives for the rehabilitation of rivers and wetlands in urban areas. • Develop resource efficient strategies for all municipal services and land and building development (e.g. compulsory green energy installations in building development, grey water circulation, sustainable urban drainage, etc.). • Utilise and contribute to municipal and provincial mapping and planning initiatives that inform land use decision-making supportive of ecological integrity, securing natural resources, and protecting agricultural land of high value. • Delineate and manage urban edges and watercourse setbacks in a manner which diverts urban growth pressures away from important natural and agricultural assets. • Apply biodiversity offsets in cases where development in areas of endangered and irreplaceable biodiversity cannot be avoided. • Actively engage with adjoining municipalities and provincial government to ensure that the integrity of SM's natural environment is maintained (specifically in relation to land use management in

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
				adjoining municipal areas).
2.	Respect, preserve and grow the cultural heritage of SM.	• Preserve significant cultural and historic assets within the municipality and grow the opportunity for new or emerging forms of cultural expression through expanding the use of existing cultural assets or supporting new uses for areas or structures of historic value. • As far as is possible, protect cultural landscape assets – including undeveloped ridge lines, view corridors, scenic routes, and vistas – from development. • Support alternative uses for historic structures and places which will enable its preservation (subject to adherence to general MSDF strategy and policies).	• Support the transfer of municipal assets of cultural and historic value to organisations geared to manage these assets sustainably in the interest of the broader community. • Manage heritage places and structures in terms of the recommendations of municipal heritage studies.	• Maintain and utilise municipal and inter-governmental evaluation and mapping initiatives to inform land use decision-making supportive of cultural integrity, and securing historic places and structures. • Actively engage – on a continuous basis – with adjoining municipalities and provincial government to ensure that the integrity of SM's heritage is maintained (specifically in relation to land use management in adjoining municipal areas).
3.	Direct significant growth or new development in SM to areas: • Not identified as of the most critical natural or cultural significance. • Where the most opportunity exist in existing infrastructure investment, whether reconfigured, augmented, or expanded.	• Prioritise the targeted settlements on the Baden Powell-Adam Tas-R304 corridor for growth/ new development. • Over the MSDF period, focus on Stellenbosch town and Klapmuts to accommodate significant new growth.	• Align the policy and planning of all municipal services to support accommodating significant growth and new development as proposed in specific areas. • Progressively utilise the municipality's significant asset of land as a resource to direct major growth or new development to areas not identified as of the most critical natural or cultural significance. • Allocate municipal funds for land acquisition in areas identified as most suitable for growth or new development (specifically for development as lower income housing).	• Together with the WCG, undertake inter-service investigations to determine the exact location, size, nature, and form of new settlement areas to accommodate new growth. • Develop specific framework planning, land use management, infrastructure, financial, and urban design provisions and directives to ensure the optimal development of identified settlement areas to accommodate new growth.
4.	Clarify and respect the different roles and potentials of settlements in SM and maintain the	• Ensure that each settlement – large and small – remains a distinct entity, surrounded by natural open space and agricultural land.	• Align the policy and planning of all municipal services to support the proposed settlement hierarchy and development/ management approach. • Reinforce the role of Stellenbosch town as a regional service and	• Support the re-location of land extensive manufacturing, logistics, and warehousing enterprises from Stellenbosch town to Klapmuts.

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
	identity of each.	• Maintain a clear hierarchy of settlements which (in general terms) focus new growth and development in larger settlements to: – Minimise associated impacts on the environment, agricultural land, and natural resources. – Maximise livelihood opportunity through building on the availability of existing public facilities, and commercial opportunity. – Maximise the sustainability of new facilities and commercial opportunity. – Enable the provision of infrastructure in the most efficient and cost effective way. – Minimise the need for inter-settlement movement. – Maximise opportunity for and use of non-motorised and public transport. • Minimise growth in smaller settlements where opportunity is limited while improving access to local services and facilities (required daily). • Maintain and enhance the unique historic, cultural, and settlement characteristics of different settlements.	tourism centre focused on higher order educational, health, government, and commercial uses, as well as unique historic assets. • Reinforce the role of Klapmuts as a potential regional logistics/ warehousing/ manufacturing hub – with associated residential opportunity – based on its location at the intersection of the N1 and regional north/ south movement routes. • Maintain Franschhoek as a centre for tourism and culture with limited growth potential.	• Maintain the nature and form of small rural settlements while enabling small changes towards improving livelihood opportunity.
5.	Ensure a balance approach to transport in SM, that appropriately serves regional mobility needs and local level accessibility improvements.	• Actively promote compact, dense, mixed use development which reduces car dependence and enables and promotes use of public and NMT.	• Shift municipal resources to include a greater focus on non-motorised, shared vehicle travel, and public transport solutions. • Establish measures to ensure that there is inter-service agreement on the settlement hierarchy, settlement roles, and associated function, modes of transport to be carried, and development/ management approach to be followed in relation to different	• Assess future transport development/ improvements in relation to impact on the complete settlement system. • Guard against needed/ required vehicular routes of necessity resulting in development of undeveloped land traversed by the route.

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
			sections of the municipal movement network. • Work with provincial and national government to affirm the proposed categorisation of movement forms, and associated infrastructure and management needs in Stellenbosch. • Proactively seek management of travel demand among key stakeholders in SM, in a manner that significantly higher passenger volumes are gradually achieved from existing transport infrastructure. • Proactively allocate resources to improve NMT in the municipal area. • Strengthen the role played by rail based public transport, including advocating for a new, lighter, frequent rail service on the Eerste River/ Klapmuts rail line as backbone of transport movement along the Baden Powell-Adam Tas-R304 corridor.	
6.	Develop all settlements as balanced, inclusive, appropriately serviced, communities, negotiable through NMT and exhibiting a positive relationship with surrounding nature and agricultural land.	• Work towards and maintain – for each settlement in the municipality – a compact form and structure to achieve better efficiency in service delivery and resource use, the viability of public and NMT, and facilitate inclusion, integration, and entrepreneurship development. • Adopt a conservative view towards the extension of existing urban edges over the MSDF period. • Actively support infill development and the adaptive re-use of existing structures. • Support increased densities in new, infill, and redevelopment projects. • Rationalise space standards – especially of social facilities – and release surplus land for other uses, specifically housing.	• Proactively drive transport demand management programmes (specifically in and around Stellenbosch town) to curtail private vehicle use. • Shift more transport resources to the development and operation of effective public transport services and comprehensive provision of NMT.	• Review the delineation of restructuring zones to support the MSDF objectives • Support development which emphasises public transport/ NMT as opposed to private vehicular use. • Integrate spatial planning, transport planning (emphasising public and NMT), and social facilities planning. • Move away from self-reinforcing conditions for development in terms of car parking minimum standards, and ensure the active participation and collaboration between land owner, developer, and municipality towards the provision of alternatives to car use. • Actively engage – on a continuous basis – with adjoining municipalities and provincial government to ensure that the integrity of SM's settlements as contained, balanced

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
				communities is maintained (specifically in relation to land use management in adjoining municipal areas).
		Support the general upgrading and transformation of existing informal settlements.	• Prioritise basic residential services for poor households, specifically in informal settlements, backyard dwellings, and a minimum level of basic services to marginalised rural settlements. • Resist existing informal settlements being the only viable settlement option for poor households by supporting the identification and servicing of alternative areas for settlement. • Ensure that asset management best practice is followed to maintain existing infrastructure investment and prevent greater replacement cost in future. • Reinforce basic service delivery with good quality urban management to support household and economic asset development.	• Put in place an inter-governmental portfolio of land (existing and earmarked for purchase), an agreed land preparation programme, and a release strategy, for publicly assisted, lower income housing (including the BNG, FLISP, social/ rental, and GAP markets). • Identify alternative settlement locations for poor households, over and above existing informal settlements. • To assist the municipality in housing provision, support initiatives to house farm workers on farms (in a manner which secures tenure).
		Expand housing opportunity for a broader range of groups – including lower income groups and students – particularly in settlements forming part of the Baden Powell-Adam Tas-R304 corridor.	• The planning of infrastructure and social facilities should accommodate the likelihood of back-yarding and its contribution to livelihood strategies.	• Develop an inclusionary housing policy and guidelines. • Prioritise infill housing opportunity on public land for the BNG, FLISP, social/ rental, and GAP markets. • Where possible, proactively plan for back-yarding opportunity in lower income housing projects. • Actively support the development of student housing in Stellenbosch town.
		Provide and maintain a system of accessible social facilities, integrated with public space and public and NMT routes.	• Reinforce social facilities with good quality urban management to ensure service excellence and sustainability. • Focus on fewer but better social facilities.	• Cluster social facilities. • Locate facilities in association with public space and public and NMT routes.
		Provide and maintain an urban open space/ public space system integrated with public transport/ NMT, social facilities, and linked	• Prioritise open/ public space development in poor and denser neighbourhoods of the municipality.	Ensure that the edges between building development and open spaces promote activity and passive surveillance.

No.	Strategy	Spatial Policy	Non-Spatial, Supportive Policy	Work Guidelines
		to natural assets (e.g. river corridors).	• Reinforce open/ public space with good quality urban management to ensure use and safety.	
		Ensure work and commercial opportunity accessible through public and NMT to all communities and providing opportunities for emerging and small entrepreneurs.		• Avoid large retail malls and office parks in peripheral locations reliant on private vehicular access and which detract from the viability of established commercial and work areas, and lock out small entrepreneurs.
7.	Actively seek conditions to enable the private and community sectors to align their resources and initiatives with the MSDF principles and proposals.	Conscious of public resource constraints, actively seek and support private and community sector partnership to expand livelihood opportunities, settlement opportunity for ordinary citizens, and the national imperative to expand participation in the economy.	Develop an incentives package to support private and community sector partnerships in achieving the MSDF principles and proposals.	• Enable private and community sector participation by making known the Municipality's spatial principles and intent in user friendly communiques and guidelines. • Require private land owners in key areas to plan and coordinate development collectively (beyond individual property boundaries and interests) in order to ensure appropriate infrastructure arrangements, the provision of inclusionary housing, public facilities, and so on.
8.	Focus major development energy in SM on a few catalytic development areas that offer extensive, inclusive opportunity.	Focus major development effort in SM on: • Unlocking development in Klapmuts North. • The Adam Tas Corridor (in Stellenbosch town).	• Clearly communicate municipal objectives and principles – across functional areas and services – for development and urban management in catalytic areas. • Seek land owner, provincial government, and national government support to develop catalytic areas in the best public interest. • Support the establishment of institutional arrangements solely dedicated to enable development of catalytic areas and proceed with work to detail the broader plan and activity programme. • Align municipal infrastructure and social services planning to support development in catalytic areas. • Use municipal and government owned land assets to support development in catalytic areas.	• Ensure that catalytic areas be developed as inclusive, appropriately serviced communities, negotiable through NMT and exhibiting a positive relationship with surrounding nature and agricultural land. • Prepare land use management measures to enable development in catalytic areas. • Define catalytic areas as "restructuring" or other special-measure areas to enable benefit from national and provincial support and incentives.

4.15 Catalytic Initiatives

4.15.1 Adam Tas Corridor (ATC)

The most strategically located land in Stellenbosch town comprises large industrial spaces, including land previously occupied by Cape Sawmills and Distell facilities. A significant proportion of these have been vacated or will be vacated in the foreseeable future in response to changes in the operating context of manufacturing enterprises. Thoughtful redevelopment of these spaces – at scale – can contribute meaningfully to meeting existing challenges and MSDF objectives.

In simple terms, the concept is to launch a process of re-imagining and re-purposing the land around the Adam Tas Road within the Stellenbosch town to enable maximum potential of this space. This will entail the redevelopment of the Adam Tas Corridor which includes, the area stretching along the R310 and R44 along the foot of Papegaaiberg, from the disused Cape Sawmills site to the west of Kayamandi and Cloetesville along the north part of this corridor.

It forms the western edge to the town but is not well integrated with the rest of Stellenbosch, largely because of the barrier/ severance effect of the R44 and the railway line. Much of the area was historically utilised for light industrial and manufacturing purposes. It includes the dis-used sawmill site, the government owned Droë Dyke area, Distell's Adam Tas facility, Oude Libertas, various Remgro property assets, Bosman's Crossing, the rail station, Bergkelder complex, Van der Stel sports complex, the George Blake Road area, and parts of Kayamandi and Cloetesville. Under-utilised and dis-used land in the area measures more than 300ha.

Conceptually, a linear new district within Stellenbosch is envisaged adjacent to and straddling (in places) Adam Tas Road, the R44, and railway line. Overall, development should be residentially-led with a strong mixed use basis, high density and should favour non-motorised ("NMT") access to the centre of Stellenbosch Town. It is estimated that Adam Tas Corridor through a preliminary development conceptual framework that the ATC will produce approximately 3 million square metres of bulk within a 293ha area, with 69% earmarked for residential usage.

A central movement system (with an emphasis on public transport and NMT) forms the spine of the area and is linked to adjacent districts south and west of the corridor. The corridor retains west-east and north-south vehicular movement (both destined for Stellenbosch town and through movement) as well as the rail line. Remote parking facilities will enable ease of access within the corridor concept, with passengers transferring via public transport, cycling and walking to reach destinations within the town of Stellenbosch.

The corridor is not envisaged as homogenous along its length, with uses and built form responding to existing conditions and its relationship with surrounding areas. Conceptually, three (3) areas could defined, each linked through a sub-district.

- Grow Stellenbosch town – and accommodate existing demand – in a manner which prevents sprawl, and create conditions for efficient, creative living and working;
- Stimulate and act as a catalyst for the development of improved public transport and NMT;
- Rethink and reconstruct infrastructure, and particularly the movement system, including the possible partial grade separation of east-west and north-south movement systems, in turn, integrating the east and west of town and releasing land for development;
- Integrate Kayamandi and Stellenbosch town seamlessly;
- Shift new development focus to the west of town, with Die Braak and Rhenish complex forming the centre and seam between the new west and east of Stellenbosch town;

- Investigating options for alternative parking provision initiatives in and around the town whilst the corridor provides for and promotes a greater focus -for non-motorised transport;
- Accommodate uses which meet urgent needs, specifically higher density housing and university expansion, also assisting in establishing a compact, less sprawling town, public transport, and NMT; and
- Increases land value east of the R44 and in the area between Kayamandi and the Bergkelder complex.

Along the corridor as a whole – depending on local conditions – significant re-use of existing buildings is envisaged. This is seen as a fundamental prerequisite for diversity, in built character and activity (as re-purpose offers the opportunity for great variety of spaces). Aspects of the industrial history of the area should remain visible. A range of housing typologies, accommodating different income groups and family types.

Redevelopment in terms of the concept offers the opportunity to:

- Re-imagine the future use of the land encompassed in the ATC;
- Grow Stellenbosch town – and accommodate existing demand – in a manner which prevents sprawl, and create conditions for efficient, creative living and working;
- Stimulate and act as a catalyst for the development of improved public transport and NMT;
- Reconstruct infrastructure, and particularly the movement system, including the possible partial grade separation of east-west and north-south movement systems, in turn, integrating the east and west of town and releasing land for development;
- Integrate Kayamandi and Stellenbosch town seamlessly;
- Shift new development focus to the west of town, with Die Braak and Rhenish complex forming the centre and seam between the new west and east of Stellenbosch town;
- Investigate options for alternative parking provision initiatives in and around the town whilst the corridor provides for and promotes a greater focus -for non-motorised transport; and
- Accommodate uses which meet urgent needs, specifically higher density housing and university expansion, also assisting in establishing a compact, less sprawling town, public transport, and NMT.

Existing manufacturing enterprises can gradually relocate to the north, closer to the N1 logistics corridor (as planned by Distell for their operations).

It is envisaged that a Local Spatial Development Framework ("LSDF") will be used as the enabling planning framework to realise the implementation of the Adam Tas Corridor over the next 3 – 20 years. This LSDF will include an Implementation Framework that will provide guidance in respect of the following:

- Most appropriate Land Use Strategy;
- Action Areas / Catalytic Projects;
- Framework for Investment; and
- Other enabling Interventions.

The LSDF and its Implementation Framework must spell out – in broad terms – what activities should ideally happen where (and in what form), where to start, and what infrastructure is anticipated by when. However, a spatial plan is not enough. The preparation of the plan has to be situated within a broader surround of development and transport objectives, institutional arrangements and agreements, and parallel professional work streams, which is currently being initiated in conjunction with the Western Cape Government: Department of Environmental Affairs and Development Planning

("DEA&DP") as the coordinator within WCG.

Institutional arrangements are critical, which includes all spheres government, private stakeholder involvement and established partnerships. It would include broad agreement between land owners and the municipality to pursue the corridor development concepts.

Critical also, both for the Adam Tas Corridor and the broader Baden Powell-Adam Tas-R304 development corridor is to explore the feasibility of introducing a more reliable and frequent rail service along the Eerste River-Stellenbosch-Muldersvlei-Klapmuts rail line. The aim should be to have a more frequent passenger service along the corridor.

The Adam Tas Corridor is the start of Stellenbosch's emerging urban transformation district and the vision is to create an integrated urban development corridor that is liveable, safe, resource-efficient, socially integrated, economically inclusive and globally competitive, in which all citizens can actively participate. The Adam Tas Corridor concept will require sustained, committed work over a prolonged period, trade-offs, and a departure of current norms, i.e. investigation of overlay zones e.g. Urban Development Zones ("UDZ"), Special Ratings Areas ("SRA"), etc., to be included within the Stellenbosch Municipality Zoning Scheme Bylaw, 2019.

The emerging objectives for the Adam Tas Corridor are as follows:

- Re-purposing and transforming Stellenbosch Town, using existing under-utilised assets in a manner to benefit all and address critical needs;
- Establishing a process and plan which gives certainty and sufficient flexibility to accommodate the unknown while enabling a "*starting through sharing, learning by doing and using small steps to inform the next methodology*";
- Broadening opportunity for a range of stakeholders, while accommodating varying degrees of readiness and material means; and
- To place Stellenbosch in the heart of the most important urban development project in the province.

Figure 25: Adam Tas Corridor

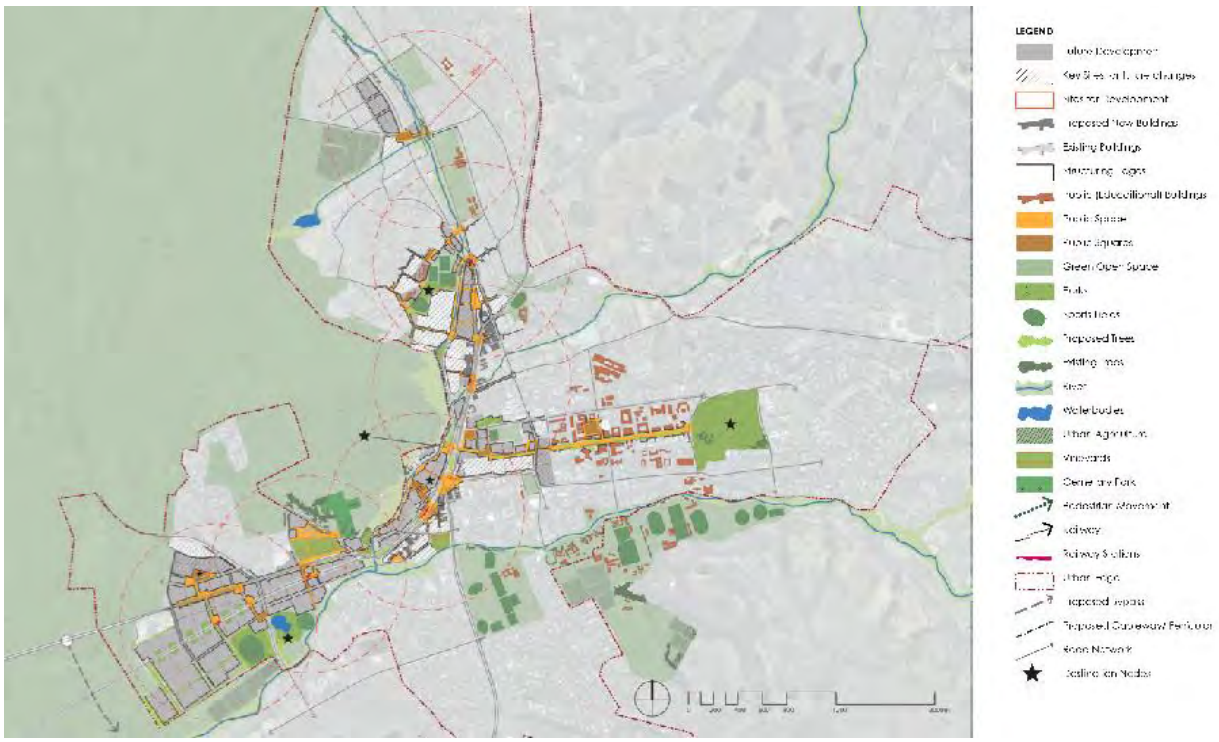
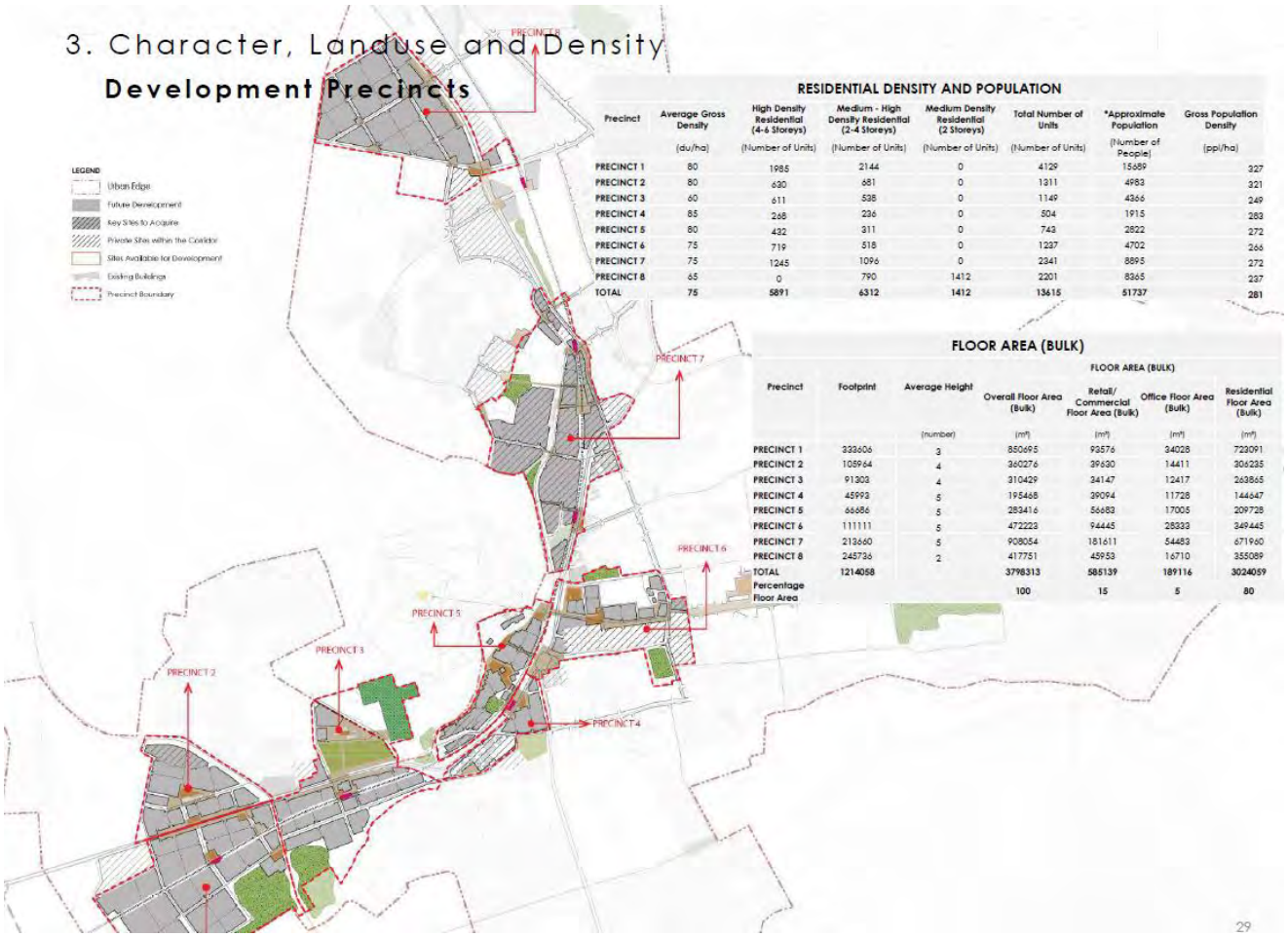


Figure 26: ATC development precinct



RESIDENTIAL DENSITY AND POPULATION

Precinct	Average Gross Density (du/ha)	High Density Residential (4-6 Storeys) (Number of Units)	Medium - High Density Residential (2-4 Storeys) (Number of Units)	Medium Density Residential (2 Storeys) (Number of Units)	Total Number of Units (Number of Units)	*Approximate Population (Number of People)	Gross Population Density (ppl/ha)
PRECINCT 1	80	1985	2144	0	4129	15689	327
PRECINCT 2	80	630	681	0	1311	4983	321
PRECINCT 3	60	611	538	0	1149	4366	249
PRECINCT 4	85	268	236	0	504	1915	283
PRECINCT 5	80	432	311	0	743	2822	272
PRECINCT 6	75	719	518	0	1237	4702	266
PRECINCT 7	75	1245	1096	0	2341	8895	272
PRECINCT 8	65	0	790	1412	2201	8365	237
TOTAL	75	5891	6312	1412	13615	51737	281

FLOOR AREA (BULK)

Precinct	Footprint	Average Height (number)	FLOOR AREA (BULK) Overall Floor Area (Bulk) (m²)	Retail/ Commercial Floor Area (Bulk) (m²)	Office Floor Area (Bulk) (m²)	Residential Floor Area (Bulk) (m²)
PRECINCT 1	333606	3	850695	93576	34028	723091
PRECINCT 2	105964	4	360276	39630	14411	306235
PRECINCT 3	91303	4	310429	34147	12417	263865
PRECINCT 4	45993	5	195468	39094	11728	144647
PRECINCT 5	66686	5	283416	56683	17005	209728
PRECINCT 6	111111	5	472222	94445	28333	349445
PRECINCT 7	213660	5	908054	181611	54483	671960
PRECINCT 8	245736	2	417751	45953	16710	355089
TOTAL	1214058		3798313	585139	189116	3024059
Percentage Floor Area			100	15	5	80

4.15.2 Development of Klapmuts

The Greater Cape Metro Regional Spatial Implementation Framework (RSIF) contains very specific policy directives related to Klapmuts, aimed at addressing pressing sub-regional and local space economy issues. Key policy objectives include:

- Using infrastructure assets (e.g. key movement routes) as "drivers" of economic development and job creation;
- Recognition that existing infrastructure in the area (i.e. N1, R101, R44 and the Paarl-Bellville railway line and station) dictate the location of certain transport, modal change or break-of-bulk land uses;
- Recognition of the Klapmuts area as a significant new regional economic node within metropolitan area and spatial target for developing a "consolidated platform for export of processed agri-food products (e.g. inland packaging and containerisation port)" and "an inter-municipal growth management priority";
- The consolidation of and support for existing and emerging regional economic nodes as they offer the best prospects to generate jobs and stimulate innovation;
- The clustering of economic infrastructure and facilities along public transport routes;
- Maintaining valuable agricultural and nature assets; and
- Providing work opportunity in proximity to living areas.

There is no doubt that Klapmuts is a potentially significant centre for economic activity and residence within the metropolitan region and SM, located as it is on the N1 transport corridor which carries 93% of metropolitan freight traffic. To date, the settlement is characterised by residential use and limited commercial and work-related activity. Public sector resource constraints have prevented the infrastructure investment required to enable and unlock the full potential of the area for private sector economic development as envisaged in the GCM RSIF.

The decision by Distell Limited to relocate to and consolidate its operations in Klapmuts is critical to commence more balanced development of the settlement. Distell Limited proposes to develop a beverage production, bottling, warehousing and distribution facility on Paarl Farm 736/RE, located north of the N1, consolidating certain existing cellars, processing plants, and distribution centres in the Greater Cape Town area. The farm measures some 200 ha in extent. The beverage production, bottling, warehousing and distribution facility will take up approximately 53 ha.

The project proposal includes commercial and mixed-use development on the remainder of the site which is not environmentally sensitive to provide opportunities both for Distell's suppliers to co-locate, and for other business development in the Klapmuts North area. The site does not have municipal services, and the proposed development will therefore require the installation of bulk service infrastructure, including water, wastewater treatment, storm water, electricity, and internal roads.

Significant progress has been made in planning for a "Innovation Precinct" or "Smart City" district west of but contiguous to Klapmuts south. This include a land agreement with the University of Stellenbosch to possibly establish university related activities in this area. The urban edge has been adjusted in recognition of the opportunity associated with this initiative (See Figure 55 for the concept Development Framework).

A number of issues require specific care in managing the development of Klapmuts over the short to medium term.

- The first is speculative applications for land use change on the back of the proposed Distell development. Already, a draft local plan prepared by DM has indicated very extensive development east of Farm 736/RE. Distell will not fund the extensive infrastructure required to unlock development here, and arguably, land use change to the east of Farm 736/RE could detract from the opportunity inherent in Farm 736/RE;
- The second is the linkages between Klapmuts north and south, specifically along Groenfontein Road and a possible NMT crossing over the N1 linking residential areas south of the N1 directly with Farm 736/RE. Without these linkages, residents to the south of the N1 will not be able to benefit from the opportunity enabled north of the N1; and
- The third is speculative higher income residential development in the Klapmuts area, based on the area's regional vehicular accessibility. Higher income development is not a problem in and of itself, but ideally it should not be in the form of low density gated communities.

Given that management of Klapmuts is split between DM and SM (respectively responsible for the area north and south of the N1), special arrangements will be required to ensure that the settlement as a whole develops responsibly, in a manner which ensures thoughtful prioritisation, infrastructure investment, and opportunity for a range of income groups.

Arguably, recent LSDF planning work commissioned by DM for the area east of Farm 736/RE begins to illustrate the problem of insufficient coordinated planning. The LSDF envisages a very significant extent of development for Klapmuts North. Specifically, in terms of a 20-year growth trajectory, Commercial Office development of 912 354m² is envisaged, Commercial Retail development of 187 839m², and General Light Industrial Development of 370 120m². A number of issues emerge:

Firstly, the realism of these land use projections within the context of the regional economy is questioned. To Illustrate:

- Considering the envisaged Commercial Office allocation, it is noted that Cape Town CBD currently has some 940 000m² of office space, Sandton in Gauteng is larger at over 1,2m m² of Commercial Office space, Midrand at some 640 000m², and Century City (some 20 years in the making) at some 340 000m²;
- In relation to Commercial Retail space, it is noted that more of this use is envisaged for Klapmuts North than Century City's current 140 000m²;
- While 370 120m² is provided for General Light Industrial Development, the proposed Distell distribution centre alone will comprise 125 000m², and many new logistic centres recently completed in the Kraaifontein/ Brackenfell area range in size between 45 000m² and 120 000m². The master plan prepared as part of the acquisition process of Farm 736/RE foresee significantly more light industrial floor area than the 370 120m² indicated in the LSDF.

Secondly, these land use allocations need to be viewed against the policy context, which sees Klapmuts as a regional freight/ logistics hub – with a focus on job creation – and establishing a balanced community. It would appear that the LSDF over-emphasises commercial office and retail development, "exploiting" the areas' access to regional vehicular routes, and private vehicular access, at the expense of job creation at scale – and establishing a regional light industrial hub – serving an existing poorer community in proximity to a freight movement corridor.

Thirdly, it is maintained that the infrastructure service requirements – and affordability – of the projected land use allocations are understated. For example, it is known that any development north of the N1 over and above the proposed Distell distribution centre of 125 000m² will involve very costly reconfiguration and augmentation of intersections with the N1. It would be irresponsible to create expectations around land use without these associated requirements being resolved to a fair degree of detail.

Finally, Farm 736/RE is remarkably unique; comprising some of the least valuable agricultural land within the Paarl/ Stellenbosch area. It would appear that the LSDF, given the development process for Farm 736/RE, assumes that adjacent land to the east, of higher agricultural value, should also be developed.

4.15.3 Alternative rail service along the Baden Powell Drive-Adam Tas-R304 corridor

As indicated above, it is critical, both for the Adam Tas Corridor and the broader Baden Powell-Adam Tas-R304 development corridor to explore the feasibility of introducing a more frequent and reliable rail service along the Eerste River-Stellenbosch-Muldersvlei-Klapmuts rail line. The aim should be to have a more frequent passenger service along the corridor, connecting larger and smaller settlements. Lighter rail stock – possibly in the form of a "tram" system has been suggested - offering the advantage of safe at grade crossing of the rail line and other modes of transport, in turn, enabling "lighter" infrastructure support for settlement development and concomitant cost savings. Alternatively, the viability of a regular bus service along this route should be explored. The SM should commence engagements with PRASA in this regard.

As argued elsewhere in this document, Stellenbosch town and Klapmuts should be the focus for significant settlement growth. It is here, by virtue of settlement location in relation to broader regional networks and existing opportunity within settlements, that the needs of most people can be met, in a compact settlement form while protecting the Municipality's nature and agricultural assets.

Over the longer term, Muldersvlei/ Koelenhof and Vlottenburg along the Baden Powell-Adam Tas-R304 corridor could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, much work needs to be done to ensure the appropriate

make-up of these settlements (including each providing opportunity for a range of income groups) and integration with the corridor in terms of public transport.

The smaller settlements are therefore not prioritised for significant development over the MSDF period. Should significant development be enabled in these areas now, it is likely to be focused on private vehicular use and higher income groups, and will in all probability reduce the potential of initiatives to transform Stellenbosch town and Klapmuts.

4.16 Institutional Arrangements

The SM has dedicated staff resources for spatial planning, land use management, and environmental management organised as the Planning and Economic Development Directorate). Work occurs within the framework set by annually approved Service Delivery and Budget Implementation Plans (aligned with the IDP), decision-making processes and procedures set by Council, and a suite of legislation and regulations guiding spatial planning, land use management, and environmental management (including SPLUMA, LUPA, and the National Environmental Management Act).

The Planning and Economic Development Directorate will facilitate implementation of the MSDF in terms of institutional alignment, including:

- The extent to which the main argument and strategies of the MSDF are incorporated into Annual Reports, annual IDP Reviews, future municipal IDPs, and so on;
- The annual review of the MSDF as part of the IDP review process.
- The extent to which the main argument and strategies of the MSDF inform sector planning and resource allocation;
- The extent to which the main argument and strategies of the MSDF inform land use management decision-making;
- Alignment with and progress in implementing the municipality's Human Settlement Plan and Comprehensive Integrated Transport Plan; and
- The mutual responsiveness of the MSDF and national, provincial and regional plans, programmes and actions (including the extent to which MSDF implementation can benefit from national and provincial programmes and funding).

Over and above institutional arrangements in place, it appears that two aspects require specific focus in support of the MSDF.

4.16.1 Inter-municipal planning

The first relates to inter-municipal planning. As indicated elsewhere in the MSDF, SM (and other adjoining municipalities) appears to experience increasing challenges related to development pressure in Cape Town. This pressure is of different kinds. The first is pressure on the agricultural edges of Stellenbosch through residential expansion within Cape Town. The second is migration to SM (whether in the form of corporate decentralisation, or both higher and lower income home seekers), leading to pressure on available resources, service capacity, and land within and around the settlements of SM. While municipal planners do liaise on matters of common concern, there appears to be a need for greater high-level agreement on spatial planning for "both sides" of municipal boundaries. The spatial implications of pressure related to migration to SM could be managed locally, should there be agreement to redevelop existing settlement footprints rather than enabling further green-fields development (as a general rule). However, the municipality's increased resource needs to accommodate new growth – a non-spatial issue – should be acknowledged and addressed.

4.16.2 Private sector joint planning

The second relates to joint planning and action resourced by the private sector, increasingly needed for a number of reasons:

- The municipal human and financial resource base is simply too small to achieve the vision of the MSDF or implement associated strategies and plans;
- Many matters critical to implementing the MSDF fall outside the direct control or core business of the municipality. For example, the Municipality does not necessarily own the land associated with projects critical to achieve MSDF objectives;
- It is increasingly evident that individual land owners are finding it difficult to develop – to make the most of what they have – individually. Specifically, the transport and movement implications of individual proposals require strong and dedicated integration;
- Individual land owners do not necessarily control the extent of land required to undertake inclusive development, focusing on opportunity for a range of income groups. Inclusive development often requires cross-subsidisation, in turn, enabled by larger land parcels and development yields; and
- The municipality's focus is often – and understandably so – on the "immediate", or shorter-term challenges. Much what is needed to implement the MSDF or catalytic projects requires a longer-term view, a committed focus on one challenge, and cushioning from the daily and considerable demands of municipal management.

Partnerships are needed, with different agencies and individuals working in concert with the municipality to implement agreed objectives. Further, partnerships are required between individual corporations and owners of land. The Adam Tas corridor is a prime example: making the most of the disused sawmill site, Bergkelder complex, Van der Stel complex, Die Braak and Rhenish complex – in a manner which contributes to agreed objectives for developing Stellenbosch town – is only possible if various land owners, the municipality, University, and investors work together, including undertaking joint planning, the "pooling" of land resources, sharing of professional costs, infrastructure investment, and so on. The municipality simply do not have the resources – and is overburdened with varied demands in different locations – to lead the work and investment involved.

4.16.3 Further Planning Work

Future settlement along the Baden Powell Drive-Adam Tas-R304 corridor

As indicated above, over the longer term, Muldersvlei / Koelenhof and Vlottenburg along the Baden Powell-Adam Tas-R304 corridor could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, these settlements are not prioritised for development at this stage. Critical pre-conditions for significant development include:

- The measures required to ensure that settlements provide for a range of housing types and income groups (in a balanced manner);
- Establishing regular public transport services between settlements, including services between the expanded smaller settlements and Stellenbosch town; and
- Understanding to what extent settlements can provide local employment, in this way minimising the need for transport to other settlements.

4.16.4 Other local planning initiatives

Ideally, each of the settlements in SM should have a LSDF, applying the principles of the MSDF in more detail. The priority for LSDFs should be determined by the position and role of settlements in the SM settlement hierarchy.

The SM has appointed service providers to investigate and establish the rights for two regional cemetery sites in the municipal area. All the specialist studies have been completed and the Land Use Planning and Environmental applications was submitted and in progress. The first is the proposed Calcutta Memorial Park, located ±10km north-west of Stellenbosch to the east of the R304, on Remainder of Farm 29, Stellenbosch RD. The second is Louws Bos Memorial Park located south-west of Stellenbosch town and south of Annandale Road, on Remainder of Farm 502, Stellenbosch.

4.16.5 Checklists in Support of Decision-Making

To further assist in aligning day-to-day land use and building development management decision-making and detailed planning – public and private – with the MSDF, it is proposed that a "checklist" of questions be employed.

If the initiators of development proposals, applicants, officials, and decision-makers all, in general terms, address the same questions in the conceptualisation, assessment, and decision-making related to proposals, a common, shared "culture" could be established where key tenets of the SDF is considered and followed on a continuous basis.

Although focused on the location, nature, and form of activities in space, the checklist incorporates questions addressing issues beyond space, including matters of resource management, finance, institutional sustainability, and so on.

It is not envisaged that the checklist be followed slavishly in considering every development proposal. Yet, its use is important in ensuring that relevant issues be addressed and discussed to enable decision-making in line with the MSDF and broader provincial and national planning policy. If, in assessing a proposal or project, posing a question results in a negative answer, the proposal probably requires very careful consideration, further work, or change.

The checklist should not be viewed as static. Rather, it should be reviewed periodically and in parallel with the MSDF review – perhaps under the leadership of the Municipal Planning Tribunal and with input from all stakeholders – to reflect the municipal spatial planning agenda and challenges.

It is proposed that the questions – together with the SPLUMA principles, and the key SDF strategies and policies – are packaged in an easy-to- use and accessible form to facilitate wide usage.

4.16.6 Partnerships

Arguably, the municipal budget is simply too small to achieve the vision of the SDF's or implement associated strategies and plans. Also, many matters critical to implementing the SDF, fall outside the direct control or core business of the municipality. For example, the municipality does not necessarily own the land associated with projects critical to achieve SDF objectives.

Even if the municipal budget is increased ten-fold, or its staff resources significantly enhanced, it would still not have the control to do what is needed for the capacity to drive critical projects. The municipality's focus is often – and understandably so – on the "immediate", or the shorter-term challenges. Much what is needed requires a longer-term view, a committed focus on one challenge, and cushioning from the daily and considerable demands of municipal management.

Partnerships are needed, with different agencies and individuals working in concert with the municipality to implement agreed objectives. Further, partnerships are required between individual corporations and owners of land. It is increasingly evident that individual land owners are finding it increasingly difficult to develop – to make the most of what they have – individually. Specifically, the transport and movement implications of individual proposals require strong and dedicated integration. The Adam Tas corridor is a prime example: making the most of the disused sawmill site, Bergkelder

complex, Van der Stel complex, Die Braak and Rynse complex – in a manner which contributes to agreed objectives for developing Stellenbosch town – is only possible if various land owners, the municipality, University, and investors work together, including undertaking joint planning, the "pooling" of land resources, sharing of professional costs, infrastructure investment, and so on.

The municipality simply does not have the resources – and is overburdened with varied demands in different locations – to lead the work and investment involved.

There appears to be an opportunity to establish a new partnership with business, to the side of the municipality, to drive major integrated projects, and specifically the Adam Tas corridor. Fortunately, Stellenbosch has established (private sector) institutions with an astounding track record in achieving urban development/ management objectives (e.g. Historiese Huise). Their work can be expanded, to assist in meeting new challenges, in partnership with the municipality.

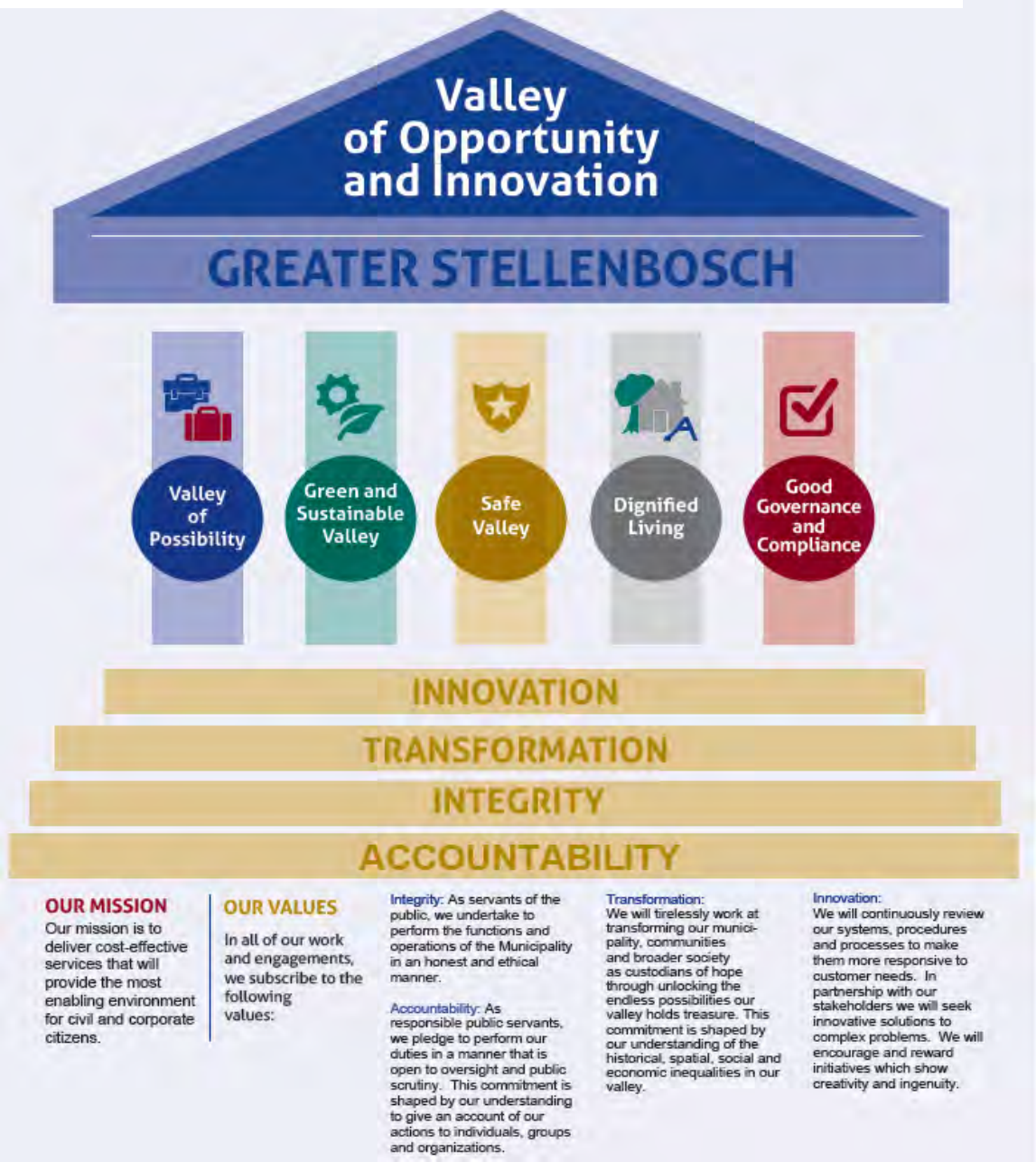
CHAPTER 5

Strategic Policy Context

5.1 Municipal Vision and Strategy

The figure below illustrates our overarching strategy of Stellenbosch Municipality.

Figure 28: Overarching Strategy of Stellenbosch Municipality



VISION

We describe the vision of where we want to be as a Municipality and the Greater Stellenbosch area as the **"Valley of Opportunity and Innovation."**

MISSION

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

VALUES

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

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

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

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

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

5.2 Strategic Focus Areas

5.2.1 Strategic Focus Area 1: Valley of Possibility

The Stellenbosch area offers ample possibilities to their stakeholders. The unlocking of these possibilities to encourage opportunity for enterprise, creativity and business development in our cities, towns and villages are an urgent issue in South Africa. Unemployment, poverty, income inequality, and skills shortages are major concerns impacting the economy. This strategic focus area has three broad dimensions that addresses these challenges: The first relates to the provision of services to citizens, and how these services can assist them to facilitate development and job creation. The second relates to the internal working of the Municipality and how municipal procurement of services aids in fostering opportunity for enterprise development and creativity. The third dimension asserts that efficient infrastructure and services lie at the heart of the Municipality's mandate. Infrastructure and services of different kinds fulfil the basic needs of citizens, and also enable enterprise and business development. Without appropriate, well- maintained infrastructure, the greater Stellenbosch area will fail as a place of living, work and learning.

5.2.2 Strategic Focus Area 2: Green and Sustainable Valley

There are a number of dimensions to the environment that underpinned its importance for the greater Stellenbosch area and for the people living within it. The first is an ecological dimension, which recognises that the natural environment and its processes provide the setting in which, and the basic resources with which, human life is played out.

The second is an economic and productive dimension, which recognises that the natural environment underpins a vitally important tourism and agricultural economy. The third is a psychological, social, and recreational dimension, which recognises that human life is qualitatively affected by a sense of place, and the need for places of 'escape' from urban life. The fourth is a cultural dimension, which recognises the inextricable relationship between the characteristics of a place, peoples' activities in that place, and the emergence of cultural expressions and forms.

There are at least three reasons why spatial direction is important. Firstly, we live our lives in geographic spaces; how activities and infrastructure are organised in space fundamentally impact on people's access to opportunity. For example, prioritising new urban development on agricultural land may harm the overall viability of agriculture and food security of an area. Another example is the location of housing for poor people far away from work opportunities, which impacts on disposable income, work productivity and transport infrastructure provision. Secondly, the Municipal strategy has over the last decade taken a strong sectoral approach. The approach looks at development in sectors as reflected in the LED plans, plans for creative industries, small enterprises, tourism, and so on. Unfortunately, much of this work is silent on the impact of space on specific sectors and has assisted to hide spatial inequity in our settlements. Thirdly, municipal government has considerable influence over the space economy of settlements. By virtue of its mandate, local government can determine the nature and location of key infrastructure and where settlement is to occur and where not. Local government cannot grow the economy, but it impacts on economic success through the provision and maintenance of infrastructure and how activities are organised in space.

5.2.3 Strategic Focus Area 3: Safe Valley

Establishing safety and law abiding behaviour in greater Stellenbosch is an absolute priority. All our efforts to improve services, opportunity and sound a financial position – including affordable rates – will come to nothing if by-laws are not respected, our assets are vandalised, or our neighbourhoods, roads, business areas and recreational facilities are not safe. Safety and security, together with cleanliness, are often cited as the most important factors in getting investment into a city or town. A safe and secure greater Stellenbosch area is thus not only a functional necessity, but underpins elements of economic and social development strategies.

5.2.4 Strategic Focus Area 4: Dignified Living

All our citizens should have access to a dignified life, irrespective of their relative material wealth or their background. By a dignified life we mean, inter alia, access to shelter, ethical administration of municipal housing, and sufficient choice in housing opportunity for different income groups, including young people. We also mean neighbourhoods with accessible public facilities and services. Support for vulnerable groups, including the youth, women and the elderly is critical, as is a close working relationship with other government and social agencies that focus on the needs of these groups.

5.2.5 Strategic Focus Area 5: Good Governance and Compliance

As more people become urbanised, towns and cities have become increasingly important foci of political and economic power and service provision. As the 13th largest economy nationally, the greater Stellenbosch area and Municipality is a significant seat of power and deliverer of services. Deciding what to do, when, where and to whose benefit it is, however, is a difficult task. The range of services to be provided is wide in scope, and the needs of citizens and enterprises vary significantly. Given the depth of need in many communities and limited resources, tough choices have to be made. To succeed, municipalities have to develop appropriate policy- and decision-making structures and plan carefully for the long and short term (across territorial areas and sectors). They should also ensure

synergy between the work of the political and administrative spheres of the Municipality, their own work and that of other spheres of government, civil society and the business sector. Municipalities should communicate well; and monitor processes and procedures in a structured manner. It is also important that excellence in service delivery contributions, external and internal to the organisation, needs to be recognised and built upon.

We cannot service the needs of our citizens without a skilled and customer-focused administration in all the different functional areas and at all levels of the Municipality. Given rapid change in all facets of society, the opportunity must exist for staff to develop their skills, whether in specific functional areas or management. To ensure best use of public resources, regular performance management is essential. Information must be readily available, and contact between citizens and the Municipality should be responsive and as efficient as possible.

The facilities that house the administration also need to be organised in a manner that facilitates integrated and joint work among the staff themselves, and between staff, political leadership and other sectors of the community.

A sound financial basis is central to implementing any strategy. The greater Stellenbosch area is no exception. In order to deliver on the needs of its citizens, the Municipality is required to manage revenue streams in a sustainable manner. It also needs to ensure that funds available are utilised for identified projects and that value for money is achieved. In procuring goods and services, ethical conduct is essential to ensure the integrity of the Municipality. It is most important that the use of municipal resources supports agreed upon objectives; in other words, the municipal budget and on-going expenditure must be strategy-led.

5.3 Core Principles in Executing Strategy

Shared work between political leadership, the administration and community.

The Municipality comprises three core components:

- Democratically elected political leadership;
- The administration, comprising officials; and
- Citizens, as individuals, interest groups and organisations (public, community-based and private).

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

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

A component of community participation focuses on ward-based planning, where the desired outcome is to have a ward-based plan for each of the 22 wards. Ward-based plans are a form of participatory planning designed to promote community action, with clear linkages to the IDP. Such plans mobilise communities and citizens to take responsibility for their own destiny and capture what communities see as their desired outcomes. They also help to speed up the implementation of the IDP. This ensures that the IDP objectives become the collective responsibility of community members, ward

councillors, ward committees, the business community, NGOs and CBOs and all other stakeholders in the greater Stellenbosch. This presents an opportunity for visionary local leaders to implement a shared agenda and show tangible and measurable results through collectively addressing the above-mentioned ward priorities.

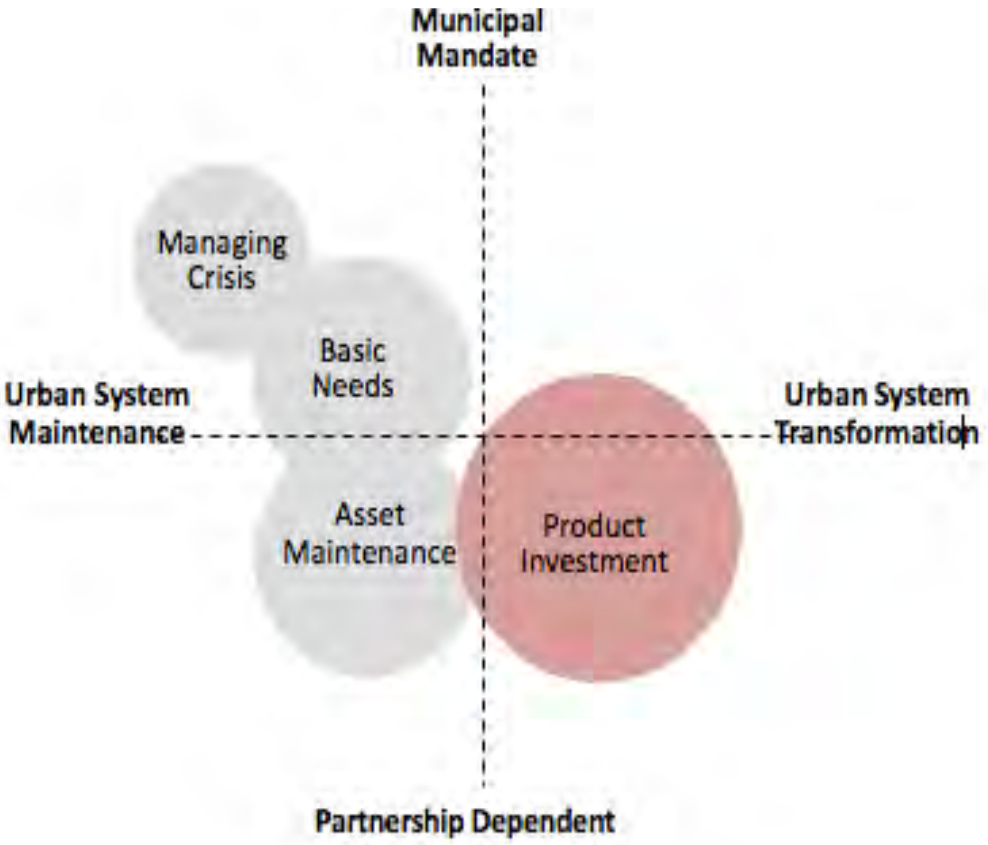
5.3.1 Alignment with institutional structures and processes

Conventional strategic planning processes aimed at guiding development and management decisions are time-consuming. Preparing a detailed strategic framework and implementation programme can take months. Unfortunately, these processes do not provide for the "now" – the need to guide decisions today. For municipalities, the "now" has become extremely important. Every month counts. We believe that our challenges have become so significant that if we do not find an integrated and commonly shared response to them fast, we may lose much of what is special about an area and be poorly prepared to meet future challenges successfully. We often find that the fact that a strategy is "under preparation" is used as an excuse for inaction or even poor decision-making. The arm's length approach also appears to neglect local experiential knowledge – what people know through working with services issues on a daily basis. With this in mind we have provided for regular, informal but structured engagements between the MayCo and Director's Forum to discuss strategic matters and how to best respond to these issues.

These planning methods bridge the gap between local experiential knowledge, the technical requirements of strategy preparation, and the need for strategic frameworks to be available to deal with immediate decision-making. This process is aimed at getting an initial position through intense, structured information-sharing and planning workshops on how to direct development and management of the town. Written up as an initial strategy, provision is made for influencing the decisions of today and the nature of further work in a manner that supports the strategy. The strategy becomes the broad strategic framework, elaborated on in further technical work.

5.3.2 Considering the different investment needs of settlement

Figure 29: The different investment needs of settlements



Fundamentally, we believe that sustainable management of any settlement requires continued focus on four investment needs. It has to provide in the basic needs of citizens; it has to maintain its assets and functions; it has to provide for crisis and disaster, and fix past mistakes; and it has to invest productively, making the settlement better for the future.

Successful settlements deal with all four of these investment needs at the same time. This makes for balanced development, allowing for both individual and public needs to be met and for the mistakes of the past to be fixed while preparing for the future.

The proportion of resources to be allocated to each dimension needs to be determined through policy, informed, in turn, by an understanding of settlement and citizen needs. Settlement needs are critical. Unlike citizen needs, settlement needs relate to the collective needs of the settlement (or part of the settlement), and often include things that are not politically popular. Major infrastructure maintenance – the kind of service that is not very visible or takes time to manifest if neglected – is a prime example.

Many local governments remain stuck in basic needs provision, managing crises and asset maintenance – a conventional municipal mandate. As a result, the urban system is merely maintained. Focus must be placed on productive investment and making new partnerships with the private and community sectors; in this way transforming the municipal area for the better.

We therefore propose that the greater Stellenbosch IDP considers these different investment needs in detail in the formulation of objectives and short- and medium-term milestones (as contained in the SDBIPs of the different services).

5.3.3 The tools of governance

All spheres of government have a range of tools available to achieve objectives and maintain relationships with citizens, the private sector, other government organisations, community sector, and so on. What is becoming increasingly true is that the complexity and interconnectedness associated with achieving the desired settlement outcomes in today's settlement context, demand the employment of a range of tools – in concert with each other. This differs from the past, where settlement management focused on infrastructure investment for growth, regulating land subdivision, and land use and built environment management. The paragraphs below outline the range or classes of tools available to government for use in pursuit of its objectives (Adapted from Neilson, L. 2002). Instruments of governance in urban management, Australian Planner, 39(2): 97–102).

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

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

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

Regulation: elaborating on behaviour outlined in legislation through guidelines, standards, and so on.

Fiscal measures: fees, charges and taxes for services as a means for raising government revenue, and directing action in support of policy and legislation (through fiscal "incentives").

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

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

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

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

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

5.3.4 Accessible documents

We firmly believe that strategic documents should be presented in a format accessible to all stakeholders. Attention should be paid specifically to the following:

For integrated service delivery over time, it is necessary for municipal leadership and officials at all levels, representing different services and interests, to understand the strategy. This cannot be achieved by presenting strategy in a number of weighty documents, each prepared by different services. The complete overall strategy needs to be presented in a manner that assists its internalisation by all.

The IDP should also be supported by a clear "story" where successive actions build on each other. Generally, achieving meaningful integration is a difficult task in municipal development strategy formulation. Work is predominantly done within different services or functional areas and then simply

'packaged' together as an 'integrated' strategy. A key aim with the IDP is therefore to show how various actions – of different kinds and often undertaken by different services, are interdependent and only have full meaning if implemented together.

5.4 Reflection, Challenges and Opportunities

To determine our strategy, an assessment of the current situation in the Stellenbosch Municipal Area is necessary. This chapter therefore reflects on the challenges to be addressed and opportunities to be explored. It is informed by the current reality of life, service delivery in the Municipality, key policy directives, the expressed needs of citizens and interest groups as well as key findings of various municipal sector plans.

Our region, with its bigger towns of Stellenbosch and Franschhoek, smaller villages, historic farms and impressive valleys and mountain landscapes are imprinted in the minds of many people, nationally and internationally, as an area of environmental richness and scenic beauty, and as a place of learning, history and cultural heritage. Many have engaged with what we offer, for a brief period during a visit, for a number of years as a student, or for a lifetime as a citizen. We believe these engagements will invariably have provided enormously rich opportunities and good memories.

In the light of the current economic situation, many citizens struggle to survive. Challenges such as lack of housing, unemployment and food security impacts greatly on human dignity. Extensive work has been done to ascertain and measure the basic needs in our community, in order to improve service delivery and encourage active citizenry.

5.4.1 The environment and heritage

We know that our environment is increasingly under threat globally, in different ways. We also see it in the greater Stellenbosch area. Although development of infrastructure is crucial for service delivery it has also led to the loss of many hectares of valuable agricultural land, and some pristine nature areas have been scarred or have become less accessible for everyone to enjoy.

On the other hand, we have undermined the value of biodiversity and its impact on valuable ecosystem services such as clean air, water and cultural benefits.

5.4.2 Housing needs

We have a current and future housing backlog, half of which are for middle and upper income households. Over the past ten years Kayamandi has more than doubled its population. Cloetesville has also almost doubled in size. As the population has grown, the release of land for development and housing has not kept pace.

Housing has become so expensive that many of those who work in the Stellenbosch Municipal area commute from outside this area. For these and others, the most basic shelter – even of a temporary nature – within this municipal domain remains an unattainable dream.

5.4.3 Poverty and unemployment

We have not impacted significantly on unemployment, or made significant progress in increasing access to livelihood opportunities for poor families. The ever-increasing pressures on the international and local economy require a more intense focus on entrepreneurship. Capacity-building for the potential workforce should be better aligned with the skills required by local enterprises to ensure increased and successful placement.

5.4.4 Safety, security and wellness

The incidence of crime has increased and evidence of social disintegration is visible in our streets. The result is mistrust, increased withdrawal into private and gated lifestyles, and failure to work together for a better future. We have seen the growth of poor areas, independent of existing settlements and devoid of residential opportunity. Existing poor areas, already limited in capacity and over utilised, are now forced to accommodate new opportunities for affordable accommodation.

5.4.5 Infrastructure stress

Limited Waste Water Treatment (WWT) capacity is increasingly putting pressure on the environment, specifically polluting rivers and underground water systems. The upgrading of the current WWT works is one of the largest capital investments ever made by the Stellenbosch Municipality. It offers the opportunity to alleviate this problem.

Limited landfill space is not only a local, but a regional challenge. Minimisation and diversion of waste is therefore critical. Waste recycling offers entrepreneurial opportunities, and should therefore be encouraged.

Road congestion is a cause for great concern in key areas during peak hours. There is increasing pressure to provide more parking space in Stellenbosch. There is an increased need for initiatives on integrated transport orientated development such as non-motorised transport.

The current drought and water scarcity requires additional measures to ensure that this resource is preserved. Current water-saving initiatives need to be increased, and the percentage of unaccounted-for water needs to be significantly decreased. The limited water capacity should be taken into consideration for future developments.

It is clear that more sustainable and innovative solutions are required for future infrastructural developments.

5.4.6 Stretched municipal resources

Limited municipal resources require an increase in multi-sectoral partnerships to address the broad spectrum of needs in the community. The Municipality cannot address the challenges of Stellenbosch on its own, not only because of limited resources, but also because it does not control all the variables impacting on development and management in the town and does not necessarily have the full range of competencies for the task. The Municipality remains very much an institution geared to delivering a set of defined services – focused on infrastructure and maintenance.

5.4.7 Untapped capacity

Within a context of resource constraints, partnerships are frequently explored as an option to assist with municipal service delivery. Although Stellenbosch is blessed with strong intellectual, community and business competency, we have not tapped into these resources sufficiently to ensure solutions to our challenges.

This reflection has highlighted a number of considerations for review and they are as follows:

- A longer-term focus is needed because Stellenbosch is growing. Decisions on investment and development made today will have implications for years to come (legacy projects);
- Partnerships are essential to expand the range of functions and activities available to citizens and visitors to Stellenbosch. The Municipality needs to lead with boldness and to give people a chance to contribute and be appreciated;

- In general, IDP meetings in affluent areas are very poorly attended compared to those in poor areas and a change in approach is required;
- A more integrated approach to service delivery is needed in the townships to add proper programmes for maintenance, social services, and safety and security to the usual provision of **housing and infrastructure**; and
- In the past, the IDP was not written to be easy to understand. A more user friendly IDP is required.

Influential factors and approaches:

- The IDP process was guided by internal engagements that focused on establishing a shared understanding and agreement on the purpose and focus of public participation;
- The sector input workshops increased collaboration with civil society and promoted active citizenry during the process;
- A new concept was developed for the IDP feedback sessions, which combined presentations with information / helpdesks where individual needs of community were captured and addressed;
- Listed ward priorities and needs for the past three financial years were listed and analysed and detailed feedback on these were required and received form the different Directorates to promote better engagement and integration;
- Dry-run sessions on the IDP presentations assisted to improve accurate feedback to the community;
- Improved communication and customer care played a vital role in the process; and
- The implementation of the performance management system at the Municipality has been cascaded down to managers and heads that directly report to Directors.

5.5 Global Policy Direction

The Stellenbosch Municipality's strategic planning does not occur within a vacuum. Various key policy directives are employed that range from a global reach to more specific directives applicable to the Municipality and its neighbouring municipalities. All these directives are considered when framing future strategic planning and resource allocation. The sections below outline key policy directives considered when framing Stellenbosch Municipality's fourth generation IDP.

(a) Sustainable Developmental Goals (SDG's)

Figure 30: Sustainable Developmental Goals (SDG's)

In September 2015, the United Nations adopted the Development Agenda, *Transforming our world: the 2030 Agenda for Sustainable Development*. The Agenda is an action plan for people, planet, and prosperity, with a focus on strengthening peace and partnerships. Central in this action plan are 17 Sustainable Development Goals (SDGs) that aim to build on the Millennium Development Goals (MDGs). The MDGs set the momentum for the SDGs to continue the people-centred development agenda.

Substantial headway was made globally after the adoption of the MDGs, with a global reduction in poverty numbers. Since the

MDGs expired in 2015 and the new agenda has been taken on, the SDG's hope to expand on that success with more, focused goals. These Sustainable Development Goals are a three-dimensional tool, incorporating and integrating the social, economic and political spheres of society. This agenda also calls for participation and implementation from all sectors of society.

(b) MDG's

- Goal 1: Eradicate extreme poverty and hunger.
- Goal 2: Achieve universal primary education.
- Goal 3: Promote gender equality and empower women.
- Goal 4: Reduce child mortality.
- Goal 5: Improve maternal health.
- Goal 6: Combating HIV/AIDS, malaria, and other diseases.
- Goal 7: Ensure environmental sustainability.
- Goal 8: Develop a global partnership for development.

(c) SDG's

- Goal 1: End poverty in all its forms everywhere.
- Goal 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
- Goal 3: Ensure healthy lives and promote well-being for all ages.
- Goal 4: Ensure inclusive and equitable quality education and promote life-long learning opportunities for all.
- Goal 5: Achieve gender equality and empower all women and girls.
- Goal 6: Ensure availability and sustainable management of water and sanitation for all.
- Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.
- Goal 10: Reduce inequality within and among countries.
- Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.
- Goal 12: Ensure sustainable consumption and production patterns.
- Goal 13: Take urgent action to combat climate change and its impacts.
- Goal 14: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.
- Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat deforestation, halt and reverse land degradation, and halt biodiversity loss.
- Goal 16: Promote peaceful and inclusive societies for sustainable development, to provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.
- Goal 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development.

5.6 National Policy Direction

5.6.1 National Strategic Outcomes

Based on the National Government's election manifesto and Medium Term Strategic Framework, a set of twelve outcomes were developed through extensive consultation and discussion at both Ministerial and administrative levels. These outcomes reflect the desired development impacts sought nationally, given government's policy priorities indicated in the diagram.

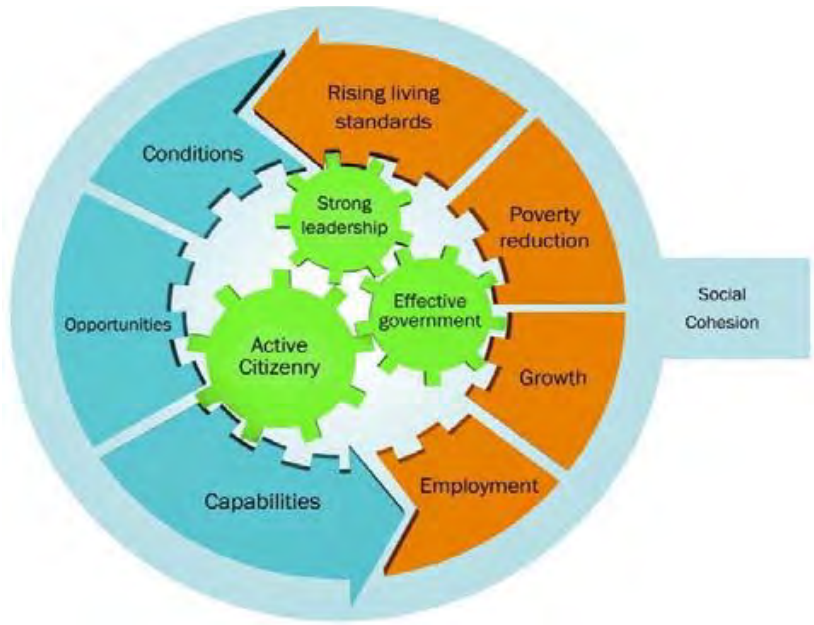
Figure 31: National Strategic Outcomes

National Strategic Outcomes	
Goal 1	•Improved quality of basic education.
Goal 2	•A long, healthy life for all South Africans.
Goal 3	•All people in SA are and feel safe.
Goal 4	•Decent employment through inclusive economic growth.
Goal 5	•A skilled and capable workforce to support an inclusive growth path.
Goal 6	•An efficient, competitive and responsive economic infrastructure network.
Goal 7	•Vibrant, equitable and sustainable rural communities with food security for all.
Goal 8	•Sustainable human settlements and improved quality of household life.
Goal 9	•A responsive, accountable, effective and efficient local government system.
Goal 10	•Environmental assets and natural resources that is well protected and continually enhanced.
Goal 11	•Create a better SA and contribute to a better and safer Africa and World.
Goal 12	•An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

5.6.2 National Development Plan – 2030

The President appointed a National Planning Commission in May 2010 to draft a vision and plan for the country. On 9 June 2011 the Commission released a diagnostic document and elements of a vision statement. On 11 November 2011 the vision statement and the plan was released for consideration. The Commission consulted widely on the draft plan. The National Development Plan was handed to former President Jacob Zuma in August 2012 and was adopted by Cabinet in September 2012.

Figure 32: An approach to change



(a) An approach to change

The graphic to the left demonstrates the close link between capabilities, opportunities and employment on social and living conditions. It shows how leadership, an active citizenry and effective government can help drive development in a socially cohesive environment.

The plan focuses on the critical capabilities needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities.

Progress over the next two decades means doing things differently. Given the complexity of national development, the plan sets out six interlinked priorities:

- Uniting all South Africans around a common programme to achieve prosperity and equity.
- Promoting active citizenry to strengthen development, democracy and accountability;
- Bringing about faster economic growth, higher investment and greater labour absorption;
- Focusing on key capabilities of people and the state;
- Building a capable and developmental state; and
- Encouraging strong leadership throughout society to work together to solve problems.

(b) The Plan in brief

By 2030

- Eliminate income poverty – Reduce the proportion of households with a monthly income below R419 per person (in 2009 prices) from 39% to zero.
- Reduce inequality – The Gini-coefficient should fall from 0.69 to 0.6.
- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40% from 6% to 10%.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial,

gender and disability makeup.

5.7 Provincial Policy Direction

5.7.1 The Western Cape Provincial Strategic Plan: 2019 - 2024

The Western Cape Provincial Government (WCG) committed itself, through its recently adopted Vision Inspired Priorities (VIPs), to building a values-based competent state that enables opportunity and promotes responsibility in a safer Western Cape.

The VIPs are as follows:

1. Safe and Cohesive Communities **(VIP 1)**;
2. Growth and Jobs **(VIP 2)**;
3. Empowering People **(VIP 3**;
4. Mobility and Spatial Transformation **(VIP4)**; and
5. Innovation and Culture **(VIP 5)**.

Figure 33: WCG: Vision Inspired Priorities (VIPs)

5.8 Functional Regional and District Policy Direction

5.8.1 The Cape Town Functional Region

Within the Western Cape, there is increasing support to focus strategic planning efforts within the Cape Town Functional Region, incorporates the City of Cape Town, Saldanha Bay, Malmesbury, Paarl, Stellenbosch and Hermanus. This focus recognises shared environmental resources and key regional economic interdependencies, such as commuting workforce, shared consumer catchment area, transport and other infrastructure, a second port at Saldanha, and tourism and agricultural areas amongst others. Key related initiatives include the following:

- The planned establishment of an Economic Development Agency (EDA) in 2012. The EDA is a joint initiative of the Province and the City of Cape Town, charged with developing and leading a common economic agenda within the broader city region. The increase of unemployment, barriers to making the region more competitive and a relatively weak business brand are key issues to be addressed by the EDA;
- Joint work by the Province and the City of Cape Town to explore the most appropriate roles for

the Cape Town and Saldanha ports (and associated economic and settlement opportunity); and

- As a key settlement within the functional region, the Stellenbosch Municipality is expected to play an active role in initiatives related to strengthening the region.

5.8.2 The Cape Winelands District Municipality (CWDM)

The Cape Winelands District Municipality has set the following strategic objectives for their District:

Table 32: CWDM Strategic Objectives

NO	Strategic Objective
SO 1	To create an environment and forging partnerships that ensure social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District.
SO 2	Promoting sustainable infrastructure services and a transport system which fosters social and economic opportunities
SO 3	Providing effective and efficient financial and strategic support services to the Cape Winelands District Municipality.

(a) Cape Winelands District Rural Development Plan (CWDRDP)

The Cape Winelands District Rural Development Plan (Cape Winelands DRDP) has been prepared specifically to ease integration of the Agri-Park Initiative and accompanying DRDLR (Department Rural Development and Land Reform) projects into the various Local Municipal and District Integrated Development Plans and Spatial Development Frameworks. It is also intended to assist the Local Municipalities, District Municipalities, as well as the other sector departments to invest in a coordinated manner to best enable the development and functioning of the Agri-Park.

(b) Cape Winelands District Agri-Park Vision

The Cape Winelands DM Agri-Park will be a catalyst for rural economic development/industrialisation ensuring development and growth in order to improve the lives of all communities in the district.

(c) Cape Winelands District Agri-Park Mission Statement

Our mission is to strive for a viable and sustainable Agri-Park, delivering good returns for smallholder and emerging farmers, investors, customers, black entrepreneurs, tenants, its owners and all communities in the district by ensuring that the following are achieved:

Achieve a sustainable equilibrium between urbanisation, conservation, and tourism, mining and agricultural activities within the District, by way of proper land use management and in partnership with the private sector and local communities.

Define and establish a functional hierarchy of urban and rural service centres in the District, in order to optimise the delivery of social and engineering services and stimulate the local economy, while protecting valuable agricultural land.

Promote irrigated and cultivated farming activities on suitable land within the District; and to support small scale and/ or family farmers farming throughout the remainder of the area.

Cape Winelands District Agri-Park Goal Statement:

By 2025 Cape Winelands DM's rural areas and small towns would be transformed into thriving areas in terms of jobs, food security and opportunities to prosper.

Proposed Objective One	To transform and modernise rural areas and small towns in the Cape Winelands DM through the development of the Agricultural sector over the next 10 years.
Proposed Objective Two	To develop an integrated and networked Agri-Park Infrastructure over the next 10 years.
Proposed Objective Three	To facilitate the establishment and implementation of a sustainable Agri-Park governance and management model over the next 3 years.
Proposed Objective Four	To facilitate funding and investment for the development of the Agri-Park over the next 5 years.
Proposed Objective Five	To provide technical support and extension services to Agri-Park beneficiaries over the next 10 years and beyond.
Proposed Objective Six	To enhance the capacity and capability of officials responsible for the implementation of the Agri-Parks

(d) FPSU Prioritisation

The DRDLR has prioritised Agri-park implementation in Saron, Stellenbosch, Ceres within the Fourth Generation IDP for the following areas: Paarl, Robertson, Montagu, Ashton and Worcester. The focus will be on the establishment of the necessary Farmer Production Support (FPSU) Infrastructure as well as support to emerging farmers and the local community within the FPSU catchments.

(e) Progress on the Agri – Park Programme

The agri – park project is in the beginning phases in 3 of the 5 local municipalities within Cape Winelands District, i.e. Witzenberg, Drakenstein and Stellenbosch. The progress made on this project is as follows:

Findings

- Council approved the implementation of the FPSU in Stellenbosch.
- 65 hectares has been made available under lease for this initiative (portion BH1 of Farm 502 and portion BH2 of Farm 502).
- 10 emerging farmers have entered into individual lease agreements with the Municipality in terms of the Agri - Parks Master Plan developed by Urban Econ.
- There is provision made to ensure that there is enough water supply as Stellenbosch Municipality is currently busy with an extra water line through DWA and DOA.
- A soil survey was conducted by the Department of Agriculture during September 2008 on Farm 502 BH and it was found that the soil is of medium to high potential for the cultivation of vegetables.

Recommendations

- 10 emerging farmers be enterprised into a secondary co –operative to ensure maximum impact.
- In December 2017 the FPSU project was presented to the DAMC, but the DAMC indicated that if beneficiaries require funding, these beneficiaries must present their project and not municipal officials.
- In December 2017 a site visit was conducted by the Department of Rural Development and Land Reform to inform the beneficiaries of the outcome of the DAMC and that the beneficiaries will be invited to come and present their project.
- In February 2018 the beneficiaries presented their project to the DAMC in Saron and the DAMC referred it to the DJOC for consideration. A special DJOC was called to recommend the project to the PJTC.

5.9 Local Policy Direction

5.9.1 Stellenbosch Municipality

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

The table below indicates how the Municipality Strategic Focus Areas are aligned to National and Provincial Plans.

Table 33: Horizontal Alignment Matrix

Strategic Focus Areas	National Strategic Outcomes	Sustainable Development Goal	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
Valley of Possibility	Ensuring decent employment through inclusive economic growth (4)	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (8)	Creating jobs (1)	Growth and Jobs (VIP 2)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
Green and Sustainable Valley	Ensuring that the environmental assets and natural resources are well protected and continually enhanced (10)	Take urgent action to combat climate change (13) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (15)	Transitioning to a low carbon economy (3) Transforming urban and rural spaces (4)	Empowering People (VIP 3)	To create an environment and forge partnerships that ensures the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment.
	Ensuring vibrant, equitable and sustainable rural communities with food security for all (7) Promoting sustainable human settlements and improved quality of household life (8)	Make cities and human settlements inclusive, safe, resilient and sustainable(11)	Transitioning to a low carbon economy (3) Transforming urban and rural spaces (4)	Mobility and Spatial Transformation (VIP 4)	Environmental and social infrastructure investment.

Strategic Focus Areas	National Strategic Outcomes	Sustainable Development Goal	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
Safe Valley	Ensuring all people in South Africa are and feel safe (3)	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16)		Safe and Cohesive Communities (VIP 1)	To create an environment and forging partnerships that ensures the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District.
Dignified Living	Providing improved quality of basic education (1) Enabling a long, healthy life for all South Africans (2)	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (4) Ensure healthy lives and promote well-being for all at all ages (3)	Providing quality health care (6)	Growth and Jobs (VIP 2)	To create an environment and forging partnerships that ensures the health, safety, social and economic development of all communities, including the empowerment of the poor in the Cape Winelands District.
	Setting up an efficient, competitive and responsive economic infrastructure network (6)	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation (9)	Expanding infrastructure (2)	Empowering People (VIP 3)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.
Good Governance and Compliance	Achieving an accountable, effective and efficient local government system (9) Creating a better South Africa and a better and safer Africa and world (11) Building an efficient, effective and development oriented public service and an empowered fair and inclusive citizenship (12)	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and	Improving education and training (5) Building a capable state (7) Fighting corruption (8)	Innovation and Culture (VIP 5)	Promoting sustainable infrastructure services and transport system which fosters social and economic opportunities.

Strategic Focus Areas	National Strategic Outcomes	Sustainable Development Goal	National Planning Commission	Western Cape Provincial Government Strategic Plan	CWDM Strategic Objectives
	Achieving a responsive, accountable, effective and efficient local government system (9)	inclusive institutions at all levels (16)	Building a capable state (7)	Embed good governance and integrated service delivery through partnerships and spatial alignment (5)	To provide an effective and efficient financial and strategic support service to the Cape Winelands District Municipality.

5.10 Strategy Unpacked

5.10.1 Strategic Focus Areas, Pre-determined Objectives and Programmes

5.10.1.1 SFA 1: Valley of Possibility

Table 34: SFA 1- Strategy Unpacked

STRATEGIC FOCUS AREA 1: VALLEY OF POSSIBLITY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
1.1 Create an environment conducive to business development and job creation.	. Development and implementation of Integrated zoning scheme.	The draft Integrated Zoning Scheme (IZS) was tabled by Council the end of October 2017 subsequent to a second round of public participation. The additional comments will be reviewed and the edited Integrated Zoning Scheme will be submitted to Council for adoption during 2018.	The draft Integrated Zoning Scheme (IZS) went through two rounds of public participation. After the comments from interested and affected parties were reviewed, the document was edited, where applicable. The final draft Stellenbosch Zoning Scheme, October 2018 will be submitted to Council for consideration and adoption during May 2019.	The Stellenbosch Municipality Zoning Scheme Bylaw, 2019 was adopted by Council 31 May 2019, with the commencement date of 01 November 2019. The Zoning Scheme Bylaw is currently fully implemented as per Council resolution.
	. Develop local economic development hubs.	Stellenbosch Municipality has allocated R11.5 million of its 2018/19 capital budget to local economic development as well as R7.950 million in 2019/20 and R4.250 million in 2020/21. This allocation is for the establishment of Informal Trading Sites in Kayamandi (R4.9 million), Klapmuts (R4.0 million) and Groendal (R2.7 million), a Local Economic Hub for Jamestown (R4.3 million), establishment of informal trading markets in Bird Street (R3.3 million) and a Heritage Tourism Centre in Jamestown (R1.5 million).	The planning phase of the Kayamandi informal trading site has commenced. The planning and the implementation of the upgrading of the Blomhuisie commenced. The Klapmuts and Groendal informal trading sites- planning phase is complete and the construction will commence in the 2018/2019 financial and is anticipated for completion in 2019/20. The Jamestown LED Hub is in the Planning phase and construction is expectation to commence in the 2019/20 financial year.	The following informal trading sites has been completed and the process to allocate trading spaces to informal traders is in progress: Klapmuts, Franschhoek and Kayamandi. The Groendal Informal Trading Site will be complete in the current financial year. The Jamestown LED Hub and Bird Street Informal Trading site is in the planning phase and construction will take place in the next financial year.
	. Investment in bulk and connecting engineering infrastructure for development purposes.	Currently, Stellenbosch Municipality allocates 5.0 per cent of its 2018/19 budget to Renewal and Upgrading and Repairs and Maintenance as a percentage of Plant, Property and	The Directorate: Infrastructure Services continuously budgets for provision and upgrading of services throughout the Stellenbosch Municipal area.	The Directorate: Infrastructure Services continuously budgets for provision and upgrading of services throughout the Stellenbosch Municipal area.

STRATEGIC FOCUS AREA 1: VALLEY OF POSSIBLITY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
		Equipment which is below the National standard of 8 per cent.		
1.2 To facilitate and co-ordinate support to emerging entrepreneurs by utilising internal SCM processes and linking SMME's with opportunities in the market.	Develop a guiding document to link Small Medium and Micro Enterprises to SCM and open market opportunities. Update and implement the Preferential Procurement Policy.	Regular seminars and workshops facilitated by the Municipality and Private Sector Partners to establish a networking and mentoring system to ensure SMME development.	Regular seminars and workshops facilitated by the Municipality and Private Sector Partners to establish a networking and mentoring system to ensure SMME development.	Regular seminars and workshops facilitated by the Municipality and Private Sector Partners to establish a networking and mentoring system to ensure SMME development.
1.3 To provide, upgrade and maintain an effective engineering infrastructure to support effective service delivery.	1. Major capital expenditure is planned in the following areas during the 2018/2019 financial year: **Electricity** • Energy Efficiency and Demand Side Management • Integrated National Electrification Programme • Electricity Network	Implemented in terms of the available capital budget approved for the 2017/18 financial year.	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	Implemented in terms of the available capital budget approved for the 2019/20 financial year.
	Roads, Storm water and Traffic Engineering • Reconstruction of roads • Upgrade of Gravel Roads • Reseal of Roads • Main Roads Intersection Improvements • Klapmuts Public Transport Interchange	Implemented in terms of the available capital budget approved for the 2017/18 financial year.	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	Implemented in terms of: • Available capital budget, approved for the 2019/2020 financial year. • The following Departmental Programmes: o Road reseal programme; o Gravel road upgrading programme; o Intersection improvement programme; Public transport facility upgrade programme.
	Solid Waste • Major Drop-offs : Construction-Franschhoek	Implemented in terms of the available capital budget approved for the 2017/18 financial year.	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	Project Halted. 2 sites were identified but after assessment both sites were found unsuitable for this purpose.
	Water Services • Extension of WWTW: Stellenbosch	Implemented in terms of the available capital budget approved for the 2017/18 financial year.	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	• Stellenbosch Wastewater Treatment Works officially opened on 4 March 2020.

STRATEGIC FOCUS AREA 1: VALLEY OF POSSIBLITY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
	• Relocation/ Upgrading main Water Supply line: Ida's Valley Storage Dams • Bulk Sewer Outfall: Jamestown • Bulk water supply Pipe Reservoir: Dwarsriver (Johannesdal / Kyle more / Pniel) • New Plankenburg: Main Sewer Outfall • Water Treatment Works: Paradyskloof • Water pipe replacement • Ida's Valley Merriman Outfall Sewer			• Relocation/ Upgrade main water supply Ida's Valley – In process of completion, finalisation June 2021. • Bulk Sewer Outfall: Jamestown -In process of completion June 2021. • Bulk water supply Pipe Reservoir: Dwarsrivier (Johannesdal / Kylemore / Pniel) – Completed. • New Plankenburg: Main Sewer Outfall – In process. Completion June 2020. • Water Treatment Works: Paradyskloof – Completed – Inauguration to take place during March 2020. • Waterpipe Replacement – Ongoing Completion June 2028. • Ida's Valley Merriman Outfall Sewer – In process.
	Sports Fields • Upgrade of Sport Facilities • Information Technology • Upgrade and Expansion of IT Infrastructure Platforms Human Settlements • New Community Halls Klapmuts • Housing Project Kayamandi Watergang/ Zone O	Implemented in terms of the available capital budget approved for the 2017/18 financial year.	Implemented in terms of the available capital budget approved for the 2018/19 financial year.	• Upgrade of Sport Facilities- Focus point is to upgrade sport facility lighting needs on fields. In the process of appointing consultants to furnish assessments and repair specifications. • New Community Halls Klapmuts- project completed.
1.4 To ensure the provision of non-motorised transport routes as a functional mode of transport	Construction and upgrading of pedestrian and cycle Paths.	Ongoing	Implementation of the NMT policy.	Implemented in terms of: • Available capital budget, approved for the 2019/2020 financial year. • Current Policy and NMT Master plan.
	Develop Specific Non-Motorised Transport routes according to needs.	Ongoing	Implementation of the NMT policy.	Implemented in terms of: • Available capital budget, approved for the 2019/2020 financial year. • Needs identified through IDP public participation process.

STRATEGIC FOCUS AREA 1: VALLEY OF POSSIBLITY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
	Design, construct and upgrade Cycle paths.	Ongoing	Implementation of the NMT policy.	Implemented in terms of: • Available capital budget, approved for the 2019/2020 financial year. • Current Policy and NMT Master plan.
	Design and construct Bicycle parking facilities.	Ongoing	Implementation of the NMT policy.	Implemented in terms of the available capital budget approved for the 2019/2020 financial year and identified needs.
	Construct Bus and Taxi shelters.	Ongoing	Implementation of the NMT policy.	Implemented in terms of the available capital budget approved for the 2019/2020 financial year and identified needs.

5.10.1.2 SFA 2: A Green and Sustainable Valley

Table 35: SFA 2- Strategy Unpacked

STRATEGIC FOCUS AREA 2: A GREEN AND SUSTAINABLE VALLEY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
2.1 Managing human use of the biosphere and its resources	1. Conserve natural resources, biodiversity and landscapes.	Ongoing, in terms of various programmes and management plans (Stellenbosch Environmental Management Framework / Stellenbosch Municipality Invasive Alien Vegetation Management Plan / Stellenbosch River Stewardship Action).	Ongoing, in terms of various programmes and management plans (Stellenbosch Environmental Management Framework / Stellenbosch Municipality Invasive Alien Vegetation Management Plan / Stellenbosch River Stewardship Action).	Ongoing, in terms of various programmes and management plans. The Stellenbosch Environmental Management Framework was adopted by Council June 2019 as Stellenbosch Municipality's first dedicated environmental policy.
	2. Encourage the use of materials obtained from sustainable sources in new development and in the design of buildings.	Ongoing, as far as possible through input on development proposals and approvals.	Ongoing, as far as possible through input on development proposals and approvals.	Ongoing, as far as possible through input on development proposals, conditions of approval.
	3. Facilitate the use of green energy.	Ongoing, as far as possible through input on development proposals and approvals.	Ongoing, as far as possible through input on development proposals and approvals.	Ongoing, as far as possible through input on development proposals and conditions of approvals. The optimal use of our environmental 'capital' is advocated by the Stellenbosch Environmental Management Framework.
	4. Minimise the use of the four generic resources, namely energy, water, land and materials.	Ongoing	Ongoing	Ongoing, as far as possible through input on development proposals and conditions of approvals. The optimal use of our environmental 'capital' is advocated by the Stellenbosch Environmental Management Framework.
	5. Maximise the re-use and/or recycling of resources.	Ongoing	Ongoing	Ongoing, as far as possible through input on development proposals and conditions of approvals. The optimal use of our environmental 'capital' is advocated by the Stellenbosch Environmental Management Framework.
	6. Use renewable resources in preference to non-renewable resources.	Ongoing, with the promulgation of by-laws, monitoring and enforcement.	Ongoing, with the promulgation of by-laws, monitoring and enforcement.	Ongoing, as far as possible through input on development proposals and conditions of approvals. The optimal use of our environmental

STRATEGIC FOCUS AREA 2: A GREEN AND SUSTAINABLE VALLEY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
				'capital' is advocated by the Stellenbosch Environmental Management Framework.
	7. Minimise air, land and water pollution.	Ongoing	Ongoing	Ongoing, through the Air Quality / Noise Control Official, Rangers deployed in nature areas and working together with Infrastructure Services' Water Services Section.
2.2 Enhancing the integrity of the environment as an imperative for long-term sustainability.	1. Maintain essential ecological processes, preservation of genetic diversity and the insurance of the sustainable utilisation of natural resources.	Ongoing	Ongoing, in terms of various programmes and management plans (Stellenbosch Environmental Management Framework / Stellenbosch Municipality Invasive Alien Vegetation Management Plan / Stellenbosch River Stewardship Action).	Ongoing, in terms of various programmes and management plans (Stellenbosch Environmental Management Framework / Stellenbosch Municipality Invasive Alien Vegetation Management Plan / Stellenbosch River Stewardship Action).
	2. Plan and design the cultural (human) environment in a manner that enhances the intrinsic value (including heritage and traditional legacy) of the subject places and Stellenbosch Municipality as a whole.	In progress.	Done, through the designation of Spatial Planning Categories included in the Stellenbosch Environmental Management Framework	This is done through the designation of Spatial Planning Categories included in the Stellenbosch Environmental Management Framework. The appointed Environmental Planner administers the Stellenbosch Environmental Management Framework to ensure compliance thereto.
2.3 Incorporating bio-diversity into the environment as an imperative for long-term sustainability.	1. Biodiversity conservation is a prerequisite for sustainable development, and for biodiversity conservation to succeed, the maintenance of environmental integrity (as defined by ecological, economic and social criteria) must be one of the primary determinants of land-use planning.	Environmental by-laws are being implemented.	Stellenbosch Municipality comments on application submitted in terms of NEMA. In turn the Stellenbosch Municipality's Environmental Planner comments on land-use applications that is expected to have an impact on the environment.	Stellenbosch Municipality comments on application submitted in terms of NEMA. In turn the Stellenbosch Municipality's Environmental Planner comments on land-use applications that are expected to have an impact on the environment. The Environmental Planner administers the Stellenbosch Environmental Management Framework to ensure compliance thereto.
2.4 Ensuring spatial sustainability.	1. Promote land development that is within the environmental, fiscal, institutional and administrative means of Stellenbosch Municipality.	Items 1 – 5 are being addressed in the new Municipal Spatial Development Framework (*m*SDF).	Items 1 – 5 are being addressed in the new Municipal Spatial Development Framework (*m*SDF).	Items 1 – 5 are being addressed in the new Municipal Spatial Development Framework (mSDF), the MSDF was adopted on 11 November 2019, and was duly gazetted during February 2020 as required by SPLUMA.
	2. Ensure that special consideration is given to the protection of high-potential farm land.			

STRATEGIC FOCUS AREA 2: A GREEN AND SUSTAINABLE VALLEY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
	3. Uphold consistency of land-use measures in accordance with environmental requirements and associated management instruments.			
	4. Limit urban development to locations where such development can be sustainable, where urban sprawl can be limited, and where such development can result in sustainable communities.			
	5. Implement strategies to ensure that any form of development, on balance, improves current circumstances in the subject area.			
2.5 Facilitate efficient use of all forms of capital available to Stellenbosch.	1. Implement plans to ensure that development optimises the use of existing resources and infrastructure (i.e. monetary capital, environmental capital and infrastructural capital) and that such development result in beneficial synergies and multipliers in the local economy.	In progress.	The Municipality has compiled a comprehensive 10 year Capital Expenditure Framework for this intended purpose.	The Municipality has compiled a comprehensive 10 year Capital Expenditure Framework that is informed by the Long Term Financial Plan of the municipality.
2.6 Building Human capacity and ability.	1. Promote cooperative skills development.	In progress.	In progress.	In progress.
	2. Encourage Full involvement of stakeholders.	Stakeholders participate in municipal information sessions and focused engagements.	Stakeholders participate in municipal information sessions and focused engagements.	Stakeholders participate in municipal information sessions, public participation sessions and stakeholder engagements.
2.7 Efficient information management (refer to Environmental Management Framework)	1. Develop and implement a biodiversity register.	A biodiversity register is maintained through a Geographical Information System.	A biodiversity register is maintained through a Geographical Information System.	A biodiversity register is maintained through a Geographical Information System.

5.10.1.3 SFA 3: Safe Valley

Table 36: SFA 3- Strategy Unpacked

STRATEGIC FOCUS AREA 3: A SAFE VALLEY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
3.1 To implement an integrated safety strategy to incorporate multi-stakeholder engagements in addition to focusing on institutional, situational and social crime prevention interventions.	1. Identify and develop a safety network database.	Complete and regularly updated.	Completed and will be updated before June 2019.	Continued updating taking place as new partners join the initiative.
	2. Allocation of roles and responsibilities to stakeholders.	In progress.	MOU with SAPS in place and will be updated in (SSI Agreement) Continually being updated. Regular meetings are held with safety stakeholders. Capacity building is being explored.	Continually being updated. Regular meetings are held with safety stakeholders.
	3. Sign MOUs with SAPS to extend Municipal Law Enforcement Security Cluster.	Continually being updated.	In progress.	Continue to be updated based on new management at SAPS stations and getting their buy-in.
	4. Perform ward based risks assessments.	Continually being updated.	Joint planning initiatives are successfully implemented through consultations with ward councillors. (for etc. the installation of CCTV cameras in specific wards).	Continually being updated.
3.2 To develop and implement Institutional Crime prevention strategies, with the focus on improved law enforcement and neighbourhood watches.	1. Build the capacity of safety stakeholders.	Regular meetings are held with safety stakeholders. Capacity building is being explored.	Regular meetings are held with safety stakeholders. Capacity building is being explored.	Regular meetings are held with safety stakeholders.
	2. Register neighbourhood watches in all wards.	In progress.	In progress.	Ongoing.
	3. Perform joint planning initiatives to promote safety in all wards.	Successfully being implemented	Joint planning initiatives are successfully implemented through consultations with ward councilors. (for etc. the installation of CCTV cameras in specific wards)	Joint planning initiatives are successfully implemented through consultations with ward councilors. (for etc. the installation of CCTV cameras in specific wards).
3.3 To develop and implement Situational Crime prevention strategies	1. Identify and map crime hot spots.	Complete and regularly updated as the need arises.	Regular patrols, joint operations with SAPS, Neighbourhood Watches, Law Enforcement and stakeholder meetings take place regularly.	This is being received from SAPS and hotspots are discussed at our weekly SSI planning meeting.

STRATEGIC FOCUS AREA 3: A SAFE VALLEY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
	2. Convert crime hot spots into safe spaces by addressing the cause of crime in the identified hot spots.	Regular patrols, joint operations and stakeholder meetings take place for this purpose. Adequate lighting is also installed for safety purposes.	Regular patrols, joint operations with SAPS, Neighbourhood Watches, Law Enforcement and stakeholder meetings take place regularly.	Regular patrols, joint operations with SAPS, Neighbourhood Watches, Law Enforcement and stakeholder meetings take place regularly.
	3. Introduce appropriate technology and extend Close Circuit Television coverage to all wards.	Successfully rolled out in identified hotspots and gradually being introduced to the other wards.	Stellenbosch Safety Initiative is in place.	CCTV cameras are rolled out based on Ward funding and departmental funding. Positioning is placed after consultation with SAPS based on crime patterns.
3.4 To implement and facilitate social crime prevention initiatives in all wards	1. Provide support to Early Childhood Development centers.	The Municipality serves 134 ECD's within the Stellenbosch Municipal Area with a budget of R 80 000 per annum. Capacity building of ECD through the following training programmes: Nutrition and Hygiene, FAS, Fire Safety, Good Governance, Financial Management and Facility Registration. Allocation of suitable infrastructure for operations of ECD and partial care facilities where available. Assistance with registration: Internal support with planning processes, fire safety certificates. External – DSD, CWDM – health requirements. GIS Mapping and updating of ECD facilities. Partnering with organisations such as JAM SA to ensure optimal ECD facility development.	The Municipality serves 134 ECD's which comprises of ECD Forums namely, Kayamandi, Stellenbosch, Franschhoek and Klapmuts, within the Stellenbosch Municipal Area with an estimate budget of R 90 000 per annum. Capacity building of ECD takes through the following training programmes: Nutrition and Hygiene, FAS, Fire Safety, Good Governance, Financial Management and Facility Registration. Allocation of suitable infrastructure for operations of ECD and partial care facilities where available. Assistance with registration: Internal support with planning processes, fire safety certificates. External – DSD, CWDM – health requirements. GIS Mapping and updating of ECD facilities. Partnering with organisations such as ASHA to ensure optimal ECD facility development.	The Municipality supports 140 ECD's through quarterly capacity building sessions. During these sessions we provide accredited skills training for ECD practitioners. The above support is provided in partnership with DSD, ECD grassroots organisations and other spheres of government. Financial support to ECD facilities are provided through the Grant in Aid donation programme for which the municipality assist with 3 further capacity building workshops aimed at financial management and reporting and grant application requirements. All ECD's are registered and regularly updated on the GIS system.
	2. Develop, facilitate and implement youth programmes in partnership with public and private institutions.	The Municipality's main youth related functions and current programmes include Job readiness Programmes in partnership with DSD (R 10 000 – reaching about 30 youth). Accredited Artisan Youth Skills Development through local	The Municipality's main youth related functions and current programmes include job readiness and life skills programmes in partnership with DSD, Department of Labour and local NGO's. Accredited Youth Skills Development, Driver's and learners programme, through local NGOs and	The Mayoral Youth Skills Development programme included accredited training in: • General Building Maintenance • Plumbing • Five Star Table Attendant • Food Service Assistant and

STRATEGIC FOCUS AREA 3: A SAFE VALLEY				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
		NGOs (R 1 000 000 – reaching 60 youth per annum. The plan is to continue this programme in the future.). Annual Career exhibition for high school learners in partnership with DOE (R 40 000 – reaching 1300 youth from all schools). DCAS District Drama Festival in partnership with DCAS (R 10 000 – reaching 3 youth groups). 2017-2018 saw the first Stellenbosch group winning this competition. Indoor Sport centre in partnership with SCORE – formal 50-year agreement with municipality. (Sport development, holiday programmes and DCAS Indigenous Games) (R 100 000 – reaching 300 youth per month). JPI 27: Establish Stellenbosch Municipality as a centre of innovation in terms of youth empowerment: Sport art and cultural programmes in partnership with DCAS, DoE, DoH, DCS, DSD.	service providers. This has become an annual programme. DCAS District Drama Festival in partnership with DCAS. 2018 – 2019 our group came 3rd in the final. Annual Agri-expo for high school learners in partnership with Sandringham and DOE reaching 1300 learners throughout the Stellenbosch District.	• Assistant Chef Job Readiness in partnership with DSD focus on CV writing and interviewing skills reaching 79 youth. The DCAS Youth Drama Festival delivered the following results for Stellenbosch Municipality: Best Writer Best Actress Best Production – Runner up DSD Youth Camp and recruitment drive for Chrysallis Academy to introduce our youth to different opportunities available.
	3. Develop, facilitate and implement entrepreneurial programmes.	In progress.	In progress.	Programmes relates workshops on Tender training, Costing and Pricing, Training for start-up businesses, Entrepreneurial Exhibitions, funding etc.

5.10.1.4 SFA 4: Dignified Living

Table 37: SFA 4- Strategy Unpacked

STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
4.1 To develop and maintain sustainable human settlements that will deliver in the diverse range of housing needs	1. Develop and implement a housing pipeline.	The housing pipeline was approved in Council on 30 August 2017 and is currently being implemented.	The main objective is to provide sustainable human settlements in accordance with the approved Housing pipeline. Accept for the current housing projects has the Municipality advertised two proposal calls: 1. Jamestown- The particular goal of this specific Call for Proposal is the delivery of mix –used development which includes additional state subsidised housing units, serviced sites for affordable housing (plot and plan) and GAP housing units. The tender has closed and is being evaluated. 2. Cloetesville- The aim with Erf 7001 is to provide affordable housing for the residents of the area. The tender was advertised and it closed on the 25 February 2019. The Proposal Calls will be evaluated in terms of the Supply Chain Management Policy.	In accordance with the aims and objectives of the Housing Pipeline, the Municipality through Provincial funding acquired the Watergang farm north to Kayamandi. This property as well as Council owned-land will enable mixed-used development of more than 5 000 housing opportunities. In La Motte, the National Department of Public Works is in the process of transferring the land to the Municipality that would provide approximately 1 000 housing opportunities. In Jamestown, the provision of bulk services to the sites (Phase 2, 3 and 4) for the housing development have commenced. A procurement process has started to appoint a service provider to finalise the Bill of Quantities (BoQ) in order to conclude the appointment of an Implementing Agent. The original Call for Proposal for Erf 7001, Cloetesville ("Soek-mekaar") has to be cancelled due to non-responsive bidders. A second Call for Proposal has been advertised and the closing date is 20 March 2020. In additional to La Motte, the National Department of Public Works is in the process of transferring Erf 64, Kylemore in favour of Stellenbosch Municipality. The Municipality concluded with the land-owner of Longlands and the Provincial Department of Human Settlements a Tripartite Agreement. This will enable the Implementing Agent to immediately commence with the installation of civil -and electrical services. According to project programme submitted by the Implementing Agent, the installation of 144 services sites and 106 top structures will be completed during the 20/21 financial year. Phase 1 of Ida's Valley GAP houses is near completion and the Implementing Agent has also commenced with the subsided houses. The development on Erf 11330 (Hillside Village) is earmarked to be completed by June 2020.

STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
				LUPA application has been submitted to the Land Use Planning department and approved by MPT for the development of Zone O, Kayamandi. After the appeal period has lapsed, a tender process will be followed to appoint a service provider to commence with services and construction. A phase approached will be followed in order to implement this project. The appointed consultants for the Kayamandi Town Centre are continuing with preparatory work in order to submit a LUPA application to the Land Use Planning department. The consultants are in the process to finalise the necessary studies in order to acquire township establishment and to obtained Development Rights.
	2. Implement upgrading of informal settlements programme.	Serves as a priority project on the housing pipeline. Addressed through the housing pipeline.		The programme is linked to a housing projects that are on the housing pipeline such as the Zone O and Enkanini, Kayamandi, Mandela City in Klapmuts, Langrug in Franschhoek. The respective projects include the provision of basic services as well as rudimentary top structures in Klapmuts. These projects are ongoing, especially in instances where basic services are provided.
	3. Integrated Residential development programme.	Addressed through the housing pipeline.		The implementation of the housing pipeline is linked to certain funding programmes of which Integrated Residential Development Programme (IRDP) particularly is earmarked to address subsidy – and GAP housing. The housing pipeline indicates which projects will be funded through the IRDP.
	4. Social Housing programme.	Addressed through the housing pipeline.		Stellenbosch Municipality, was identified as one of the leader towns to promote Social Housing, requested the Provincial Department of Human Settlements and the Social Housing Regulatory Authority (SHRA) for funding to do the necessary feasibility studies in the approved restructuring zone. On the 7th of June 2019, a service provider was appointed by SHRA to carry out feasibility studies to determine the potential for Social Housing project development on three sites located within the

STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
				Stellenbosch Municipality. Council has now approved that the administration may invite competent Social Housing Institutions (SHI's) or Other Development Agencies (ODA's) to implement Social Housing developments.
	5. Community Residential Units.	Addressed through the housing pipeline.		The funding source for Community Residential Units (CRU's) has been incorporated into the allocation of funds to the Social Housing Regulatory Authority (SHRA) hence all CRU funding will be deemed part of Social Housing development.
4.2 To develop and implement a social infrastructure master plan for the upgrading and maintenance of social facilities in all wards.	1. Identify and map all current social infrastructure.	The mapping of the infrastructure by the Department Community Service has been completed in 2017/18.		
	2. Identify and upgrade facilities for multi- purpose usage.	This is in progress.	Currently in the process of upgrading facilities.	Various tenders are in place for the upgrading of community halls.
	3. Identify areas to establish new facilities for sport and recreation facilities.	In progress.	The Directorate: Community and Protection Services is busy identifying an area to construct a splash pad in Kayamandi.	No suitable site could be found in Kayamandi. The department is still investigating other possible sites.
4.3 To involve and build the capacity of stakeholders in the planning and management (governance) of the areas where they live. (Promote participatory planning and integrated implementation)	1. Conduct community meetings.	General Community meetings facilitated by the Ward Councillor take place on a regular basis in addition to the IDP community meetings.	Community meetings are being facilitated by the Ward Councillor and takes place on a regular basis. This is in addition to the IDP community meetings scheduled for April and September each year.	Community meetings are being facilitated by the Ward Councillor and takes place on a regular basis. This is in addition to the IDP community meetings scheduled for April and September each year.
	2. Conduct Project Steering Committee meetings.	Stakeholder engagements are held on a continuous basis to inform beneficiaries and interested parties of progress in terms of Project deliverables and also unpack legislation with regards to project planning.	Housing officials attend community meetings on invitation by Councillors to share information on the National Housing Code and Beneficiary Selection Processes.	5 Community Meetings held in Ida's Valley, New Watergang TRA (Kayamandi) and Longlands.
	3. Conduct beneficiary community meetings.	Beneficiary meetings are held and beneficiary committees elected for continuous engagement and to keep potential beneficiaries for a project	General community meetings are also held as part of information sharing even for those who are still on the Housing Demand Database so that they are aware	6 Beneficiary meetings held in Ida's Valley and Longlands Housing Projects.

STRATEGIC FOCUS AREA 4: DIGNIFIED LIVING				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
		informed of progress. This promotes transparency and fairness and limits any negative human interference in terms of beneficiary selection.	of future planned projects and available different housing subsidy instruments available as state intervention towards provision of housing opportunities.	
	4. Housing consumer education sessions.	Relevant departments host meetings.	In progress.	3 Title Deeds Restoration Programmes Workshops. 2 Temporary Residential Area Workshops. 2 Beneficiary Administration Workshops in preparation for subsidy applications for New Housing. 2 Public Rental Stock dealing with Anti-Social Issues.
4.4 To provide access to basic services for households in the WC024 area.	1. Implement the access to basic services programme Provision of communal water points.	All the formal households in urban areas of the Municipality are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service	Water connections installed in terms of needs identified and available funding.	Water connections installed in terms of needs identified and available funding.
	2. Provision of communal ablution facilities.	All the formal households in urban areas of the Municipality are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service.	Sanitation facilities installed in terms of needs identified and available funding.	Sanitation facilities installed in terms of needs identified and available funding.
	3. Provision of chemical toilets.	Complete where the need was identified.	Sanitation facilities installed in terms of needs identified and available funding.	Sanitation facilities installed in terms of needs identified and available funding.
	4. Provision of basic waste removal services.	In progress.	Weekly waste removal services in place.	Weekly waste removal services are in place. Daily refuse collection from skips in informal areas also in place.

5.10.1.5 SFA 5: Good Governance and Compliance

Table 38: SFA 5- Strategy Unpacked

STRATEGIC FOCUS AREA 5: GOOD GOVERNANCE AND COMPLIANCE				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
5.1 To develop, align and implement effective Management Information Systems.	Align and integrate current Management Information systems.	There is a continuous alignment of ICT Services and Systems with the strategic goals and objectives of the Municipality, as well as statements of direction from National Government and the Western Cape Provincial Government.	The alignment of the ICT services is ongoing due to the rapid change in the ICT environment. It is in line with the strategic goals of the Municipality, the Western Cape Provincial Government and National government.	The alignment of the ICT services is ongoing due to the rapid change in the ICT environment. It is in line with the strategic goals of the Municipality, the Western Cape Provincial Government and National government.
	Implement MSCOA requirements on Information Systems.	In consultation with the Legal Department, the ICT Department is in the process to develop a customised Main Agreement for all ICT related services and systems that are fully compliant with all regulatory requirements as per the MFMA and all relevant Auditor General requirements when contracting with external service providers for ICT related services and systems.	A Main Agreement for all ICT related services went for legal advice and has been signed with relevant service providers.	All financial systems are aligned to the mSCOA requirements.
5.2 An effective asset management system to optimise the use of Municipal assets.	Update and implement the Asset Management Policy.	Is currently in place and implemented.	The Asset Management Policy is in place and will be reviewed with the draft budget 2019/20.	The Asset Management Policy is in place and will be reviewed with the Medium Revenue and Expenditure Framework (Budget).
	Establish an Asset Management Section as part of the organisational structure.	A new organisational structure has been approved on 21 September 2017 for implementation 1 July 2018 for optimal use of human resources.	The Section is on the organisational structure and will be finalised with the placement process.	Placement process for the Asset Management Section is finalised. The funded vacancies in the Asset Management Section will be filled in the 2020/21 financial year.
5.3 To manage integrated development planning and the efficient measurement of predetermined objectives as per regulatory framework.	Implement the performance management plan.	Is currently in place and implemented in line with the performance management policy currently up for review in May 2018.	The individual performance management policy is in place and will be reviewed for submission with the budget related policies during May 2019.	The adopted revised Performance Management Policy is being implemented.
5.4 To involve the community in the planning and management of	Improve ward planning by the introduction of geo-	In the process of rolling out to the ward committees. CP3 system provides a platform to position and display projects spatially, providing	The service provider has been approved for a three-year period. A 10 year budget	The service provider has been approved for a three-year period. A 10 year budget

STRATEGIC FOCUS AREA 5: GOOD GOVERNANCE AND COMPLIANCE				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
programmes and projects impacting their ward(s),	mapping to ward committees	sufficient detail around the project. The process is currently being used administratively and will be shared within the wards after the budget has been approved.	forecast is in place and will be reviewed on an annual basis.	forecast is in place and will be reviewed on an annual basis.
5.5 To review municipal governance processes as per the Risk Based Audit Plan	Implement and monitor actions listed in the relevant risk based audit plan on an annual basis.	The audit committee reviews the relevant risk based audit plan.	The Risk Based Audit Plan has been reviewed and updates are done quarterly for attention of the audit committee.	The Risk Based Audit Plan has been reviewed and updates are done quarterly for attention of the audit committee.
5.6 A skilled and capable workforce that supports the growth objectives of the municipal area	Organisational design.	A new organisational structure has been approved on 21 September 2017 for implementation 1 July 2018 for optimal use of human resources.	The placement process is due for completion by the 31 March 2019.	Placement process nearly completed – most staff accommodated and about 10 remaining in the "pool".
	Implement the Workplace Skills Plan.	Work Place Skills plan is being implemented.	Work Place Skills plan is being implemented.	Workplace skills plan being implemented.
5.7 A responsive, accountable, effective and efficient local government system	Regular compliance reporting to Council committees and other relevant oversight bodies.	Reporting back to Council on a quarterly, bi-annually as well as on an annual basis on the performance of the Municipality.	The mSCOA version 6.2 has been implemented and quarterly reporting occurs.	Quarterly and Mid-yearly financial and non-financial performance reports submitted to Council and APAC. The Draft and Final Annual Report 2018/19 served before MPAC.
5.8 To implement an effective revenue management system.	Organisational restructuring to improve revenue management.	A new organisational structure has been approved on 21 September 2017 for implementation 1 July 2018 for optimal use of human resources.	The placement process is due for completion by the 31 March 2019.	Placement process is Revenue Section is finalised. The funded vacancies in the Revenue Section will be filled in the 2020/21 financial year.
	Effective billing systems.	An effective billing system is in place as a key revenue raising strategy.	An effective billing system is in place and reporting occurs on a monthly basis as a key revenue raising strategy.	An effective billing system is in place and reporting occurs on a monthly basis as a key revenue raising strategy.
	Effective credit control and debt collection processes.	Addressed through the Credit Control And Debt Collection Policy.	Effective credit control and debt collection processes are followed on a daily basis.	Effective credit control and debt collection processes are followed on a daily basis.
5.9 To provide accurate and relevant financial information for decision making.	Implement the Municipal Standard Chart of Accounts.	mSCOA was implemented as of 1 July 2017.	The mSCOA version 6.2 has been implemented and monthly and quarterly reporting occurs.	The mSCOA version 6.3 has been implemented. Monthly and quarterly reporting are done in mSCOA version 6.3.

STRATEGIC FOCUS AREA 5: GOOD GOVERNANCE AND COMPLIANCE				
Predetermined Objectives	**Programmes for the next 5 Years**	**Progress Year 1 2017/2018**	**Progress Year 2 2018/2019**	**2019/20**
				The Medium Term Revenue and Expenditure Framework will be prepared in mSCOA version 6.4.1.
5.10 To develop and implement a responsive, accountable, effective and efficient customer care structure and system.	Organisational restructuring to implement a centralised and integrated customer care system.	A new organisational structure has been approved on 21 September 2017 for implementation 1 July 2018 for optimal use of human resources.	A draft Customer Care framework is developed. The Customer Care Unit that was established by Council will be staffed at least partially by 30 June 2018. The Municipality is in the process of development of an electronic system to deal with customer care queries organisational wide.	Steering Committee on the 4th March 2020 to assists with the implementation of a pilot project on customer care and citizen engagement.

CHAPTER 6

Public Expression of Needs (Community Participation)

6.1 Effective Community Participation

Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) requires of municipalities to maintain a culture of community participation. According to Section 16(1)(a)(i) of the MSA, "A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan in terms of Chapter 5". It is therefore essential to have effective public participation structures in place.

The SDF, IDP, Budget, Sector Plans as well as major municipal policies, by-laws and decisions should be engaged in order to ensure that they are designed and implemented for and with the community. This also adds to the credibility of the needs reflected in the IDP, the Budget calculated in addressing these needs and the SDBIP drafted in implementing programmes and projects which reflects the communities' needs.

In the spirit of the commitment made by our Executive Mayor (Cllr Adv Gesie van Deventer) and our Municipal Manager (M. Geraldine Mettler) to undergo intensive public participation, ward based meetings were held with each ward throughout the Stellenbosch Municipal area. We are therefore confident that this goal was accomplished.

The growing trend of mature and constructive discussions from the public, the level of complexity and the investment made in understanding the Municipality's business is encouraging. The direct participation and involvement of the Ward Councillors and ward committees in the identification of ward based priorities and their involvement in the ward meetings has added great value to the maturity and quality of the discussions between the public and the municipality. Ward Councillors are a critical link in connecting the municipality with the public. As members in Council, and recipients of all the decisions taken by Council, it positions Councillors strategically to ensure that the municipality not only understand the needs of the community better, but also to provide the public with honest and accurate feedback of the Municipality's initiatives. These endeavours are supported by well-functioning ward committees. This Municipality has the benefit of very experienced politicians which has facilitated a very strong connection between the public and the administration. Councillors are however encouraged to always adhere to the code of ethics for Councillors to always act with the utmost integrity and accountability toward their constituents and the Municipality, as this is the only way in which to form a responsible local government.

Public participation takes place through various means and is often tailored to suit a specific audience or community. Importantly, communities from different socio-economic backgrounds use different platforms to communicate. Communities in informal settlements might be more inclined to take in messages which are broadcasted on an audio public address system, while communities in more affluent areas would want to receive messages via an instant messaging service operated from a cellular phone. It is important to cater for all scenarios and to utilise all available platforms to its

optimum potential, given that a certain degree of apathy exists in certain communities.

The maturity of the public participation process has achieved new heights from both the community members and the administration. All of our directors, strategic and service delivery managers were part and parcel of each of the public sessions allowing for direct feedback on some of the key issues raised. Further feedback will be provided on the comments captured in sessions. To ensure that the public participation process is a two-way process, all comments have been carefully reviewed.

6.2 Public Participation in the Review Process

Individual ward meetings were held in September 2019 to determine the needs of the community that need to be addressed to improve the quality of life of residents in the greater Stellenbosch Municipal area.

Information about the schedule of IDP Public Engagement Meetings in September 2019 were communicated both internally and externally. Internal communication was sent to management, Councillors, the Executive Mayoral Committee, Council and all officials within the Municipality. External communication about the meetings taking place was done through advertising in the main local newspaper as well as the community newspaper distributed free of charge. The schedule and advertisement was also published on the Municipality's official website, social media, distributed as flyers to households per ward, loud-hailed in the suburbs and SMS cellular phone messaging. In addition, thereto, the Municipality provided transport to members of the public who wished to attend the public engagements.

The following **public participation** and **ward committee programme** gives effect to the review process of the 2020/21 Integrated Development Plan and Budget:

Table 39: Public Participation Engagement programme

Type of Engagement	Purpose of Meeting	Number of Meetings Held	Timeframes
IDP Community Meetings	Platform to provide feedback and obtain public input for the 2020/21 IDP review process.	19	4 September - 18 September 2019
Meetings for the revision (updating) of Ward Plans	Review and update of ward plans and re – prioritisation of ward priorities.	10	2 October 2019 - 21 October 2019
IDP Stakeholder Engagement	The engagements were premised on a themed structure to gather focused input from the various interest groups on the 2020/21 Draft IDP and Budget	2	21 October 2019 and 22 April 2020
IDP and Budget Public Participation Meetings	Ward based public participation meetings to consult the communities on the 2019/20 Draft IDP and Budget as approved by Council.	TBC	7 April – 22 April 2020

6.3 IDP Public Participation Meetings – September 2019

The public engagements took place in the evenings, at 19:00 and were chaired by a Municipal official. Minutes of all these meetings were noted and audio recordings serve to verify the content of the minutes.

Table 40: Public Participation Engagement

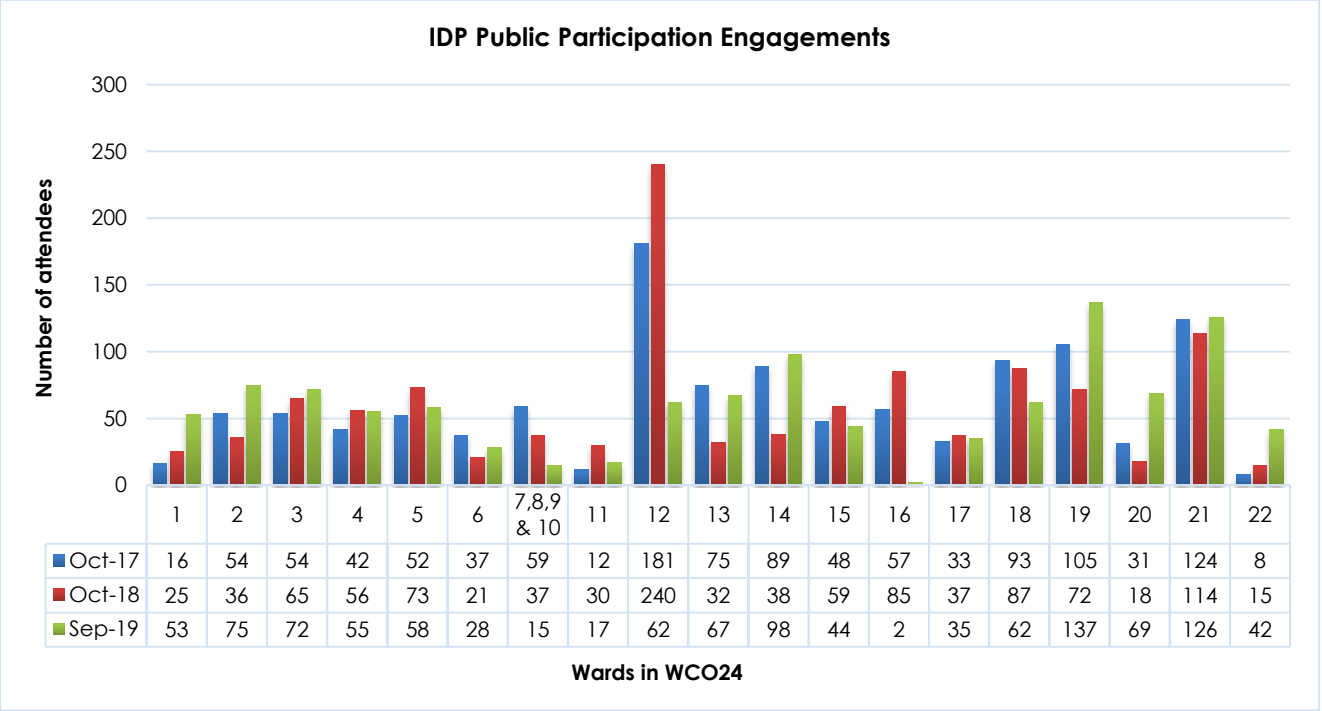
IDP Public Engagements 4 September – 26 September 2019 @ 19:00			Number of Participants		
Wards	**Venue**	**Date and Time**	**Oct/Nov 2017**	**Oct 2018**	**Sept 2019**
22 – Cllr E Groenewald	Stellenbosch Library Hall (Plein Street)	Wednesday, 4 September 2019 19:00	**37**	**15**	**42**
1 – Cllr AR Frazenburg	Groendal Community Hall	Monday, 9 September 2019 19:00	**16**	**25**	**53**
11 – Cllr JP Serdyn	Huis Horizon - Devon Valley	Monday, 9 September 2019 19:00	**12**	**30**	**17**
5 – Cllr DD Joubert	Brückner Primary School *(Ida's Vallei / Ida's Valley)*	Tuesday, 10 September 2019 19:00	**52**	**73**	**58**
19 – Cllr JK Hendriks	Bottelary Tennisbaan Hall	Tuesday, 10 September 2019 19:00	**105**	**72**	**137**
2 – Cllr WC Petersen	Groendal Community Hall	Wednesday, 11 September 2019 19:00	**54**	**36**	**75**
21 – Cllr FJ Badenhorst	Webergedenk Primary School Hall	Wednesday, 11 September 2019 19:00	**124**	**114**	**126**
6 – Cllr NE Mcombring	St. Ida's Primary School *(Ida's Valley)*	Thursday, 12 September 2019 19:00	**37**	**21**	**28**
7 – Cllr AJN Hanekom 8 – Cllr Q Smit 9 – Cllr Z Dalling 10 – Cllr R Du Toit	Stellenbosch Town Hall *(Plein Street)*	Thursday, 12 September 2019 19:00	**59**	**37**	**15**
4 – Cllr MC Johnson	Kylemore Community Hall	Monday, 16 September 2019 19:00	**42**	**56**	**55**
3 – Cllr C Manuel	St. Giles Church Hall *(Lanquedoc)*	Monday, 16 September 2019 19:00	**54**	**81**	**72**
17 – Cllr PW Biscombe	Rietenbosch Primary School *(Cloetesville)*	Monday, 16 September 2019 19:00	**33**	**37**	**35**
16 – Cllr E Vermeulen	Eike hall - Cloetesville	Tuesday, 17 September 2019 19:00	**57**	**85**	***2**
18 – Cllr E Fredericks	Klapmuts Multipurpose Centre	Tuesday, 17 September 2019 19:00	**93**	**87**	**62**
20 – Cllr A Crombie	Vlottenburg Methodist Church	Wednesday, 18 September 2019 19:00	**31**	**18**	**69**
14 – Cllr P Sitshoti	Kayamandi Community Hall	Wednesday, 18 September 2019 15:00	**89**	**38**	**98**

IDP Public Engagements 4 September – 26 September 2019 @ 19:00			Number of Participants		
Wards	Venue	Date and Time	Oct/Nov 2017	Oct 2018	Sept 2019
12 – Cllr N Mananga - Gugushe	Kayamandi High School	Thursday, 19 September 2019 16:00	**181**	**240**	**62**
13 – Cllr FT Bangani – Menziwa	Kayamandi Community Hall	Wednesday, 25 September 2019 15:00	**75**	**32**	**67**
15 – Cllr N Sinkinya	Kayamandi High School	Thursday, 26 September 2019 15:00	**48**	**59**	**44**

*Due to protest by community members at the IDP Public Participation Meeting, the meeting for Ward 16 could not be completed.

The graph below illustrates the comparison of community attendance at the October / November 2017, October 2018 and September 2019 public participation engagements.

Figure 34: Comparative Analysis of Community Attendance (year-on-year)



	1	2	3	4	5	6	7,8,9 & 10	11	12	13	14	15	16	17	18	19	20	21	22
Oct-17	16	54	54	42	52	37	59	12	181	75	89	48	57	33	93	105	31	124	8
Oct-18	25	36	65	56	73	21	37	30	240	32	38	59	85	37	87	72	18	114	15
Sep-19	53	75	72	55	58	28	15	17	62	67	98	44	2	35	62	137	69	126	42

6.3.1 Meetings for the Revision (updating) of Ward Plans

These engagements were conducted with the Ward Councillors and Ward Committee's members to assess and ensure that they agree with their priorities. Where priorities have been concluded, new priorities may be selected by the ward committees who are the legislated representative structure of the community. The ward priorities must be signed off by the ward councillor and then updated on the ward plan.

The role of departments before and during the ward plan process was to provide inputs and comments on the progress and status of ward priorities per ward. Progress on ward priorities will be

shared with the Ward Councillors and ward committee members for them to monitor the 2020/21 ward priorities for inclusion in the budget.

The following meetings were held for the revision of Ward Plans.

Table 41: Ward Plan Review Meetings

Wards	Venue	Date and Time
8 – Cllr Q Smit	PMU Building	**Wednesday, 2 October 2019 17:30**
22 – Cllr E Groenewald	Stellenbosch Library Hall (Plein Street)	**Wednesday, 2 October 2019 19:00**
1 – Cllr AR Frazenburg 2 – Cllr WC Petersen 3 – Cllr C Manuel 4 – Cllr MC Johnson	Wemmershoek Community Hall (Wemmershoek)	**Thursday, 10 October 2019 19:00**
5 – Cllr DD Joubert	Ward 5: Ward Office *(Ida's Valley Sportsground)*	**Tuesday, 15 October 2019 19:00**
11 – Cllr JP Serdyn 20 – Cllr A Crombie	Huis Horizon (Patrysstraat 1 Patrys Street Onder-Papegaaiberg Stellenbosch)	**Tuesday, 15 October 2019 19:00**
21 – Cllr FJ Badenhorst	Jamestown Ward Office	**Tuesday, 15 October 2019 19:00**
6 – Cllr NE Mcombring 10 – Cllr R Du Toit	Ida's Valley, Library Hall, Rustenburg Road	**Wednesday, 16 October 2019 19:00**
16 – Cllr E Vermeulen 17 – Cllr PW Biscombe 18 – Cllr E Fredericks 19 – Cllr JK Hendriks	Multipurpose Centre Klapmuts	**Thursday, 17 October 2019 19:00**
12 – Cllr N Mananga - Gugushe 13 – Cllr FT Bangani - Menziwa 14 – Cllr P Sitshoti 15 – Cllr N Sinkinya	Kayamandi Community Hall	**Monday, 21 October 2019 19:00**

6.3.2 IDP and Budget Public Participation Engagements– April 2020

The aim of these public engagements is to provide each ward an opportunity to engage with the Municipality with regard to the strategic plan, ward priorities and specific initiatives planned for the greater Stellenbosch and wards specifically.

Discussions have been planned for each of the wards across the greater Stellenbosch. The objectives of these engagements are to:

- Allow wards to engage with the revisions as tabled in the IDP and Budget; and
- Allow each ward an opportunity to provide inputs into the draft IDP and Budget.

These sessions also allows the Municipality a vital opportunity to constructively engage communities on service delivery.

Table 42: Draft IDP and Budget Public Participation Meetings, April 2020

Draft IDP and Budget Public Participation Meetings Tuesday, 7 April 2020 - Wednesday, 22 April 2020					
Wards	**Venue**	**Date and Time**	**Number of Participants**		
			April 2018	**April 2019**	**April 2020**
12 – Cllr N Mananga Gugushe	Kayamandi High School	Tuesday 7 April 2020 15:00	**260**	**97**	
14 – Cllr P Sitshoti	Kayamandl Community Hall	Tuesday 7 April 2020 15:00	**147**	**44**	
15 – Cllr N Sinkinya	Kayamandi High School	Wednesday 8 April 2020 15:00	**103**	**45**	
19 – Cllr JK Hendriks	Bottelary Tennis Court Hall	Wednesday 8 April 2020 19:00	**99**	**64**	
22 – Cllr E Groenewald	Stellenbosch Library Hall (Plein Street)	Wednesday 8 April 2020 19:00	**121**	**165**	
11 – Cllr JP Serdyn	Huis Horizon Devon Valley	Tuesday 14 April 2020 19:00	**25**	**21**	
7 – Cllr AJN Hanekom **8 –** Cllr Q Smit **9 –** Cllr MB De Wet/ Cllr Z Dalling **10 –** Cllr R Du Toit	Stellenbosch Town Hall *(Plein Street)*	Wednesday 15 April 2020 19:00	**49**	**52**	
2 – Cllr WC Petersen	Groendal Community Hall	Wednesday 15 April 2020 19:00	**26**	**35**	
5 – Cllr DD Joubert	Brückner Primary School (Ida's Valley)	Thursday 16 April 2020 19:00	**74**	**48**	
6 –Cllr NE Mcombring	St. Ida's Primary School Ida's Valley	Thursday 16 April 2020 19:00	**45**	**23**	
17– Cllr PW Biscombe	Rietenbosch Primary School	Thursday 16 April 2020 19:00	**51**	**53**	
4 – Cllr MC Johnson	Pniel Banquet Hall	Monday 20 April 2020 19:00	**22**	**26**	
20 – Cllr A Crombie	Vlottenburg Methodist Church	Monday 20 April 2020 19:00	**27**	**21**	
18 - Cllr E Fredericks	Klapmuts Primary	Monday 20 April 2020 19:00	**13**	**21**	
3 – Cllr C Manuel	St. Giles Church Hall (Lanquedoc)	Tuesday 21 April 2020 19:00	**54**	**42**	

Draft IDP and Budget Public Participation Meetings Tuesday, 7 April 2020 - Wednesday, 22 April 2020					
Wards	**Venue**	**Date and Time**	**Number of Participants**		
			April 2018	**April 2019**	**April 2020**
13 – Cllr FT Bangani Menziwa	Kayamandi Community Hall	Tuesday 21 April 2020 17:00	**60**	**120**	
1 – Cllr AR Frazenburg	Groendal Community Hall	Tuesday 21 April 2020 19:00	**23**	**38**	
16 – Cllr E Vermeulen	Eike Hall - Cloetesville	Wednesday 22 April 2020 19:00	**179**	**50**	
21 – Cllr R Badenhorst	Webergedenk Primary School Hall	Wednesday 22 April 2020 19:00	**118**	**42**	

The graph below illustrates the comparison of community attendance at the April 2018, April 2019 and April 2020 IDP and Budget public participation engagements.

The Municipality is vested in:

- Continuing with structured ward meetings to discuss strategic municipal-wide issues related to service delivery;
- Engaging with the District Municipality and various Provincial and National Government Departments to ensure that municipal-wide issues are discussed in an inter-governmental manner, where joint meetings are held with the different spheres of government present; and
- Work hard at building strong relationships that can propel us to our vision of becoming the Innovation capital of South Africa. We can only achieve this with strong partnerships with our private sector, government stakeholders and civil society role players.

6.3.3 Ward Priorities per ward

The table below includes the updated ward priorities listed by each Ward Committee in October 2019.

The analysis in this section is based on the following rating system:

☺	Ward Priority/ Project completed.
😐	Ward Priority/ Project in progress.
☹	Not completed/ No budget available/ District Function/ Provincial Function

Table 43: Ward Priorities- Ward 1

Ward 1			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Cllr Aldridge Frazenburg (Franschhoek)	**Priority 1:** Planning and Development – Upgrading of the existing Mooiwater Building for a multi-purpose centre and 24 hour clinic.		😐
	Priority 2: General traffic, pedestrian safety/ traffic management and security cameras.		😐
	Priority 3: Transport – Bus service to Paarl and Stellenbosch.		☺
	Priority 4: Beautification of entrance ward 1 – eco-friendly, management of rivers, dams etc. (Mooiwater dam study).		☺
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Planning and development of the Mooiwater Building for a multi – purpose centre.	The project is ongoing. Budget Allocation for 2019/20: R 2 000 000 (Taxi / Commuters hub with trading kiosks)	😐
	Priority 2: General traffic and safety Circles on the R45. Installations of speed cameras. Reduce speed limits on the R45 and Franschhoek pass. Safety on R45.	Consultants have been appointed. In process of compiling plans (for municipal portion) of R45, for submission to Provincial Department for approval.	😐
	CCTV cameras at various hotspots in Ward 1.	Project to be finalise before the end of the 2019/2020 financial year, depending on when the CCTV and LPR tender has been awarded. A R120 000.00 has been budgeted for CCTV cameras to be installed.	😐
	Priority 3: Transportation: Bus/ Taxi service to Stellenbosch and Paarl.	Completed.	☺
	Priority 4: Mooiwater dam: Zoned as a Sports Area (2 soccer field facilities to be built by the Municipality).	A geotechnical report has been prepared and the findings indicated that development of the property is feasible, from a geotechnical perspective.	😐
	Priority 5: Housing: Land need to be identified for housing.	The National Minister of Public Works has approved the transfer of the property on which the feasibility studies have been taken place on.	😐
		As soon as the transfer on land in favour of Stellenbosch Municipality has been completed, the final process to obtain development rights will occur.	😐
	Ward priorities for 2020/2021		
	Priority 1: Housing • Land for GAP, Social and Medium housing at Vietman area and Robertsvlei. • Housing needs of backyarders dwellers.		
	Priority 2: Safety and Security • Cameras to be installed on the Sportsground, business area (USAVE), Neighbourhood Watch • 10 Law Enforcement Officers for Franschhoek. • Constructions of speed humps at Beaucop de Leau, Sports Centre and around the schools in the wards. • Pedestrians signs. • Installation of lighting.		

Ward 1		
Ward Cllr	**2018/19 Ward Priorities**	**Rating**
	Priority 3: 24 Hour Health Care Centre - Ambulance service.	
	Priority 4: Beautification - All rivers in ward 1 to be cleaned. - Maintenance of the Gym parks. - Illegal dumping sites to be cleaned.	
	Priority 5: Job Creation and Skills Development - More EPWP contracts. - Fixed terms EPWP contracts for both genders.	

Table 44: Ward Priorities- Ward 2

Ward 2			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 2: Cllr Wilhelmina Petersen (Franschhoek)	**Priority 1:** In-situ Upgrading in Langrug. Drain overflowing and terrible smell from the drain		😐
	Priority 2: 24 Hour Clinic – La Motte		😐
	Priority 3: Building of sidewalks		☺
	Priority 4: Maintenance of Stiebeul river bank		☺
	Priority 5: Swimming pool		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Installing tar road in Bosbou.	Completed.	☺
	Priority 2: Re - blocking of structures in Langrug.	Mapping and data collection was completed.	☺
		An initial workshop was held. A follow - up workshop will be arranged to discuss the principles of the re-blocking, as well as feedback on the community's inputs to the process to the re-blocking.	😐
	Priority 3: Infrastructure R45 between Bosbou railway lines needs to install street lights.	12 Streetlights has been installed.	☺
		An application to be submitted to Eskom for extra streetlights, to complete the entire road.	😐
	Bus stop across Dennegeur.	In terms of the road classification Provincial approval will need to be obtained. The open channel will have to be closed by Province to construct a public transport embayment/ bus stop.	😐
	Priority 4: Circle – La Motte Cross.	In the process of appointing consultants to compile new plans for submission to the Provincial Roads Department.	😐
	Priority 5: Housing: Land need to be identified for housing.	The National Minister of Public Works has approved the transfer of the property on which the feasibility studies have been taken place on.	😐
		As soon as the transfer on land in favour of Stellenbosch Municipality has been completed, the final process to obtain development rights will occur.	😐
	Ward priorities for 2020/21		

Ward 2	
	Priority 1: Land for housing, housing and title deeds • Land for housing. • Title deeds. • Services for backyard dwellers (electricity and water).
	Priority 2: Safety • Installation of streetlights. • Installation of CCTV cameras. • Traffic Congestion. • Turning lanes.
	Priority 3: Insitu - upgrading of Langrug (site and services) • Streets opened for more services. • Play park. • Toilets. • Site and Services.
	Priority 4: Waterpark • Construction of a waterpark to be replaced with the swimming pool.
	Priority 5: Wi-Fi and IT Facilities • To empower youth to do job hunting and searching. • To empower youth to type their own CV's and apply for jobs online.

Table 45: Ward Priorities: Ward 3

Ward 3			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 3 Cllr Charles Manuel (Meerlust / Wemmershoek / Lanquedoc)	**Priority 1:** Sidewalks from Lanquedoc to Pniel School		😐
	Priority 2: Tarring of gravel roads and traffic calming in Wemmershoek		☺
	Priority 3: Establishment, maintenance and fencing of all Parks in Ward 3 – Maasdorp; Meerlust; Lanquedoc and Wemmershoek		☹
	Priority 4: Traffic calming for Wemmershoek and Lanquedoc		☺
	Priority 5: Outside Gyms for Wemmershoek; Maasdorp and Meerlust		☺
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Housing – Lanquedoc, Wemmershoek, Maasdorp, Meerlust.	Lanquedoc - Discussions between Stellenbosch Municipality and the land-owners of Lanquedoc Phase 2 has commenced. These discussions are aimed at a possible land acquisition to provide affordable housing in the Dwarsriver Valley.	😐
		Wemmershoek - Currently no further housing development studies will take place due to the environmental matters raised during the previous feasibility study.	😐
		Maasdorp - A service provider was appointed to provide different options in order to do township establishment. These different options are currently being discussed and thereafter it will be presented to the affected community.	😐
		Meerlust - A procurement process to appoint a developer (Call for Proposal) has commenced and soon as a successful service provider is	😐

Ward 3			
		appointed, community participation will intensify to address the way forward.	
	Priority 2: Clinic – Lanquedoc and Wemmershoek.	Land for a clinic in Lanquedoc has been approved by Council. No plans for Wemmershoek at this stage.	😐
	Priority 3: Multi – purpose Centre – Lanquedoc.	No planned projects on the MTREF.	☹
	Priority 4: Traffic Calming – Meerlust, Wemmershoek, Maasdorp R45, Speed humps in Lanquedoc.	One speed hump was constructed in Wildeklawer Street-Lanquedoc. Where additional traffic calming measures are identified, these will need to be evaluated before implementation.	☺
	Priority 5: Business Hubs – Lanquedoc, Meerlust, Maasdorp and Wemmershoek.	Project is not economically viable at this stage.	☹
	Ward priorities for 2020/21		
	Priority 1: Clinic • Request for a public meeting with the Department of Health with all the role-players (Lanquedoc and Wemmershoek)		
	Priority 2: Safety and Security • Assist with the establishment of neighbourhood watches • Procurement of equipment, radio's and bicycles. • Appointment of law enforcement officials in all 4 areas. • Request for a safety (integrated) meeting.		
	Priority 3: Community Hall (Lanquedoc and Meerlust) • Upgrading of the Meerlust Hall • Building of a community hall within 1 year • Renting of the St Giles Church hall in Lanquedoc for activities during the week • Upgrading of Wemmershoek Club House before the rugby season begin in 2020		
	Priority 4: Traffic Calming (Wemmershoek and Lanquedoc) • Request for 21 speedbumps in Ward 3 • Installations of mirrors for blind spots: Wemmershoek (x 7) and Lanquedoc (x14)		
	Priority 5: Housing (Maasdorp, Meerlust and Lanquedoc) • Town establishment for Maasdorp and Meerlust • Formal housing for Meerlust backyard dwellers and residents in informal settlements • Formal housing for Wemmershoek backyard dwellers		

Table 46: Ward Priorities: Ward 4

Ward 4			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Priority 1: Housing (Kylemore and Pniel), Land for Housing.		😐
	Priority 2: Visibility of Law Enforcement Pniel, Johannesdal and Kylemore.		☺
	Priority 3: New Library (Kylemore.).		☹
	Priority 4: Sidewalks and tarring of roads (Kylemore, Johannesdal and Pniel).		☺
	Priority 5: Upgrading of Change rooms at Sports grounds and the safety of it (Kylemore and Pniel).		☺
	Ward priorities for 2019/20	**Activity**	**Rating**
 Ward 4 Cllr Malcolm Johnson (Kylemore, Pniel, Johannesdal)	**Priority 1:** Housing (Kylemore and Pniel), Land for housing.	Public Works in principle approved the transfer of Erf 64. The Municipality is awaiting formal response from The Department of Public Works.	😐
	Priority 2: Visibility of Law Enforcement Pniel, Johannesdal and Kylemore.	The installation of LPR cameras (R124 566.00) at Groot Drakenstein is completed and is up and running.	☺
		New camera installation to be completed to the value of R120 000 in the Pniel area before the end of June, depending on when the CCTV and LPR tender will be approved.	😐
	Priority 3: New Library (Kylemore).	Municipal land has been identified as a possible site for a library, however DCAS has indicated that currently all library projects and upgrades have been put on hold.	☹
		The Municipality cannot assist with the required funds to build a new facility. A further application for assistance with funding will be made to DCAS in the next financial year.	😐
	Priority 4: Sidewalks and tarring of roads (Kylemore, Johannesdal and Pniel).	Roads-complete Sidewalks-planning in process	😐
	Priority 5: Upgrading of Change rooms at Sports grounds and safety of it (Kylemore and Pniel).	Facility audits were done on both facilities.	☺
		Pniel: Geyser at the rugby clubhouse was replaced. Kylemore: Geyser, toilets and lights were repaired at the clubhouse. The installation of Sight Screen/ Pitch Covers at Kylemore Sports grounds are also completed.	☺
		Pniel cricket sight screens were installed.	☺
	Ward priorities for 2020/21		
	Priority 1: Erf 64 • Land for housing. • Purchasing of land for housing.		
	Priority 2: Safety of Pniel River Park • Installation of solid palisades and gates. • Forward a cleaning schedule to the ward committee (open spaces and parks).		
	Priority 3: Tourism • Funding for tourism.		
	Priority 4: R310		

Ward 4		
Ward Cllr	**2018/19 Ward Priorities**	**Rating**
	• Safety measures on R310. • Installation of traffic light, 4 way stop and traffic circle.	
	Priority 5: Club Houses in Pniel and Kylemore • Upgrading of Club houses in Pniel and Kylemore.	

Table 47: Ward Priorities: Ward 5

Ward 5			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 5 Cllr Donovan Joubert (Ida's Valley / Jonkershoek / Hydro and Surrounding Farms)	**Priority 1:** Housing – Gap and Subsidised Housing for Jonkershoek, Farms and Ida's Valley		😐
	Priority 2: Safety – Visible law enforcement, Crime prevention and eradication of drug houses		😐
	Priority 3: Backyard dwellers – Basic Service delivery in Ida's Valley		😐
	Priority 4: Community Hall / Thusong Centre		😐
	Priority 5: Youth Empowerment		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Housing: Gap and Subsidised housing for Jonkershoek, Farms and Ida's Valley.	Ida's Valley - Phase 1 of GAP houses is near completion and the implementing agent has also commenced with the subsided houses.	😐
		The development on Erf 11330 (Hillside Village) is earmarked to be completed by June 2020.	😐
		Jonkershoek - The Municipality is in discussions with Housing Development Agencies (HDA) to address the challenges of basic services to the families residing in Jonkershoek, as well as a permanent solution to the housing crisis experience in the area.	😐
	Priority 2: Safety Programmes: visible law enforcement, crime prevention, eradication of drug houses, spinning cars, drinking on parks, burglary, stray dogs and littering.	Visible patrol is ongoing in conjunction with Law Enforcement and SSI partners.	😐
	Priority 3: Land for Housing.	In accordance with the housing pipeline, additional land for possible housing development in the Ida's Valley area is linked to the Botmaskop development.	😐
	Priority 4: Youth development.	Recruitment for the following courses for the first 6 months in 2019/2020 has been completed: Five Star Table Attendant and General Building Maintenance. More training to be done in the next 6 months of the financial year. Notices will be emailed to all ward councillors, ward administrators, at libraries and on the Municipal Facebook page.	😐

Ward 5			
	Priority 5: Community Hall: building of a community hall.	No planned projects on the MTREF.	☹
	Ward priorities for 2020/21		
	Priority 1: Housing and Land for housing • GAP and Subsidised housing for Jonkershoek Farms and Ida's Valley.		
	Priority 2: Backyard dwellers (Basic Service Delivery in Ida's Valley) • Rubbish bins. • Electricity boxes. • Smoke detectors. • Provision of plastic during winter season.		
	Priority 3: Safety • Enforcement of by-laws. • Satellite station. • Visible Law Enforcement.		
	Priority 4: Community Hall • Building of a community hall on the netball court.		
	Priority 5: Youth development empowerment • Development of children on farms.		

Table 48: Ward Priorities: Ward 6

Ward 6			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 6 Cllr Nateshia Mcombring (Ida's Valley and Surrounding Farms)	**Priority 1:** Flea market at the corner of Rustenburg Road and Sonneblom Street and the starting point of the Green Route		☺
	Priority 2: Traffic lights at the corner of Lelie Street and Helshoogte Road		☺
	Priority 3: Tar of pavements from Tindall Street and the top part of Rustenburg Road, from the mini circle to the directions of the Vine Yard Court		😐
	Priority 4: Upgrade of Sport facilities e.g. Astro- turf for hockey, upgrading of the tennis and netball courts		☺
	Priority 5: Multi - Purpose Centre		☹
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Flea market at the corner of Rustenburg Road and Sonnebloem Street and the starting point of the Green Route.	The market was officially open in 2018.	☺
	Priority 2: Launch of the market is in October 2018.	Completed.	☺
	Priority 3: Infrastructure Parking embayment on the corner of Tindall Street and Old Helshoogte Road in front of Nita's hair salon.	Completed.	☺

Ward 6			
	Priority 3: Infrastructure Upgrading and resealing of Botmanskop Road and other Roads as required.	Road Rehabilitation in ward 6 is scheduled for the 2019/2020 financial year, all roads will be assessed and addressed accordingly.	😐
	Priority 3: Infrastructure Tar of pavements in Ward 6.	Scheduled for implementation during the 2019/2020 financial year	😐
	Priority 4: Upgrade of Sports facilities e.g. upgrading of the tennis and netball courts etc.	All 6 netball courts have been resurfaced.	☺
		Tennis courts are in the process of being resurfaced. Resurfacing project envisaged to be completed end of March 2020	😐
	Priority 5: Multi – Purpose Centre (Land to be identified).	No planned projects on MTREF.	☹
	Ward priorities for 2020/21		
	Priority 1: Infrastructure • Parking embayment opposite Community Market/ Flea market at the corner of Rustenburg Road and Sonneblom Street.		
	Priority 2: Infrastructure • Tar/Paving of Public Parking area next to Ida's Valley Library and the Ward office in Helshoogte Road Plaphysel and (draining system x3) for flowing of water at the public parking area next-to Ida's Valley Library. • Information board to prevent taxi's and big trucks from parking.		
	Priority 3: Safety and Security • Close Circuit Cameras on the corner of Lelie Street and Bloekom Avenue opposite Vine Yard Court.		
	Priority 4: Recreation and Sport • Upgrade of Sports facilities e.g. upgrading of the tennis and netball courts, lights on Rugby sports fields and the replacement of the vibracrete wall with a solid wall.		
	Priority 5: Infrastructure • Tar and pavement from Tindall Street and the top part of Rustenburg Road from the mini circle in the direction of Vine Yard Court. • Upgrading and resealing of Botmanskop Road and other Roads as required.		

Table 49: Ward Priorities: Ward 7

Ward 7			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Priority 1: Running and Cycling routes – Martinson Street		☺
	Priority 2: Parking Area – Jan Marais Park – Martinson Street		😐
	Priority 3: Safety fence – Botmaskop		☺
	Priority 4: Traffic at schools – Improve traffic flow around school		😐
	Priority 5: Management of ER1 (Hangbrug and River)		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Jan Marais Park: to uplift and better utilise the JMP to benefit the residents, students and visitors to Stellenbosch.	A draft layout was presented to MAYCO. The Parking Plan of Directorate Infrastructure must be incorporated before the revise proposal will be discussed.	😐
 Ward 7 Cllr Alwyn Hanekom (Mostertdrif / Universiteitsoord)	**Priority 2:** Character: to foster and improve the ward's pleasant character.	Feasibility assessment to be done.	😐
	Priority 3: Natural Resources: to foster conservation and appreciation of the ward's exceptional natural resources.	The River stewardship programme is an on-going programme that addresses issues surrounding rivers within the WCO24.	😐
	Priority 4: Safety: to improve the safety of the residents and their property.	A Safety Plan is in place. Regular patrols will be performed by SSI partners.	😐
		Law Enforcement does not have day to day staff to perform the function, but will partake in joint operations.	☹
		An amount of R120 000 has budgeted, to cover the area of Jonkershoek for the installation of LPR and CCTV cameras.	😐
	Priority 5: Mobility and Recreation facilities: to improve the mobility and recreation facilities in and through the ward.	An assessment to be done and provide feedback by June 2020.	😐
	Ward priorities for 2020/21		
	Priority 1: Jan Marais Park • The unlocking of the full potential of the Park as a community asset, in close liaison with the new JMP Friends Group, e.g. Parking, bicycle plan and tourist consideration. • Maintenance and conservation of structures: e.g. Woodwork, stonework, picnic benches etc.		
	Priority 2: Character of the ward • Upgrading of neglected open areas for example De Jonker open area, to be used by elderly residents of Langverwag and Boules courts.		
	Priority 3: Natural Resources • To protect and promote the high biodiversity and natural resources in ward. • Rehabilitation of Historical Trees like the oak trees in Jonkershoek way and other areas in the ward needed. • Planting of more trees in streets (filling gaps where needed). • More regular irrigation of trees in streets during summer time.		

Ward 7		
Ward Cllr	**2018/19 Ward Priorities**	**Rating**
	Priority 4: Safety and Security • Promote close liaison between the JSRA and law enforcement agencies. • The installation of LPR cameras to access points to the ward. • Improved security at the Hangbrug. • Improved learner and pedestrian safety around schools. • Traffic Calming measures where needed.	
	Priority 5: Upgrading of road infrastructure and mobility facilities • Planned resurfacing of major road in Mostertsdrift as needed. • Residential road signs in Mostertsdrift as needed (speed restriction to 35KM/H) • Road signs that restrict vehicles with a weight above 3,5 ton to drive through residential areas (except for municipal and municipal service delivery vehicles).	

Table 50: Ward Priorities: Ward 8

Ward 8			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Priority 1: Safety and security		☺
	Priority 2: Recycling		😐
	Priority 3: Beautification		☺
	Priority 4: Tourism		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
 Ward 8 Cllr Quinton Smit	**Priority 1: Safety and Security** • Upgrading of existing CCTV cameras. • Investigation into future technologies for the purposes of safety and security. • Fixed panic-button system (e.g. Model implemented in Toronto, Canada) potentially at the corner of Die Laan, Van Riebeeck and Marais Streets.	No available funding.	☹
		A Safety Plan is in place. Regular patrols will be performed by SSI partners. Law Enforcement does not have day to day staff to perform the function, but will partake in joint operations.	😐
		No funding is available to finance the project.	☹
	Priority 2: Recycling • Recycling bicycle programme similar to the current local development project – purpose: Create awareness and local job opportunities. • Change design of existing "wet/dry" recycling bins within wards.	An investigation by the Departments LED and Waste Management will take place to determine the sustainability of this project.	😐
		Bins to be delivered in the 2019/20 financial year.	
	Priority 3: Beautification • Wrap around flower baskets in Victoria Streets, Marais, Merriman, Helderberg and Van Riebeeck. • Greening of open spaces.	Victoria Street potted Project completed in 2019.	☺

Ward 8			
	Priority 4: Tourism Development • Electronic information boards (interactive-digital).	An extensive study has been done in terms of best practices for implementation of electronic tourism boards.	😐
	Priority 5: Non-motorised transport • Bicycle racks. • Explore the possibility of a "bike share" initiative. • Launch Lab – "yellow cabs "(electric vehicles) to decrease motorised transport in ward.	In the 2020/21 Financial Year the implementation of more bicycle lock – up facilities will be rolled – out within the ward. In the 2017/18 Financial Year 50 bicycle racks were installed.	😐
		The bike share initiatives were piloted within the ward.	
		Operating licenses was supported by the Municipality for Mellowcabs to be operational within the CBD.	
	Ward priorities for 2020/21		
	Priority 1: Safety and Security • Overall lighting in the ward needs to be improved. Target areas pathway by the Eerste River that runs along Die Laan. Other locations can be discussed further in consultation with ward committee and municipality. Investigation into future technologies for the purposes of safety and security. • Panic Button at the corner of Bosman and Victoria (This can be subject to change depending on University approval alternative can be corner of Bosman and Van Riebeeck). • Expand CCTV Camera network suggested locations Die Laan/ Noordwal-Oos/ Neetling / De Vos and Rattery Streets in collaboration with Stellenbosch Trail Fund.		
	Priority 2: Environmental Sustainability • Replace old recycling bins with new bins across ward 8. • Increase EPWP rotations to improve cleanliness and solve litter problem (Focussed on Die Laan and Van Riebeeck.		
	Priority 3: Ecological Restoration • Planting indigenous garden. Potential locations include Die Laan, Noordwal-Oos and Van Riebeeck Street. • Replace invasive plant species with indigenous plants.		
	Priority 4: Infrastructure Development • Collaborate with other wards to complete the pathway in Suidwal Street • Replacing Benches in Die Laan, such as those outside of Mon Desir in Die Laan. • Putting up of bollards to prevent parking on pavements, project will be in consultation with the Municipality.		
	Priority 5: Heritage Preservation • Collaborative project with Historical society and the University on signage for more information on the history of Stellenbosch. (Important to consider social inclusion and restorative justice when putting the project together).		

Table 51: Ward Priorities: Ward 9

Ward 9			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Priority 1: Visible municipal law enforcement		😐
	Priority 2: Efficient traffic law enforcement (By-Law Implementation		😐
	Priority 3: Accessible pavement and walkways in line with the municipal by-laws		☺
	Priority 4: Better control over vagrants		😐
	Priority 5: Parking (Additional parking or Park and Ride)		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
 Cllr Z Dalling **Ward 9** (Stellenbosch Town)	**Priority 1:** Prominent visible law enforcement.	Law Enforcement and SAPS do perform joint operations.	😐
		Ten temporary Law Enforcement will be appointment to focus on crime and lawlessness in the CBD.	😐
	Priority 2: Traffic flow and efficient traffic by-law implementation including parking – more park and ride facilities.	A consultant was appointed on a parking strategy. There are municipal legislative requirements that must be adhered to.	😐
	Priority 3: Universally accessible pavements and walkways in line with the municipal by-laws.	The Roads Department has embarked on programme that continuously improves accessibility in the CBD. Work has been completed on various streets within the CBD, the programme will continue in the 2019/2020 financial year.	😐
	Priority 4: Sustainable solutions for street people in line with the Street Peoples Policy.	The Give Responsibly Campaign is aimed at removing the cash economy from the streets. Persons living on the street will remain as long as it makes financial sense to beg. They often also do not access social services aimed at their development because all their immediate needs are met on the street. Through the coupon system citizens who want to help can do so in a responsible manner and the persons in need can access available services and work with social workers.	😐
	Priority 5: Maintenance and aesthetic preservation of historic buildings and municipal buildings.	Maintenance and aesthetic preservation is an ongoing process.	😐
	Ward priorities for 2020/21		
	Priority 1: Visible Law Enforcement • Additional/ adequate law enforcement (marshals, illegal car guards, uber eats parking).		
	Priority 2: Universal accessible sidewalks, pavements and walkways. • Curbs encroachment of tables, chairs and notice boards and advert. • Even surfaces. • Adequate lighting.		
	Priority 3: Preservation of historic building and properties. • Transvalia Plein. • Voorgelegen. • Die Braak. • Piet Retief and Bridge.		

Ward 9	
	Priority 4: Traffic Calming measures. • Raised pedestrian crossing in front of Utopia or 3-way stop. • Another raised crossing at crossing of Dorp, Helderberg to Andringa Street.
	Priority 5: Public ablution facilities. • Next to the tourist office.
	Priority 6: Visible street names (on poles) on the sides of buildings and directional signs e.g. Die Braak. • Visible street names (on poles) on the sides of buildings and directional signs e.g. Die Braak.

Table 52: Ward Priorities: Ward 10

Ward 10			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 10 Cllr Rozette du Toit (Stellenbosch Town)	**Priority 1:** Apprenticeships for youth		☺
	Priority 2: Safety: area unsafe due to criminal activities		😐
	Priority 3: Parking (not sufficient parking in Ward 10)		😐
	Priority 4: Cleaner area (environment)		☺
	Priority 5: River rehabilitation and maintenance		☺
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Safety Accredited Neighbourhood Watches (NHW) and private companies to assist with patrols.	A Safety plan is in place, regular patrols will be performed by SSI partners and private companies can also assist.	😐
	Priority 2: Ongoing Learnership (and Mentorship Programmes). Trade skills at the small business level, IT skills and Job shadowing Programmes.	4 new EPWP contracts has been signed with youth artisans who completed training to work in the Municipal Maintenance Department. Safe House.	😐
	Priority 3: Parking Establishment of Bicycle lanes	Priority phase completed.	☺
	Priority 3: Parking 2 pieces of land identified on the fringes of town and servicing the main entry and exit corridors of Stellenbosch that can be used for parking.	A consultant was working on a parking strategy.	😐
	Priority 4: Overall Cleanliness Ongoing river rehabilitation programme.	Die Stellenbosch River Stewardship Action is still operating. With regard to the Kromriver, there is an organisation that wants to get involved on a voluntary basis during the upcoming summer.	😐
	Priority 4: Overall Cleanliness Setting up of communal vegetable gardens – i.e. principles used at the Lynedoch eco-village, and how waste management ties into, and benefits this.	Water restrictions and funding shortage reason for the project on hold.	☹

Ward 10			
	Priority 5: More sustainable, consistent interventions for the overall health and well-being of the aged Liaise with the local university around ongoing stimulating programme that can be facilitated.	The Golden Games for all elderly clubs continue as per normal. If local clubs wants to be part of the programme it should make contact with the Community Development department.	😐
	Ward priorities for 2020/21		
	Priority 1: Safety - Implementation of safety measures in high risk areas e.g., Tennantville, Lacolline, Municipal flats in ward 10. - Stelmark Centre: study to be done on high risk areas (Tennantville, Lacoline, Municipal flats, Stelmark area) and report back to the ward committee		
	Priority 2: Housing (Municipal flats) - Repair of water leaks at the Lapland flats. - Installation of water meters. - Consumer education on tenant contracts. - Mosquito problem to be attended to.		
	Priority 3: Parking - Report back to ward committee. - Stellmark Parking areas (business people complaints).		
	Priority 4: Parking - Report back to ward committee. - Stellmark Parking areas (business people complaints).		
	Priority 5: Sustainable woman empowerment projects - Projects throughout the year (financial planning).		

Table 53: Ward Priorities: Ward 11

Ward 11			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Priority 1: Safety: safe neighbourhood with the back-up of e.g. security fences and a well-equipped neighbourhood watches		☺
	Priority 2: Infrastructure at intersections in ward needs to be upgraded: Merriman / R44, Alexander / R44, R310 /Devon valley and Vredenburg Rd / R310		😐
	Priority 3: Rehabilitation of the Wetland area in conjunction with Huis Horison and other donors		😐
	Priority 4: Greening of Ward 11		😐
	Priority 5: Replacement of trees identified in lower part of Dorp Street		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
 Ward 11 Ald. Johanna Serdyn (Onder-Papegaaiberg)	**Priority 1: Safety** A safe neighbourhood with the back – up of e.g. Security fences and a well-equipped neighbourhood watches, camera on the corner in Tarentaal and Devon valley entrance.	Project has been completed. Regular inspections are also being performed by the above law agencies.	☺
	Priority 2: Infrastructure Intersections in ward need to be upgraded: Merriman/ R44, Alexander/R44, R310/ Devon valley and Vredenburg Rd/R310.	The implementation of intersection upgrades at R310/ Devon valley and Vredenburg Rd/R310 is dependent on developments in the area.	☺
	Priority 2: Infrastructure Dustbins at the following strategic points: Distellweg Road on the corner, at the side of the electrical box by Adam Tasweg, at the cemetery by Distellweg turnoff to Bosmans Crossing and Kent on Adam Tas Road.	Bins to be replaced in the 2019/2020 financial year.	😐
	Priority 2: Infrastructure Lighting from Sanhagen Road turnoff up to Azara on the R310 (Kuilsriver).	Electrical Services are continuously following - up with District Engineering. DRE has indicated that the application is in process and the Department awaits further instruction from DRE.	😐
	Priority 2: Infrastructure Sidewalks: From cemetery to Distell, from Adam Tas intersection to Devon Valley road in front of the business and tar surfaces where necessary in Onder – Pappegaaiberg.	A portion of the sidewalk is already completed. Additional sidewalks to be constructed during the 2019/2020 financial year.	☺
	Priority 3: Greening Rehabilitation of the wetland area in conjunction with Huis Horison and other donors.	The area has been cleared from alien vegetation and follow-up clearing will be commence.	☺
	Priority 3: Greening	The area were planted with bulbous plants and will be cordoned off with bollards.	☺

Ward 11			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Greening of Ward 11 and conservation of fona and flora in parks with proper signs.	Project has commence in February 2020.	
	Priority 3: Greening Replacement of trees identified in lower part of Dorp Street.	Planting/replacing of trees in Dorp Street, is part of the Urban Forestry APO as blanking and not a ward project.	😐
	Priority 4: Fencing of cemeteries and nature reserve.	Insufficient funding to fence Onderpappegaaiberg cemetery	😐
	Ward priorities for 2020/19		
	Priority 1: A Safe neighbourhood • Extension of fence around the Pappegaaiberg cemetery. • Electrification of Pappegaaiberg fence. • Monitored cameras to protect the set fences. • Stasie Street: A gate to be closed at night, at the pedestrian crossing next to Amatoni to secure the area at night. • Decision for taxi rank opposite Stellenbosch station need to be revisited. It originates as drop - and - go point. Request for public participation.		
	Priority 2: Infrastructure • Intersection Alexander/R44 streets interchange. • Turn Harold Street into a one- way from Dorp Street towards Station Street to avoid the abuse of the area as an ad hoc Taxi drop off and better control during peak traffic. • Reseal of all road surfaces. • Installation of lights on Vredenburg Road/ Asara on R310. • Placing of street bins as identified by ward. • Sidewalk extension from Liberte to Adam Tas Road. • Sidewalk intersection Adam Tas to Devon Valley Road - in front of businesses.		
	Priority 3: Nature Conservation • Rehabilitation of the wetland area in conjunction with Huis Horison and other donors.		
	Priority 4: Papegaaiberg Reserve. • Establishment of the Friends of Mountain Group, taking care of the total set environment requirement for a declared reserve. • Health risk and illegal structures needs to be attended too.		
	Priority 5: Recreation. • Upgrading of Van der Stel Sport Ground. • Resolve lease agreement - maintenance of building.		

Table 54: Ward Priorities: Ward 12

Ward 12			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Priority 1: Land for housing		😐
	Priority 2: Swimming pool		😐
	Priority 3: Electricity for Enkanini		☺
	Priority 4: Safety		😐
	Priority 5: Thusong Centre		☹
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Swimming Pool.	A consultant was appointed to commence with the planning of a waterpark. The planning phase is thus in process.	😐
		A suitable site must still be identified.	
	Priority 2: Land for housing.	Watergang housing project: Construction of the units completed.	😐
		Watergang TRA Project: All 270 units have been built with all the necessary services. The damaged retaining wall will be repaired for the second time. The acquisition of land to the North of Kayamandi has been concluded and the Sales Agreement finalised. The transfer is in process. The current project on Phase C of Watergang and Zone O is ongoing.	😐
Ward 12 Cllr N Mananga – Gugushe (Kayamandi)	**Priority 3:** Electricity and Rezoning in Enkanini.	Phase I is 90% completed and the Municipality are in the planning phase for the rest of the area.	☺
	Priority 4: Thusong Centre.	The Municipality has however budgeted for the upgrading of the existing community hall in Makupula Street. A total of R2.2 million has been allocated over the MTREF period. In the process of appointing a consultant team to finalise the planning.	😐
	Priority 5: Finishing roads in Nkanini / Construction of Nkanini roads.	In progress.	😐
	Ward priorities for 2020/21		
	Priority 1: Recreation • Swimming Pool at the Kayamandi Sport field, next to the changing room used by cyclist.		
	Priority 2: Safety • Crime combat volunteers. • Cetralisation of crime combat. • EPWP Project to hire Law Enforcement. • Training of neighbourhood watch safety patrol. • School bus patrol (walking bus?).		
	Priority 3: Elderly and disable friendly centre • Training of elderly. • Social Cohesion.		
	Priority 4: Wi-Fi Facilities • Extension of Wi-Fi (access to the internet.		

Ward 12	
	Installation of uncapped Wi-Fi in public institutions and facilities.
	Priority 5 ECD Centres Accessible childhood education. Integration of ECD's in a centralised space.

Table 55: Ward Priorities: Ward 13

Ward 13			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Priority 1: Taxi Rank		😐
	Priority 2: Hostels and shacks and back yard dwellers		😐
	Priority 3: Old Age recreational centre		☹
	Priority 4: Community Hall		😐
	Priority 5: Day Hospital		😐
 Ward 13 Cllr Faith Bangani-Menziwa (Kayamandi)	**Ward priorities for 2019/20**	**Activity**	**Rating**
	Priority 1: Hostels, Shacks and Backyard Dwellers.	A workshop was held with the community and their request was a site visit to Joe Slovo. The site visit was held on 19 February 2020.	☺
		The consultants are in the process to finalise the necessary studies in order to acquire township establishment.	😐
	Priority 2: Old Age and Youth Recreational Centre.	No available budget on the Medium Term Capital Expenditure Framework (MTREF) for an old age recreational centre.	☹
	Priority 3: Community Hall.	There is no land available to build any new facility. The Municipality has however budgeted for the upgrading of the existing community hall in Makupula Street. A total of R2.2 million has been allocated over the MTREF period. In the process of appointing a consultant team to finalise the planning.	😐
	Priority 4: Day Hospital.	The exchange of land has now been approved by Council, paving the way for Provincial Government Western Cape (PGWC) to extend the existing clinic. PGWC is in the process with the planning of infrastructural changes and additions.	😐
	Priority 5: Initiation School Site.	No available funding on the Medium Term Capital Expenditure Framework (MTREF).	😐
	Ward priorities for 2020/21		
	Priority 1: Hostels, Shacks and Backyard dwellers Town Centre Development: decanting site for TCD. Transfer of bought land for decanting site. Electricity of backyard dwellers. Old red roof houses/ Old location needs title deeds. Count the number of hostels, shacks and backyard dwellers. Identify the beneficiaries for the Township development.		
	Priority 2: Old Age and Youth Recreational Centre To be part of the planning of the Town Centre Development which must include Old Age and Youth Recreational Centre.		
	Priority 3: Community Hall		

Ward 13		
Ward Cllr	**2018/19 Ward Priorities**	**Rating**
	⇕ Identification of land for the building of a proper community hall, especially in the Town Centre Development.	
	Priority 4: Initiation Site ⇕ A need for an Initiation site to practise traditional custom during June and December due to health and safety.	
	Priority 5: Remembrance Hall in Kayamandi Library ⇕ Educational wall in Kayamandi Library e.g. History of Kayamandi, and its fallen Hero's and Mandela history.	
	Priority 6: Greening and Cleaning ⇕ Cleaning of corner of Mengo and Bassie Street. ⇕ Corner of Lamba and Swartbooi and Makupula Street, including Kayamandi Police Station. ⇕ Employ EPWP residing in this area to monitor these areas each hour and place skip bins. ⇕ Taxi rank also need cleaning and toilets.	

Table 56: Ward Priorities: Ward 14

Ward 14			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 14 Cllr Phelisa Sitshoti (Kayamandi)	**Priority 1:** Land for housing		😐
	Priority 2: Housing		😐
	Priority 3: Safety patrols (Neighbourhood watch safety patrols)		☺
	Priority 4: Health (Clinic)		😐
	Priority 5: Employment		☺
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Swimming Pool.	A consultant has been appointed to commence with the planning of a waterpark. The planning phase is thus in process. A suitable site must still be identified.	😐
	Priority 2: Water Tanks (for indigent).	A water tank was requested for a private property and the request could not be approved.	☹
	Priority 3: Thusong/ Multi – Purpose Centre	The Municipality has however budgeted for the upgrading of the existing community hall in Makupula Street.	😐
	Priority 4: Police Station (fully fledged)	Project has been completed.	☺
	Priority 5: Health (Clinic)	The exchange of land has now been approved by Council, paving the way for PGWC to extend the existing clinic.	😐
	Ward priorities for 2020/21		
	Priority 1: Land for Housing ⇕ Fire incidents. ⇕ Senior citizens and disabled staying in shacks. ⇕ Overflowing drains damaging structures. ⇕ Plots needed for houses.		
	Priority 2: Housing		

Ward 14		
Ward Cllr	**2018/19 Ward Priorities**	**Rating**
	• Access roads for emergency	
	Priority 3: Safety • Neighbourhood watch. • Community Police Forum. • More Law Enforcement patrols.	
	Priority 4: Sanitation • Health risk. • Overflowing drains.	
	Priority 5: Swimming Pool • Danger to kids using railway and freeway to Cloetesville just to swim.	

Table 57: Ward Priorities: Ward 15

Ward 15			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 15 Cllr Nosibulele Sinkinya (Kayamandi)	**Priority 1:** Housing		😐
	Priority 2: Clinic		😐
	Priority 3: Multipurpose Centre		😐
	Priority 4: CCTV Cameras (Mdala Street in Zone K, Bassie Street in Zone M, next to Kayamandi Clinic and Zone O Fire Street)		☺
	Priority 5: Adult Based Education and Training (ABET) classes for community members		☺
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Land for Housing.	The acquisition of land to the North of Kayamandi has been concluded and the Sales Agreement finalised. The transfer is in process. The current project on Phase C of Watergang and Zone O is ongoing.	😐
	Priority 2: Day Hospital.	The exchange of land has been approved by Council, paving the way for Provincial Government Western Cape (PGWC) to extend the existing clinic. PGWC is in the process with the planning of infrastructural changes and additions.	😐
	Priority 3: Multi-Purpose Centre.	The Municipality has however budgeted for the upgrading of the existing community hall in Makupula Street.	😐
	Priority 4: Artificial Grass (Sport fields).	The tender of this project closed on 14 February 2020, consultants currently evaluating the bids received. Project costs will be discussed with CFO.	😐
	Priority 5: Renovation of Hostels (Madamini C, D, E, F, H etc.)	The appointed consultants are continuing with preparatory work in order to submit a LUPA application to the Land Use Planning department.	😐
	Ward priorities for 2020/21		

Ward 15	
	Priority 1: Land for housing • Infrastructure Development (proper infrastructure).
	Priority 2: Swimming Pool • Well-equipped security. • Safety and security fencing.
	Priority 3: Multi-Purpose Centre • Skills development. • Computer practice.
	Priority 4: Job Creation Project (Job Readiness) • Specific skills (computer skills, civic skills, carpentry, plumbing and painting).
	Priority 5: Safety • Installation of CCTV cameras. • Monitoring of cameras (control centre).

Table 58: Ward Priorities: Ward 16

Ward 16			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 16 Cllr Elsabe Vermeulen (Cloetesville)	**Priority 1:** Housing and basic services for backyard dwellers		😐
	Priority 2: Maintenance of the Steps and New Housing		😐
	Priority 3: 24-hour patrol for more visible law enforcement and better control measures for vagrants		😐
	Priority 4: Better Lighting (Mass Poll lights) in the areas of Curry, Pine, Primrose, Eike Jakaranda, North-End, Silvia and Vredelust Street		😐
	Priority 5: Job Creation initiatives for disabled and youth		☺
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Housing • Land for housing. • Basic services to backyard dwellers. • The Steps/ New Orleans Upgrading.	Erf 7001 and 8915: The identification of land for subsidy housing is ongoing as agreed in community meetings.	😐
		Research/ benchmarking with other municipalities has been commenced with.	😐
		Competent contractor has been appointed for the upgrading of the Steps/Orlean Lounge.	😐
	Priority 2: Safety • More visible Law Enforcement in the community. • Law Enforcement to assist with school patrols.	In progress.	😐

Ward 16			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Priority 3: Unemployment • More EPWP projects for youth and disabled persons.	The current number of people from Cloetesville employed in the EPWP since July 2018 – June 2019 is 116.	😐
	Priority 4: Universal access to • Swimming pool. • Shopping centre. • Disabled sign boards to be erected at the Sport field, Shopping centre and Cloetesville complex.	Consultant appointed and the specifications of this project will serve at the Bid Specification Committee (BSC) on 03 March 2020. Project expected to be completed end June 2020.	😐
	Priority 5: Central community play park Complete fencing of park. More play park equipment.	Project planned to commence in the 2019/2020 financial year.	😐
	Ward priorities for 2020/21		
	Priority 1: Housing • Land for housing (Erfs 7001, 7181, 668, 7271, 6886, 6300, 6847). • Stand-alone plots. • Basic services to backyard dwellers. • The Steps/ Orlean upgrading.		
	Priority 2: Safety • More visible law enforcement in the community. • Law Enforcement to assist with school patrols. • Installation of Mass Pole lights. • 2 Speed humps from Vredelust Street and c/r Crombie and Last Street.		
	Priority 3: Unemployment • More EPWP Projects for Youth and Disable Persons.		
	Priority 4: Universal Access • Swimming pool. • Shoprite Centre in Cloetesville. • Disable sign board at the Sport field, shopping centre and complex in Cloetesville.		
	Priority 5: Central community Park • Fencing. • Security.		

Table 59: Ward Priorities: Ward 17

Ward 17			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	Priority 1: Developing a business hub at the open space behind Rietenbosch School using the "shipping container shopping centre" concept for job opportunities		😐
	Priority 2: Creating job opportunities for unemployed youth (create an enabling environment)		☺
	Priority 3: Beautification of sidewalk and open spaces in Cloetesville		😐
	Priority 4: Housing. Soekmekaar Erf 7001, Open space behind Pieter Langeveld School and the open space in Wilger Street		😐
	Priority 5: Multi-purpose centre on the open space behind Rietenbosch School (Cloetesville) Erf 7181 and Erf 6668		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
 Ward 17 Cllr Paul Biscombe (Cloetesville)	**Priority 1:** Developing a business hub at the open space behind Rietenbosch School using the "shipping container shopping centre" concept for job opportunities.	Project completed. Pots with succulent water wise plants were installed on Welgevonden traffic circle.	😐
	Priority 2: Housing. Soekmekaar Erf 7001, Open space behind Pieter Langeveld School.	The identification of land for subsidy housing is ongoing as agreed in community meetings.	😐
	Priority 3: Beautification of sidewalk and open spaces in Cloetesville.	Project completed. Pots with succulent water wise plants were installed on Welgevonden traffic circle.	☺
	Priority 4: Creating job opportunities for unemployed youth (create an enabling environment.	The number of people from Cloetesville employed in the EPWP since July 2018 – June 2019 is 116.	😐
	Priority 5: Upgrading of Lang/Rhode Street flats.	All the municipal flats have been identified for internal upgrades for the next 5 years.	😐
	Ward priorities for 2020/21		
	Priority 1: Upgrading of Rhode Street flats • Melody Block. • Monte Christo Block. • Monteray Block. • Mountview Block.		
	Priority 2: Housing. Soekmekaar Erf 7001 and open space behind Pieter Langeveld School • Request for medium cost housing opportunities.		
	Priority 3: Beautification of walks and open spaces in Cloetesville • Waaierpalm Street to be completed. • Fontein, Wilger Street. • Melkhout Street.		

Ward 17	
	Gabriel Street to be completed.
	Priority 4: Creating job opportunities for unemployed youth (create an enabling environment) Consult with the relevant Provincial Departments for opportunities. Make use of Chrysalis graduates for Job Opportunities.
	Priority 5: Developing a business hub at the open space behind Rietenbosch School using the "shipping container shopping centre" concept for job opportunities Feasibility study to be done.

Table 60: Ward Priorities: Ward 18

Ward 18			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 18 Cllr Emily Fredericks (Klapmuts)	**Priority 1:** Housing		😐
	Priority 2: Grave yard – Property.		😐
	Priority 3: Education		😐
	Priority 4: Lighting – Backsberg/ Spooky Town, Beyer and Alfred Street		☺
	Priority 5: Central out door park - Outdoor, piazza Amphitheatre		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Housing	Phase 1 has been completed	☺
		The civil contractor has completed 76 service sites with concrete slabs and the Municipality has started with a procurement process to provide TRA's.	☺
	Priority 2: Education: Entrepreneurial training.	Provincial competency.	☹
	Priority 3: Grave Yard – Property.	The Municipality does not own any property suitable for burial purposes in and around Klapmuts. The budget allocation of R5 500 000 over 3 years, will be for the building of the cemetery.	😐
	Priority 4: Lighting – Backsberg/ Spooky Town, Beyer, Alfred and Collin Street.	Spooky Town have been completed and energised.	☺
	Priority 5: Outdoor park at the Veldsman houses and Koelpark.	Project completed in Kudu Park Street (Koelpark) and Adams Street Park has been upgraded.	☺
	Ward priorities for 2020/21		
	Priority 1: Education Building of a High School and Primary School.		
	Priority 2: Safety Satellite Police Station. Safety Cameras.		

Ward 18	
	Neighbourhood Watches. Law Enforcement Officers.
	Priority 3: Graveyard Identification of land for a graveyard.
	Priority 4: Housing (GAP Housing) Land for housing.
	Priority 5: Lightning Municipal area / Eskom.

Table 61: Ward Priorities: Ward 19

Ward 19			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 19 Cllr Jan Karel Hendricks (De Novo, Elsenburg and Kromme Rhee)	**Priority 1:** Housing for the farm worker community		😐
	Priority 2: Job Creation / Training opportunities for the whole ward including De Novo		☺
	Priority 3: Town establishment Elsiesrivier Project - Elsenburg, Vaaldraai, Kromme Rhee and De Novo		😐
	Priority 4: Mobile / Satellite Clinic (Health)		😐
	Priority 5: Safety on Farms in ward 19		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Housing for farm worker community.	The Planning phase for the further development of De Novo is ongoing and various studies are being undertaken by the appointed consultants. The current houses in De Novo will be rectified through a competitive bid process. This project is managed by the PDoHS.	😐
	Priority 2: Job creation/ training opportunities and entrepreneurial skills workshops for the whole ward including De Novo.	The recruitment and selection for the following courses, Five Star Table Attendant and General Building Maintenance for the first 6 months in 2019/2020 has been completed. More training to be done in the next 6 months of the 2019/2020 financial year.	☺
	Priority 3: Town establishment Elsiesrivier Project – Elsenburg, Vaaldraai, Kromme Rhee and De Novo.	These towns have not been incorporated into the new Urban Edge. The Provincial Department of Human Settlements is directly responsible for these town.	☹
	Priority 4: Mobile/ Satellite Clinic (Health).	No budget allocation in MTREF. Priority is a Provincial competency.	☹
	Priority 5: Safety on farms in ward 19 (Koelenhof; Vaaldraai; De Novo- Old Paarl Road; Kromme Rhee; Bottelary Road)	Joint operations are being conducted with Law Enforcement and the neighbourhood watch. Ad-hoc operations are being conducted with SAPS, Law Enforcement and the local neighbourhood watch.	😐

Ward 19	
	Ward priorities for 2020/21
	Priority 1: Housing for farmworkers.
	Priority 2: Training and job opportunities.
	Priority 3: Town establishment.
	Priority 4: Mobile Clinic.
	Priority 5: Safety and security - Meeting with SAPS, Neighbourhood Watches and Law Enforcement and Security Companies.
	Priority 6: Farmworker submit - Summit to address the availability of land for farmworker housing.
	Priority 7: Improved public transport - Affordable taxi and public transport (challenge to get to the nearest town, and community members are missing important doctors' appointments).
	Priority 8: Provision of electricity and at Kromme Rhee (from shops and other outlets).

Table 62: Ward Priorities: Ward 20

Ward 20			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 20 Cllr Ansaaf Crombie (Vlottenburg and Raithby)	**Priority 1:** Longlands Housing		😐
	Priority 2: Road entrance for Longlands and Digteby		😐
	Priority 3: Pedestrian crossing at Railway (Vlottenburg)		☹
	Priority 4: New reservoir (Polkadraai)		😐
	Priority 5: Crime/Safety neighbourhood Watch		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Longlands Housing.	The process to transfer the land has started and as soon as the Tri-party, MOA and SLA have been signed, the project will commence.	😐
	Priority 2: Road Entrance for Longlands and Digteby.	Development agreements had been finalised, and the road entrance construction will form part of the housing development.	😐
	Priority 3: Identification of land for a sport facility.	No budget allocation on the MTREF.	☹
	Priority 4: New Polkadraai Reservoir.	There is a budget allocation of R50 000 000 for the MTREF period (next 3 years).	😐
	Priority 5: Crime/ Safety neighbourhood watch.	Several joint operations has been performed with SAPS and Law Enforcement.	😐

Ward 20	
	Ward priorities for 2020/21
	Priority 1: Housing - Longlands Housing.
	Priority 2: Bus Stop at Annendale Road.
	Priority 3: Electricity - Vlottenburg streetlights needs a timer.
	Priority 4: Library - Building of a Library for Vlottenburg.
	Priority 5: Sports field - Sport field for Vlottenburg (Identification of land).
	Priority 6: Railway bridge at Vlottenburg - Walkway bridge over Vlottenburg station.

Table 63: Ward Priorities: Ward 21

Ward 21			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 21 Cllr Rikus Badenhorst (Jamestown and Surrounding Farms)	**Priority 1:** Affordable housing in Jamestown with integrated public transport system		😐
	Priority 2: Local economic development hub		😐
	Priority 3: Pedestrian walk way/ cycling route needs to be completed between Paradyskloof and Jamestown		😐
	Priority 4: Zoning and management of nature areas		😐
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Affordable housing in Jamestown with an integrated transport system.	The provision of bulk services to the sites (Phase 2, 3 and 4) for the housing development have commenced.	😐
		A procurement process has started to appoint a service provider to finalise the Bill of Quantities (BoQ) in order to finalise the appointment of an Implementing Agent.	😐
	Priority 2: Local economic development hub.	Project in progress.	😐
	Priority 3: Pedestrian walkway/ cycling route need to be completed between Paradyskloof and Jamestown.	Project in progress.	😐

Ward 21			
	Priority 4: Zoning and management of nature areas in ward 21, including farms 366, 369 and 502	The Environmental Management Plan (EMP) for the management of the Paradyskloof Nature Area was approved by Council May 2019.	☺
	Priority 5: Upgrading of Parks.	Both Jamestown and Paradyskloof Outdoor gym projects are completed.	☺
	Ward priorities for 2020/21		
	Priority 1: Affordable housing in Jamestown with integrated transport system • Feedback meetings on a quarterly basis with the community. • The development must include parks and ECD centres.		
	Priority 2: Safety and Security • Fencing of Jamestown sport club (Preferably beta fencing with microdots/wall). • Law Enforcement patrols in Jamestown and Paradyskloof, specifically parks and temporary emergency housing area. • Security cameras in Paradyskloof and Jamestown: Skool Street before the gates of Stellenzight and Weber Gedenk School. It must be situated on municipal land. Behind Stellenbosch Square. • The security guard house at Jamestown graveyard must move to the middle of the graveyard. Paradyskloof: Survey of existing cameras must be done and needs to be upgraded.		
	Priority 3: Light industrial park • In Techno Park.		
	Priority 4: Parks and Open Spaces • Pedestrian walkways/cycling route -The pedestrian walkway between Jamestown and Paradyskloof needs to be completed. Pedestrian walkway from the R44 in Paradyskloof Road towards the entrance of Paradyskloof Bush needs to be completed. • Parks - The fencing of Montrose Park in Jamestown needs to be completed.		
	Priority 5: Local Economic Development Hub		
	Priority 6: Alternative entrance/exit for Jamestown • Stellenrust road.		

Table 64: Ward Priorities: Ward 22

Ward 22			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
 Ward 22 Cllr Esther Groenewald	**Priority 1:** The revised SRA By-law should be aligned with relevant legislation and the SID-Initiative should be implemented locally as a matter of urgency within all wards.		☺
	Priority 2: The Municipality should budget for and enforce a Communication Policy that will lead to the improvement and dedicated sharing of relevant information with residents on a daily basis via email, SMS and/or WhatsApp.		☺
	Priority 3: A revision of the Planning Application Bylaw, aligned with same of Cape Town, in which the role of the Ward Committee in the approval of building plans and rezoning applications be built in. Green areas within Stellenbosch should highlighted and all heritage applications should be treated in a special manner.		😐
	Priority 4: Ward 22 would like to see a workshop on the interpretation of Public Participation, as through the eyes and opinions of the Public. Dr. Francois Theron and a representative from Province should lead this workshop for the Ward Committees of all Wards.		☺
	Priority 5: Quarterly sessions between Officials and ward councillors regarding the roll out of the transport plan to be held.		☺
	Priority 6: The declaration of a Nature Reserve is of utmost importance.		☺
	Ward priorities for 2019/20	**Activity**	**Rating**
	Priority 1: Safety, by means of an integrated plan within Stellenbosch will be approved for all communities. This includes the use of a special unit that will focus on safety within residential areas, use of cameras and any other tools that may be needed, as well as the completion of a control room that will be manned by trained staff 24/7 and connected is at all emergency services within the Stellenbosch Municipal Area.	A Safety Plan is in place.	☺
		The upgrade of the centralised control room is in process, to be completed by June 2020.	☺
		Project is in progress. R200 000 has been budgeted for the installation of CCTV and LPR cameras. This project will only commence once the CCTV and LPR tender has been approved and awarded.	😐
	Priority 2: The establishment of an arboretum / tree park against the mountain slope of Dalsig / Brandwacht which can serve as declared reserve and special green belt for Stellenbosch residents, as well as tourists. Soil tests will be carried out beforehand and trees that are unique to the environment will take precedence over being planted. Focus should be placed on the protection of endangered plant and flower species found only in the area. Young people from Stellenbosch will be trained to work at various levels within the tree park. The arboretum will be laid out with pedestrian paths and	The Environmental Management Plan for Paradyskloof nature area does not provide for any such development, but rather that the area be rehabilitated as a fynbos area.	☹

Ward 22			
Ward Cllr	**2018/19 Ward Priorities**		**Rating**
	it will be accessible to disabled people. Each tree will be marked with a nameplate, which will be done in Afrikaans, English, Xhosa and Braille. SU's participation / input to the layout of the park will be requested by the Mayor Rector Forum. Ward 22 will allocate funds annually to help with this.		
	Priority 3: Ward 22 strives to remain part of a Municipality where policies and regulations will be put in place, approved and implemented and according to which laws. Stability will be maintained by the municipal administration adhering to community requests and needs.	Councillor representing the ward is also a member of Council with a portfolio assigned for Planning and Economic Development. Active participation in municipal processes (public participation, mobility forums, commenting to municipal strategies, policies and by- laws and when publicised for comment.	😐
	Ward priorities for 2020/21		
	Priority 1: Safety and Security • The expansion of the control room. • Skills of the operating room to be enhanced. • WhatsApp groups per geographical area (Ward Committee Members to facilitate). • Control room should communicate their functionality. • Visible and traffic law and law enforcement. • Law enforcement to liaise with the farm owners for the school bus to stop at the servitude road. The farm owner of Libertas preventing the school children to be picked up. "		
	Priority 2: Communication • Upgrading of the Municipal Website. • Email address for the traffic fines and fine appeals. • Communication of MPT minutes/decisions – Electronic Communications Acts. • The green electricity process to be communicated to the ward. • Agenda items and minutes to distributed to the ward committee.		
	Priority 3: R44 and schools' precinct mobility • Rumble strips for the cycling routes (Merriman Laan). • The eastern By-link as identified on the roads master plan in totally is not feasible and must be communicated as such. • Mobility forum to represent all the wards in the R44 matter.		
	Priority 4: Establish fynbos • Why there cannot be an arboretum? • Establish the fynbos area. • The protection of all green areas in the ward.		

6.3.4 IDP Stakeholder Engagement– October 2019

The subject of stakeholder governance is embedded in the South African Constitution and implicates all the spheres of government. According to the Constitution (Section 151 (1) (e)) municipalities need to encourage the involvement of communities as well as community organisations in the planning of Local Government.

The MSA further states that "A municipality must undertake developmentally-orientated planning so as to ensure that it strives to achieve the objects of local government set out in Section 152 of the

Constitution; gives effect to its developmental duties as required by Section 153 of the Constitution and together with other organs of state contribute to the progressive realisation of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution".

The 4th Generation IDP in principal deals with the most critical development needs of the municipal area. In doing so, the Municipality seeks to develop integration by balancing the economic, ecological and social pillars without compromising the institutional capacity available to the Municipality, and thereby coordinating implementation plans across sectors and spheres and government.

The main purpose is to have a strategic engagement with key sectoral partners across the greater Stellenbosch area, the benefit from and/or influence municipal areas of service delivery or contribute to the lives of Stellenbosch communities. These partners include industries, businesses, agriculture and tourism, various institutions, non-governmental organisation, community based organisations, faith - based organisations and sports councils.

To ensure a fruitful engagement, the IDP stakeholder engagement were based on a themed approach, whereby sectors were allowed to provide verbal and written inputs.

This engagement aimed to encourage integrated planning and ensure that the Municipality's strategy is aligned with the strategic outlook of the respective sectors.

The objectives of the stakeholder engagement were to:

- Create a platform for all stakeholders to contribute to the economic growth and development of the Stellenbosch Municipal Area;
- To protect the bio-diversity and heritage of the area;
- Foster a culture of social cohesion and inclusivity through the promotion of arts, craft, sport and tourism;
- Provide access to housing and basic services thereby promoting a dignified living for all residents; and to
- Promote the interest of vulnerable groups in society.

Figure 35: IDP Stakeholder Engagement October 2019

Written proposals and inputs emanating from the IDP Stakeholder Engagement:

Table 65: Inputs received from the Stakeholder Engagement, 21 October 2019

Theme	Priority	Comments
Safety and Security		
Safety	CCTV camera installations	Installation of CCTV cameras in front of Ida's Valley Primary, Corner of Lindey Street, and Corner of Hahn Street opposite the sport field.
Community Development		
Social Cohesion	Programmes for young women and girls	Education around gender base violence, opportunity for young women and girls.
Social Cohesion	Programmes for young women and girls	Corridor where these programmes can be initiated from.
Social Cohesion	Strengthening family programmes	The approaching of NPO's that can facilitate these programme (Ikusasa). In order to address issues around children, a look on the family structure in crucial.
Early Childhood Development	Registration of ECD practitioners	Child Care.
Early Childhood Development	Programmes for support of Early Childhood	Nutritional stunting.
Child Care: Programmes, facilities, human resources capacity	Co -ordinated community action	A symposium/ workshop of stakeholders across Stellenbosch, also churches, schools, convened by the Municipality to address the problem holistically.
EDD and Schools	Crèches and Aftercare for children with disabilities	Needs analysis per ward on priority centres for children with disabilities.
Community Development	Enrichment centre in the Cloetesville area	This will accommodate ECD as well as youth and parents. It is much needed facility in a community that are plagued with many socio - economic issues. This will be a safe place for vulnerable young children as well as build skills for parents.
Early Intervention facility for people with psychiatric disability	Centre that specialises in psychiatric disability	Needs analyses per ward on amount of and support needed for people with psychiatric disabilities.
Agriculture and Economic Development		
Agriculture	Job Creation and skills development	Unemployed youth accessing these programmes. Opportunities available to the youth.
Agriculture is most important for Stellenbosch- use of agricultural projects- air quality.	How to manage the responsible application of agricultural products?	Research required into the effects of agricultural products and management steps to be taken to ensure the products are used responsibly.
Agriculture is most important for Stellenbosch- use of agricultural projects- air quality.	How to manage the responsible application of agricultural products?	The current Stellenbosch air pollution by-law is not sufficient to protect both farmers and residents of Stellenbosch.
Economic Growth and Development	Skills development of people in areas where development happens. Local Economic Development Hubs	Klapmuts- Development: Unemployment and skills development. Programmes to empower the communities to empower/ skills development to the advantage of the communities.
Economic growth and development	Driving School (K53 Yard)	Release land for K53 yard.

Theme	Priority	Comments
Economic Growth and Development	Tourism	Planning tourism office. Location of tourism offices. This affects tourists visit to Stellenbosch as well as local craft producers that sell their products.
Street Vendors- Franschhoek Town Hall	To become operational	Finalise ASP the allocations to applications/vendors..
Tourism	Air B&B Road Traffic- Franschhoek	Define and implement controls- to include registration, tourism association membership, inspections. Coordination with the province to (i) manage the movement of trucks through the village, (ii) manage the speed and speed limits through the valley including the motor bikes.
Housing Development		
Housing	Housing	More development of social housing in unused land. Accommodation of backyard dwellers.
Transport Planning		
Public Transport	Develop a 10 year CITP for Stellenbosch that addressed universally accessible public transport for people with disabilities	Needs analysis per ward. Interim plan to transport people with disabilities. 10 year plan to have scheduled, accessible public transport.
Non - Motorised transport	Accessible sidewalks in and around each ward, specifically Kayamandi and Cloetesville	NMT plan per ward. New development of sidewalks to connect previously disadvantaged wards with CBD.
Cycling Infrastructure	Safety, connectivity and parking	Using the NMT Policy as basis carry out the Cycle Plan as taken up in the CITP (Comprehensive Integrated Transport Plan).
Basic Services		
Basic services and Infrastructure	Pre - paid meters	Need to check ITRON pre - paid meter.
Affordable living for lower - middle income residents	Municipal Rates and Tariffs	Revise the rating system (property) and also the tariffs, taking into account middle - income property owners and long -term affordability, to minimise the risk of gentrification.
Environment		
Protect biodiversity	Management of the Blauuwklippen river- upstream from De Zalze	Disposal of sewerage into river. Owners of properties- management of alien invasive species.
Protect biodiversity	Management of the Blauuwklippen river- upstream from De Zalze	Management of the agricultural products.
Nature Reserves	Encroachment	With the demise of the environment (decrease of the indigenous plants and animals) and the global warming phenomenon; communities must be prevented from encroaching specifically at Papegaaiberg berg and Mont Rochelle.

Theme	Priority	Comments
Recycling	Franschhoek/ Drakenstein Valley	Support "green spot recycling" to upgrade them operation, which is a successful PPP initiative, but has a limited support from the municipality. It is a very good LED and environmental project supporting the municipality in both areas.

The Stellenbosch Municipality will embark on an IDP and Budget Public Participation process from 07 April to 22 April 2020 in all 22 wards, and one IDP and Budget Stakeholder Engagement in April 2020.

6.4 Thusong Programme

The aim of the Thusong Programme is to ensure equitable and effective access to government services and information, through strategic partnerships and engagements with the three spheres of government and relevant stakeholders.

The rationale for the Thusong Programme is set within the development-communication paradigm. This paradigm reflects a democratic approach to a public communication and information system. It aims to put the information needs of citizens first in the communication process. Some of the salient features of this approach relate to the expressed need for face-to-face interaction between government and the people.

The primary focus of development communication and information is to empower the poor and disadvantaged. These communities have limited access to information and are the main target of government's socio-economic programmes. The Thusong Programme is viewed as a means to operationalise the development communication approach as well as to address information and service imbalances at a local level by bringing government closer to the people.

The Thusong Programme has been tailored to ensure that citizens of the Western Cape Province can seamlessly access a wide range of integrated public services irrespective of where they live. Therefore, the Thusong Programme has been expanded in the Western Cape Province to include the following projects: Thusong Mobiles, Thusong Service Centres, Thusong Service Satellite Centres and Thusong Zones.

Through the mobile Thusong programme, Stellenbosch Municipality is delivering on the values it embraces. Although the focus is currently only on Thusong mobiles, the idea is to extend the programme in the Municipal area.

CHAPTER 7

Legacy Projects and Service Delivery Implementation Plans

7.1 Introduction

The Municipality has a number of medium- and longer term sector plans that direct the implementation of the different functional areas. These plans form an integral part of the Integrated Development Plan (IDP).

Although the time-periods for sector plans and the IDP differ (e.g. the *m*SDF has a 20-year horizon, IDP has a 5-year horizon and sector plan can be revised annually), the IDP and sector plans inform each other mutually. Like the IDP, sector plans are subject to periodic review. Alignment between sector plans and the IDP allows for more effective budgeting integration.

Other service delivery implementation processes include:

- Integrated Zoning Scheme (IZS);
- Spatial Development Framework;
- Air Quality Management Plan;
- Stellenbosch Integrated Human Settlements Plan (Housing Pipeline);
- Infrastructure Sector Plans include the Comprehensive Integrated Transport Plan (CITP);
- Integrated Waste Management Plan (IWMP);
- Electrical Master Plan;
- Water Services Development Plan (WSDP);
- Long Term Water Conservation and Water Demand Management Strategy;
- Safety and Security Strategy;
- Disaster Management Plan;
- Local Economic Development Strategy;
- Community Development Strategy;
- Human Resources Strategy; and
- ICT Strategy.

The Municipal Council also embarked on legacy projects to mark for 5-year political term, as initiatives to target specific areas of development. These legacy projects serve as a symbolic representation of visible legacy of work undertaken during this political term.

The overarching financial planning process culminated in the finalisation of the municipal budget which prioritises development and recognises the importance of addressing critical infrastructure backlogs impinging on the objectives for economic development. Well maintained infrastructure is of considerable strategic importance for the municipality to realise the vision for the greater Stellenbosch area to be a place of living, working and learning. The Local Economic Development Strategy also needs to be closely related to the financial planning process. The sections below expand on key sector plans of the Stellenbosch Municipality.

7.2 Smart City

As cities compete for global investment and talent, efficient cities with low red tape barriers, ICT competitiveness comes centre stage. A smart city is adaptable to change and demands that emanate from growth, and in response applies information and communication technologies to enhance performance and urban services in order to respond to demand whilst reducing consumption, waste and costs. Smart cities need to capitalise on digital technology to facilitate speed of information to support more efficient delivery of goods and service and contribute to the greater vibrancy of cities.

A **smart city** is a municipality that uses information and communication technologies to increase operational efficiency, share information with the public and improve both the quality of government services and citizen welfare.

7.2.1 A smart city is a holistic ecosystem

Where people are interconnected and contributing towards a common vision, creation of knowledge and exchange of ideas.

Global best practices recommend three primary categories when determining the benefits and priorities for the design and implementation of the smart city roadmap. The smart city roadmap includes the following:

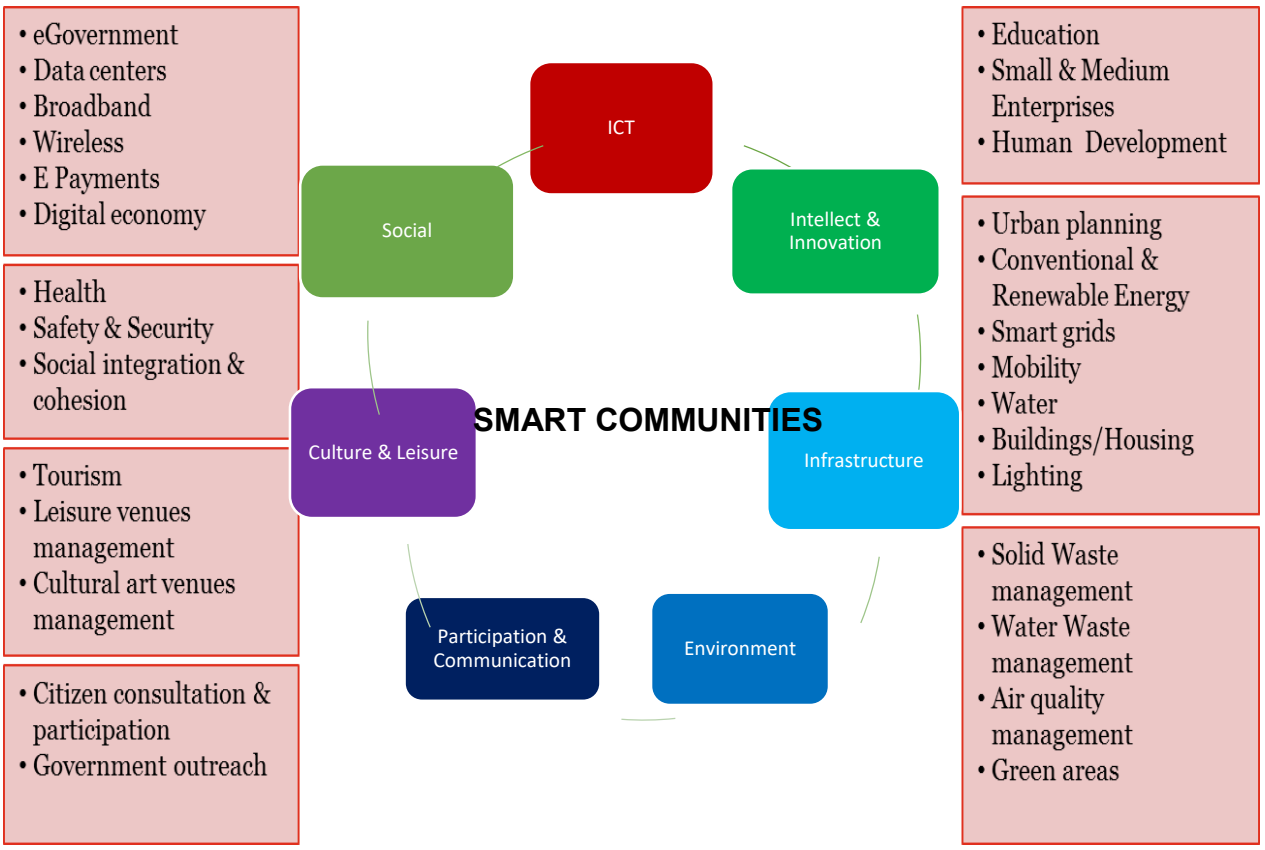
1. **Smart Governance**
Transform the institutional systems, processes and organisational structure to one of high performance organisation to effectively deliver basic services.

2. **Smart Livelihood**
Implementation and integration of innovative digital platforms to enable social upliftment.

3. **Smart Economy**
Grow and diversify the local economy through the attraction of new investment, skills development and facilitation of an enabling environment for small business growth and job creation.

Stellenbosch Municipality aims to progressively realise the principles of the smart city.

Figure 36: Smart City Principles



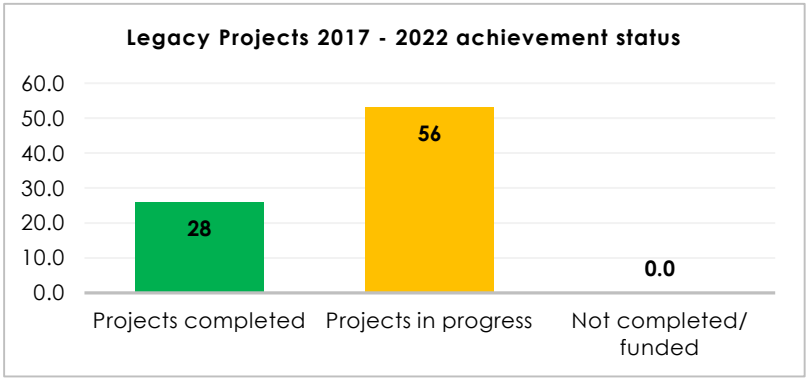
These principles are underpinned by the four commandments of a smart city:

Table 66: Four commandments of a smart city

Commandment	Solution
Environmentally friendly	Open spaces Environmental protection
Mobility and integration	Transport solutions Development linked to transport solutions
Social integration	Basic Services
Current through technology	Develop our IT platforms Paperless systems development

7.3 Legacy Projects

The following legacy projects was undertaken by the current political leadership, which remains applicable for the duration of the political term under leadership of the respective portfolios of the Mayoral Committee Members.



☺	Project completed.
😐	Project in progress.
☹	Not completed/ No budget available/ District Function/ Provincial Function

Table 67: Legacy Projects

Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20
Planning and Economic Development (Cllr Esther Groenewald)	**LP1**	Municipal Spatial Development Framework (*m*SDF) amendment and review	*m*SDF Amendments and full review.	☺	MSDF approved on 11 November 2019. MSDF indicated land for development and particularly focus areas for development i.e. the Adam Tas Corridor and Klapmuts Bridge.
	LP2	Innovative system to streamline and expedite building plan approvals	Implementation of an electronic building plan application solution	😐	Phase 1: Solution Implementation and initial user requirement and configuration – Jan 2019 to June 2019 Phase 2: Configuration and Training – July 2019 to 29 Feb 2020 Phase 3: Simultaneous Use and final configuration – 2 March 2020 to 30 June 2020 Phase 4 : Go-Live date – 1 July 2020
	LP3	Finalise land use management backlogs	50% reduction in backlog applications by 2020	😐	Capacity intervention to deal with the backlog is not in place. The backlog is not been addressed at present.
	LP4	Local Economic Development	Agricultural Land Plan adopted by Council	☺	Policy for the Management of Agricultural land adopted by Council.
			LED Hubs identified and constructed	☺	Triangle site and Old Clinic ha has been allocated. Agricultural Hall lease agreement to be signed by March 2020
			Informal Trading Sites identified and constructed	😐	Groendal informal trading site to be completed by the end of 2019/2020 financial year.
			Audit of People on farms and back-yard dwellers	☺	Klapmuts, Ida's Valley and Franschhoek trading sites completed.

Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20
Rural Management and Tourism (Cllr Salie Pieters)	**LP5**	Tourism strategy	Electronic Tourism Boards (Stellenbosch CBD and Franschhoek)	😐	Development of a Tourism Plan. Service Provider has been appointed. Plan in the process of development.
	LP6	Adopted Rural Management Plan	Rural Management Plan adopted by Council by 30 June 2020	☺	Adopted by council Dec 2018.
Integrated Human Settlements (Deputy Executive Mayor, Cllr Wilhelmina Petersen)	**LP7**	Social housing project implementation	Annual review of the 5 year Housing Pipeline	☺	The review of the Housing Pipeline will be tabled during the March 2020 Council meeting for approval.
			Jamestown Housing (bulk sewer 408 opportunities)	😐	Bulk sewer upgrading is ongoing. A procurement process has been followed to appoint a service provider to compile a Bill of Quantities. Currently, an evaluation process has been commenced whereby the BAC must appoint service provider. After a latter, Stage 2 of the process will be finalised.
			Longlands Housing Subsidy implemented	😐	Implementing agent appointed and site establishment took place in November2019. Expected completion date is during 2020/21 financial year.
			Zone O re-blocking	☺	Families have successfully been relocated to a decanting site. LUPA application has been submitted to the Land Use Planning department and approved by MPT. After the appeal period has lapsed, a tender process will be followed to appoint a service provider to commence with services and construction. This project will be dealt with in phases.
			Ida's Valley housing projects implemented	☺	Erf 11330 (Hillside) Developer has completed a significant amount of Gap houses and has started with the subsidy housing. Estimated date of completion of the BNG by end June 2020. Erf 9445 (Oak Tree Village) Servicing to commence during the latter part of the 2019/20 financial year (April 2020).
			Langrug upgrade concluded by June 2021	😐	In order to commence with the re-blocking of Langrug, a decanting site on Erf 3229, Mooiwater needs to be develop (basic services). A service provider has been appointed and has already completed a geotechnical report with a services cost breakdown. An application for the exemption of the provision of LUPA and Stellenbosch Municipality By-law has been prepared and will be submitted to the Land Use Planning department, soonest. The master planning for the Langrug Informal Settlements is a necessity to address all the challenges the settlement currently experiencing. A service provider will be appointed in due course.
			Land for Housing Langrug Franschhoek identified	☺	Housing Development Agency (HDA) informed the Municipality that the land in La Motte has been released by the National Department of Public Works. A consultant has been appointed to acquire the necessary land use rights in order to implement a mixed used development. This project will also be a catalyst to assist the decanting in Langrug informal settlement and thereby creating open spaces for re-blocking.
			Klapmuts upgrade of informal settlement	😐	The upgrading of the Mandela City informal settlement is being executed in an incremental manner. The reason for this approach is that the families need to clear a

Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20
					particular area before services can be installed. Currently 187 sites were services and temporary units build. The civil contractor on site has further more services a further 76 sites and the service provider to build the temporary units has been instructed to commence with the process. Public participation is on-going.
			Watergang Development	😐	A consultant has been appointed to provide enhanced service sites. Given the slope, the platforms need to be redesigned and a tender to appoint a service provider will be completed. The service provider submitted a technical report with an estimated cost. The Directorate: Infrastructure Services is currently evaluating the technical report. The current estimates received from the consultant is much higher than anticipated.
			Informal Settlement Strategy developed and implemented	☺	Informal Settlement Strategy was adopted by Council and different aspects of this strategy are being implemented by different Integrated Human Settlements departments. The Informal Settlement Strategy is annually reviewed internally and aligned with the approved Housing Pipeline.
	LP8	Upgrading of the Cloetesville flats	Upgrading of the Steps (Cloetesville)	😐	A contractor has been appointed and the rectification of the units will commence in the current financial year.
	LP9	Soekmekaar development	Low cost housing	😐	The first proposal call had to be cancelled due to non- responsiveness of the two bidders from which proposals were received. Taking into consideration the outcome of the first proposal call, the second proposal call, which will be advertised on 15 February 2020, capsulated specific outcomes. The advertisement period will be until the end of March 2020, where after the Supply Chain Management process will follow. Estimated development rights to be obtained in 18 months.
	LP10	Kayamndi CBD upgrade	Upgrading of the Kayamandi Town Centre	😐	The service provider has prepared different development concept plans to be presented to the community. After the public participation process has concluded, the LUPA application will be submitted to the Land Use Planning department for approval. It should be noted that the upgrading of the Town Centre is linked to the decanting site that needs to be established in the Northern Extension. At a public meeting was held during December 2019, the community in principle accepted the development proposal with certain concerns. To address these concerns a site visit has being arranged in order to give representatives a first-hand view of high density development modules.
Financial Services (Cllr Patricia Crawley)	**LP11**	Revenue enhancement	PPP – Feasibility Study concluded	☺	The Municipality acquired additional office space in the 2019/20 financial year and therefor no need to continue with the PPP process.
			Municipal Vehicle Pool Established	😐	The Municipal Vehicle Pool will be established in the 2020/21 financial year.
			Klapmuts Development	😐	MSDF approved on 11 November 2019. MSDF indicated land for development and particularly focus areas for development i.e. the Adam Tas Corridor and Klapmuts Bridge.

Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20
			Revenue Enhancement Strategy implemented	☺	The Revenue Enhancement Strategy was finalised in the 2019/20 financial year. The implementation of the strategy commenced in the 2019/20 financial year and will continue in the 2020/21 financial year.
			Audit Management	☺	The Audit Action Plan for 2019/20 is finalised. The Municipality appointed a service provider to assist with the review of the annual financial statements as well as the annual performance report.
	LP12	Long term financial plan and expenditure framework	Long Term Financial Plan developed and implemented	☺	The Long Term Financial Plan is completed and forms part of the 10 Capital Expenditure Framework.
			CP3 Model Implemented	☺	Three year contract in place.
Parks, Open Spaces and Environment (Cllr Xoliswa Mdemka)	**LP13**	Beautification of the towns	Nature Resource Programme implemented	😐	The department Community Services is in the process of compiling Management Plans for all our Nature reserves and nature areas such as Paradyskloof Nature Area.
			Upgrade and maintenance of cemeteries	☺	Fencing Repairs, sealing of road. Installation of drainage and gravel pathways for new burial area and phase one of Office block is being addressed. Phase one of Kylemore office block is addressed. Both office blocks at Kylemore and Jamestown are multiyear projects. New Conifers have been planted in Franschhoek Cemetery.
			Revise grass cutting cycle programme	☺	A 6-Week Mowing cycle is in place. Town entrances however receive bi monthly cuts where necessary.
			Urban forestry policy implemented	😐	A Tree Management Policy has been compiled and is currently in a draft format. The final policy will be approved during 2020.
			Complete the astro-turf, CBD	😐	Due to the fact that there is no available land in Stellenbosch CBD this project has moved to Cloetesville.
			Land for Cemeteries identified	😐	Environmental Impact Assessment proceeded on 2 sites, Louw's Bos (Farm 502) and Culcatta Bos (Farm 29). Environmental Authorisation (in terms of the National Environmental Management Act, 107 of 1998 [NEMA]) for the Culcatta Bos site was issued on 20 September 2019 and Louw's Bos 22 January 2020. Expecting a decision on Water Use Licensing by the Department of Water and Sanitation and Land Use in terms of the Municipal Planning By-Law on both during 2020.
	LP14	Upgrades of parks	Upgrade of parks and open spaces, Cloetesville	😐	Regional Social Economic Programme (RSEP) Park is in process next to Cloetesville library. New integrated park being developed in Last Street
			Audit parks and open spaces	☺	This audit has been completed.
Youth, Sport and Culture	**LP15**	Youth, Sport and Culture	Re-surface Ida's Valley	😐	Tennis courts 60% completed, to be completed end May 2020.
			Netball courts upgraded	☺	Resurfacing 100% completed.

Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20
(Cllr Manie Pietersen)			Complete Lanquedoc sport facilities	😐	Work in progress, clubhouse to be completed 30 June 2020.
			Complete the Kayamandi Astroturf	😐	Tender bids received and ready to serve at the Bid Evaluation Committee. Project to commence in 2020 and to be completed 2021, if the budget is approved.
			Boreholes for Ida's Valley and Franschhoek sport grounds	😐	Franschhoek Borehole 85% completed. A budget was requested to complete the commissioning of the borehole and pumps. Budget was requested for financial year 2020/21 for the installation of a borehole.
			Security at sport grounds and facilities	😐	There is a security tender in place.
			Mayoral youth and skills programme	☺	The Mayoral Youth Skills Development programme included accredited training in: General Building Maintenance; Plumbing; Five Star Table Attendant; Food Service Assistant; and Assistant Chef. Job Readiness in partnership with DSD focus on CV writing and interviewing skills reaching 79 youth. The DCAS Youth Drama Festival delivered the following results for Stellenbosch Municipality: Best Writer; Best Actress; and Best Production – Runner up. DSD Youth Camp and recruitment drive for Chrysallis Academy to introduce our youth to different opportunities available.
Infrastructure Services (Cllr Quinton Smit)	**LP16**	Non-motorised Transport Plan (Park and Ride)	NMT transport and plan (Park and Ride) implemented	😐	NMT Master Plan and policy currently being updated, to be complete by June 2020.
	LP17	Long term infrastructure plan	Long Term Infrastructure Plan developed	☺	Roads Master Plan – completed. Stormwater Master Plan – completed. Comprehensive Integrated Transport Plan – 2019/2020 update to be complete by June 2020.
	LP18	Standard paving for sidewalks in Franschhoek and Stellenbosch	Update the Pavement Management Plan	😐	• Pavement Management Plan for sidewalks is currently in progress. • Pavement Management Plan for roads complete. • Maintenance and Construction of standard paving in process.
	LP19	Roads	Finalising Skoolstraat	😐	Planning is complete, draft report submitted for approval.
			Traffic Congestion Management (R44)	😐	Main Road Intersection Upgrade Program – Phase 2 currently in Planning Stage, Construction to commence in April 2020. Traffic Signalisation programme to be implemented by May 2020.

Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20
			Underground Parking	😐	Council Item approved, planning in process.
			Safe walkway to the station (lovers lane)	😐	Assessment, planning and designs in process. Construction to commence in October 2020.
			Pavements and sidewalks	😐	Implementation in process.
			Re-surfacing parking areas	😐	Assessment, planning and designs underway. Construction to commence in October 2020.
			Signage	😐	Implementation in process.
			Street markings	😐	Implementation in process.
			Taxi Rank upgrade	😐	Planning 80% complete, funding allocations and Supply Chain processes to be finalised. Construction to commence by August 2020 at the Franschhoek, Kayamandi and Klapmuts Taxi Ranks.
	LP20	Electricity	Lights/masts Onder-Pappagaaiberg	😐	Location and feasibility to be assessed by June 2020.
			Enkanini Electrification	😐	Current Phase being planned for 500 informal units within Enkanini. Estimated 3500 units, planned to be completed in 5 years up to June 2024.
			Electricity take-over Pniel	☺	Completed.
			Lighting, sidewalks (Klapmuts)		Klapmuts is an Eskom supply area. The Municipality is in consultation with Eskom to take over the street lights in Klapmuts.
	LP21	Waste Management	Implementation of Waste Minimisation Projects	😐	This is on-going, with door-to-door household recyclable collections, builder's rubble crushing and green waste shredding at the landfill.
			Extension of landfill site	😐	This project is in process. Two consulting firms have been appointed to (1) reposition the overhead power lines and (2) apply for the waste management licence for the landfill extension. The public participation process has commenced for the repositioning of the power line in February 2020.
	LP22	Water and Sanitation	Waste Water Treatment Works upgraded	😐	Stellenbosch WWTW Phase 2 completed. Klapmuts commencement date2022. Pniel commenced March 2020. Wemmershoek/ Franschhoek WWTW commencement from July 2020.

Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20
			Catchment pits, Kayamandi	😐	In process of completion June/ July 2020.
			Upgrade Sewer System	😐	Continuous projects until 2028.
			Plankenberg River Maintenance	😐	In Process – research in collaboration with stakeholders is an ongoing process.
			Pigs and the River, Onder-Pappagaaiberg, Klapmuts	😐	The Municipality is looking into possible measures to be implemented.
Protection Services (Cllr Rikus Badenhorst)	**LP23**	Repositioning of the protection services	Reposition Law Enforcement and Safety	😐	This is on-going. Policies to increase staff capacity has been submitted and approved (Auxiliary officers and externally funded officers).
	LP24	Land Invasion Unit	Establishment of a Land Invasion Unit	😐	This function is performed by on duty staff as the Law Enforcement division does not have the capacity currently to establish a unit. The department is busy with a proposal to establish a Tactical Response Unit which will include focus on Land invasion and a 24 hour deployment.
	LP25	Turn around for traffic services	Turn Around Strategy for Traffic Services	😐	This is on-going. Policies to increase staff capacity has been submitted and approved (Auxiliary officers and externally funded officers). Increase Learners classes were implemented as well as Drivers Tests over identified weekends to accommodate students which cannot come during the week.
	LP26	Safety and Security	Safety Cameras Stellenbosch CBD	😐	Cameras have been installed in the CBD, with replacements on an ongoing basis. This also forms part of a CCTV Camera Master Plan.
			Speed and safety cameras, Franschhoek	😐	On the approval of the tender, there will be 3 CCTV cameras installed in Franschhoek. Speed enforcement is done on a regular basis.
			LPR Cameras (Cloetesville and Ida's Valley)	☺	Cloetesville has 3 LPR cameras installed. Ida's Valley has 2 LPR cameras installed. This forms part of the CCTV Camera Master Plan and on-going roll out plan.
	LP27	Area cleaning	Consolidation of Area Cleaning and Solid Waste	😐	Placement process nearly completed – most staff accommodated and about 10 remaining in the "pool".
	LP28	Cemeteries	Cemetery Extension	😐	Environmental Impact Assessment proceeded on 2 sites, Louw's Bos (Farm 502) and Culcatta Bos (Farm 29). Environmental Authorisation (in terms of the National Environmental Management Act, 107 of 1998 [NEMA]) for the Culcatta Bos site was issued on 20 September 2019 and Louw's Bos 22 January 2020. Expecting a decision on Water Use Licensing by the Department of Water and Sanitation and Land Use in terms of the Municipal Planning By-Law on both during 2020.
	LP29	Street People	Street People Policy (Replace with Homeless People Policy) and By-Law SRA By-Law	☺	Stellenbosch Council approved the Street People Policy through which all Homeless People issues are being addressed. The By-Law deals with all issues resulting from deviant behaviour on streets and public places and led to the Social Justice SOP through which persons are dealt with.
Corporate Services	**LP30**		Operational Call Centre	😐	The draft Customer Care Framework has been submitted and approved by Council. Various engagements were held with the Administration and Political leadership on methods to address customer services in the Stellenbosch Municipal Area. The

Portfolio	Ref no.	Legacy Project/s	Specific Initiatives	Rating	Progress 2019/20
(Cllr Aldridge Frazenburg)		Customer care initiative to become responsive to community concerns			Directorate Corporate Services established a Steering Committee on the 4th March 2020 to assists with the implementation of a pilot project on customer care and citizen engagement.
			PABX	☺	The telephone system was upgraded with a switchboard function in the 2018/2019 financial year.
			TV Systems	😐	All TV screens are in the process to be connected on the Municipal ICT network. This project also forms part of the broader customer care initiatives implemented by the Municipality.
	LP31	Human Resources and Organisational Structure	HR Policies Review (Recruitment and Selection, Standby, Smoking, TASK, Essential User Scheme)	😐	The Recruitment and Selection Policy still under review. Standby Policy was replaced with the overtime Policy (approved in 2018). TASK Implementation Policy approved in February 2020. Essential Care User Scheme adopted by SALGA for consultations with unions.
			Organisational Re-Design	☺	Organogram re-designed and implemented.
			Review System of Delegations	☺	System of Delegations reviewed and adopted by Council in August 2018.
			Re-evaluation of staff job descriptions by the Regional TASK Committee	😐	Intensive process to deal with job descriptions from December 2019 and is currently ongoing.
			Property and Facility Management – monitoring lease agreements and creating synergy between finance to ensure follow-up	☺	Addressed currently in the revision of the existing Sport Facilities Management Plan as instructed by Council.

7.4 Service Delivery Implementation Plans and Strategies

7.4.1 Integrated Zoning Scheme (IZS)

(a) Background

In terms of Chapter 5 of the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) each municipality is required to adopt and approve a single land use scheme for the municipal, subsequent to public consultation. Similarly, the Land Use Planning Act require that a municipality regulate the development, adoption, amendment and review of a zoning scheme for the municipal area.

The effect of the new order planning legislation (Spatial Planning and Land Use Management Act, 2013 (SPLUMA) and Western Cape Land Use Planning Act, 2014 (LUPA)) entails that the municipality has full responsibility for land use planning in its area of jurisdiction and must adopt and approve a single zoning scheme for the entire area.

The Draft Integrated Zoning Scheme aims to develop a single integrated zoning scheme for the Council's land development objectives. Land use management is a means of establishing or implementing any statutory measure to manage, restrict or regulate the use/development of land within the municipal area. Land use management systems of the municipality consist of various mechanisms of which the Stellenbosch Municipal Spatial Development Framework (SMSDF), heritage registers and conservation plans, official municipal land use policies and by-laws, as well as integrated Zoning Scheme by-law form the main or core components.

Together with this requirement, a Municipal Land Use Planning By-law was adopted to regulate the land use administrative processes. I.t.o. SPLUMA the land use scheme must:

(a) include appropriate categories of land use zoning and regulations for the entire municipal area, including areas not previously subject to a land use scheme;
(b) take cognisance of any environmental management instrument adopted by the relevant environmental management authority, and must comply with environmental legislation;
(c) include provisions that permit the incremental introduction of land use management and regulation in areas under traditional leadership, rural areas, informal settlements, slums and areas not previously subject to a land use scheme;
(d) include provisions to promote the inclusion of affordable housing in residential land development;
(e) include land use and development incentives to promote the effective implementation of the spatial development framework and other development policies;
(f) include land use and development provisions specifically to promote the effective implementation of national and provincial policies; and
(g) give effect to municipal spatial development frameworks and integrated development plans.

Section 24 (3) of SPLUMA furthermore provides that a land use scheme may include provisions relating to:

(a) the use and development of land only with the written consent of the municipality;
(b) specific requirements regarding any special zones identified to address the development priorities of the municipality; and
(c) the variation of conditions of a land use scheme other than a variation which may materially alter or affect conditions relating to the use, size and scale of buildings and the intensity or density of land use.

The zoning of a property determines the land use rights for which it can be used, such as residential, business, industrial, open space or recreational purposes. The zoning of a property also prescribes the

restrictions within which the land may be developed for example height of buildings, distances from street, floor area, parking and access. The overarching objective of zoning schemes is to maintain, protect and upgrade the general welfare, public health and safety of all the inhabitants of a defined area.

A Zoning Scheme is a municipal by-law which allocates development rights to properties within the municipal jurisdiction, outlining all of the development rules applicable to the various types of properties. The zoning scheme contains regulations pertaining to restrictions on such rights and how they may be exercised. Components of a Zoning Scheme include the following:

Figure 37: Components of a Zoning Scheme

Firstly, the **Zoning Scheme by-law** describes how land may be used and developed. This provides for the zoning of land and the adoption of new zones. It should therefore provide for the different zones which determine how land may be used (e.g. residential, commercial, industrial, open spaces, etc.). It also contains development parameters which determine how may developed (e.g. building lines, height, coverage, parking, etc.). Secondly, a **zoning register** is kept to record all planning applications approved by the municipality. Finally, **zoning maps** are developed which spatially records the zoning of land (and all re-zoning of land).

The purpose of the Draft Integrated Zoning Scheme is to:

- Describe how land may be used (the land use);
- Describe how land may be developed (form and scale of buildings);
- Allow certain development and land uses in certain locations;
- Prevent certain development and land uses in other locations;
- Allow/enable urban growth and development according to development principles in SPLUMA and LUPA (spatial justice; spatial sustainability; spatial resilience; spatial efficiency; and good governance);
- Address environmental, heritage, economic, health and welfare issues related to property development;
- Manage development in the light of municipal services and infrastructure; and
- Manage development in the light of public and private transport and parking provision.

Table 68: Different use of the Integrated Zoning Scheme

Different Uses of the Integrated Zoning Scheme	
Primary Use rights	Undertaken or constructed without any further approval from the Municipality.
Additional Uses	Technical approval and may be conducted to a limited extent subject to conditions and a Site Development Plan.
Consent Uses	Higher impact, depending on the circumstances; may only be undertaken after an application is made and approved and conditions imposed.

Source: Draft Integrated Zoning Scheme

In accordance with SPLUMA the Draft IZS developed a base zone with general guidelines applicable to all areas within the base zone, and a number of overlay zones. An overlay zone is a regulatory tool

that creates special zoning districts, placed over an existing base zone(s), which identifies special provisions in addition to those in the underlying zone.

The draft Integrated Zoning Scheme (IZS) went through two rounds of public participation. After the comments from interested and affected parties were reviewed, the document was edited, where applicable. The final draft Stellenbosch Zoning Scheme, October 2018 will be submitted to Council for consideration and adoption during May 2019.

7.4.2 Air Quality Management Plan (AQMP) for Stellenbosch Municipality

The Stellenbosch Local Municipality Air Quality Management Plan (AQMP) has been completed with the input of the DEA&DP.

7.4.2.1 A Vision and Mission

Aligned with the Cape Winelands District Municipality (CWDM) vision for air quality management the vision for the Stellenbosch Municipality, as defined in the AQMP is: Air quality in the Stellenbosch Municipality is clean and healthy.

The mission statement to achieving the stated vision is:

> *Air quality in the Stellenbosch Municipality is co-operatively managed for the benefit of present and future generations according to the principles of sustainable development to safeguard health and quality of life, promoting economic and social development.*

7.4.2.2 Challenges and threats

The AQMP has identified motor vehicle emissions, industrial and manufacturing emissions, agricultural emissions, residential fuel burning and biomass burning emissions and emissions from the landfill and wastewater treatment plants as main sources of air pollution. The brown haze which forms over Cape Town during the winter months, largely attributed to motor vehicle emissions, extends northwards on occasion and affects air quality over the southern parts of the Stellenbosch Municipality. These sources are relatively small and air quality in Stellenbosch is generally good with respect to the typical pollutants. However, agricultural activities, including seasonal burning and the use of pesticides present challenges for air quality management.

7.4.2.3 Goals

The goals to achieve the mission of the AQMP are listed below and their linkages to the Western Cape Provincial AQMP (D: EA&DP, 2010) and the CWDM AQMP (CWDM, 2012) are highlighted. The three goals for the Stellenbosch Municipality AQMP are:

- **Goal 1:** Air quality governance meets requirements to effectively implement the AQMP: This goal addresses the regulatory framework and the institutional capacity required in the Stellenbosch Municipality to carry out the air quality function. This links directly to the goal the AQMP for the Western Cape to 'Ensure effective and consistent air quality management' and the goal in the CWDM AQMP of 'Effective air quality management';
- **Goal 2:** Reduce atmospheric emissions of harmful pollutants: This goal aims to manage activities that impact on air quality to reduce the emissions of harmful pollutants and associated impacts on human health and well-being. This links directly to the Provincial AQMP goal to 'Ensure effective and consistent compliance monitoring and enforcement' and 'To ensure that health-based air quality standards are attained and continually met'. It also links to the CWDMAQMP goal of 'Effective air quality management' through an 'Emission reduction strategy'; and

- **Goal 3:** Systems and tools are established to effectively implement the AQMP: This goal refers to the systems and tools required for effective AQMP implementation, the cornerstone of which is an Air Quality Management System (AQMS). The development of an AQMS links directly to the Provincial AQMP goal 'To ensure effective and consistent air quality management' through the development of AQM systems. It also links to the CWDM AQMP goal to develop and AQMS. An AQMS is the fundamental unit towards the management of air quality in an area, incorporating the necessary technical elements that provide information on the status of air quality (D: EA&DP, 2010). Included in this goal is the need for stakeholders to actively participate in AQM in the Stellenbosch Municipality, which links to the Provincial AQMP goal 'To continually engage with stakeholders to raise awareness with respect to air quality'. It also links to the CWDM AQMP goal to 'Promote communication in relation to Air Quality Management'.

7.4.2.4 Time frames

- The timeframes defined for the Implementation of the AQMP are:
- Immediate: First 3 months of AQMP adoption;
- Short term: First 12 months of AQMP adoption;
- Medium Term: 2 to 3 years; and
- Long term: Year 4 and 5.

The following Immediate items were included in the AQMP, all with reference to Goal 1 above:

Table 69: Items in the AQMP

Objective	Activity	Responsibility
1. Sufficient capacity and competence exist to perform the air quality management function.	Identify capacity and competency needs.	Council
2. The AQMP is included in the IDP.	Prepare air quality input for inclusion in the IDP Ensure adequate funding in the IDP for AQMP implementation.	Air Quality Officer, Council
3. A regulatory framework exists in the Municipality for air quality management.	Develop air quality by-law.	Air Quality Officer, Council

Stellenbosch Municipality relies on data from the Province's monitoring station situated at Cape Winelands District Municipality in Stellenbosch town to determine air quality or atmospheric emissions. This data is reported on by the relevant Environmental Health Official from Cape Winelands District Municipality.

7.4.3 Integrated Human Settlement Plan

7.4.3.1 Overview

An Integrated Human Settlement Plan (IHSP) is the road map for the provision of all forms of housing within a Municipal area. This plan is closely linked to the Municipal IDP (Integrated Development Plan) and the Municipal SDF (Spatial Development Framework).

Accordingly, Stellenbosch Municipality developed an IHSP to be aligned with the IDP and the MSDF. Stellenbosch Municipality originally approved a Human Settlements Plan (HSP) in 2008 and a revision of this plan was done in the 2017/2018 financial year. The IHSP and the Housing Pipeline has a ten (10) year development horizon. Notwithstanding this, the Housing Pipeline must be reviewed and approved annually by the Municipal Council.

In the absence of an approved Human Settlements Plan, the Pipeline serves as the housing implementation strategy for the Municipality.

7.4.3.2 The Housing Pipeline

The Provincial Department of Human Settlements (PDoHS) requires that every municipality must have a housing pipeline. The housing pipeline is premised on a ten-year horizon and serves as planning and budgeting tool for the implementation of Human Settlements initiatives. Each Municipality's Housing Pipeline is an integral component of the Department of Human Settlements' Business Plan.

It is required that the Housing Pipeline must be annually reviewed. The latest review of the Housing Pipeline was approved by Council in March 2020. This revision includes the following:

- A period of 10 financial years (2020/21 - 2028/29). Provides for 12 098 units on a spread of Housing Intervention programmes that comprise of serviced sites, Informal Settlements Upgrade, integrated residential developments (mix-used development), Institutional Housing and Social Housing; and
- Provides for a comprehensive list of housing projects with quantitative data on the projects Goals.

The objective of the housing pipeline is to provide more emphasis on the following housing types or programmes:

- Social housing (the National Minister of Human Settlements approved Stellenbosch as a restructuring town and restructuring zones end November 2016);
- Provision of serviced sites;
- Access to affordable housing (GAP housing);
- Upgrading of Informal settlements; and
- Mixed use housing (formalised home ownership Employer housing - especially farm worker housing).

The estimated cost of this programme will be approximately R9.6 billion over 10 years.

7.4.3.3 Legacy and Priority Projects

Priority projects which were identified in the housing pipeline as approved Council during March 2020 are:

- Upgrading of informal settlements, (Mandela City, Klapmuts and Langrug, Franschhoek);
- Access to Basic Services (ABS);
- Jamestown, Farm 527 (phases 2, 3 and 4);
- Rezoning of Enkanini, Kayamandi;
- Longlands Development;
- Upgrading of Zone O;
- Ida's Valley - A key aspect of this project was to utilise municipal land provided at reduced cost for formal home-ownership in order to cross-subsidise other housing types;
- Enumeration of People on Farm and Backyarders;
- Rectification of Cloetesville subsidy houses (The Steps, Orlean Lounge and Smartie Town)
- Soekmekaar Project Development (Erf 7001);
- Upgrade of Kayamandi CBD; and
- Northern extension.

7.4.3.4 Upgrading of Informal Settlements

The Municipality manages and coordinates the upgrading of informal settlements through the following broad objectives:

- In-situ upgrading of informal settlements;
- Upgrade informal settlements by the provision of basic services;
- Develop emergency housing sites geared to accommodate evictees, amongst others;
- Enumerate / undertake demographic surveys of identified informal settlements;
- Facilitate tenure security in informal settlements;
- Assist in short-term job creation through linkages with EPWP and longer term job creation through upgrading programmes;
- Facilitate capacity-building and training for residents and stakeholders through direct service provision and partnerships with outside agencies; and
- Manage the provision of services and development programmes to informal settlements.

7.4.3.5 Informal backyard dwellings

The Municipality through the Housing Pipeline is actively attempting to address the needs and plight of backyard dwellers within the Municipal area. Currently it is required to be registered on the Housing Demand Database and hopefully this will result in a permanent dwelling in one of Council's housing projects. This process is long and tedious and the chance of actually obtaining a formal house, is very slim. Therefore, Council is actively researching ways in which the service (and basic services) to backyard dwellers can be improved through its various housing programmes.

7.4.3.6 Social Housing

Stellenbosch Municipality was approved as a Restructuring Town in March 2017, by the National Minister of Human Settlements. This approval included the confirmation of the various Restructuring Zones within the Municipality and the latter culminated in a Council decision instructing the administration to attract Social Housing Institutions (SHI's) and/or Other Development Agency (ODA's) in order to effect to the Municipality's social housing programme.

The aim of this programme is to ensure improved quality of life for communities through a Rental housing programme. This process of integration speaks to the importance of:

- Economic sustainability: affordability, access to economic opportunities, and promoting job creation via the multiplier effect associated with building medium density housing stock. etc.;
- Social sustainability: social integration between various income groups, access to educational, recreational and health facilities, etc.; and
- Ecological sustainability: conservation of scarce resources.

7.4.3.7 Current housing projects

Table 70: Housing projects under construction – 2019 -21

#	Project Name	Project Phase	Number of Subsidised Opportunities
1	Stellenbosch Ida's Valley (286 opportunities on erf 11330)	Construction	89
2	Klapmuts (Upgrading of Mandela City - Phase 1) 505 service sites	Construction	76 (completed)
3	Longlands, Vlottenburg	Construction	144

#	Project Name	Project Phase	Number of Subsidised Opportunities
	(144 Serviced sites)		
4	Cloestesville: Rectification of Smartie Town houses	Construction	106
5	Cloetesville: Rectification of The Steps/Orlean Lounge Houses Temporary units with toilets	Appointment of services provider/Construction	166

Table 71: Housing projects in the pipeline - in planning or construction phase 2019 - 21

#	Project Name	Project Phase	Number of Subsidised Opportunities
1	Stellenbosch Ida's Valley opportunities on erf 9445)	Construction	166 Gap houses
2	Longlands, Vlottenburg (144 Serviced sites)	Construction	144 service sites 106 subsidy houses
3	Cloetesville: Erf 7001	Planning (Call for Development Proposal - closing date 20/03/2020)	360 Gap housing
4	Cloestesville: Rectification of Smartie Town houses	Construction	106
5	Cloetesville: Rectification of The Steps/Orlean Lounge Houses	Construction	161
6	Klapmuts (Upgrading of Mandela City - Phase 2) (505 serviced sites)	Construction	187 (Phase 1)
7	Upgrading of Zone O in Kayamandi (±710 services)	Planning (LUPA application has been approved by the MPT. *Construction will be dealt with in phases)*	710
8	Stellenbosch Jamestown (Phases 2, 3 and 4)	Planning (Stage 2 of Proposal Call – financial feasibility to be determined)	To be determined during Township establishment
9	Social Housing (affordable rental accommodation) in Stellenbosch Town-CBD	Planning (SHI's and/or ODA's) attract)	To be determined from studies

The approved Housing Pipeline is available on request at the Directorate: Planning and Economic Development.

7.4.4 Comprehensive Integrated Transport Plan

The National Land Transport Act (NLTA), Act 5 of 2009, requires "Type 1" planning authorities (the country's major cities and towns (including Stellenbosch Municipality), to prepare Comprehensive Integrated Transport Plans (CITP). Generally, a CITP is considered as a mechanism by which planning authorities can plan for, develop, manage, integrate and provide for all modes of transport in their areas of jurisdiction.

CITP's must, inter alia:

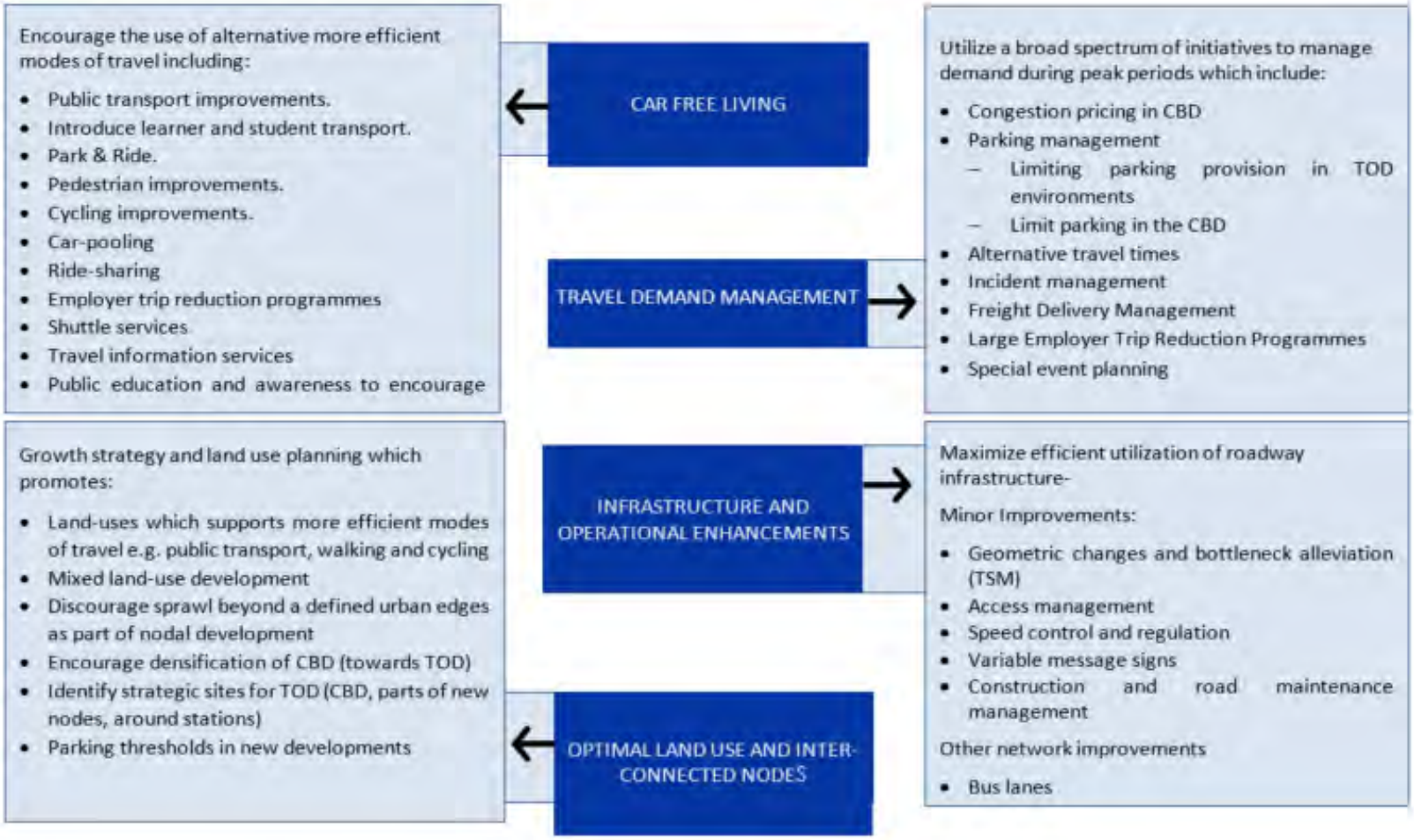
- Enhance the effective functioning of cities, towns and rural areas through integrated planning of transport infrastructure and facilities, transport operations including freight movement, bulk services and public transport services within the context of IDP and land development objectives;
- Direct employment opportunities and activities, mixed land use and high density residential development into high utilisation public transport corridors interconnected through development nodes (thereby discouraging urban sprawl);
- Give higher priority to public transport than private transport by ensuring the provision of adequate public transport services and applying travel demand management measures in a manner that provides incentives for sustainable mobility management; Maintain and further develop road infrastructure so as to improve travel by all road-based modes of transport where appropriate;
- Acknowledge and, where necessary, plan for the role of appropriate non-motorised forms of transport such as walking and cycling. The work was supported through structured public participation with other spheres of government, industry stakeholders and citizens; and
- The CITP is compiled for a five-year period and the latest completed CITP has been prepared and adopted by Council for the 2016-2020 period. This CITP will also be updated on an annual basis.

7.4.4.1 Strategic Interventions

The following areas of strategic intervention have been highlighted:

- "Towards Car Free Living" which refers to strategies that encourage more effective modes of travel such as public transport, NMT and other mechanisms to increase the number of passengers per vehicle. The Municipality in collaboration with the Provincial Transport Department is investigating strategies that would improve public transport services within and around Stellenbosch.
- "Travel Demand Management" which refers to strategies that manage overall demand for travel during peak periods such congestion pricing and parking management.
- "Infrastructure and Operational Enhancements" which refer to capacity improvements to transport infrastructure but only as part of the overarching transport philosophy in Stellenbosch. The Municipality continues to roll out its Infrastructure Enhancement initiates such as the Gravel Road Upgrading programme, its Main Road Intersection Improvement programme, the Traffic Signal Optimisation programme as well as the implementation of Public Transport Facility upgrades.
- "Optimal Land-Use and Interconnected nodes" which refers to integrated land use and transport planning which supports and promotes transit orientated development (TOD).

Figure 38: Strategic Interventions reflected in the IDP



7.4.5 Integrated Waste Management Plan (IWMP)

Stellenbosch Municipality had a third generation IWMP drafted, which was done by Green Cape. This 3rd Generation IWMP is applicable for the period 2017-2022 in order to align this with the 4th Generation IDP, according to its intent and purpose. The fact that Stellenbosch Municipality is facing a waste crisis due to limited landfill disposal space, necessitated an immediate review, which commenced in the 2015/16 financial year. The plan was last reviewed and updated in 2010, and this draft was discussed with senior management on 28 February 2018. An IWMP has been drafted and been circulated for internal review and approval. This draft IWMP needs significant updating and an external service provider will be appointed to finalise the IWMP for public review.

The plan has been prepared in terms of the requirements of the National Waste Management Strategy (March 2010) and considers:

- Waste disposal;
- Education and awareness raising;
- Enforcement and by-law requirements;
- Organisational arrangements;
- Waste information management;
- Waste minimisation, re-use and recycling;
- Waste collection and asset management; and
- Waste treatment.

The IWMP is presented in three parts:

- Part A contains baseline information and an in-depth review of the current status of the Stellenbosch Municipality;
- Part B is a summary of the gaps and needs; and
- Part C assesses the gaps and recommends suitable alternatives with concomitant priority status. Preferred alternatives are provided with an implementation plan and monitoring framework.

Priority issues identified are the following:

- Implementing proper staffing and allocation of financial and human resources for the Waste Management Department.;
- Closing of Cell 1 and 2 of the landfill site and finding alternatives to achieve compliance with current legislation;
- Minimising waste and providing education to ensure more responsible waste management. The separation-at-source initiative is outsourced to a service provider, effective 1 December 2016. It is expected of the service provider to collect source separated recyclables, further separate these bags at the mini Material Recovery Facility established adjacent to the landfill site and take it off-site to recycling contractors. It is also expected of the service provider to market the separation–at-source programme in areas previously not offered this service;
- Reducing waste quantities to the landfill. The municipality, through its contract staff and service provider operating and managing the landfill, has managed to ensure that only WCO24 waste generated are accepted at the landfill. In addition, more aggressive separation-at-source, chipping of greens and crushing of builder's rubble, and beneficiation of the chipped greens and crushed rubble, has resulted in a marked decrease in waste landfilled;
- Managing waste information and in particular waste data at the landfill site and providing adequate services at the landfill site to ensure proper management of the site. Monthly reports and data are forwarded to the provincial authorities to update the IPWIS system, and it is important for all waste handlers, collectors, recyclers and waste processors to report waste

volumes/tonnages handled to the municipality in order for the municipality to accurately report back to provincial authorities;

- Building capacity of staff equipped to deal with critical waste management aspects;
- Establishing a regional facility and alignment with Cape Winelands District Municipality planning. It is unlikely that suitable landfill airspace in a regional context is available in the Cape Winelands area to serve both Stellenbosch and Drakenstein Municipalities. It is for this reason that the additional airspace at Devon Valley is being explored, as well as the upgrade at the Klapmuts Waste Transfer Station. A planning and design study is currently underway for the Stellenbosch Transfer station, whose main focus will be diversion of organic waste from landfill;
- Involving industry in waste minimisation and responsible waste management. The recycling service provider is currently raising awareness to the private sector to be included in the separation-at-source programme, and has had major inroads with the winery sector.;
- Reviewing tariff policy and fee structure to ensure cost recovery. This has been linked with CPIX over the past few years, but a thorough costing exercise is planned for the 2018/19 financial year in order to inform the tariff that is appropriate for rendering this service;
- Reviewing and updating of fleet requirements and alignment with current needs; and
- Assessing Drakenstein Municipality's Waste-to-Energy model and perhaps feeding into it. Although it seems unlikely that this process will proceed in the short-term future, it is important to keep this in mind as an alternative for waste transfer. On the flipside, it is important for the municipality to plan infrastructure that may accommodate waste from the neighbouring municipalities should their processes not materialise (in time).

The Devon Valley waste disposal site and its life span can be significantly increased should the Eskom power lines be re-routed. Council has already approved the commencement of the process with Eskom. An Independent Environmental Assessment Practitioner has been appointed to conduct an environmental impact assessment to re-route the existing power lines. The public participation process for this has commenced in 2019/20 financial year. The cost of this re-routing could amount to approximately R50m, but the benefit is estimated to be R1.5bn. It is envisaged that future landfill airspace could be increased by between 18-40 years, depending on the rate of waste diversion from landfill.

Another focus area for the municipality is waste minimisation. Alternatives that are being proposed include economic and political instruments such as green taxes, recycling subsidies and financial incentives for waste generators (e.g. pay- as-you-throw policy measures). This must be considered when assessing the waste costing model.

The inclusion of public-private partnerships, community involvement and alternative technologies is crucial and an appropriate mix must be found to address the needs of the Municipality accurately. The lower socio-economic sector has become involved through the Swopshop programme, which have been successfully launched in Klapmuts and Kayamandi. Schools have also been targeted, and to date 5 of 62 schools are on board with recycling initiatives which are reported to the municipality. It is hoped to have all 62 involved.

There is a fundamental need to capacitate the community, the private sector and also municipal officials on best practice in waste management. Various alternatives in this regard have been proposed, but it is important to apply, an integrated approach. The Crushing of builders' rubble pilot programme is a good example as such, where our Development Services department must create the supply of material, and the Transport and Roads Department the demand for crushed material. This is one of few such programmes in the country where the product is quality tested, meet the required specification and is 50% of the cost of virgin material, besides taking transportation into account.

In terms of our current recycling process, Stellenbosch Municipality has a "two-bag system" which occurs in middle to higher income areas and is rendered once a week (with clear bags). These

recyclables are now collected as a pilot programme by an outsourced service provider, and the collected materials processed at the mini Materials Recovery Facility adjacent to the landfill site. A materials recovery facility (MRF) is currently in the construction phase, and Integrated Urban Development Grant (IUDG) funds has been allocated for part of the construction in the 2019/20 financial year.

All licensed waste disposal facilities are audited quarterly internally, and one external audit is conducted annually on both facilities. The external audit report clearly demonstrates major improvements over a 3-year cycle (2013 – 2015). A functional Residents Monitoring Committee meets quarterly, and has complimented the municipality for the positive impact and compliances instituted over the past few years.

7.4.6 Electrical Master Plan

Because the SDF was finally approved in November 2019, which was almost within the time that the masterplan is due for update, the review was not done. The complete update will be done by September 2020.

The previous Electrical Master Plan was completed in September 2015 and will be updated by September 2020 in line with the requirement that it should be updated every five years. The plan aims to provide the Stellenbosch Municipality with a clear view and long-term plan for the development of electrical infrastructure required to support the envisaged demand growth in Stellenbosch and surrounding areas. The municipality also evaluated the long-term viability of existing infrastructure and expansion and refurbishment requirements thereof, where new infrastructure should be located and which components, either existing or new, will be required.

Apart from spatial changes the Electrical Master Plan is to contain the following main elements:

- Documented assessments of primary equipment at all 66/11 kV substations and 11 kV switching substations within the municipal area;
- Site-specific assessments to provide a systematic estimate of the life remaining in substation facilities, and planning to extend the life of facilities to meet future needs;
- Development of a geographical load forecast based on regional demographic and historical load growth patterns, as informed by the SDF. (The anticipated long-term load forecast was directly used as input to the expansion plan.);
- Development of network strengthening and expansion options and technical evaluations to ensure that load and performance criteria are met over the short, medium and term (2025);
- Preparation of cost estimates of the technically viable expansion and strengthening options; and
- The Electrical Master Plan is updated every five years and is used in medium-term project planning, prioritisation and budgeting.

7.4.7 Water Services Development Plan

As a Water Services Authority (WSA), the Stellenbosch Municipality has a duty in terms of Sections 12 and 13 of the Water Services Act, 1997 (Act No. 108 of 1997) to prepare and maintain a Water Services Development Plan (WSDP). The Municipality prepared comprehensive WSDP's in 2007, 2012 and 2019 that is valid for a period of five years.

Where the Department of Water and Sanitation is the custodian of South Africa's water resources, Stellenbosch Municipality's Water Services sees itself as an extension of this custodianship. Water Services is responsible to act in line with the Water Act as well as the implementation of Municipal By-Laws, policies and procedures.

As part of the WSDP package, the municipality maintains:

- Water and sewer master plans;

- Water resources study;
- Annual water audit;
- A water safety plan;
- A drinking water quality sampling programme;
- A water demand management (WDM) strategy; and
- Key findings of the WSDP are outlined below.

The Water Master Plan, Sanitation Master Plan, Bulk Water Resources/Drought Intervention Plan, Asset Register and Pipe Replacement Prioritised Programme were updated in 2019.

Poverty reduction and improved water management are closely linked. Section 4B of the Constitution lists water and sanitation services, limited to potable water supply systems and domestic waste water and sewerage disposal systems, as a local government function.

Basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household.

Due to the severe drought experiences recently and very low rainfall recorded in recent years, the municipalities in the Western Cape had to enforce water restrictions and still have restrictions in place.

Stellenbosch Municipality supplies water to the consumers in their area of jurisdiction through the following water supply systems:

- Stellenbosch (Jonkershoek and Theewaterskloof tunnel);
- Franschhoek;
- Wemmershoek (treated water imported from City of Cape Town);
- Blackheath (treated water imported from City of Cape Town);
- Faure (treated water imported from City of Cape Town); and
- Other own sources (Boreholes).

The total population supplied with water in the Stellenbosch Municipal area amount to approximately 186 274 people. Water is also supplied to a fairly extensive industrial area.

Stellenbosch Local Municipality manages three water treatment works, namely Ida's Valley, Paradyskloof and Franschhoek. The potable water supply from these works amounts to 15.1 Ml/d on average and a further 6.8 Ml/d was obtained from the City of Cape Town during the financial year, ensuring a supply of approximately 21.9 Ml/d to the Municipality's area of responsibility.

Areas supplied from the Wemmershoek water treatment works include half of Franschhoek town, La Motte, Wemmershoek, Pniel, Boschendal, Johannesdal, Kylemore, Lanquedoc, Klapmuts, Koelenhof, Elsenburg, Devon Valley and Muldersvlei. Areas supplied from Blackheath water treatment works include Polkadraai, Spier and Vlottenburg. Areas supplied from Faure water treatment works are Faure, Jamestown, De Zalze, Raithby and Lynedoch. Although these water treatment works fall within the sphere of responsibility of the City of Cape Town, their impact with regard to water quality and quantity needs to be monitored and considered by Stellenbosch Municipality.

Stellenbosch Municipality supplies potable water to the entire municipal area through a network and infrastructure consisting of 56 reservoirs / holding tanks and water towers, 36 water pump stations, 35 pressure reducing valve installations, 667 kilometers of pipeline and 79 water supply zones. The network is fully controlled and operated by a telemetry system.

The bulk water input into the water network for 2018/19 was 8 058 197 Ml, with an annual average daily demand of 21.9 kl/day. About 40% of the water supplied is purified from own water sources at the Ida's Valley and Franschhoek water treatment plants. The balance is supplied by the City of Cape Town and the Paradyskloof water treatment plant, where raw water supplied by the Department of Water and Sanitation is purified. Potable water supplied from the City of Cape Town is analysed on a monthly basis by the City of Cape Town.

Ida's Valley and Paradyskloof water treatment works are equipped with some analytical capabilities and routine plant analyses are performed in-house. A full water quality monitoring programme is further performed for the Municipality by an accredited external laboratory/contractor. Maintenance of equipment is performed in-house and by specialist contractors.

7.4.7.1 Basic services and level of service

- There is no basic water and sanitation services backlog in the urban areas of the municipality. A small number of the households on farms are still without basic water and sanitation services.
- The clinics, hospitals and schools in the municipal area have adequate and safe water supply and sanitation services.
- All indigent households receive free basic water (the first six kilolitres of water) and sanitation services.
- All the formal households in urban areas of the municipality are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. Communal standpipes represent the weakest part of a network's water supply services. Standpipes are often constructed in ways that cannot withstand excessive use (and abuse) and are often neglected in terms of operation and maintenance, adversely affecting the health of its already vulnerable and poor users.
- A sustainable type of water and sanitation facility needs to be provided to the households on those farms with current services below minimum service level standard. Stellenbosch Municipality is committed to supporting the private landowners as far as possible with regard to addressing the current services backlog on farms, as identified through the Cape Winelands Rural Survey of Service Levels.
- From a water services perspective, the most significant challenges are the augmentation of the existing water sources, the replacement and upgrading of old infrastructure to accommodate development, the provision of sustainable basic services to informal settlements, and to ensure the provision of basic services to rural communities located on private farms.

7.4.7.2 Maintenance of infrastructure

Both water infrastructure and sanitation infrastructure require serious remedial investment. About 38,6% of the water supply infrastructure is in a poor or very poor condition and the condition backlog is in the order of R300 million. The bulk of the backlog is made up of the old Asbestos Cemen (AC) water reticulation pipeline assets. About 43.4% of the sanitation infrastructure is in a poor or very poor condition and the condition backlog is in the order of R250 million. The bulk of the backlog consists of the old Asbestos Cement (AC) and Pic Fibre sewer reticulation assets in the Stellenbosch area.
Waste Water Treatment Works.
An Infrastructure Asset Register is in place for all water and sanitation infrastructure. It is critical that an Infrastructure Asset Management Plan is developed and implemented, based on the principle of preventative maintenance to ensure that damage to assets is prevented before it occurs. Assets must be rehabilitated and/or replaced before the end of their economic life and the necessary capital funds must be allocated for this purpose. Maintenance activities have been increasingly focused on reactive maintenance as opposed to preventative maintenance.

7.4.7.3 Current infrastructure projects

- The upgrading of the Paradyskloof WTW was upgraded from a 17 ML/day to 22 ML/day plant and this was recently completed in July 2019.

- During the upgrade the following was done:

- An extra set of four filters were build and the old set totally refurbished;
- The operation of the sand filters was optimised with the installation of upgraded software;
- Remote monitoring and control of pumps were introduced;
- Reuse and recycle opportunities;
- Supernatant water going to sludge dams are being recovered;
- Wash water that otherwise would have been lost;
- With the installation of water meters on the reuse and recycle lines the works are now able to:
  - optimise the usage of water supply to our plant, and
  - optimise the treatment protocol to ensure potable water.
- Stellenbosch WWTWs is currently in the final completion of phases one and two;
- Wemmerhoek WWTW is due for an upgrade due to the amount of new development applications and higher standards required by the department of Water and Sanitation (DWS) for effluent being release into the rivers;
- Pniel is currently on the programme to be refurbished in 2020/22, with a Risk Reduction Action Plan that is being implemented, in order to improve the performance of the existing WWTWs and to ensure that the treated effluent discharged from the WWTWs complies with the legal requirements;
- New reservoirs for the Vlottenburg and Northern Extensions are currently in detail design/tendering stadiums to be implemented during the next few years. A new reservoir for the Jamestown development is also finalised; and
- New and upgraded outfall sewers for Northern Extensions, Dorp Street, Merriman Street is under construction or due to start in near future.

7.4.7.4 Water Demand Management

Although the Municipality has a block step tariff system that discourages wasteful or inefficient use of water, the implementation of comprehensive water demand management interventions has been limited, primarily owing to a lack of human resource capacity to undertake the necessary work, and budget constraints.

The Municipality needs to actively implement the WDM strategy in order to reduce the current percentage of non- revenue water as far as possible and to keep the future water demand as low as possible.

7.4.7.5 Climate Change

In terms of adapting for climate change, water systems will need to be more robust and new or alternative sources of supply may need to be found. Increased skills will be required from water managers and long-term water projections are required. Although an overall decrease in rainfall is not generally forecast, increased variability in the climate and frequency of extreme events, as well as increased temperature and wind could have an impact on water sources, particularly surface waters. It is therefore advisable for the Municipality to maintain a conservative approach to the management of water sources, including the following actions:

- Establish assurance of supply levels of all water sources;
- Increase assurance of supply of the water resources by ensuring that there is at least 10% additional capacity (headroom), when considering the maximum 24-hour demand on the peak month of the year;
- Do not undertake new developments unless a proper investigation of the implication on water sources and sustainability in the long term has been undertaken;

- Vigorous implementation of WDM measures, especially in terms of increased water efficiency, frequent monitoring of the water supply system from the sources to the consumers, and regular and adequate system maintenance and repairs; and
- IRIS monitoring system including the Blue Drop Awards system is active in the municipality and in the past with the Blue Crop system, SM was awarded for four of the Municipality's five water supply systems. Three awards were received in conjunction with the City of Cape Town, which supplies water to these systems – from where Stellenbosch manages distribution to end users. A further Blue Drop Award (the fourth consecutive award) recognised the Stellenbosch water supply system for water treated by the Municipality's Ida's Valley and Paradyskloof water treatment plants. The Department of Water Affairs acknowledged this exceptional performance by awarding a silver award to Stellenbosch.

The Municipality did not receive a Blue Drop Award for the Franschhoek water supply system which receives water from its own Franschhoek water treatment works. This was expected because of certain infrastructure challenges in this system. Projects have been initiated to address these issues.

7.4.7.6 Level of Service

In the rural area the responsibility lies with the landowner to manage storm water over his land. In the urban area the responsibility lies with the local Municipality. The objective in storm water management is to be able to accommodate a 1:5-year storm in the residential areas and 1: 2 in the urban areas as contemplated in the Guideline for Human Settlements Planning and Design. The Water Act, 1998 (Act No. 36 of 1998) determines that flood lines should be indicated on development plans. Flood line determination has been done in the past but this information is outdated. The Municipality is currently busy compiling a hydrological model to determine the latest flood lines on the rivers in Stellenbosch and Franschhoek for the urban area. It is a development condition for all future developments to do a flood-line determination.

7.4.7.7 Maintenance of Infrastructure

The system is currently maintained on an ad hoc basis during the dry season. A Winter Preparedness plan is rolled out before the onset of winter to clean all storm water infrastructure. Critical areas have been identified and maintenance teams are deployed when high rainfall is predicted. Localised flooding is experienced during high runoff events. The networks in these problem areas are constantly upgraded to reduce the likelihood of flooding. Priority is given to areas where houses are flooded or likely to be flood.

7.4.7.8 Risk Mitigation

In Stellenbosch erosion of riverbanks is currently a problem and the river maintenance plans and the hydrological model that are currently being determined will give guidance to the interventions that is required to reduce the risk. In some instances, the riverbank erosion will impact on private property. The flood line determination of the La Cotte River in Franschhoek proved that some of the properties along the riverbanks are at risk in the 1:50 and 1: 100 flood events. An environmental process is currently underway to determine the way forward.

7.4.7.9 Risk Mitigation – Drought Response Plan

Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and for power generation.

Due to the thread of re-occurring droughts and very low rainfall recorded in recent years, the municipalities in the Western Cape had to enforce water restrictions. Stellenbosch Municipality implemented Level 1 water restrictions from the 1st of November 2015 to achieve a 10% water

consumption decrease. This was due to low supply dam levels and low rainfall figures during the rainy season.

This was followed with the implementation of Level 2 restrictions from March 2016 due to extreme heat conditions and even lower supply dam levels in Stellenbosch and City of Cape Town. The Level 2 restrictions included the increased tariffs for water consumption to achieve a 20% savings on the water consumption.

In Stellenbosch more stringent water restrictions in line with a level 3 water restrictions were imposed with effect from 1 December 2016 due to the lower than the norm dam levels. Water restrictions in line with Level 3B were implemented 1 February 2017 and the proposal evaluated to include on the spot fines for transgressions of the water restrictions. Stellenbosch has introduced up to level 6B water restrictions in line with CoCT and is currently on Level 2 water restrictions with the aim to save 30% of water obtained from CoCT.

According to Stellenbosch Municipality water savings and restrictions must be seen as necessary in the light of the decreased supply dam levels, specific for the Western Cape. Stellenbosch Municipal also implemented these water restrictions in line with City of Cape Town implemented water restrictions.

The severity of the Drought has also triggered the Municipality to embark on a comprehensive water master plan study that takes a new look at available water resources and investigate alternative water sources to augment the Municipal's existing water supply in the drought. Groundwater is now seen as a potential water source and will be investigated and evaluated after the new water resources study is completed.

Stellenbosch Municipality embarked on a drive to minimise water losses and commenced with a water leak repair programme at indigent properties. These properties are equipped with a smart meter device restricting consumption to 400 liters per day per household.

On the first day of every month the smart meter counter restarts on zero with a new allocation of 400 liters of water per day. A 30-day month will have a total allocation of 12 000 liters of water. This smart meter will protect the owner from unnoticed leaks on the private property and subsequent high water accounts.

The success of this initiative is largely dependent on the co-operation of the consumer taking ownership of the new smart meter. The use of the water demand management device (smart meter) has been implemented nationally with huge success and reduction in water losses.

The project is currently underway and has been received with a positive reaction from the community.

The new Water Services By-Laws were also finalised and approved by council and promulgated. This will contribute to increase management and control of water and sanitation related aspects with in the Municipality.

During the last official Blue Drop certification (2012), Stellenbosch Municipality achieved Blue Drop certifications for four of its five water supply systems, with a total Blue Drop score of 95.56%. The Municipality achieved a platinum award for the Stellenbosch Water Supply System for achieving Blue Drop accreditation three times, every year since the programme's inception in 2009.

The following planning documents are continuously updated to include the latest planning: the Water Master Plan, Drought Response Plan, Water Services Audit Report and the Pipe Replacement Study and Model and all projects and daily operations are done in line with the aforementioned studies and guidelines.

7.4.7.10 Backlogs in water and sanitation Services

A municipality as a Water Services Authority (WSA) has a duty to all its customers or potential customers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable

access to water and sanitation services to promote sustainable livelihoods and economic development. To ensure this it is important that the backlogs within the water and sanitation infrastructure should be addressed. Backlogs could be defined in three broad categories:

- Backlogs regarding access to basic water and sanitation services. (Basic water and sanitation services in terms of RDP standards);
- Conditional backlogs (lack of maintenance); and
- Capacity backlogs (increase in consumers).

7.4.7.11 Backlogs - Access to basic levels of Services

All indigent households receive free basic water (the first ten kilo-liters of water) and sanitation services.

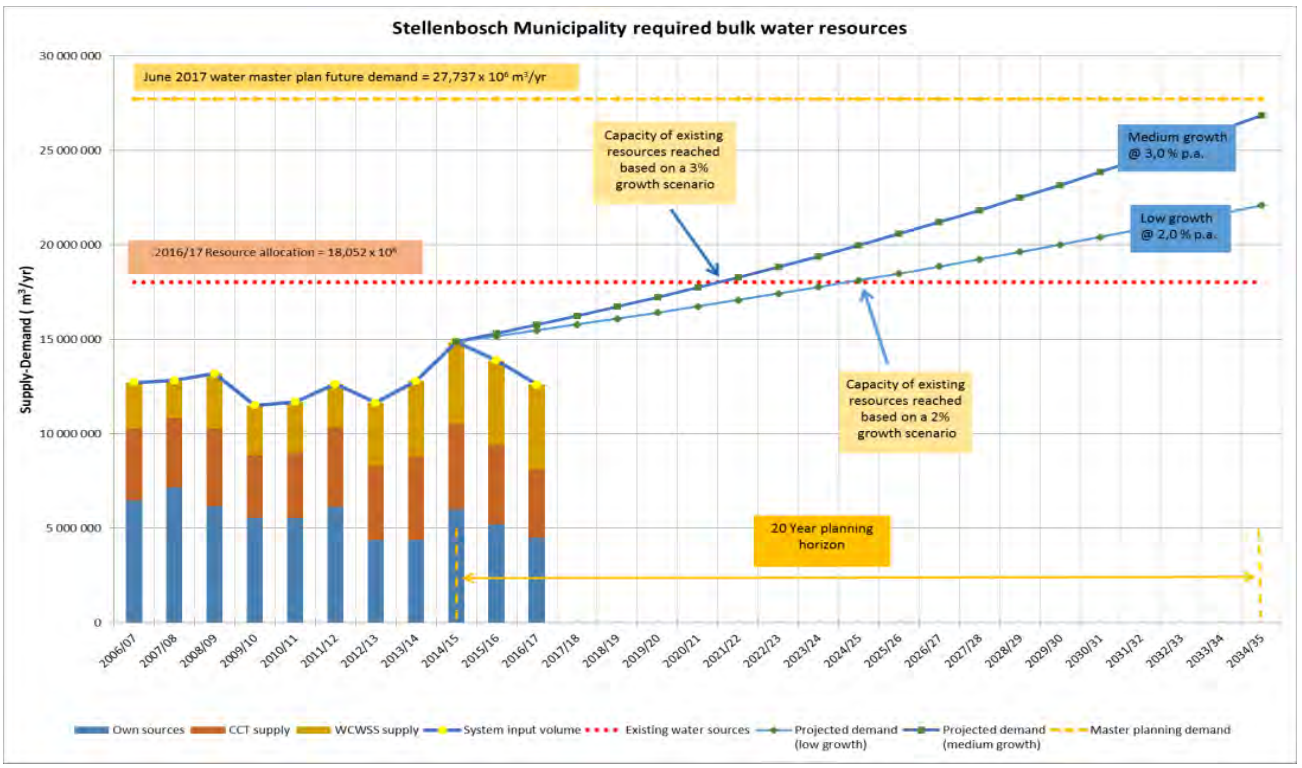
All the formal households in urban areas of the Municipality are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. Communal standpipes represent the weakest part of a network's water supply services. Standpipes are often constructed in ways that cannot withstand excessive use (and abuse) and are often neglected in terms of operation and maintenance, adversely affecting the health of its already vulnerable and poor users.

A sustainable type of water and sanitation facility needs to be provided to the households with current services levels below RDP standard. Stellenbosch Municipality is committed to supporting the private landowners as far as possible with regard to addressing the current services backlog on farms.

7.4.7.12 Conditional and Capacity Backlogs of Infrastructure

Resolving inequality and growing the economy will require access to water and sanitation services for the 20 000 new residential units proposed for Stellenbosch Municipality. This will require a doubling of infrastructural service points over the next 10 years.

Figure 39: Water supply and accommodating growth (Total for WC024)



Updated growth in demand: 20 year planning horizon

- Detailed water balance and future water demand projection models were developed as part of the WSDP process, in order to plan adequately for the augmentation of the existing water sources.

Groundwater is now seen as a potential water source and will be investigated and evaluated after the new water resources study is completed.

7.4.7.13 Borehole Drilling in WC024

Part of the drought mitigation plan was to manufacture and install water purification plants in the Stellenbosch Municipality water networks at strategic positions. The containerised water purification plants treat water up to SANS 0241 standards before it is included in the water supply networks.

Figure 40: Stellenbosch Containerised WTW being manufactured

Figure 41: Stellenbosch Containerised WTW – Van der Stel

Figure 42: Water Losses July 2018 to June 2019

	System input volume: July 2018 to June 2019 ; kl *			**8 058 197**	**100%**
	(water demand in reticulation system)				
Potable water system	Authorised consumption 88,1%	Revenue water 79,2%	Billed metered (normal) •	4 365 994	54,2%
			Billed metered (indigent)	1 625 305	20,2%
			Billed unmetered	390 503	4,8%
		Non-revenue water 20,8%	Unbilled metered	241 746	3,0%
			Unbilled unmetered	16 116	0,2%
			Informal areas not metered	462 601	5,7%
	UAW 11,9%		Losses in bulk supply system	0	0,0%
			Apparent losses	402 910	5,0%
			Real network losses	553 022	6,9%
	Non-revenue water (NRW) ; kl			**1 676 395**	**20,8%**
	Real network losses ; kl			**553 022**	**6,9%**

During the 2018/19 financial year, the Municipality recorded 21.8% non-revenue water.

7.4.8 Long Term Water Conservation and Water Demand Strategy

The Long Term Water Conservation and Demand Management Strategy was approved by Council on Tuesday, 25 February 2014. Water Conservation and Demand Management (WC/WDM) is mostly more cost effective and has less environmental impact when compared with developing new sources of supply, provided there is scope for implementing WC/WDM measures. The payback period for the implementation of WC/WDM in this municipality is 3 years which is considerably less than the 20 years that one would expect with major infrastructure projects. A service provider has been appointed for the update of the WCWDS. Updating of the plan was finalised during 2019.

It is therefore an effective way of delaying the development of infrastructure for new water resources and reducing the need to new and upgrade bulk infrastructure.

WC/WDM involves measures which:

- Reduce real water losses in the water network;
- Reduce the consumption of the municipality and consumers;
- Increase the re-use of water by the municipality and consumers;
- Increase the use of alternatives to potable water by the Municipality and consumers; and
- Implement and use Management Information Systems to monitor and control water consumption.

The current bulk water input into the water network is about 21,900 kiloliters per day (Kl/d) with a level of unaccounted for water (UAW) of 11.9%.

Figure 43: Stellenbosch Bulk Water savings

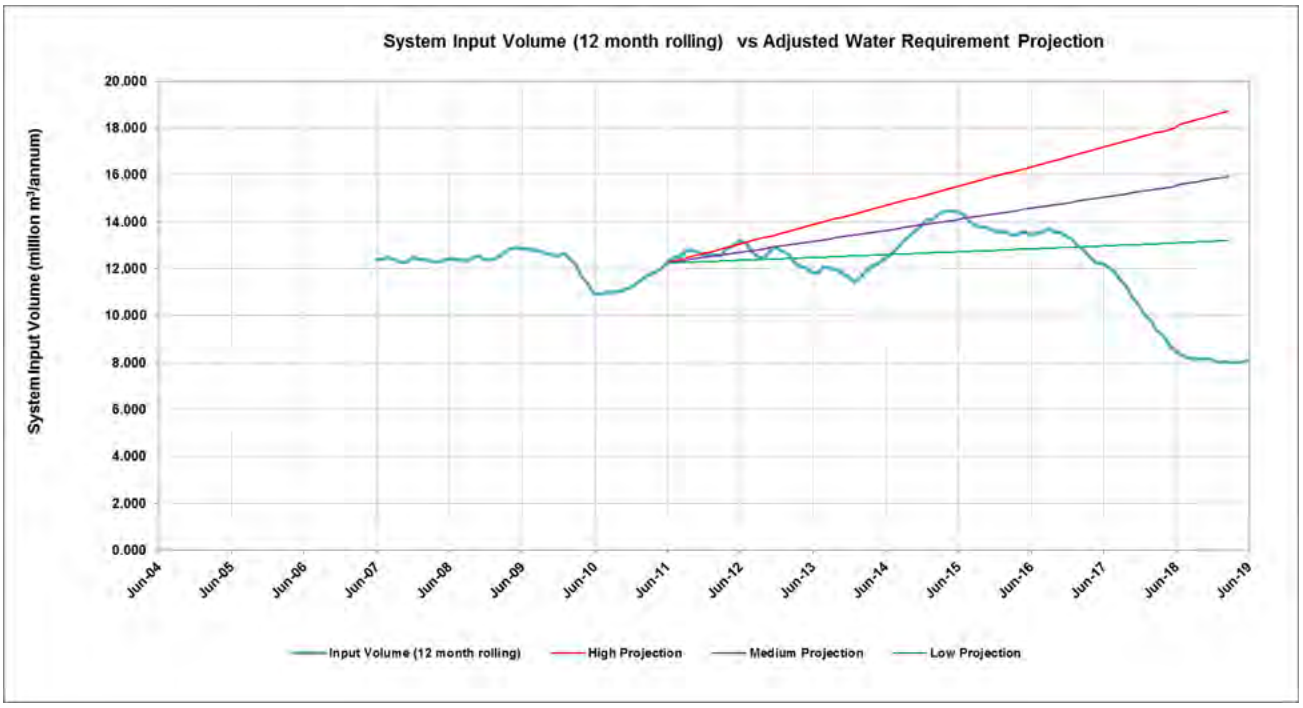
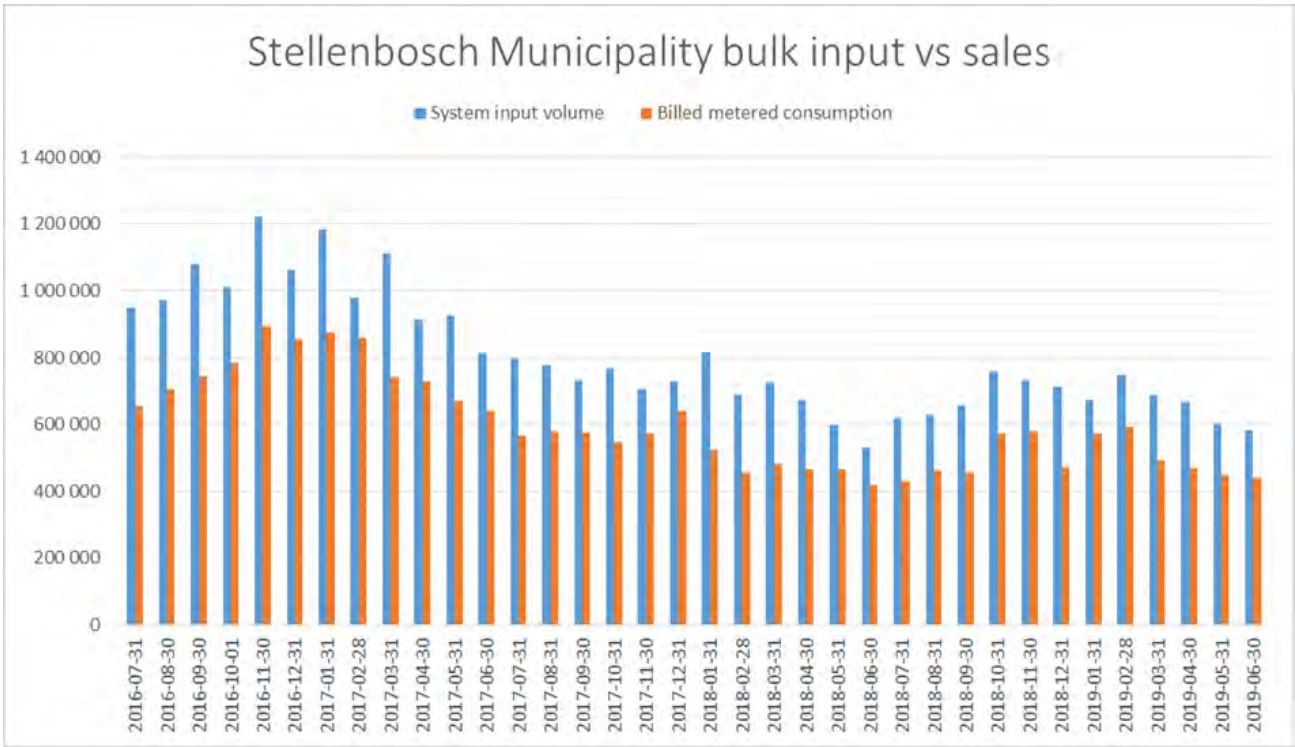


Figure 44: Stellenbosch Bulk Water sales



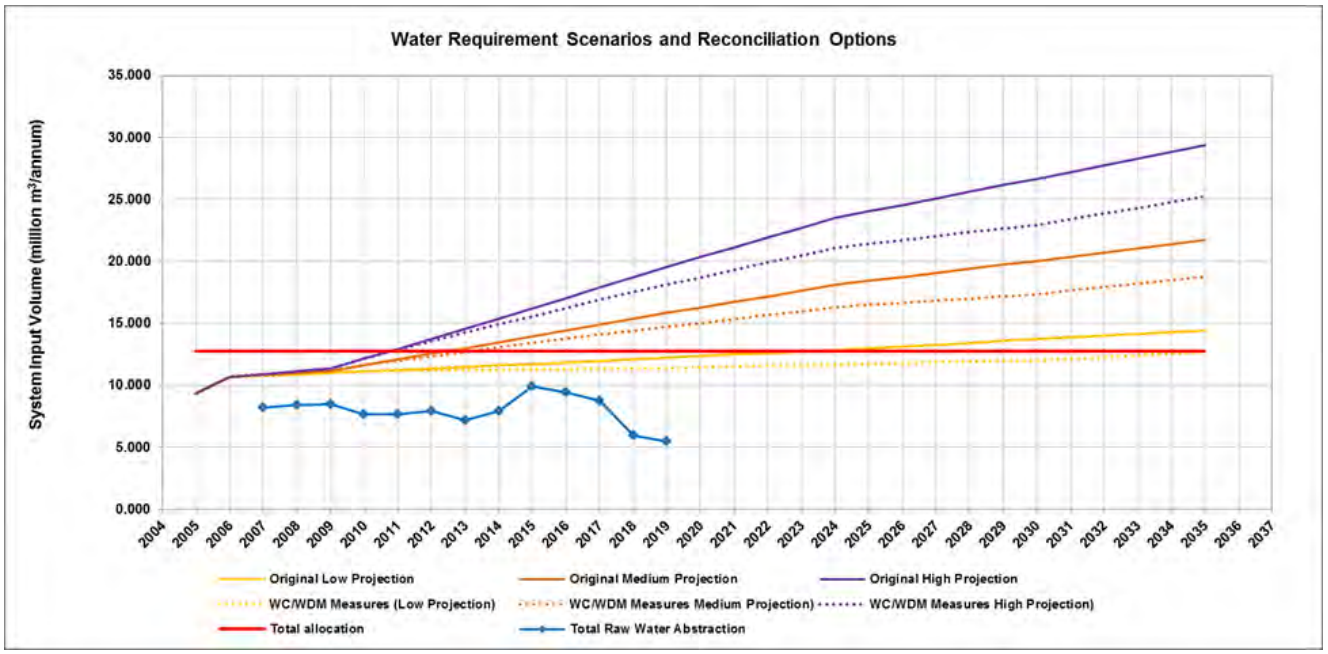
A comprehensive WC/DM strategy which includes a 10-year financial plan has been developed. The strategy has two goals. The municipality will:

- Prioritise the implementation of Water Conservation (WC) and Water Demand Management (WDM) strategy; and
- Ensure on-going planning, management, monitoring and enabling environment.

This report recommends that the Municipality adopt WC and WDM as a key service delivery strategy. The WC/WDM Strategy outlines what initiatives need to be taken each year, an estimated budget for each initiative and the water savings that can be expected. The strategy will need to be updated annually incorporating the measures already implemented and those still to be implemented. It is expected that a total savings of 7,846 kl/d (26%) can be achieved over the next 10 years.

The unrestricted growth in water demand versus the growth in water demand assuming WC&WDM is implemented as shown in the figure below.

Figure 45: Unrestricted versus WDM growth in demand



Note that each town in the Municipality has water supplies independent of each other. When implementing WC/WDM in the municipality it is critical to implement in those towns where the existing supply will become inadequate for the demand the soonest. This will enable the municipality to delay the implementation of expensive infrastructure. The estimated budget required is about R40 million over 10 years.

The Municipality embarked on a Drought Intervention programme that accelerated and expanded some of the WC/WDM plans and programmes.

Figure 46: Updated growth in demand: 20 year planning horizon

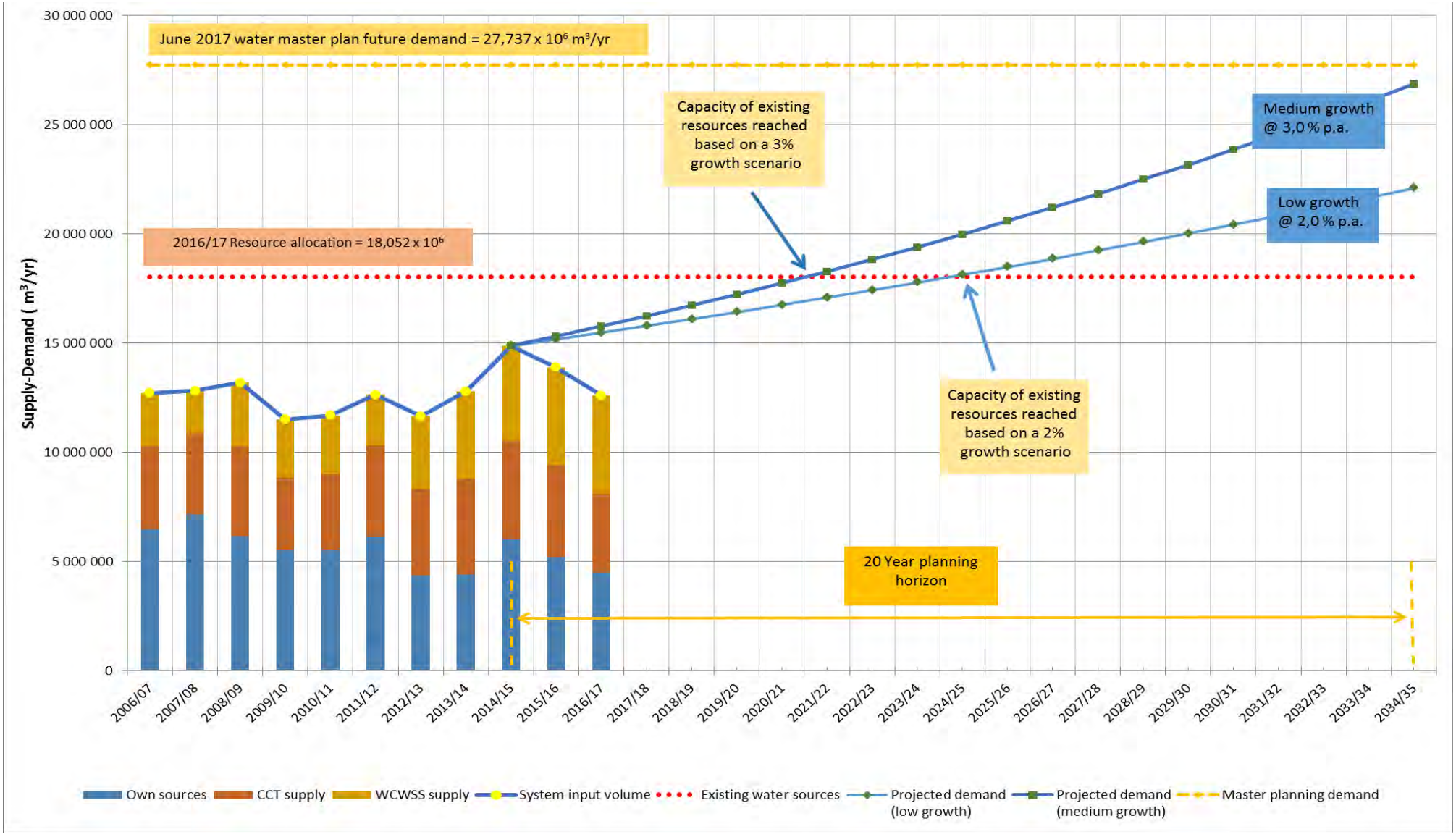


Figure 47: Updated growth in demand: 20 year planning horizon

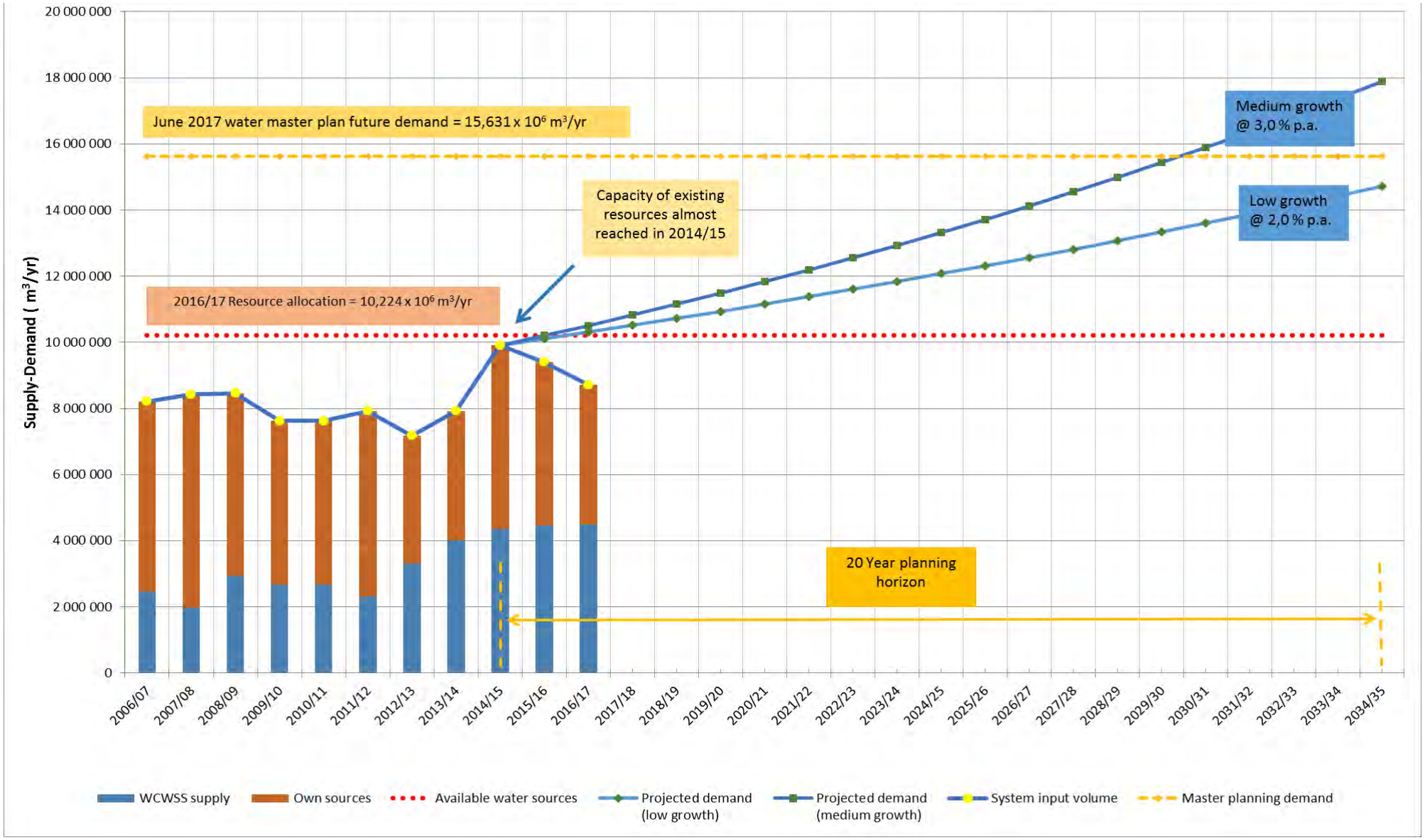
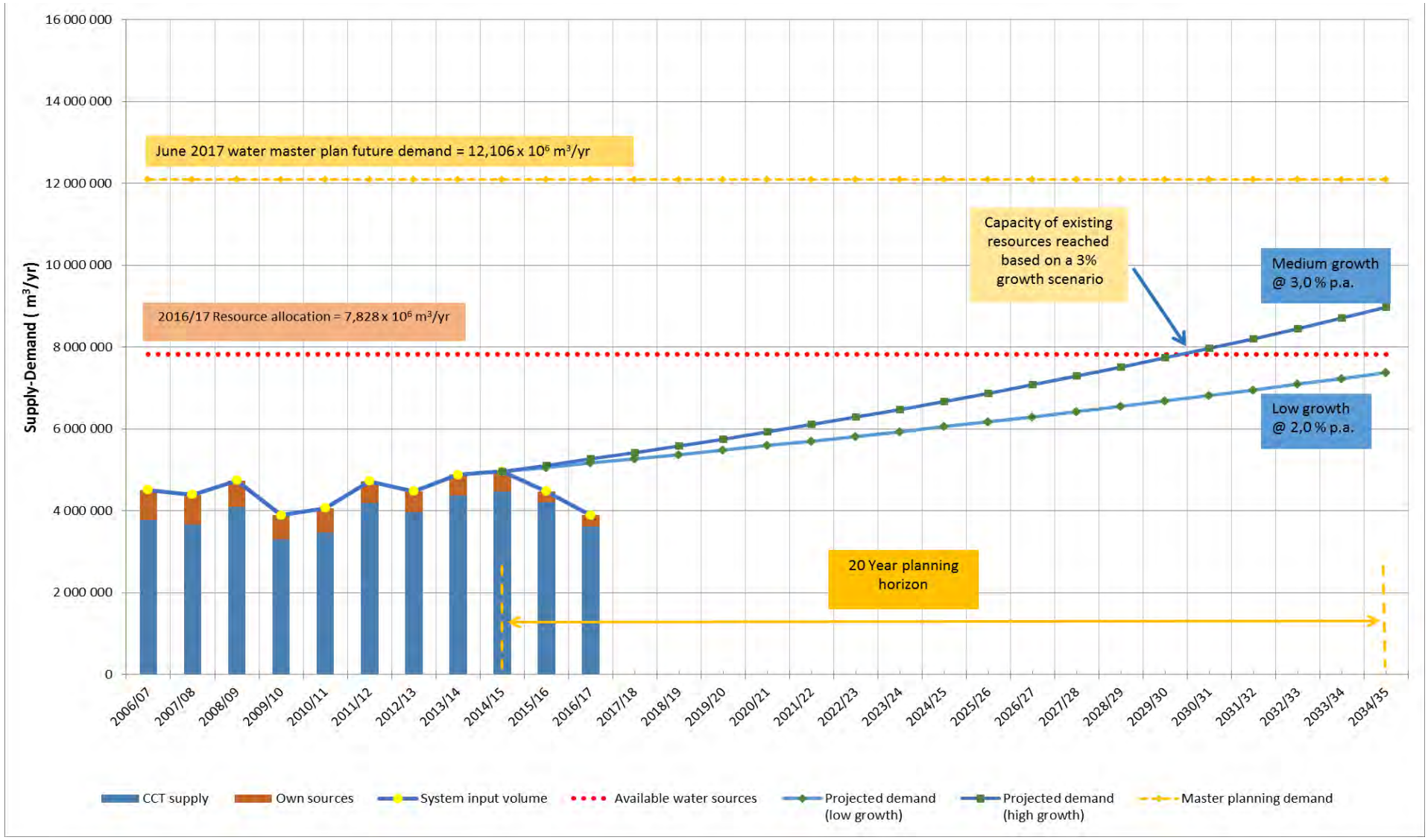


Figure 48: Updated growth in demand: 20 year planning horizon



7.4.9 Safety and Security Strategy

7.4.9.1 Vision

The Safety and Security strategy aims to create and make Stellenbosch municipality a safer town in the country.

7.4.9.2 Mission

Through multi-disciplinary integrated planning and co-operative governance, maintain a zero tolerance approach towards achieving a safer environment for all residents of/and visitors to the Greater Stellenbosch Municipal area.

7.4.9.3 Objective

Stellenbosch Municipality has identified one of its strategic objectives that have become their focal points namely:

Safest Valley

In order to give effect to this objective, the safety and security strategy, plans to reduce and address crime by jointly taking hands with internal and external role-players. This will promote a safe environment, for all its citizens and visitors to the Greater Stellenbosch area.

7.4.9.4 Background

Stellenbosch Municipality is committed to safety and Security. Safety and security is not just a national, provincial or local government competency but a partnership between formal and informal constituencies and predominantly the community members within its municipal area.

The Constitution upholds the notion that everybody has the right to freedom and security of the person. The safety of persons and property is therefore vitally important to the physical and emotional well-being of people and business. Without the respect of persons and property, it would be impossible for people to live peacefully, without fear of attack and for businesses to flourish. The extent of crime in South Africa does however not only have a significant impact on the livelihood of citizens, but also affects the general economy. Crime hampers growth and discourages investment and capital accumulation. If not addressed with seriousness, it has the potential to derail both social and economic prosperity.

Crime is unwanted in any society because it brings about fear, anger and hatred. As people living in a world of constant change, we tend to strive for innovation and therefore this strategy involves a multi-disciplinary approach by all stakeholders to ensure safety for all communities within the Greater Stellenbosch area including our visitors. The purpose of this strategy is thus to reduce crime and increase safety by using an integrated approach to address the community's need for safety and security. To ensure sustainability, the safety and security strategy is a living document that is continuously being revised. Strategies and methods have been improved which led to the implementation and strengthening of a combined strategy between the Municipality, SAPS, the University, local communities and all other safety stake holders.

This Safety and Security Strategy is reviewed on an annual basis and updated to fulfill the on-going demand and challenges for a safer environment to all residents, visitors and tourists.

7.4.9.5 Strategy

Strengthening partnerships and using the platform of the SSI, are the basis of the Stellenbosch Municipalities Safety Strategy. The breakdown of silos is of utmost importance and no strategy from any role-player can succeed, unless a multidisciplinary approach is embarked on. With the establishment of the SSI in 2014 only certain role-players joined the SSI and it is now envisaged that the SSI be rolled out to all role-players within every neighbourhood and become part of this initiative.

Extensive stakeholder consultation is part and parcel of the municipality's approach in developing a collective strategy against crime. Our key partners are:

- South African Police Services;
- Department of Community Safety (DOCS);
- Community and Neighbourhood watches;
- Community Policing Forums (CPFs);
- Private and Corporate businesses;
- Private Security companies and Farm watches;
- Correctional Services;
- Department of Justice;
- Campus Control University of Stellenbosch; and
- Stellenbosch Municipality
    - Law Enforcement
    - Traffic Services
    - Fire and Rescue
    - Disaster Management.

Building collaborative relationships with our community stakeholders and highlighting Council's commitment to maintain strong partnerships with primary Law Enforcement Agencies, remains the foundation of ensuring safety throughout the Greater Stellenbosch

Communities are being mobilised and supported to establish Neighbourhood watches and formalise their respective neighbourhood watches which will be issued with equipment from DOCS and the municipality to aid in their fight against crime and to be the eyes and ears on the ground. Training will also be provided by the municipality to enhance the training which neighbourhood watches receive from DOCS. Radios will be provided to enable communication with the Municipalities Protection Services control room.

The Municipality's control room is envisaged to house role – players form neighbourhood watches, security companies, SAPS, Municipal officers from Protection Services with a link to the University of Stellenbosch control room and cameras. The SSI is open to any role-player in contributing towards the safety within the municipal boundaries of Stellenbosch. One dedicated emergency number will be provided to residents within the municipal boundaries which will enhance response to emergency services required. The number will be **021 808 8999**. A WhatsApp number to report complaints within the municipal boundaries of Stellenbosch will also be made available for reporting purposes. The number is **079 622 4722**

Initiatives have and will continue to be launched as it contributes and make communities aware in terms of crime prevention tips and other preventative tips for example fire safety, what to do in case of disasters etc. This will be a joint approach between role-payers and supplemented based on crime patterns and situations experienced. Training will also be provided to enhance safety initiatives for example road safety (crossing of roads) etc.

7.4.9.6 Law Enforcement

With the additional powers of law enforcement officers which were promulgated in the Government Gazette on 19 October 2018 by Declaration 1114 in GG41982, it has given the law enforcement officers more arresting powers in terms of certain offences which was not previously the case. This meant that all law enforcement officers had to undergo appropriate training and be re-issued with competency certificates as peace officers. Stellenbosch Municipality was fortunate that the South African Police Services agreed to provide the basic minimum training which made it possible to have them re-appointed as peace officers.

With the review the Safety Strategy, the Municipality have to adapt to the changing environment of crime in our area and assist the police in every aspect of crime prevention to be able to make an impact. It is common knowledge that criminals become smarter which means that we have to think smarter to always be one step ahead.

The Municipality have completed all 3 phases of the action plan as identified during the previous review. This include the installation of License Plate Recognition cameras (LPR) at all the main entrances and exits to Stellenbosch and Franschhoek towns. These LPR cameras are supplemented with additional LPR cameras within residential areas which make it possible to track the direction of suspect vehicles linked to crime picked up by these.

Focus of Law Enforcement:

- Effective monitoring and surveillance of CCTV cameras with reaction units to respond immediately;
- Zero tolerance approach towards petty crime - visible Policing focussing on CBD's;
- Weekly operational planning with SAPS and Safety Partners;
- Amendment of the structure of Law Enforcement to accommodate needs;
- Establishment of a Tactical Response team;
- Strengthening coordination of communication Strategies between neighbouring municipalities;
- Social Crime Prevention Strategies in conjunction with Community Development Department in terms of Council's Street People Policy;
- Liaise with District Municipality in terms of sharing of resources and information flow;
- Further investigation into technology to improve enforcement strategies;
- Compiling of camera master plan for WC024 area of Stellenbosch;
- Enforcement of Bylaws;
- Law Enforcement to form part and execute all actions as planned by the SSI initiative according to crime intelligence and crime analysis, focused on priority crimes;
- Finalisation of joint control room;
- Issuing of radios to all neighbourhood watches to be able to communicate with the Stellenbosch Municipality control room/ SSI partners;
- Extended training interventions to Neighbourhood watches;
- Supporting Neighbourhood watches with equipment;
- Implementation of the Rent A Cop / externally funded law enforcement / traffic warden positions; and
- Implementation of the Reservist policy.

7.4.9.7 Disaster Management

It is generally accepted that disasters are having an increasing impact on our lives, property, environment, infrastructure, and economic and social activities. Globally, severe weather and other natural phenomena, as well as human activities, are exacting a heavy toll on the Municipality and the environment that the Municipality depend on.

The results of disasters are human suffering, and damage to the resources and infrastructure on which humans rely for survival and quality of life. In the aftermath of a disaster, it is critical to rapidly determine the exact nature of the impacts and what will be required to restore the situation, or preferably to improve the situation by reducing vulnerability to future impacts.

It is even more important to intervene pro-actively, before disasters occur, to influence the process by which disaster and operational risks develop, due to increasing vulnerability, resulting in decreasing coping capacity.

Stellenbosch Municipality is primarily responsible for the implementation of the Disaster Management Act within its area of jurisdiction, with a specific focus on ensuring effective and focused disaster risk reduction planning. The purpose of Stellenbosch Municipality Disaster Management is to ensure co-ordination of multi-disciplinary and multi-sectorial risk reduction through integrated institutional capacity for Disaster Risk Management, Risk Assessment, Response and Recovery and implementation of measures aimed at:

- Preventing or reducing the risk of disasters;
- Mitigating the severity or consequences of disasters;
- Emergency preparedness;
- A rapid and effective response to disasters; and
- Post- disaster recovery and rehabilitation.

As per Section 53 (1) of the Disaster Management Act, 2005 (Act No. 57 of 2005) each municipality must:

- prepare a disaster management plan for its area according to the circumstances prevailing in the area;
- co-ordinate and align the implementation of its plan with those of other organs of state and institutional role-players; and
- regularly review and update its plan.

The Disaster Management Plan of the Municipality is reviewed annually and:

- anticipates the types of disasters that are likely to occur in its area of jurisdiction and their possible effect;
- places emphasis on measures that reduce the vulnerability of disaster-prone areas, communities and households at risk;
- promotes disaster management research;
- identifies and address weaknesses in capacity to deal with disasters;
- provides for appropriate prevention and mitigation strategies;
- facilitates a rapid and effective response to disaster; and
- Post-disaster recovery and rehabilitation.

The first step for action is to make risk reduction a priority with a strong institutional basis for implementation. In South Africa, Disaster Risk Management is now regarded as 'everybody's business', emphasising the responsibilities of all role-players, and is especially not limited to those historically associated with Disaster Management.

The Disaster Management Act also recognises that disasters know no boundaries and that plans and strategies should be finalised in conjunction with neighboring municipalities and higher/lower spheres of government to curb, where practical, the onslaught of disaster risk.

In step with the multi-disciplinary and cross-sectorial nature of disaster risk reduction and resilience building, there are of course many specific topics that could be covered under the re-evaluating resilience banner.

The key objective of this Strategy is:

- To identify risks and create awareness of the dangers and consequences of disasters, involving communities;
- To learn from the past disasters related experiences of communities living along vulnerable areas;
- To involve school going and out of school youth in disseminating disaster risk related warnings or messages;
- Obtaining commitment from public authorities;
- Stimulating interdisciplinary and inter-sectorial partnership and expanding risk reduction networking at all levels;
- Manage the implementation, monitoring, evaluation and reporting sequences of outcomes associated with plans and programmes designed to accomplish key service delivery objectives with respect to Disaster Management;
- Orderly identify risks and vulnerability or potential disaster situation relating to the communities and infrastructure throughout Greater Stellenbosch;
- Evaluate possible prevention and mitigation measures and prioritise risk reduction projects to be implemented in the municipal jurisdiction including outlying rural communities;
- Speed up response times to ensure that disasters are dealt with efficiently and effectively by providing clear guidelines for the classification of disasters and the declaration of a state of disaster;
- Annual simulation exercises conducted to evaluate and improve on an effective and efficient service delivery system;
- Liaise with neighbouring Disaster Management (Cape Winelands District Council) to ensure planning efforts are consistent, complimentary, mutually supportive and compatible with one another;
- Maintain that all facilities and equipment and operational procedures are in place to be activated at any time;
- Initiate engagement of all local stakeholders and to streamline their efforts in executing the provisions of the Disaster Management;
- To support main job functions and improve performance management processes to ensure quality service delivery;
- Improve safety throughout Greater Stellenbosch;
- Create a disaster-free culture, towards building resilient communities;
- Strive for social cohesion; and
- Disaster Management believes in the holistic development of the human being and therefore focuses on community development and empowerment.

Risk assessment

Current hazards identified which poses a risk to the WCO24.

No.	Current hazards identified which posed a risk on the WCO24
1.	Aircraft accidents
2.	Alien invasive species
3.	Chemical spills: Hazmat
4.	Chlorine stations
5.	Climate change: (high/strong winds, severe heat/cold)
6.	Communicable disease: (Coronavirus)
7.	Crime
8.	Dam Wall Failure: Ida's Valley
9.	Drought
10.	Environmental pollution: (air, water, ground contamination, pesticides)
11.	Erosion
12.	Explosive storage: (fuel, gas)
13.	Fire – Veld and Runaway Fires
14.	Floods
15.	Gail force winds and thunderstorms
16.	General road accidents
17.	Hazardous material (Hazmat) road accident risk
18.	Infrastructure Decay : No / dysfunctional infrastructure / service delivery (sewerage, toilets, grey water, electricity)
19.	Insufficient hydrants
20.	IT – Failure of system: Access to info
21.	Population density – informal areas
22.	Poverty
23.	Power failure
24.	Rock Falls
25.	Seismic: Earthquakes
26.	Strikes / Social conflict
27.	Structural decay
28.	Substance abuse
29.	Transport incidents (road, railway accidents)

Risk reduction strategies

Provide an advocacy platform for all through the Municipal Advisory Forum	All governments, Disaster Management practitioners, NGOs, civil society groups, businesses, academic and scientific institutions, and other interested groups will be able to demonstrate support, highlight achievements and challenges in so doing with a particular focus on life-saving measures.
Provide innovate thinking to achieve goals	Apply innovative approaches to disaster risk reduction through effective strategies to enable communities to be more resilient, should an occurrence/disaster strike.
Develop community participation programmes	Provide community level awareness raising through education, training and involvement to building a professional level cadre at all levels. Change community norms and values, which are often tied to risk and protective factors and in turn create a wider base of support for changing behaviour.
Develop multi-disciplinary relationships	Engage and reinforce through increased partnership and expanded risk reduction networks

The key elements of the 2020 programme include:

- Targeting communities at greatest risk from fire (people with disabilities, elderly etc.);
- partnering with local municipality and fire departments;
- developing strong collaborations with individuals and community organisations,
- using local coordinators (e.g. ward Councillors);
- employing local youth to install the fire alarms through the Expanded Public Works Programme;
- conducting door-to-door visits (e.g. using a home visitation programme);
- combining the smoke alarm installations with fire safety education; and
- Monitoring and evaluating the programme (site visits, surveys, data collection).

On-going programmes

Flood Response	Recruit and training groups in vulnerable areas to be on alert and avail themselves to assist DM during an occurrence/disaster/programmes.
Signage	Provide Information Safety Signage at Critical Points i.e. assembly points, emergency contact numbers.
Safety Programmes at Schools/ ECD Centers / Old Age Home/ Religious Fraternities, other	Develop sustainable programmes to disseminating information on risk avoidance, hazards and their effects and disaster prevention activities. Further develop and ensure effective partnership among NGO's to stimulate risk reduction strategies throughout.
Fire Safety	Engage with informal trade and owners of Spaza shops in combatting fires which could occur at their premises. Emergency numbers to be distributed across all sectors.
Streets outreach	The activities include canvassing, setting up information tables, or distributing information or supplies. By introducing sporting codes as part of the outreach provide coalition between emergency services and the target audience
Risk assessment	Conduct in Jonkershoek to determine the increase of vulnerability to wildfires in the area.
Youth outreach	Based on the principle "We teach a child, we reach a household" has become the norm in Stellenbosch and is an effective way to transfer knowledge and empower the young, fragile, disabled and vulnerable.

7.4.9.8 Traffic Services

Stellenbosch Traffic Services has an obligation in accordance with the Constitution to ensure the safety of all road users within our area of jurisdiction. Road safety and its high fatality rate has become a burning issue and rank as one of the most pressing challenges. This is related to Driver behaviour.

The focus of our traffic services is to deal pro-actively and reactively with the following traffic related matters:

- To ensure the constant free flow of traffic as far as possible;
- To perform all duties in terms of the National Road Traffic Act;
- To perform all duties as peace officer in terms of the Criminal Procedure Act;
- Enforcement of the National Land Transportation Act;
- To achieve a measurable improvement in road user behaviour – including skill, safer decisions and better regard for other road users;
- To reduce the incidence of traffic offences, including speeding, dangerous driving, drunk-driving and driving under the influence of a narcotic substance, dangerous overtaking, moving violations, etc.;
- To ensure that unfit road users are identified and appropriately removed from traffic;

- To ensure that un-roadworthy (including overloaded) vehicles are appropriately removed from traffic;
- To improve the safety level of public transport vehicles and drivers;
- To improve the risk-taking behaviour of pedestrians;
- Identify and address key vehicle road user crash sites on a rolling basis;
- Accident (post-crash) response and information gathering on accident (crash) scenes Ensure that all road safety interventions are intelligence led;
- Parking enforcement/management (including wheel clamping);
- Point-duty during morning, midday and evening peak at critical locations as well as school points as far as possible;
- Special operations focussing on driving under the influence of alcohol or drugs, illegal racing, transportation of illegal substances;
- To develop education programmes for vehicle road users to enhance their road safety knowledge;
- Road safety training and education provided for crèches, nursery, schools, primary/high schools, colleges, university as well as pedestrians, cyclists, farm workers, rehabilitation centres and youth groups. Training also includes learner's licence programmes for youth and scholar patrol and level-crossing awareness;
- Events (road closures, escort duties);
- Incident management of national key points including escorting of dangerous substances;
- Public Transport activities and checking of roadworthy status of governmental appointment of busses;
- ANPR (Automatic number-plate recognition) focussing on offenders with outstanding fines;
- Increase in Impoundment facility;
- Conducting of Driving and learner's license testing;
- Conducting Driver's license conversions/renewals;
- Conducting PrDP applications;
- Conducting Vehicle testing (all class vehicles);
- Vehicle registration and licensing;
- Ensure effective court section functioning with the assistance of the appointed external service provider to process all notices; and
- Sound Financial management of court section.

7.4.9.9 Fire Services

The members of the Stellenbosch Municipal Fire and Rescue Division dedicate their efforts to provide for the safety and welfare of the public through preservation of life, property and the environment.

The role of the Fire and Rescue Services is to deal pro-actively and reactively with the following:

- The pro-active provision of general fire safety guidance and assistance in respect of the venue and users;
- The rescue, saving / protection of life and property from a fire / accident or any other threatening danger;
- Preventing the outbreak or spread of fire;
- The fighting and extinguishing of fire;
- Any other duties as stipulated in the Fire Brigade Services Act;

- Through the Department of Planning and Development and building Department, consolidate initial structural damage assessments from other departments, conduct evaluations of structures, support efforts of property owners to address structural issues;
- Assisting SAPS with inspections at licensed premises to combat illegal activities identified by crime intelligence;
- Determine slide danger areas of informal settlements, oversee the direction, management and cordoning-off of identified slopes and stabilise;
- Activate the Disaster Management Unit in case of any life threatening incident, example; flooding, loss of residence due to fire, etc.;
- Annual evacuations drills are conducted by the Department: Fire Prevention/Disaster; and
- Management at the above said premises.

Primary Fire Prevention functions focus on public education, fire inspection, Law enforcement, and fire/hazardous material release investigations. The integration of activities in these areas will produce the most effective use of available resources and ultimately, result in achievement of the Division's goal - preventing fires, saving lives, minimising injuries, educating the public and protecting property and the environment.

7.4.9.10 Conclusion

The Municipality will focus on its four core mandates as laid out in legislation, and will accordingly conduct operations to focus on these mandates.

Operational outputs will be driven and aimed at achieving our goals as laid out in this Strategy.

The Municipality's social awareness / training programmes are aimed at addressing safety as a whole and provide such interventions to all spheres of communities.

The Municipality accept that the fight against crime cannot be won by any single entity operating in isolation and therefore place great value and importance in embracing collaborative partnerships with various internal and external role players such as SAPS and many other agencies including our communities.

In a proactive approach the Municipality intends to place more emphasis on the "Broken Windows" approach in crime prevention, and rolling it out by means of training interventions to neighbourhood watches within the municipal boundaries of Stellenbosch municipality which will be conducted by the Municipality's own identified Law Enforcement staff members.

The needs of the community must be taken into account, to enable the rendering of a professional, client-centred service that is sufficient and effective. Safety is thus an integrated and multi-agency approach in sharing responsibility and collectively addresses crime.

Potential criminals must be deterred from committing crimes by the presence of active and visible policing structures and by the knowledge that those who commit crimes will be caught and punished, therefore in line with Section 152 of the Constitution it is imperative that communities and community organisations become actively involved in crime prevention initiatives.

7.4.10 Local Economic Development Strategy

Local Economic Development (LED) is not an explicit municipal function as defined in the Constitution of the republic of South Africa, 1996. Instead it is an obligation imposed on local government in terms of Sections 152 and 153 of The Constitution, which determine amongst others that the objects of local government are to promote social and economic development to strive, within its financial and administrative capacity, to achieve the objects set out in The Constitution, Amongst others through budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

Stellenbosch Municipality is thus legally compelled to promote social and economic development in its area of jurisdiction and should play the leading role in municipal sector planning.

The focus on individual economic sectors and spatial planning as the key focus areas, rather than on social and economic development results tends to delink economic growth benefits (increase in indicators like GDP, per capita income, etc.) into local economic development benefits (Improvement in the life expectancy rate, infant mortality rate, literacy rate and poverty rate).

Local economic development is the means of systematic identification, development and utilisation of economic opportunity, to benefit local businesses and create opportunities for local communities in order to improve the lives of residents. (Where there is positive link between economic growth and local economic development).

- As the private sector grows inclusively, poverty is reduced sustainably through job creation, and public sector income also increases.
- The growth of the informal economy reduces the demand for jobs while increasing the number of entrepreneurs and potential contributors to the private sector demand.

The health of the entire economy is important. The economy does not divide neatly into 'formal sector' and 'informal sector'. Rather, the different sectors, such as manufacturing, tourism, services, and construction, are on a continuum which has a more formal and a more informal end.

The great challenge to local government, in its support for economic development, is to enable the creation of as many opportunities for work as possible, at different points long the continuum, while ensuring health and safety, orderly planning and management. All work, whether in the more formal or more informal ends of the continuum, has to be valued, and especially when unemployment is high, and when there is a highly probable link between unemployment and crime. The numbers of people relying on the informal economy for work can and will increase and the formal economy struggles to grow and make meaningful progress in global markets.

Give the above Local Economic Development is therefore a multi-stakeholder effort in support of creating economic opportunities to for both the private sector and the local community.

7.4.10.1 Strategic approach

The strategic approach to LED in broad is to create opportunities at both ends of the continuum in the following ways:

- To maximise prospects of sustained economic growth, stakeholders must be permitted to strengthen their competitiveness and collaboration within the local business environment. Networking, local government responsiveness to business needs, effective service delivery and business oriented organisational structuring will be used to address this aspect;
- New business development or investment and expansion of existing businesses will be actively promoted, as the consequence of increased investment more often than not resulting in new

jobs and local economic growth. Spatial development framework planning, the Integrated Zoning Scheme, aligned municipal infrastructure services provision and municipal financial management tools will be used to address this aspect;

- It appears that the formal economy is rapidly becoming more informal, as seen in the increase in the number of occupational practices and businesses run from residential premises. The informal economy offers diverse opportunities for absorbing those who have lost their jobs, and for new entrants into the economy. The integrated zoning scheme, aligned municipal infrastructure services provision and municipal financial management tools will be used to address this aspect;
- Create an enabling environment. An enabling environment refers to "a set of policies, institutions, support services and other conditions that collectively improve or create a general business setting where enterprises and business activities can start, develop and thrive." Spatial Development framework planning, the integrated zoning scheme, aligned municipal infrastructure services provision and municipal financial management tools will be used to address this aspect; and
- The formal and informal parts of the economy are mutually interdependent. The good health of one depends on the good health of the other. It is difficult to promote growth of smaller enterprises, if the overall rate of economic growth is slow. Dedicated networking projects to create opportunities for the informal economy to contribute to the demands of the formal economy will be used to address this aspect.

7.4.10.2 Operations

The implementation of the strategic approach is informed by multiple stakeholders, engagements and consists of multiple tactics which are informed by regular engagements with stakeholders. These public participation engagements include sector stakeholder engagements and Integrated Development Plan engagements with all 22 wards within the Stellenbosch Municipal jurisdiction. The strategy is constantly evolving as more relevant information on the local economy and local community becomes available.

To maximise prospects of sustained economic growth, stakeholders must strengthen the systemic competitiveness of the local business environment for key sectors. Investors seek such a competitive place to do business from. Once they invest (new or expansion) the consequence more often than not are new jobs and growth.

Table 72: STRATEGY 1: Ensure effective local business networking and sector consultation to improve the Municipality's responsiveness to local businesses, entrepreneurs and the economic environment

STRATEGY 1: Ensure effective local business networking and sector consultation to improve the Municipality's responsiveness to local businesses, entrepreneurs and the economic environment.	
Programme:1	**Sectoral Meetings**
Description	Regular meetings with different sectors of the local economy.

Table 73: STRATEGY 2: Establish a networking and mentoring system to ensure SMME development

STRATEGY 2: Establish a networking and mentoring system to ensure SMME development.	
Programme :1	**Business Outreach Programme**
Description	Regular seminars and workshops for SMME facilitated by the Municipality and Private Sector Partners
Programme: 2	**Mentorship Programmes**
Description	Annual mentorship programme in collaboration with a Non Profitable Organisation consisting of retired professional business people from Belgium and local business people.

Table 74: STRATEGY 3: Proactively identify opportunities for new investment and expansion.

STRATEGY 3: Proactively identify opportunities for new investment and expansion.	
Programme: 1	**Red Tape Reduction**
Description	Fast track land development approvals and authorisations to reduce turnaround time for investors.
Programme: 2	**Identification of new niche markets and other opportunities in the local economy.**
Description	Inclusion of new economic opportunities in the IDP and Economic Development Strategy identified during the municipal public engagement processes for evaluation of feasibility and implementation with stakeholders.

Table 75: STRATEGY 4: Create an enabling environment in the informal economy.

STRATEGY 4: Create an enabling environment in the informal economy.	
Programme 1	**Informal Markets**
Description	Establish informal trading markets, community markets and farmers' markets at appropriate venues, with a focus on high-intensity pedestrian and tourism routes and places.
Programme 2	**Local Economic Development Hubs.**
Description	Establish local economic development hubs and allow for the outsourcing of the management of the Hubs to improve efficiency and to strengthen local business opportunities. These hubs will provide to provide entrepreneurs, start-up businesses or growth-orientated SMME's access to appropriate rental space, affordable businesses services, flexible leases and access to the mainstream economic activities, where better market access could improve their success ratios.
Programme 4	**Development of Public Open Spaces**
Description	Facilitate the development of recreational attractions in selected natural environments and established cooperatives in local communities to participate in the development, management and marketing of these attractions.

Table 76: STRATEGY 5: Manage and develop tourism as one of the key economic sectors

STRATEGY 5: Manage and develop tourism as one of the key economic sectors	
Programme 1	**Tourism Development**
Description	Facilitate the development of tourism attractions, as contained in the Local Economic Development Strategy, in all sectors and at all levels of the local economy.
Programme 2	**Development of a Tourism Policy**
Description	Ensure implementation of strategies to develop and transform the tourism sector, and ensure equitable and appropriate funding.

Table 77: STRATEGY 6: Facilitate rural development and farmer support

STRATEGY 6: Facilitate rural development and farmer support	
Programme 1	**Access to Municipal Agricultural Land**
Description	Facilitate the development of new farming operations for emerging farmers on municipal land and through cooperation with existing farms.
Programme 2	**Collaboration**
Description	Collaborate with the Departments of Agriculture, Rural Development and Land Affairs around land and farming matters.
Progress	Two areas in the Stellenbosch Municipal area has been identified as possible sites for a proposed Halaal Industrial Park. The feasibility studies on both sides have been completed and intergovernmental engagements are currently taking place to decide on the preferred site.

Table 78: STRATEGY 7: Facilitate the participation of local and small businesses in the provision of municipal services

STRATEGY 7: Facilitate the participation of local and small businesses in the provision of municipal services	
Programme 1	**Implementation of Smart Procurement strategies**
Description	A tool for business development and contractor development through the Supply Chain Management process.

Table 79: STRATEGY 8: Facilitate income generating opportunities for the unemployed.

STRATEGY 8: Facilitate income generating opportunities for the unemployed.	
Programme 1	**Expanded Public Works Programme**
Description	The provision of income generating opportunities and skills development by making use of labour intensive methods is public funded.

7.4.11 Community Development Strategy

The Department of Community Development must also give effect to the Constitution of South Africa 1996 (Section 152 – the objects of local government) in that it must see to the objects of local government (To promote social and economic development; and to promote a safe and healthy environment).

Moreover, Schedule 4b and 5b also lists functions of local government to include the following which has relevance to Community Development functions:

- Child care facilities;
- Building regulations (with reference to SANS 10400S);
- Municipal Planning (with reference to ECD registration applications and provision to be made for social infrastructure inclusive of education and health services);
- Municipal public works (accessibility);
- Local amenities (with reference to the contribution to social development);
- Local sport fields (with reference to the contribution to social development);
- Municipal parks and recreation (with reference to the contribution to social development); and
- Municipal roads (accessibility).

The Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005) (IGRFA) which defines the relationship between the three spheres of government and facilitates co-ordination in the implementation of policy and legislation, includes coherent government, effective provision of services, monitoring implementation of policy and legislation and realisation of national policies. Because these services are primarily provided by national and provincial spheres of government, but significantly affect local communities and residents, this department/function plays a pivotal role.

The MSA further demonstrates in chapter 4 the mandate of the Municipality to develop a culture of community participation (16 (1)b) in order to contribute to building the capacity of— (i) the local community to enable it to participate in the affairs of the municipality (networks and forums) and must do so with specific emphasis on the inclusion of (17(2)) the specific needs of (a) people who cannot read or write; (b) people with disabilities; (c) women; and (d) other disadvantaged groups.

The White Paper on Local Government (1998:23-26) identifies four interrelated characteristics of the role and function of Local Government related to community development:

- Maximising social development and economic growth: The role and function of Local Government is to promote the development of communities so that basic needs of the poor and vulnerable are met. It involves regulation of service delivery. This means that Local Government is not directly responsible for services, but rather to take steps (i.e. strategies) to encourage good service delivery that addresses the specific needs of the specific community. It could therefore be viewed as a facilitation role. Partnerships between organisations could be encouraged, training opportunities could be provided and facilities could be developed to support existing service providers in the community;

- Integrating and coordinating: Coordination should include national and provincial departments, trade unions, community groups and private sector institutions. "Developmental Local Government must provide a vision and leadership for all those who have a role to play in achieving local prosperity." An IDP could contribute to proper coordination;
- Democratising development: Local Government practices should be aimed at the involvement of "…citizens and community groups in the design and delivery of municipal programmes". Coordination should lead to democratic "…leadership, encouragement, practical support and resources for community action". Another key aspect is that democratic development should aim to involve all community groups; and
- Leading and learning: Community development should lead to networks, partnerships and coalitions. It includes training opportunities and awareness programmes. The ultimate aim is to empower communities and to create opportunities for sustainable change and growth. The emphasis is therefore on capacity building within communities.

The above characteristics are aimed at the improvement of service delivery within the constraints of available resources. As mentioned before, partnerships with businesses and Non-profit Organisation's (NGO's) become a key aspect of this developmental model (White Paper on Local Government, 1998:35). These services are aimed at specific vulnerable groups and social issues, also highlighted in policy documents.

Further to the above the Department gives effect to the strategic goal of Dignified Living in the IDP of Stellenbosch Municipality through:

- The implementation of critical key performance areas and processes associated with the creation of a conducive environment for community / social development forging relations with international, national, provincial and local stakeholders and the generation of current social data; and
- The development of six vulnerable groups (youth, gender, children, elderly, people living on the street, people living with disability) within the municipal area through strategy and policy development and monitoring and reporting on the intended goals of the department's key performance areas.

Table 80: Youth related functions and current programmes

The Department's main Youth related functions and current programmes		
Programme	**Impact**	**Budget**
Job readiness Programmes and capacity building sessions in partnership with DSD and local NGO's.	Reaching about 120 youth.	R 40 000
Accredited Artisan Youth Skills Development and Learner and Driver License training.	Reaching 120 youth per annum.	R 1 900 000
DCAS District Drama Festival in partnership with DCAS.	Reaching 3 youth groups.	R 20 000
JPI 27: Establish Stellenbosch Municipality as a centre of innovation in terms of youth empowerment: Sport art and cultural programmes in partnership with DCAS, DoE, DoH, DCS, DSD.	Action Plan Development for interventions at Pniel Primary School and Makapula High School. Establish and strengthen relationships between representatives from schools and different government departments.	R 10 000

Table 81: Gender related functions and current programmes

The Department's main Gender related functions and current programmes		
Programme	**Impact**	**Budget**
Young motherhood programme: In partnership with DSD, DoE and NGO's	Reaching 40 women	R15 000
Fatherhood programme: In partnership with DSD, SAPS and NGO's	Reaching 40 men	R15 000
Widow Empowerment	Reaching 60 widows	R 50 000
Women's Day: Domestic Violence against women and children	Reaching 60 women	R15 000
16 Days of Activism - launch	Reaching 40 representatives	R 10 000
Girl Re-usable sanitary towel project in partnership with BFF Safety group, Sisi and DoE.	Reaching 500 female learners	R 10 000

Table 82: Children related functions and current programmes

The Department's main Children related functions and current programmes
Programme
⇕ Department of Social Development
⇕ Serving: 140 ECD's within the Stellenbosch Municipal Area with a budget of R100 000 per annum
⇕ Capacity building of ECDs through the following training programmes: Nutrition and Hygiene, FAS, Fire Safety, Good Governance, Financial Management and Facility Registration, First Aid Training
⇕ Assistance with registration: Internal support with planning processes, fire safety certificates.
- External – DSD, CWDM – health requirements
⇕ Monthly GIS Mapping and updating of ECD facilities
⇕ Partnering with organisations such as JAM SA to ensure optimal ECD facility development
⇕ Municipal Policy Implementation (Policy has been approved.)
⇕ Child safety programmes – Child Protection Week
⇕ Financial Training for GiA Applications and DSD subsidy applications

Table 83: Elderly and disability programmes

Main Programmes		
Programme	**Impact**	**Budget**
Disability Programmes		
International Disability Day and other joint programmes	350 people per annum	R25 000
Elderly Programmes		
Golden Games	11 groups and 400 individuals per annum	R 40 000
Elderly Club Development	11 groups per annum	R 30 000
People living on the street		
Policy Implementation	Awareness Raising of the Give Responsibly Campaign Development of local SOP to deal with mentally ill persons on the street involving SAPS, DoH, Municipal Law Enforcement and Justice	R 30 000
Grant-in-aid Programmes		
Support of local organisations	100 organisations serving vulnerable groups and needs identified through the IDP process per annum	R 3 000 000 per annum
Social Relief		
Social relief of distress	Ave 6 per month	R 1 500 000 per annum
Ward Projects	Community development related projects w.r.t. gender/children/disability/elderly programmes consisting of about 70 projects per annum	R 1 300 000

7.4.11.1 Policy development and alignment

- Policy alignment with UA policy over the next couple of years. Will effect standards of service delivery and service all residents of the municipality with no associated cost at the moment.
- Implementation of a Street People Policy for implementation in partnership with local service providers.

The Department's main **Grant-in-aid** related functions and current programmes include the following:

- The Grant in Aid programme include three capacity building workshops (financial management (1) and "how to apply" workshops (2), assessment of applications and compliance to MFMA requirements, preparation of budget documentation and contracting with successful applications prior to donations being made. Total time span of process = 7 months per annum); and
- The annual review of the Grant in Aid policy has led to the inclusion of the development of a community network for services for street people.

The Department's main related functions and current programmes related to Social relief of distress include the following:

- Hot meals;
- Food parcels;
- Dignity items;
- Blankets and mattresses;
- Coordination of social services required per incident with DSD and SASSA; and
- Monitoring and documentation of services rendered per incident.

The Department's main **Ward Projects** related functions and current programmes include the following:

- Hourly human resources equivalent of almost 1 fulltime position. (Senior Admin Officer) due to site meetings, planning meetings (pre and post with ward committees and individual councillors), event management up to reporting on expenses, statistics and whether the objectives were met. Assistance with drawing up of project plans also required; and
- Facilitation of Ward Allocation Policy Development.

The Department's main **Transversal issues** related functions and current programmes include the following:

- Substance Abuse – no specific programmes currently. Department currently working on the development of a referral system for persons with substance abuse issues to gain access to in-patient treatment centres along with local NGO's.
- Capacity building of local groups/ structures and organisations – see under the different functions listed above;
- Networking and Coordination (R 15 000);
- Stellenbosch Civil Advocacy Network (SCAN) with quarterly voicing sessions;
- Stellenbosch Disability Forum; and
- ECD Forums in Kayamandi, Franschhoek, Cloetesville, Klapmuts and Ida's Valley.

The Community Development Strategy, developed by the Department of Community Development, was approved by Council in October 2014 and reviewed in August 2017. The review focused on measuring implementation of the strategy rather than suggesting major changes to the strategy document. Apart from the literature review, focus group discussions were held with various stakeholders including DoE, SAPS, Doha and DSD and local NGO's and church groupings. This strategy looks at formal agreements between Stellenbosch Municipality and provincial departments, but also outlines the focus areas of these agreements.

The Strategy is divided into three sections. The first contains the literature review and the Goals of this review. The second section contains the goals of the focus group discussions conducted. The important issue here is to look at how Stellenbosch Municipality (with its available resources) can reach or come as close as possible to addressing the issues identified as part of the literature review and focus group discussions. The strategy thus has the following goals (which is addressed with the above mentioned interventions):

Goal 1: To facilitate transparent communication between Provincial Government Departments, Local Government and the community of Stellenbosch LM (external and internal focus).

Goal 2: To facilitate and coordinate the development and sustainment of networks and partnerships (external focus). A renewed interest in bringing the different service providers within the social sector has led to 1. The development of the Stellenbosch Disability Network. This forum currently provides excellent opportunity for sharing of information, but has also lead to a couple of joint initiatives and 2. A new look at the role and function of SWOKK (Stellenbosch Welfare Organisation Coordinating Committee). Although dormant for the past two years' representatives of different role players in the social sector including the university and the municipality has started to take a critical look at the role and function of a network of this nature. We are hoping that this will lead to a format that will leave space for existing networks to continue with the work they are doing, but to also be able to provide a view of what is happening within Stellenbosch across boundaries that influences human and community development. Developments in this regard has led to the adoption of a new networking

structure called the Stellenbosch Civil Advocacy Network (SCAN) which has led to exciting electronic monthly newsletters and quarterly engagements focusing on different issues.

Goal 3: To facilitate and coordinate opportunities to build the capacity of community members and resources (internal and external focus). The municipality has built their Grant in Aid programme to a level where it not only provides financial support to organisations, but also built capacity within the organisation focusing on financial management and governance. Other initiatives include training of ECD practitioners in partnership with DSD.

Goal 4: Internal mainstreaming of social issues and vulnerable groups (internal focus) The municipality has adopted a Universal Access Policy speaking to the mainstreaming of projects within the municipality that will not only speak to persons with disabilities, but will also address issues experienced by elderly persons and mothers with children. A study on the accessibility of municipal infrastructure and facilities were completed which lead to an implementation plan that not only focus on physical access, but also operational deliverables that will look at process and product related in-accessibility. The department is hoping to have this plan approved by council in the near future.

Goal 5: To facilitate and coordinate resource management to ensure accessibility of service delivery in Stellenbosch LM (internal and external focus).

Goal 6: To evaluate the Goals of the strategy.

7.4.12 Human Resources Strategy

7.4.12.1 Introduction

A high quality and responsive Stellenbosch Municipality, with a focus on skills identification, supply, demand, retention, employability and social mobility, is essential if we are to realise our IDP ambitions. As such Stellenbosch Municipality needs to be pre-emptive in terms of its human resource requirements and more responsive to service delivery improvement and best practice. The strategic role of HRM&D 9Human Resource Management and Development is ultimately to facilitate performance improvement through people. The table below provides a clarification of roles and involves the following:

- Understanding the business environment within which HRM&D operates;
- Partnering with management in effective people practices;
- Enabling change and transition;
- Engaging constructively with internal and external stakeholders' groups; and
- Delivering on service level commitments.

Table 84: Clarifying the role of HRM&D vis-à-vis Manager and employees

HRM	Line	Employees
• Develops HRM&D strategies, principles, policies and procedures in line with business requirements • Ensures consistency and standardisation of processes and practices across the municipality • Provides expert advisory services • Ensure application of appropriate best practice HRM&D service • Partners line management in effective people practices • Enables change and transition • Facilitates assimilation of culture and values • Build capacity of line managers to effectively manage people • Ensure good corporate governance around HRM&D practices • Delivers on service level agreements • Measures and reports on the effectiveness of HRM&D services within municipality • Interaction and negotiations with trade unions and feedback.	• Partners with HRM&D in developing and implementing HRM&D strategies to achieve results • Manage people according HRM&D principles, policies and procedures • Complies with HRM&D legal requirements • Proactively engages and partners with HRM&D around business and people challenges and solutions • Initiate and leads change • Drives the organisational values • Takes responsibility for being informed of HRM&D matters and building own people management skills • Follows fair and procedural HRM&D practices and processes • Ensures high performance through effective performance management and retention practices • Communicates and gives feedback on service level expectations • Tracks and measures the impact of HRM&D strategies in functional areas • Measure and reports on the effectiveness of people management within functional areas.	Partners with line and HRM&D to: • Remain relevant to local government by taking responsibility for own performance development and career planning • Taking advantage for appropriate opportunities for development • Remain informed of HRM&D policy and procedure • Discuss expectations • Take personal accountability for and support change initiatives • Live the organisational values • Participate in HRM&D surveys and feedback mechanisms • Provides feedback to / and liaises with Unions and relevant employee forums.

7.4.12.2 Conclusion

This HRM&D Framework provides Stellenbosch Municipality with the structure to plan, implement, monitor and improve its HRM&D standards. This framework does not operate in isolation and will be central to all activities involving the human resources of Stellenbosch Municipality. It is therefore not a HR document but must be "owned" by Council, management, staff and trade unions. Since the field of HR management is a dynamic discipline, it is envisaged that this framework will change and develop over time to reflect the realities of our environment.

Table 85: Key Strategies

Strategic Objective	Key strategies	Alignment with HR Standards
Valley of Possibility	Ensuring that infrastructure and services planning and resourcing occurs over the long term in a sustainable manner, and draws on the expertise of other service delivery agencies, the private sector, and the University.	Strategic HR Management
A Green and Sustainable Valley	Focusing more strongly on the environmental planning and management function, including appropriate resourcing.	Strategic HR Management Talent Management Learning and Development
A Safe Valley	Securing adequate permanently employed HR, facilities and equipment (specifically fleet) to undertake the specialist functions of traffic management, fire and rescue services, and disaster and event management on a 24/7 basis and to comply with legal standards. Establishing adequate, integrated law enforcement capacity, present in every ward of the Municipality.	Strategic HR Management Learning and Development
Dignified Living	Ensuring the delivery of a comprehensive range of services to vulnerable groups, and the coordinated cooperation of service providers at all levels in the delivery and management of services to these groups	Learning and Development
Good Governance and Compliance	Ensuring that functional areas have the capacity and readiness to deliver services in terms of short-, medium- and longer-term objectives and targets. Ensuring that all staff has the opportunity for leadership development within their functional areas, and municipal management generally. Ensuring regular performance management of staff at all levels within the organisation. Undertaking strategic planning for the longer and shorter terms, the Municipality as a whole, and local areas Implementing regular auditing of processes. Celebrating excellence in service delivery, external and internal to the Municipality. Renewing intergovernmental efforts to establish a municipal court in Stellenbosch.	Strategic HR Management Talent Management Learning and Development Performance Management/ Reward and Recognition Strategic HR Management HR Risk Management Reward and Recognition Talent Management

7.4.13 ICT Strategy

7.4.13.1 Background

Information and Communication Technology (ICT) Systems and Services are playing an ever-increasing role as a strategic enabler of organisational transformation and service delivery in the public sector. There is also a growing acknowledgement at corporate governance level that ICT services and systems form an integral part of the municipal service delivery value chain. The continuous alignment of ICT Services and Systems with the strategic goals and objectives of the Municipality, as well as statements of direction from National Government and the Western Cape Provincial Government impose major challenges on the ICT Department and its resources.

To date, ICT Departments in local government are still too operationally focused and given the existing resources in the ICT Department, it becomes increasingly difficult to transform strategic concepts into workable solutions within budget and within agreed time frames. The dynamic nature of Information and Communications Technology, as well as investments made in ICT related services and systems warrant a continuous re-assessment of such investments and system functionalities to ensure that value for money is achieved at all times.

7.4.13.2 ICT Challenges Going Forward

In recent years, the business imperatives to enable ICT Departments in local government to remain constantly aligned with the strategic goals and objectives of the municipality as well as the statements of direction from National Government, are vastly different from previous years.

The ability of the ICT Department to remain constantly aligned with the Municipal IDP goals and objectives in this fast-changing ICT environment are faced with three separate, but inter-dependent challenges, namely:

a) ICT structure does not align to best practices and thus cannot be agile enough to support the Stellenbosch Municipality's needs.
b) Lack of system integration and departmental silos.
c) After hours' system maintenance resources to ensure continued service provision, especially after load shedding/power failure.

7.4.13.3 Regulatory Compliance

Recent statements of direction from National Government implies a strategic approach must be introduced by all local government entities to migrate its existing portfolio of legacy ICT services and systems to a business systems architecture that will enable improved access to data and information, as well as the potential to share certain ICT related services and systems between the various spheres of government.

The approved National Broadband Strategy will provide the legal platform "*to pave the* way *for service integration and inter-operability*".

*m*SCOA Implementation strategy from National Treasury to enable a consolidation of 13x multi-vendor system functionalities across all 278 municipalities' country wide, by, establishing a portfolio of preferred business application systems for all municipalities based on best practice Business Systems Architecture Frameworks.

The eventual success of *m*SCOA will not only be determined by the alignment between business processes and business systems, but also by a fundamental understanding of the ICT business systems design architectures as well as ICT infrastructure architectures to be deployed at the hosting sites to

ensure optimum performance and 24/7 availability. *m*SCOA also aims to respond to the increased focus of the Auditor General of South Africa (AGSA) to ensure that value for money is achieved at all times when investments are made by the ICT Department for Systems and Services. The Municipal Finance Management Act, 56 of 2003, Section 116(1) and (2) furthermore make reference to very specific compliance requirements when contracting with external Service Providers which must be adhered to at all times.

ICT Governance, Risk and Compliance Management Framework was developed to institutionalise the Corporate Governance of ICT and ICT Risk Management as an integral part of corporate governance within municipalities in a uniform and coordinated manner.

7.4.13.4 Disparate ICT Business Application System

This self-inflicted problem can only be resolved if the ICT department has a broader understanding of all the dynamics that impact on the delivery of quality services to all our communities and residents. On 30 March 2016, Council took a strategic resolution to extend all ICT contracts for only six (6) months pending research and assessment of alternative ERP solution in compliance with National Treasury requirements.

Subsequently, Zimele Technologies was appointed through the SCM tender process to conduct the research and assessment of an alternative ERP solution and produce a business case for Council approval and all ICT contracts were approved for 6 months from (1 July 2016 – 31 December 2016).

An Enterprise Resource Planning system (ERP) is an application that replaces many standalone systems of individual departments – such as finance, budget, procurement, customer billing, project accounting, grants management, payroll and human resource management. It integrates the functions into a single, automated system that runs off a single database.

ERP systems provide for policies and procedures to be built into the system and for it to be updated as necessary. This will greatly reduce our dependence on policy and procedure manuals for knowledge transfer and provide a much more efficient means to handle knowledge retention, especially as experienced staff retires. This will create a people enabling environment that expands employees' knowledge of the municipality objectives, processes and systems.

Council took note that the new central government regulation e.g. the Municipal Standard Charter of Accounts (*m*SCOA) that has also recommended that the Stellenbosch Municipality relook the efficiency and effectiveness of the current ICT systems in order to comply with the regulations. Council approved that the Accounting Officer proceed in terms of the process plan to investigate an ERP solution for the municipality and in alignment with provincial and national guidelines. This meant that all the current ICT contracts had to be extended till 30 June 2021.

7.4.13.5 Legacy ICT Systems

The portfolio of Business Application Systems currently deployed in the Stellenbosch Municipality, in many instances, have exactly the same functionalities, resulting in ongoing increases in, and payment of annual licensing fees and support fees without receiving any substantive value-added services as part of the existing Agreements. Also, ongoing data integration between disparate business application systems results in increased complexities whilst attempting to maintain data integrity between systems.

A seamless and real-time integration between ICT systems are in line with best practice in the ICT industry, as well as the strategic intent of National Treasury to encourage Local Government Institutions to establish a more cost effective and sustainable portfolio of ICT Business Applications Systems.

7.4.13.6 Multiple ICT Vendor Contracts

The day-to-day management of vendor service contracts remains a major challenge for all municipalities. Vendor contracts are usually very one-sided and do not properly mitigate the potential risks, legally or otherwise, to which municipalities might be exposed to during the term of such contracts.

The on-going payment of annual license fees and support fees to multiple service providers for legacy systems that are totally disparate in terms of systems architecture and integration requirements cannot continue indefinitely.

7.4.13.7 ICT Industry Trends

Latest Technology trends are the trademark of the ICT Industry and for local government not to exploit the business opportunities to enhance our service delivery and collaboration with our communities and residents, will be a self-inflicted legacy of estrangement between the Municipality and its communities and residents. The most recent and imminent trends in the ICT Industry are the following:

Cloud Computing (Remote hosting) which will bring its own unique challenges to balance systems integration complexities, security measures and potential cost savings.

Convergence of ICT technologies enabling corporate data and information exchange in a seamless processing environment. Also referenced in the industry as Multi-media – Anytime from anywhere.

Social Media – enabling instant collaboration/communication between individuals and between groups. Also referenced in the industry as SMS, Twitter, Blogs, e-mails, photo's, videos and more.

The Internet of Things (IoT) is the network of physical objects—devices, vehicles, buildings and other items—embedded with electronics, software, sensors, and network connectivity that enables these objects to collect and exchange data.

Although Social-media is not yet fully integrated with the municipal IDP and Departmental SDBIP's, it is of strategic importance that these services and systems remain on the executive agenda as part of the overall organisational growth strategies.

Also, given the natural progression of social media in the communities and the associated empowerment of individuals and peer groups in the communities, the strategic importance of these technologies may no longer be ignored by local government.

Given the current availability of skills and resources in the ICT Department consultative skills will be required to fully exploit the business benefits of these technologies for the Stellenbosch Municipality.

7.4.13.8 ICT Strategy

- The Strategic ICT Plan of the Stellenbosch Municipality 2019/2020 was also reviewed by internally to align ICT to business strategic goals.
- Alignment with IDP Goals and Objectives.
- Best practice methodologies must be introduced by the ICT Department by investing its time and resources to improve operational efficiencies in service delivery, rather than spending most of its time and resources to establish and maintain correctives measures just to "survive another financial cycle".

7.4.13.9 Deployment of an ERP Solution

Due to the complexities inherent to such an organisational transformation venture, a best practice methodology must be followed over the next budget cycles, to deploy an ERP solution that will be operationally efficient and will be strategically aligned with the goals and objectives of the municipality as well as the statements of direction from National Treasury.

ICT has developed an Enterprise Architecture Framework to show the view of the current ICT environment with regards to High-level business processes, ICT Governance, ICT Processes, Application and Data Architecture, Infrastructure Architecture and ICT Resources and Skill.

Priorities and timelines to establish the required organisational transformation will be dependent on business needs and available funding over the next three years.

The financial implications to establish an ERP solution is currently unknown. However, there will be trade-offs between the ERP investment costs and the savings to be realised from the consolidation of ICT Systems and Services under one Business Systems Architecture Framework.

7.5 The Relationship Between Service Delivery Plans and Strategies

Sector plans need to support and reinforce each other to have meaning and assist in sustainable development of the Municipal area. The table below illustrates how different key sector plans inform and direct each other.

Table 86: Relationship between sector plans

Sector Plan	Spatial Development Framework	Integrated Zoning Scheme	Human Settlements Plan	Integrated Transport Plan	Infrastructure Master Plans
Municipal Spatial Development Framework (*m*SDF)		• Designates areas for the accommodation of developmental needs • Indicates areas desirable for densification / specific land use / integrated networks • Indicates areas desirable for conservation • Spatially reflects Council's approved nature and form of urban development • Identifies special areas for application of overlay zones	• Identifies areas for satisfaction of human settlement needs • Designates areas for developmental needs • Indicates areas desirable for specific nature and form of urban development • Indicates areas desirable for conservation • Spatially reflects distribution of community facilities • Identifies areas to be protected from settlement (e.g. heritage, agriculture and natural) • Designates housing priority / restructuring areas • Integrates settlement patterns with infrastructure plans	• Identifies areas for satisfaction of human settlement needs • Indicates areas desirable for conservation • Spatially reflects distribution of community facilities • Identifies areas to be protected from settlement (e.g. heritage, agriculture and natural) • Designates housing priority / restructuring areas • Indicates areas desirable for densification / specific land use / integrated networks • Spatially reflects Council's approved nature and form of urban development	• Identifies municipal growth direction • Identifies areas to be protected from development (e.g. heritage, agriculture and natural) • Identifies priority development areas • Identifies infrastructure priority areas

Sector Plan	Spatial Development Framework	Integrated Zoning Scheme	Human Settlements Plan	Integrated Transport Plan	Infrastructure Master Plans
Integrated Zoning Scheme	Pro-actively provides for implementation of Council's developmental objectives (given sufficient detail in decision-making) Translates nature and form of urban development needed into supportive bylaws Responsive bylaw, i.e. means to implement spatial development objectives		Provides for overlay zones meeting the specific requirements of different human settlements Provides land use management system for improved settlement administration	Provides land use management system that supports efficient transport systems Allows for modelling of networks and systems	Provides land use management system that supports efficient infrastructure provision Indicates extent of land use rights requiring services Allows for modelling of networks and systems
Human Settlements Plan	Identifies current settlements and interventions that should be accommodated in future planning Determines settlement needs Quantifies extent of demand for various housing typologies	Identifies nature and form of human settlement development that is affordable Identifies special areas for application of overlay zones		Identifies current settlements and interventions that should be accommodated in future planning Determines settlement needs Quantifies extent of demand for various housing typologies	Identifies current settlements and interventions which should be accommodated in future planning Determines settlement infrastructure needs Quantifies extent of demand for services according to various housing typologies
Integrated Transport Plan	Determines most efficient responses to transport challenges. Identifies transport and traffic priority areas. Shapes future planning according to most	Identifies ideal route / road classification. Determines development parameters, e.g. parking ratios, access and standards.	Identifies transport and roads priority areas. Determines development parameters, e.g. parking ratios, access and standards		Determines most efficient responses to transport challenges. Identifies transport and traffic priority areas. Shapes future planning according to most

Sector Plan	Spatial Development Framework	Integrated Zoning Scheme	Human Settlements Plan	Integrated Transport Plan	Infrastructure Master Plans
	appropriate modal changes and challenges. Identifies need for services not provided by the Municipality, e.g. SANRAL, Provincial Roads, PRASA, Transnet.	Identifies special areas for application of overlay zones.	Shapes settlement planning according to most appropriate modal changes and challenges.		appropriate modal changes and challenges.
Infrastructure Master Plans	Identifies existing infrastructure capacity / constraints. Identifies interventions required to support growth / infill. Designates priority infrastructure development areas / corridors. Provides for services not provided by the Municipality, e.g. Telkom, Eskom, raw water supply.	Identifies existing infrastructure capacity / constraints Identifies interventions required to support growth / infill. Designates priority infrastructure development areas / corridors.	Identifies existing infrastructure capacity or / constraints. Identifies interventions required to support growth / infill. Provides for services not provided by the Municipality, e.g. Telkom, Eskom, raw water supply.	Identifies existing infrastructure capacity or / constraints. Identifies interventions required to support growth / infill. Provides for services not provided by the Municipality, e.g. SANRAL, Provincial Roads, PRASA, Transnet.	

CHAPTER 8

Financial Plan

To achieve delivery on the Fourth Generation IDP strategic focus areas and objectives, it is essential to align the municipal budget with the strategy. The sections below expand on aspects of the Stellenbosch Municipality's medium-term financial planning and the extent to which it is possible to align the budget to all the priorities of the wards, given our financial constraints and the need to concentrate on basic service delivery.

8.1 Introduction

The long-term financial viability of municipalities depends largely on:

- the extent to which improved and sustainable revenue capacity can be achieved; and
- the sound **financial management of its resources.**

These imperatives necessitate proper multi-year financial planning. Future impacts of revenue and expenditure streams and the financial implications for the community (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programmes, projects and sundry service delivery actions.

8.2 Capital and Operating Budget Estimates

8.2.1 Budget Assumptions

The selected key assumptions relating to this budget are as follows:

- Government grants for the years 2020/21 to 2022/23 are as per the Division of Revenue Act and Provincial Gazette (capital and operational).
- The inflation **rate has been estimated at 4.5% for 2020/2021.**

8.2.2 Operating Budget estimates

A municipality is a non-profit organisation and it should break even after contributing to the different funds and reserves and meeting normal operating expenses. With the structuring of rates and tariffs both the user-pay principal and full cost recovery principle are applied. It should be noted that the surplus is calculated in terms of the accrual principle and therefore is not 100% cash-backed.

Table 87: Operating Budget estimates

	(Current) 2019/20 Budget	Year 1 2020/21 Budget	Year 2 2021/22 Budget	Year 3 2022/23 Budget
Revenue Sources				
Property Rates	356,121,877	392,239,042	417,735,100	444,888,500
Electricity	694,886,270	707,441,165	760,499,800	817,537,900
Water	161,974,611	168,720,115	181,374,300	194,977,500
Sewerage	113,503,000	118,311,570	126,593,600	135,455,300
Refuse	69,224,664	78,304,940	91,225,400	106,277,700
Rental of facilities	18,831,474	16,292,167	17,270,200	18,306,800
Fines	108,260,389	140,880,961	149,335,400	158,297,300
Licences and Permits	5,398,023	5,502,903	5,833,600	6,184,100
Operational and Capital grants	323,942,926	298,236,000	276,475,000	298,276,000
Sundry Income	98,783,927	93,491,009	94,021,100	93,009,600
	1,950,927,161	**2,019,419,873**	**2,120,363,500**	**2,273,210,700**
Operating Expenditure				
Employee related cost	557,267,891	579,039,085	623,068,801	676,274,035
Remuneration Councillors	19,936,393	21,132,587	22,400,543	23,744,572
Depreciation	206,956,223	205,627,580	214,880,813	224,550,451
Finance Charges	29,877,000	51,348,891	64,709,590	77,154,022
Bulk Purchases	453,958,271	482,195,922	516,151,083	552,500,921
Contracted Services	275,981,177	245,478,154	244,744,317	255,780,678
Other Expenditure	298,035,129	314,641,183	328,478,386	343,675,666
Operating Expenditure	**1,842,012,084**	**1,899,463,402**	**2,014,433,533**	**2,153,680,345**
Surplus/(Deficit)	**108,915,077**	**119,956,471**	**105,929,967**	**119,530,355**
Appropriations	**-108,915,077**	**-119,956,471**	**-105,929,967**	**-119,530,355**
Surplus/(Deficit)-Year				

Table 88: Capital budget estimates

	(Current) 2019/20 Budget	Year 1 2020/21 Budget	Year 2 2021/22 Budget	Year 3 2022/23 Budget
Funding Sources				
Capital Replacement Reserve	261,016,442	180,453,463	184,426,795	212,505,862
Grants Provincial	81,859,528	56,436,000	51,620,000	54,600,000
Grants National	62,526,000	63,690,000	43,675,000	46,102,000
External Loans	157,096,470	160,000,000	120,000,000	120,000,000
Other	50,000,000	42,506,366	4,083,198	-
Total Funding Sources	**612,498,440**	**503,085,829**	**403,804,993**	**433,207,862**
Expenditure				
Municipal Manager	35,000	40,000	44,000	49,000
Planning and Development Services	19,479,020	8,990,800	6,418,800	6,565,000
Infrastructure Services	386,496,778	404,715,682	306,362,193	370,943,862
Community and Protection Services	63,653,652	49,039,347	42,730,000	45,100,000
Corporate Services	142,533,990	39,450,000	48,050,000	10,350,000
Financial Services	300,000	850,000	200,000	200,000
Capital Expenditure	**612,498,440**	**503,085,829**	**403,804,993**	**433,207,862**

8.3 Financial Management Arrangements

For the effective and efficient financial management of the municipality, all role-players, inclusive of the municipal councillors, must provide an environment conducive to good management. Local government legislation and National Treasury circulars articulate and provide regulatory structure. Council and officials define this environment by developing and accepting policy guidelines to govern financial decision-making and fiscal discipline.

The management arrangements of Stellenbosch Municipality are reflected in the policy documents listed the table below:

Table 89: *Management Arrangements*

Document	Purpose	Status
Delegation Register	To provide for administrative, managerial and institutional arrangements in respect of the delegation of responsibilities.	In place
Credit Control and Debt Collection Policy	To establish consolidated, sound and practically executable credit control measures to be applied in respect of all property owners and consumers. To regulate the actions pertaining to arrear accounts, including extensions granted, written arrangements to pay-off arrears, the monitoring thereof and legal actions associated with unpaid accounts	In place
Indigent Policy	To subsidise indigent households with a specified level of income enabling them to pay for a basic package of municipal service.	In place
Irrecoverable Debt Policy	To provide a framework for the writing off of irrecoverable debt, in order to ensure that Council is in a position where it is not carrying debt that has prescribed or which is irrecoverable on its books.	In place
Tariff Policy	To provide a framework to determine rates and tariffs to finance expenditure.	In place
Rates Policy	To ensure that all the stipulation of the Municipal Property Rates Act are effected administratively and also lay-out and stipulate all the requirements for rebates for all qualifying property owners.	In place
Special Rating Areas Policy	• To strike an appropriate balance between facilitating self/funded community initiatives that aim to improve and/or upgrade neighborhoods.	In place
Supply Chain Management Policy	To provide a system of procurement that gives effect to the principles of: • Fairness; • Equity; • Transparency; • Competitiveness; and • Cost effectiveness.	In place
Budget Implementation and Monitoring Policy	Sets out the budgeting principles which Stellenbosch Municipality will follow in preparing each annual budget. To give effect to the requirements and stipulations of the Municipal Finance Management Act (MFMA) and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets.	In place
Borrowing, Funding and Reserves Policy	To provide a framework to ensure that the annual budget of Stellenbosch Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year non-cash-backed liabilities.	In place

Document	Purpose	Status
Cash Management and Investment Policy	To regulate and provide directives in respect of the investment of funds and to maximise returns from authorised investments, consistent with the primary objective of minimising risk.	In place
Travel and Subsistence Policy	To set out the basis for the payment of subsistence, travel allowance, hourly rate when applicable for the purpose of official travelling.	In place
Accounting Policy	To provide the accounting framework applicable to the finances of the Municipality and is informed by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).	In place
Grant-in-aid Policy	To provide the framework for grants-in-aid to NGOs, CBOs or NPOs and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12 and 67 of the MFMA	In place
Development Contributions for Bulk Engineering Services	Local government has the discretionary power when granting development approvals to impose conditions in relation to the provision of engineering services and the payment of money that is directly related to requirements resulting from those approvals in respect of the provision of the necessary services to the land to be developed. To provide the framework for the calculation of these contributions	In place
Petty Cash Policy	To stipulate clear processes and procedures to ensure that all transactions are processed effectively and efficiently in a bid to ensure prudent financial control. All purchases below R2 000 are regulated by this policy.	In place
Asset Management Policy	The Municipal Manager as Accounting Officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.	In place
Liquidity Policy	The documented policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner.	In place
Virementation Policy	The policy sets out the virement principles and processes which the Stellenbosch Municipality will follow during a financial year. These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year.	In place

8.4 Financial Strategies and Programmes

The optimal use of available resources, the maximum raising of revenue and the sustainable delivery of services are the key elements to a successful financial strategy. The Municipality has developed and implemented various strategies in this regard. The table below summarises the key strategies:

Table 90: Key strategies

Strategy	Currently in place
Revenue raising strategies	Extending of the pre-paid electricity meters programme. Bringing pre-payment meter vending points within close proximity of all consumers. Ensuring optimal billing for services rendered and cash collection. Ensuring effective credit control and debt collection In the structuring of tariffs, continuing with the user-pay principle and full cost recovery. Revaluating of all properties as per the Municipal Property Rates Act, at market-related values. Outsourcing of pay-point facilities.
Asset management strategies	Completed process of unbundling all infrastructure assets and compiling a new improved asset resister. Conducting audits on all moveable assets of the organisation. Improving the over-all management of fixed property.
Financial management strategies	Continuing cash flow management. Outsourcing of pay-point facilities. Implementing of liquidity policy and the relevant monitoring tool.
Capital financing strategies	Continuing sustainable use of Own Financial Sources (CRR). Using of bulk service contributions to fund extensions. Accessing national and provincial funding through proper requests, business plans and motivations. Leveraging of private finance.
Operational financing strategies	Introducing free basic services within the limits of affordability. Implementing of proper tariff structures for all the services. Ensuring that Economic and Trading Services are cost-reflective.
Strategies that would enhance cost-effectiveness	Investigating possibilities for utilising new technology to save costs. Implementing new systems/equipment acquired to address capacity shortages. Implementing electronic bank reconciliation.

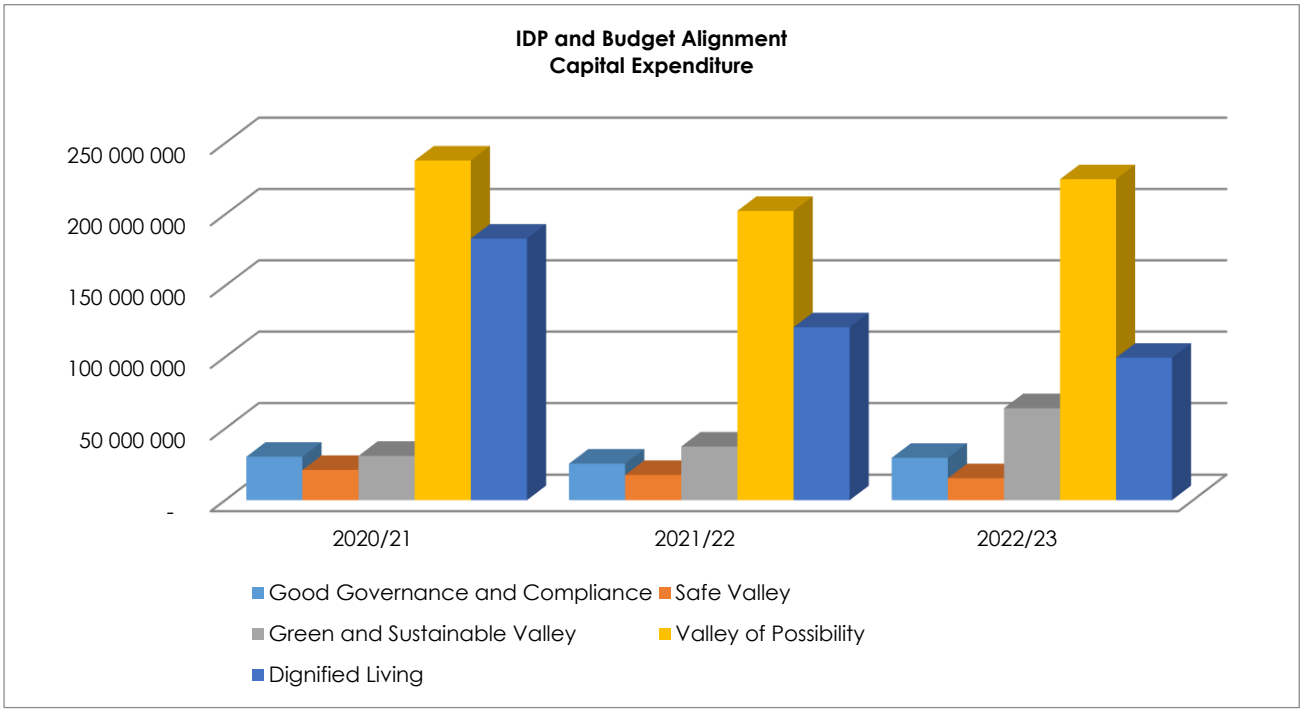
8.5 Medium-Term Capital Expenditure per Strategic Goal

The proposed capital expenditure per strategic focus area over the medium term is illustrated in the table below:

Table 91: Capital Expenditure per Strategic Focus Area

Strategic Goal	2020/21	2021/22	2022/23
Green and Sustainable Valley	30,954,347	37,450,000	64,180,000
Valley of Possibility	237,725,000	202,469,562	224,635,206
Dignified Living	183,009,682	120,815,331	99,500,000
Safe Valley	21,100,000	17,575,000	15,350,000
Good Governance and Compliance	30,296,800	25,495,100	29,542,656

Figure 49: Capital Expenditure per Strategic Goal



Source: Draft Capital Budget, 2020/21

The most capital intensive strategic focus area is Valley of Possibility with an allocation of R237 million in the upcoming financial year, totaling R664 million over the MTREF. Sanitation projects dominates this strategic objective receiving an investment of R111 million in 2020/21, but is anticipated to decrease over the outer years.

The second most capital intensive strategic focus area is Dignified Living, with a total allocation of R403 million for the duration of the MTREF. Project highlights include:

- 226 serviced sites in Klapmuts:
- Northern Extension Mixed development;
- the development of the Kayamandi Town Centre; and
- improvements around the Langrug area.

The Green and Sustainable Valley strategic focus area receives the 3rd highest capital investment with

the total MTREF budget amounting to R132 million. Water Conservation takes centre stage as part of the broader Green and Sustainable Valley Strategy, in order to intensify water demand management whilst the drought persists.

The municipality is also making a concerted effort to improve ICT infrastructure platforms, allocating R12 million for this purpose over the multi-year budget period.

8.6 Medium-Term Operational Expenditure

The proposed Operational Expenditure per Strategic Focus Area over the medium term is illustrated in the table below.

Table 92: Operational Expenditure per Strategic Goal

Operational Expenditure	2020/21	2021/22	2022/23
Green and Sustainable Valley	56,240,304	58,867,120	62,951,414
Valley of Possibility	56,487,773	57,262,720	61,247,986
Dignified Living	1,195,754,441	1,281,822,244	1,373,326,009
Safe Valley	252,153,453	265,608,936	280,922,305
Good Governance and Compliance	338,827,432	350,872,512	375,232,631

8.7 Medium-Term Operational Revenue per Strategic Goal

The proposed Operational Revenue per Strategic Focus Area over the medium term is illustrated in the table below.

Table 93: Operational Revenue per Strategic Goal

Operational Revenue	2020/21	2021/22	2022/23
Green and Sustainable Valley	1,750,154	1,388,400	1,472,200
Valley of Possibility	11,525,749	6,376,800	4,576,700
Dignified Living	1,336,193,104	1,412,605,000	1,527,700,000
Safe Valley	166,751,776	176,408,200	187,156,100
Good Governance and Compliance	503,199,090	523,585,100	552,305,700

Table 94: Capital Budget 2020/21 – 2022/23- Municipal Manager

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
MUNICIPAL MANAGER					
Furniture, Tools and Equipment	Office of the Municipal Manager	Good Governance and Compliance	40,000	44,000	49,000
			40,000	**44,000**	**49,000**

Table 95: Capital Budget 2020/21 – 2022/23- Planning and Economic Development

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
PLANNING AND ECONOMIC DEVELOPMENT					
Economic Development and Tourism	Furniture tools and equipment	Good Governance and Compliance	35,000	-	-
Economic Development and Tourism	Local Economic Development Hub Kayamandi	Valley of Possibility	-	-	4,500,000
Economic Development and Tourism	Local Economic Development Hub Jamestown	Valley of Possibility	1,500,000	2,000,000	1,000,000
Economic Development and Tourism	Upgrading of the Kayamandi Economic Tourism Corridor	Valley of Possibility	250,000	-	-
IHS: Informal Settlements	Langrug Planning	Dignified Living	1,000,000	500,000	-
IHS: Housing Development	Furniture, Tools and Equipment	Good Governance and Compliance	51,800	58,800	25,000
IHS: Housing Development	Erf 7001 and other possible sites for mix-used development in Cloetesville	Dignified Living	500,000	1,000,000	-
IHS: Housing Development	Kylemore Erf 64	Dignified Living	500,000	-	-
IHS: Housing Development	Farm 82 Stellenbosch	Dignified Living	500,000	-	-
IHS: Housing Development	La Motte Old Forest Station (±430 services and ±430 units)	Dignified Living	500,000	1,200,000	-
IHS: Housing Development	Kayamandi Town Centre: Planning (±700 units)	Dignified Living	1,000,000	-	-
IHS: Housing Development	Northern Extension: Feasibility	Dignified Living	1,000,000	1,000,000	1,000,000
IHS: Housing Development	Jamestown: Housing	Dignified Living	500,000	500,000	-
IHS: Housing Development	Enkanini Planning	Dignified Living	1,459,000	-	-
Housing Administration	Furniture, Tools and Equipment	Good Governance and Compliance	30,000	35,000	40,000
Spatial Planning: Planning and Development	Furniture, Tools and Equipment	Good Governance and Compliance	35,000	-	-

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
PLANNING AND ECONOMIC DEVELOPMENT					
Land Use Management	Furniture, Tools and Equipment	Good Governance and Compliance	130,000	125,000	-
Economic Development and Tourism	Furniture tools and equipment	Good Governance and Compliance	35,000	-	-
Economic Development and Tourism	Local Economic Development Hub Kayamandi	Valley of Possibility	-	-	4,500,000
Economic Development and Tourism	Local Economic Development Hub Jamestown	Valley of Possibility	1,500,000	2,000,000	1,000,000
Economic Development and Tourism	Upgrading of the Kayamandi Economic Tourism Corridor	Valley of Possibility	250,000	-	-
IHS: Informal Settlements	Langrug Planning	Dignified Living	1,000,000	500,000	-
IHS: Housing Development	Furniture, Tools and Equipment	Good Governance and Compliance	51,800	58,800	25,000
IHS: Housing Development	Erf 7001 and other possible sites for mix-used development in Cloetesville	Dignified Living	500,000	1,000,000	-
IHS: Housing Development	Kylemore Erf 64	Dignified Living	500,000	-	-
IHS: Housing Development	Farm 82 Stellenbosch	Dignified Living	500,000	-	-
IHS: Housing Development	La Motte Old Forest Station (±430 services and ±430 units)	Dignified Living	500,000	1,200,000	-
IHS: Housing Development	Kayamandi Town Centre: Planning (±700 units)	Dignified Living	1,000,000	-	-
IHS: Housing Development	Northern Extension: Feasibility	Dignified Living	1,000,000	1,000,000	1,000,000
IHS: Housing Development	Jamestown: Housing	Dignified Living	500,000	500,000	-
IHS: Housing Development	Enkanini Planning	Dignified Living	1,459,000	-	-
Housing Administration	Furniture, Tools and Equipment	Good Governance and Compliance	30,000	35,000	40,000
Spatial Planning: Planning and Development	Furniture, Tools and Equipment	Good Governance and Compliance	35,000	-	-
Land Use Management	Furniture, Tools and Equipment	Good Governance and Compliance	130,000	125,000	-
			8,990,800	**6,418,800**	**6,565,000**

Table 96: Capital Budget 2020/21 – 2022/23- Community and Protection Services

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
COMMUNITY AND PROTECTION SERVICES					
Parks and Cemeteries	Artificial grass on parks and gardens	Green and Sustainable Valley	-	-	300,000
Parks and Cemeteries	Extension of Cemetery Infrastructure	Dignified Living	1,500,000	8,000,000	8,000,000
Parks and Cemeteries	Facilities upgrade- Nursery	Green and Sustainable Valley	100,000	-	50,000
Community Development	Furniture Tools and Equipment	Good Governance and Compliance	85,000	100,000	60,000
Community Development	Vehicle	Good Governance and Compliance	-	-	500,000
Community Development	Upgrading of swimming pool	Valley of Possibility	500,000	-	-
Community Services: Library Services	Franschhoek: Furniture, Tools and Equipment	Good Governance and Compliance	65,000	-	-
Community Services: Library Services	Groendal: Furniture, Tools and Equipment	Good Governance and Compliance	75,000	-	-
Community Services: Library Services	Ida's Valley: Furniture, Tools and Equipment	Good Governance and Compliance	55,000	-	-
Community Services: Library Services	Pniel: Furniture, Tools and Equipment	Good Governance and Compliance	-	-	35,000
Community Services: Library Services	Cloetesville: Furniture, Tools and Equipment	Good Governance and Compliance	50,000	-	-
Community Services: Library Services	Upgrading: Cloetesville Library	Valley of Possibility	1,000,000	700,000	-
Community Services: Library Services	Libraries: CCTV	safe Valley	300,000	-	-
Community Services: Library Services	Libraries: Small Capital	Valley of Possibility	85,000	-	-
Community Services: Library Services	Library Books	Valley of Possibility	160,000	170,000	180,000
Community Services: Library Services	Replacement of geysers	Good Governance and Compliance	-	-	100,000
Community Services: Library Services	Vehicles	Good Governance and Compliance	-	-	300,000
Disaster Management	Specialised Vehicles: Incident command vehicle	Good Governance and Compliance	-	-	1,500,000
Disaster Management	Vehicle Fleet	Good Governance and Compliance	800,000	-	-
Environmental Management: Nature Conservation	Botmaskop: Security Fencing	Safe Valley	1,500,000	2,000,000	-

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
COMMUNITY AND PROTECTION SERVICES					
Environmental Management: Nature Conservation	Hiking Trails in Nature Areas	Green and Sustainable Valley	-	-	2,000,000
Environmental Management: Nature Conservation	Jan Marais Nature Reserve: Upgrading and maintenance of the reserve	Green and Sustainable Valley	2,000,000	1,000,000	-
Environmental Management: Nature Conservation	Mont Rochelle Nature Reserve: Upgrade of Facilities.	Green and Sustainable Valley	1,504,347	-	-
Environmental Management: Nature Conservation	Papegaaiberg Nature Reserve	Green and Sustainable Valley	1,000,000	-	-
Environmental Management: Nature Conservation	Upgrade office space: Simonsberg Road	Valley of Possibility	2,000,000	600,000	-
Environmental Management: Nature Conservation	Nature Conservation: Vehicle Fleet	Good Governance and Compliance	-	-	1,000,000
Environmental Management: Nature Conservation	Furniture, Tools and Equipment	Good Governance and Compliance	50,000	70,000	100,000
Environmental Management: Nature Conservation	Workshop: Furniture, Tools and Equipment	Good Governance and Compliance	100,000	100,000	-
Environmental Management: Nature Conservation	Workshop: Community Services Tractors	Good Governance and Compliance	-	-	800,000
Environmental Management: Nature Conservation	Workshop: Specialised equipment	Good Governance and Compliance	500,000	1,000,000	1,500,000
Environmental Management: Urban Greening	Design and implement electronic Urban Forestry management tool	Green and Sustainable Valley	-	-	250,000
Environmental Management: Urban Greening	Irrigation Systems	Green and Sustainable Valley	-	-	100,000
Environmental Management: Urban Greening	Storage Containers: Fertilisers and Pesticides.	Green and Sustainable Valley	-	-	30,000
Environmental Management: Urban Greening	Urban Forestry: Furniture, Tools and Equipment	Good Governance and Compliance	-	-	500,000
Environmental Management: Urban Greening	Urban Forestry Specialised equipment	Good Governance and Compliance	-	-	1,200,000
Environmental Management: Urban Greening	Urban Forestry: Vehicle Fleet	Good Governance and Compliance	1,000,000	1,500,000	-
Environmental Management: Urban Greening	Urban Greening: Beautification: Main Routes and Tourist Routes	Green and Sustainable Valley	150,000	250,000	-
Fire and Rescue Services	Furniture Tools and Equipment	Good Governance and Compliance	400,000	-	400,000
Fire and Rescue Services	Major Fire Pumper	Safe Valley	5,000,000	-	-
Fire and Rescue Services	Rapid Response Vehicle	Safe Valley	-	-	2,500,000

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
COMMUNITY AND PROTECTION SERVICES					
Fire and Rescue Services	Vehicle Fleet	Good Governance and Compliance	1,000,000	1,000,000	-
Fire and Rescue Services	Rescue equipment	Safe Valley	300,000	-	300,000
Recreation, Sports Grounds and Halls	Borehole: Rural Sportsgrounds	Green and Sustainable Valley	550,000	550,000	-
Recreation, Sports Grounds and Halls	Fencing: Sport Grounds (WC024)	Safe Valley	1,000,000	1,000,000	1,500,000
Law Enforcement and Security	Furniture Tools and Equipment	Good Governance and Compliance	300,000	300,000	200,000
Law Enforcement and Security	Install and Upgrade CCTV/ LPR Cameras In WC024	Safe Valley	2,000,000	2,000,000	2,000,000
Law Enforcement and Security	Install Computerised Access Security Systems and CCTV Cameras At Municipal Buildings	Safe Valley	950,000	950,000	500,000
Law Enforcement and Security	Law Enforcement Tools and Equipment	Safe Valley	750,000	750,000	750,000
Law Enforcement and Security	Law Enforcement: Vehicle Fleet	Good Governance and Compliance	2,500,000	2,500,000	2,500,000
Law Enforcement and Security	Neighbourhood Watch Safety equipment	Safe Valley	1,500,000	800,000	500,000
Law Enforcement and Security	Office accommodation	Valley of Possibility	-	-	1,000,000
Parks and Cemeteries	Fencing on Various Parks and Gardens	safe Valley	-	-	200,000
Parks and Cemeteries	Integrated and Spray Parks	Green and Sustainable Valley	5,000,000	3,000,000	3,000,000
Parks and Cemeteries	Landscaping of Circles in Stellenbosch	Green and Sustainable Valley	150,000	-	-
Parks and Cemeteries	Furniture, Tools and Equipment	Good Governance and Compliance	50,000	50,000	200,000
Parks and Cemeteries	Horticulture Furniture, Tools and Equipment	Good Governance and Compliance	80,000	-	30,000
Parks and Cemeteries	Pathways on Parks and gardens	Green and Sustainable Valley	100,000	100,000	200,000
Parks and Cemeteries	Purchase of Equipment	Good Governance and Compliance	30,000	-	-
Parks and Cemeteries	River development	Green and Sustainable Valley	-	-	250,000
Parks and Cemeteries	Upgrading of Parks	Green and Sustainable Valley	1,500,000	1,500,000	1,700,000
Parks and Cemeteries	Specialised Vehicle	Good Governance and Compliance	1,000,000	-	-

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
COMMUNITY AND PROTECTION SERVICES					
Parks and Cemeteries	Vehicle Fleet	Good Governance and Compliance	-	1,000,000	-
Recreation, Sports Grounds and Halls	Furniture, Tools and Equipment	Good Governance and Compliance	450,000	400,000	300,000
Recreation, Sports Grounds and Halls	Recreational Equipment Sport	Valley of Possibility	80,000	80,000	100,000
Recreation, Sports Grounds and Halls	Re-Surface of Netball/Tennis Courts	Valley of Possibility	-	-	550,000
Recreation, Sports Grounds and Halls	Sight Screens/Pitch Covers Sports Grounds	Valley of Possibility	250,000	250,000	250,000
Recreation, Sports Grounds and Halls	Sport: Community Services Special Equipment	Valley of Possibility	300,000	300,000	300,000
Recreation, Sports Grounds and Halls	Upgrade of Irrigation System	Green and Sustainable Valley	-	-	200,000
Recreation, Sports Grounds and Halls	Upgrade of Sport Facilities	Valley of Possibility	7,000,000	8,000,000	-
Recreation, Sports Grounds and Halls	Upgrading of Halls	Valley of Possibility	-	-	250,000
Recreation, Sports Grounds and Halls	Vehicle Fleet	Good Governance and Compliance	600,000	600,000	950,000
Traffic Services	Furniture, Tools and Equipment	Good Governance and Compliance	220,000	585,000	965,000
Traffic Services	Mobile Radios	Safe Valley	200,000	200,000	-
Traffic Services	Vehicle Fleet	Good Governance and Compliance	-	-	1,500,000
Traffic Services	Replacement of Patrol Vehicles	Safe Valley	1,200,000	1,225,000	1,300,000
Traffic Services	Specialised Vehicle	Good Governance and Compliance	-	-	1,200,000
			49 039 347	**42 730 000**	**45 100 000**

Table 97: Capital Budget 2020/21 – 2022/23- Corporate Services

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
CORPORATE SERVICES					
Information and Communications Technology (ICT)	Public WI-FI Network	Valley of Possibility	600,000	600,000	700,000
Information and Communications Technology (ICT)	Purchase and Replacement of Computer/software and Peripheral devices	Good Governance and Compliance	500,000	600,000	600,000
Information and Communications Technology (ICT)	Upgrade and Expansion of IT Infrastructure Platforms	Good Governance and Compliance	4,000,000	4,000,000	4,000,000
Properties and Municipal Building Maintenance	Flats: Interior Upgrading: Cloetesville - Kloof and Long Streets	Dignified Living	1,500,000	-	-
Properties and Municipal Building Maintenance	Furniture Tools and Equipment: Property Management	Good Governance and Compliance	350,000	250,000	550,000
Properties and Municipal Building Maintenance	Kayamandi: Upgrading of Makapula Hall	Dignified Living	1,000,000	1,000,000	-
Properties and Municipal Building Maintenance	Kleine Libertas Precinct	Dignified Living	10,000,000	12,000,000	-
Properties and Municipal Building Maintenance	La Motte Clubhouse	Dignified Living	800,000	-	-
Properties and Municipal Building Maintenance	Structural Improvement: General	Valley of Possibility	3,400,000	5,000,000	2,000,000
Properties and Municipal Building Maintenance	Structural improvements at the Van der Stel Sport grounds	Valley of Possibility	1,000,000	1,000,000	-
Properties and Municipal Building Maintenance	Structural Upgrade: Heritage Building	Valley of Possibility	1,000,000	1,500,000	1,500,000
Properties and Municipal Building Maintenance	Structural Upgrading: Community Hall Lamotte	Valley of Possibility	300,000	-	-
Properties and Municipal Building Maintenance	Upgrading Fencing	Safe Valley	300,000	300,000	500,000
Properties and Municipal Building Maintenance	Upgrading of Community Facilities: Jonkershoek	Valley of Possibility	200,000	1,800,000	-
Properties and Municipal Building Maintenance	Upgrading of Eike Town Hall	Valley of Possibility	2,000,000	-	-
Properties and Municipal Building Maintenance	Upgrading of Library in Kayamandi	Valley of Possibility	200,000	1,000,000	500,000
Properties and Municipal Building Maintenance	Upgrading of New Office Space: Ryneveld Street	Valley of Possibility	1,800,000	9,000,000	-
Properties and Municipal Building Maintenance	Upgrading of Stellenbosch Town Hall	Valley of Possibility	2,500,000	-	-
Properties and Municipal Building Maintenance	Upgrading of Traffic Offices: Stellenbosch	Valley of Possibility	8,000,000	10,000,000	-
			39 450 000	**48 050 000**	**10 350 000**

Table 98: Capital Budget 2020/21 – 2022/23- Infrastructure Services

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
INFRASTRUCTURE SERVICES					
Executive Support: Engineering Services: General	Furniture, Tools and Equipment	Good Governance and Compliance	100,000	-	-
Executive Support: Engineering Services: General	Update of Engineering Infrastructure GIS Data	Good Governance and Compliance	300,000	-	-
Electrical Services	Ad-Hoc Provision of Street lighting and Lighting of Public Spaces	Safe Valley	2,000,000	2,000,000	2,000,000
Electrical Services	Automatic Meter Reader	Green and Sustainable Valley	400,000	400,000	400,000
Electrical Services	Bien don 66/11kV substation new	Valley of Possibility	1,500,000	2,200,000	70,000,000
Electrical Services	Buildings and Facilities Electrical Supply - Stellenbosch	Valley of Possibility	500,000	575,000	661,250
Electrical Services	Cable replacement 66kV oil MN - US - MK	Valley of Possibility	-	-	480,000
Electrical Services	Data Network	Valley of Possibility	-	500,000	500,000
Electrical Services	DSM Geyser Control	Green and Sustainable Valley	200,000	100,000	100,000
Electrical Services	Electrical Equipment	Valley of Possibility	-	1,601,009	-
Electrical Services	Electricity Network: Pniel	Valley of Possibility	3,500,000	3,500,000	3,500,000
Electrical Services	Energy Balancing Between Metering and Mini-Substations	Valley of Possibility	500,000	500,000	-
Electrical Services	Energy Efficiency and Demand Side Management	Green and Sustainable Valley	1,000,000	1,000,000	1,000,000
Electrical Services	General System Improvements - Franschhoek	Valley of Possibility	2,000,000	2,000,000	2,000,000
Electrical Services	General Systems Improvements - Stellenbosch	Valley of Possibility	3,000,000	3,000,000	3,000,000
Electrical Services	System Control Centre and Upgrade Telemetry	Good Governance and Compliance	1,550,000	1,559,300	1,568,656
Electrical Services	Infrastructure Improvement - Franschhoek	Valley of Possibility	1,500,000	1,500,000	1,500,000
Electrical Services	Integrated National Electrification Programme (Enkanini)	Valley of Possibility	16,400,000	11,500,000	13,225,000
Electrical Services	Jan Marais Upgrade: Remove Existing and replace with 20MVA units	Valley of Possibility	15,800,000	5,000,000	500,000
Electrical Services	Kwarentyn Sub cables: 11kV 3 core	Valley of Possibility	5,500,000	-	-

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
INFRASTRUCTURE SERVICES					
	185mmsq copper cabling, 3.8km				
Electrical Services	Kayamandi Costa grounds substation 66/11 kV 2x 20MVA	Valley of Possibility	-	-	300,000
Electrical Services	Laterra Substation	Valley of Possibility	8,000,000	371,553	427,286
Electrical Services	Main substation upgrade: Remove Existing and replace with 10MVA units	Valley of Possibility	-	-	7,571,200
Electrical Services	Substation 66kV equipment	Valley of Possibility	-	-	1,950,000
Electrical Services	Meter Panels	Green and Sustainable Valley	500,000	500,000	400,000
Electrical Services	Replace Ineffective Meters and Energy Balance of mini-substations	Green and Sustainable Valley	600,000	250,000	-
Electrical Services	Network Cable Replace 11 Kv	Valley of Possibility	3,000,000	3,000,000	3,000,000
Electrical Services	Stellenbosch Switchgear (11kV)	Valley of Possibility	-	-	13,272,470
Electrical Services	Cloetesville - University New 66kV cable	Valley of Possibility	450,000	16,800,000	-
Electrical Services	University substation upgrade 66/11kV 20MVA Trfr x 3	Valley of Possibility	-	-	450,000
Electrical Services	Specialised Vehicles	Good Governance and Compliance	1,600,000	-	-
Electrical Services	Vehicle Fleet	Good Governance and Compliance	-	-	1,000,000
Infrastructure Plan, Dev and Implement	Computer - Hardware/Equipment	Good Governance and Compliance	100,000	50,000	50,000
Infrastructure Plan, Dev and Implement	Furniture, Tools and Equipment	Good Governance and Compliance	20,000	23,000	25,000
Infrastructure Plan, Dev and Implement	Basic Improvements: Langrug	Dignified Living	2,720,682	-	-
Infrastructure Plan, Dev and Implement	Ida's Valley IRDP / FLISP	Dignified Living	1,000,000	-	-
Infrastructure Plan, Dev and Implement	Kayamandi: Zone O (±711 services)	Dignified Living	10,680,000	-	9,000,000
Infrastructure Plan, Dev and Implement	Klapmuts TRA (298 Nutec Structures)	Dignified Living	1,980,000	-	-
Infrastructure Plan, Dev and Implement	Klapmuts: Erf 2181 (298 serviced sites)	Dignified Living	13,560,000	-	-
Infrastructure Plan, Dev and Implement	Longlands, Vlottenburg (±144 Services and ±144 units)	Dignified Living	6,340,000	-	-
Infrastructure Plan, Dev and Implement	Northern Extension Bulk Services	Dignified Living	-	-	35,000,000

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
INFRASTRUCTURE SERVICES					
Infrastructure Plan, Dev and Implement	Smartie Town	Dignified Living	1,000,000	-	-
Infrastructure Plan, Dev and Implement	Upgrading of The Steps/ Orlean Lounge	Dignified Living	5,000,000	5,000,000	-
Infrastructure Plan, Dev and Implement	Watergang Farm Upgrading	Dignified Living	5,000,000	5,000,000	-
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	Green and Sustainable Valley	2,000,000	7,000,000	20,000,000
Waste Management: Solid Waste Management	Formalise skip areas in Franschhoek and Kayamandi	Green and Sustainable Valley	-	-	500,000
Waste Management: Solid Waste Management	Skips (5,5Kl)	Green and Sustainable Valley	200,000	200,000	200,000
Waste Management: Solid Waste Management	Furniture, Tools and Equipment : Solid Waste	Good Governance and Compliance	45,000	45,000	45,000
Waste Management: Solid Waste Management	Integrated Waste Management Plan	Green and Sustainable Valley	-	-	100,000
Waste Management: Solid Waste Management	Landfill Gas To Energy	Green and Sustainable Valley	500,000	2,000,000	8,000,000
Waste Management: Solid Waste Management	Mini Waste drop-off facilities at inf. Settlements	Green and Sustainable Valley	-	-	100,000
Waste Management: Solid Waste Management	Street Refuse Bins	Green and Sustainable Valley	1,000,000	1,000,000	1,000,000
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and Design	Green and Sustainable Valley	2,000,000	8,000,000	9,000,000
Waste Management: Solid Waste Management	Upgrade Refuse disposal site (Existing Cell)- Rehab	Green and Sustainable Valley	2,000,000	1,000,000	1,000,000
Waste Management: Solid Waste Management	Vehicles	Good Governance and Compliance	2,000,000	3,000,000	-
Waste Management: Solid Waste Management	Waste Biofuels	Green and Sustainable Valley	-	-	300,000
Waste Management: Solid Waste Management	Waste Management Software	Green and Sustainable Valley	-	-	200,000
Waste Management: Solid Waste Management	Waste Minimisation Projects	Green and Sustainable Valley	500,000	500,000	500,000
Waste Management: Solid Waste Management	Waste to Energy - Implementation	Green and Sustainable Valley	-	-	3,000,000
Waste Management: Solid Waste Management	Waste to Energy - Planning	Green and Sustainable Valley	-	-	300,000
Water and Wastewater Services: Water	Bulk water supply Klapmuts	Valley of Possibility	15,000,000	5,000,000	-
Water and Wastewater Services: Water	Bulk water Supply Pipe : Cloetesville/ Ida's Valley	Valley of Possibility	-	-	1,000,000
Water and Wastewater Services: Water	Bulk water supply pipe and Reservoir: Kayamandi	Valley of Possibility	19,500,000	-	-

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
INFRASTRUCTURE SERVICES					
Water and Wastewater Services: Water	Bulk water Supply Pipe Line and Pump stations: Franschhoek	Valley of Possibility	12,000,000	-	-
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Ida's Valley/Papegaaiberg and Network Upgrades	Valley of Possibility	-	-	1,000,000
Water and Wastewater Services: Water	Bulk Water Supply Pipeline and Reservoir - Jamestown	Valley of Possibility	1,000,000	10,000,000	9,000,000
Water and Wastewater Services: Water	Chlorination Installation: Upgrade	Valley of Possibility	500,000	500,000	500,000
Water and Wastewater Services: Water	Dwarsriver Bulk Supply Augmentation and Network Upgrades	Valley of Possibility	1,000,000	5,822,000	7,518,000
Water and Wastewater Services: Water	Furniture, Tools and Equipment : Reticulation	Good Governance and Compliance	100,000	100,000	150,000
Water and Wastewater Services: Water	New Developments Bulk Water Supply WC024	Valley of Possibility	1,000,000	2,000,000	2,000,000
Water and Wastewater Services: Water	New Reservoir and Pipeline: Vlottenburg	Valley of Possibility	10,000,000	20,000,000	-
Water and Wastewater Services: Water	New Reservoir Rosendal	Valley of Possibility	6,000,000	6,000,000	9,000,000
Water and Wastewater Services: Water	Northern Extension Bulk Services	Valley of Possibility	1,300,000	2,000,000	9,000,000
Water and Wastewater Services: Water	Reservoirs and Dam Safety	Valley of Possibility	1,500,000	1,500,000	1,500,000
Water and Wastewater Services: Water	Specialised vehicle: Jet Machine	Valley of Possibility	-	-	3,850,000
Water and Wastewater Services: Water	Update Water Masterplan and IMQS	Valley of Possibility	1,500,000	1,500,000	2,000,000
Water and Wastewater Services: Water	Upgrade and Replace Water Meters	Valley of Possibility	2,500,000	3,000,000	1,500,000
Water and Wastewater Services: Water	Upgrade of Franschhoek Reservoirs and Pipelines	Valley of Possibility	-	-	1,000,000
Water and Wastewater Services: Water	Upgrading of Koelenhof Water Scheme	Valley of Possibility	-	-	500,000
Water and Wastewater Services: Water	Vehicles	Good Governance and Compliance	1,000,000	1,000,000	1,500,000
Water and Wastewater Services: Water	Water Conservation and Demand Management	Green and Sustainable Valley	5,000,000	5,000,000	5,000,000
Water and Wastewater Services: Water	Water Telemetry Upgrade	Valley of Possibility	500,000	750,000	1,500,000
Water and Wastewater Services: Water	Water Treatment Works: Ida's Valley	Valley of Possibility	11,000,000	15,000,000	2,000,000
Water and Wastewater Services: Water	Water Treatment Works: Paradyskloof	Valley of Possibility	-	-	500,000

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
INFRASTRUCTURE SERVICES					
	and Associated works				
Water and Wastewater Services: Water	Water pipe Replacement	Valley of Possibility	7,000,000	7,000,000	7,000,000
Water and Wastewater Services: Water	WSDP (tri-annually)	Valley of Possibility	400,000	400,000	-
Water and Wastewater Services: Sanitation	Access to Basic Services	Dignified Living	1,465,000	280,900	300,000
Water and Wastewater Services: Sanitation	Bulk Sewer Outfall: Jamestown	Dignified Living	30,000,000	6,000,000	-
Water and Wastewater Services: Sanitation	Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniel)	Dignified Living	-	5,000,000	26,000,000
Water and Wastewater Services: Sanitation	Cloetesville Bulk Sewer Upgrade	Dignified Living	-	-	1,000,000
Water and Wastewater Services: Sanitation	Effluent Recycling of Waste Water 10Ml per day	Dignified Living	-	-	500,000
Water and Wastewater Services: Sanitation	Extension of WWTW Klapmuts and Reclamination water unit	Valley of Possibility	-	1,000,000	5,000,000
Water and Wastewater Services: Sanitation	Franschhoek Sewer Network Upgrade	Dignified Living	5,000,000	-	-
Water and Wastewater Services: Sanitation	Furniture, Tools and Equipment : Sanitation	Good Governance and Compliance	200,000	200,000	400,000
Water and Wastewater Services: Sanitation	Industrial Effluent Monitoring	Dignified Living	750,000	1,000,000	-
Water and Wastewater Services: Sanitation	Kayamandi Bulk Sewer	Dignified Living	-	-	500,000
Water and Wastewater Services: Sanitation	Klapmuts Bulk Sewer Upgrade	Dignified Living	-	-	1,000,000
Water and Wastewater Services: Sanitation	New Development Bulk Sewer Supply WC024	Dignified Living	1,000,000	1,000,000	1,000,000
Water and Wastewater Services: Sanitation	Sewer Pump station and Telemetry Upgrade	Dignified Living	1,000,000	1,000,000	1,500,000
Water and Wastewater Services: Sanitation	Sewer pipe Replacement	Dignified Living	2,000,000	3,000,000	3,000,000
Water and Wastewater Services: Sanitation	Sewer pipe Replacement: Dorp Street	Dignified Living	12,000,000	6,000,000	-
Water and Wastewater Services: Sanitation	Update Sewer Masterplan	Dignified Living	1,500,000	1,500,000	500,000
Water and Wastewater Services: Sanitation	Upgrade Auto-Samplers	Dignified Living	100,000	150,000	200,000
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	Dignified Living	15,000,000	-	-
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Klapmuts	Dignified Living	1,655,000	6,000,000	10,000,000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Pniel and	Dignified Living	40,000,000	54,684,431	-

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
INFRASTRUCTURE SERVICES					
	Decommissioning of Franschhoek				
Water and Wastewater Services: Sanitation	Vehicles	Good Governance and Compliance	-	-	1,000,000
Roads and Storm water	Adhoc Reconstruction Of Roads (WC024)	Valley of Possibility	3,000,000	3,000,000	3,000,000
Roads and Storm water	Bridge Rehabilitation	Valley of Possibility	3,000,000	-	-
Roads and Storm water	Furniture, Tools and Equipment : Roads and Storm water	Good Governance and Compliance	500,000	500,000	500,000
Roads and Storm water	Parking area upgrades	Dignified Living	2,500,000	-	-
Roads and Storm water	Reseal Roads - Stellenbosch and Surrounding	Valley of Possibility	5,000,000	5,000,000	5,000,000
Roads and Storm water	Reseal Roads - Jamestown and Surrounding	Valley of Possibility	1,500,000	1,500,000	1,500,000
Roads and Storm water	Reseal Roads - Kylemore and Surrounding	Valley of Possibility	1,000,000	1,000,000	1,000,000
Roads and Storm water	Reseal Roads - Klapmuts, Raithby, Meerlust, wemmershoek, LaMotte, Maasdorp	Valley of Possibility	-	1,500,000	-
Roads and Storm water	Reseal Roads - Franschhoek and Surrounding	Valley of Possibility	2,500,000	1,000,000	1,000,000
Roads and Storm water	River Rehabilitation Implementation	Valley of Possibility	2,000,000	-	-
Roads and Storm water	Rivers Rehabilitation Planning and Design	Valley of Possibility	1,000,000	-	-
Roads and Storm water	Specialised Vehicles	Good Governance and Compliance	4,000,000	1,000,000	-
Roads and Storm water	Upgrade Storm Water Conveyance System	Valley of Possibility	2,000,000	-	-
Roads and Storm water	Upgrading of Laquedoc Access Road and Bridge	Valley of Possibility	2,000,000	-	-
Transport Planning	Bicycle Lockup Facilities	Safe Valley	-	1,000,000	500,000
Transport Planning	Cycle Plan - Design and Implementation	Valley of Possibility	-	500,000	500,000
Transport Planning	Comprehensive Integrated Transport Plan	Green and Sustainable Valley	1,000,000	1,000,000	1,000,000
Transport Planning	Adam Tas Road	Valley of Possibility	-	-	750,000

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
INFRASTRUCTURE SERVICES					
Transport Planning	De Beer Street	Valley of Possibility	-	100,000	100,000
Transport Planning	Joubert Street	Valley of Possibility	-	1,500,000	-
Transport Planning	Freight Strategy for Stellenbosch and Franschhoek	Valley of Possibility	-	-	200,000
Transport Planning	Jamestown South Transport Network	Green and Sustainable Valley	2,000,000	3,000,000	4,000,000
Transport Planning	Pedestrian and Cycle paths Design and Phased implementation	Valley of Possibility	-	2,000,000	-
Transport Planning	Kayamandi Pedestrian Crossing (R304, River and Railway Line)	Valley of Possibility	2,500,000	-	-
Transport Planning	Non-Motorised Transport Implementation	Good Governance and Compliance	2,000,000	-	-
Transport Planning	Stellenbosch NMT: Jamestown - new sidewalks	Good Governance and Compliance	1,000,000	-	2,000,000
Transport Planning	Parking Development	Valley of Possibility	1,000,000	-	-
Transport Planning	Public Transport Facilities	Valley of Possibility	-	-	2,000,000
Transport Planning	Public Transport Infrastructure (Public Transport Shelters and Embayments)	Valley of Possibility	350,000	400,000	-
Transport Planning	Re-design of Bergzicht Public Transport Facility	Valley of Possibility	1,000,000	3,000,000	3,000,000
Transport Planning	Taxi Rank: Franschhoek	Valley of Possibility	5,000,000	-	1,500,000
Transport Planning	Taxi Rank: Kayamandi	Valley of Possibility	3,500,000	-	-
Transport Planning	Taxi Rank: Klapmuts	Valley of Possibility	2,000,000	250,000	250,000
Transport Planning	Tour Bus Parking	Valley of Possibility	500,000	-	400,000
Transport Planning	Update Roads Master Plan for WC024	Valley of Possibility	-	-	1,000,000
Traffic Engineering	Directional Information Signage	Valley of Possibility	200,000	-	-
Traffic Engineering	Furniture, Tools and Equipment : Traffic Engineering	Good Governance and Compliance	100,000	-	-
Traffic Engineering	Main Road Intersection Improvements: Franschhoek	Valley of Possibility	1,700,000	-	-
Traffic Engineering	Main road intersection improvements: Helshoogte rd/La Colline	Valley of Possibility	2,400,000	-	700,000
Traffic Engineering	Main road intersection improvements:	Valley of Possibility	2,000,000	100,000	100,000

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
INFRASTRUCTURE SERVICES					
	R44 / Helshoogte				
Traffic Engineering	Main Road Intersection Improvements: R44 / Merriman Street	Valley of Possibility	2,000,000	100,000	100,000
Traffic Engineering	Main Road Intersection Improvements: Strand / Adam Tas / Alexander	Valley of Possibility	4,000,000	1,700,000	-
Traffic Engineering	Main Road Intersection Improvements: Pniel / Kylemore	Valley of Possibility	-	4,000,000	-
Traffic Engineering	Pedestrian Crossing Implementation	Safe Valley	100,000	2,000,000	-
Traffic Engineering	Road Traffic Management System	Safe Valley	1,500,000	2,000,000	-
Traffic Engineering	Road Transport Safety Master Plan - WC024	Safe Valley	-	500,000	-
Traffic Engineering	Signalisation implementation	Good Governance and Compliance	250,000	3,000,000	-
Traffic Engineering	Traffic Calming Projects: Implementation	Safe Valley	1,000,000	100,000	100,000
Traffic Engineering	Traffic Management Improvement Programme	Safe Valley	1,000,000	250,000	-
Traffic Engineering	Traffic Signal Control: Installation and Upgrading of Traffic Signals and Associated Components	Safe Valley	500,000	500,000	-
Traffic Engineering	Universal Access Implementation	Valley of Possibility	100,000	300,000	-
Traffic Engineering	Specialised Vehicle	Good Governance and Compliance	-	500,000	2,400,000
Traffic Engineering	Vehicles	Good Governance and Compliance	-	-	300,000
			404 715 682	**306 362 193**	**370 943 862**

Table 99: Capital Budget 2020/21 – 2022/23- Financial Services

Project name	Directorate	Strategic Objectives	Proposed budget 2020/21	Proposed budget 2021/22	Proposed budget 2022/23
FINANCIAL SERVICES					
Financial Services: General	Furniture, Tools and Equipment	Good Governance and Compliance	600,000	200,000	200,000
Financial Services: General	Vehicle Fleet	Good Governance and Compliance	250,000	-	-
			850,000	**200,000**	**200,000**

8.8 National and Provincial Investment

The following tables depict the National and Provincial allocations to the municipality over the MTREF period. It should be noted that the information is subject to change depending on fiscal constraints and the availability of resources[9].

The table below sets out the allocations by national government for the MTREF period for Stellenbosch Municipality.

As indicated in the table below the total National allocation for Stellenbosch amounts to R220.005 million for the 2020/21 financial year.

Table 100: National and Provincial Investment

National Allocations / Provincial (R'000)	2020/21	2021/22	2022/23
Stellenbosch			
Equitable share	149,804	165,076	180,699
Expanded Public Works Programme Integrated Grant for Municipalities	4,961	-	-
Integrated National Electrification Programme (Municipal) Grant	16,200	5,253	5,584
Local Government Financial Management Grant	1,550	1,550	1,550
Integrated Urban Development Grant	47,490	38,422	40,518
Total	**220,005**	**210,301**	**228,351**

The table below sets out the allocations by provincial government for the MTREF period for Stellenbosch Municipality.

As indicated in the table below the total Provincial allocation for Stellenbosch Municipality amounts to R78.321 million for the 2020/21 financial year.

Table 101: Provincial allocation to the Stellenbosch Municipality

WCG Departments and funding (R'000)	2020/21	2021/22	2022/23
Cultural Affairs and Sport			
Community Library services grant	13,077	13,796	14,555
Environmental Affairs and Development Planning	-	-	-
RSEP/VPUU municipal projects	4,000	1,000	-
Department of Local Government			
Community Development Workers Operational Support Grant	56	56	56
Human Settlements			
Human Settlements Development grant (Beneficiaries)	59,409	50,020	54,000
Provincial Treasury			

[9] Source: Western Cape Provincial Treasury: Allocations to Municipalities as reflected in the 2020 Budget and not listed in the Division of Revenue Act, 2020.

WCG Departments and funding (R'000)	2020/21	2021/22	2022/23
Capacity Building Grant	401	-	-
Western Cape Financial Management	238	252	264
Transport and Public Works			
Financial assistance to municipalities for maintenance and construction of transport infrastructure	450	450	450
Integrated transport planning	600	600	600
Total	**78,231**	**66,174**	**69,925**

CHAPTER 9

Implementation, Monitoring and Review (5 Years)

The Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) mandates South African municipalities to formulate a five-year Integrated Development Plan (IDP) plan to inform the municipal budget and guide all development within the municipal area. The IDP is considered the Municipality's principal strategic plan that deals with the most critical development needs of the municipal area as well as the most critical governance needs of the organisation.

As the principal planning instrument that guides and informs the municipal budget, the planning process has to provide a forum for identifying, unpacking and resolving the real issues that face the residents of Stellenbosch. Clearly identifying these issues in consultation with communities, makes it possible for the Municipality to propose realistic and workable solutions that can be budgeted for, implemented and monitored in a controlled environment. These issues may be over-arching issues that affect the whole municipality or may only affect specific communities. It is therefore crucially important that the IDP be developed after the completion of a public participation process in which community stakeholders were thoroughly consulted. The plan is also developed in partnership with the provincial and national government.

At the heart of the IDP lies the improvement in the provision of basic municipal services and expanding livelihood opportunities for the people of the Stellenbosch Municipality. The IDP also focusses on expanding and transforming municipal capacity, enterprise development and crucially, exploring new ways of working and living together. This is especially relevant in an ever changing environment.

9.1 Detailed Service Delivery Plans

Parallel with the completion of the fourth generation IDP revision, work has commenced to prepare the SDBIPs for the 2020/21 budget year for the various functional areas and directorates of the Municipality. The SDBIP will unpack the IDP strategic focus areas and predetermined objectives into more detailed programmes, projects, budgets, and performance targets and measurement criteria. Section 1 of the MFMA defines the SDBIP as:

"a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:

(a) projections for each month of-
- *(i) revenue to be collected, by source; and*
- *(ii) operational and capital expenditure, by vote;*

(b) service delivery targets and performance indicators for each quarter".

The Service Delivery and Budget Implementation Plan (SDBIP) is an implementation plan of the approved Integrated Development Plan (IDP) and Medium Term Revenue and Expenditure Framework. Therefore, only projects that are budgeted for are implemented. The SDBIP serves to address the development objectives as derived from the approved IDP.

The format of the SDBIP is prescribed by MFMA Circular Number 13 issued by National Treasury. In terms of the said Circular Number 13 the SDBIP must provide a picture of service delivery areas, budget allocations and enable monitoring and evaluation. It specifically requires the SDBIP to include, inter alia, the following:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Ward information for expenditure and service delivery; and
- Detailed capital works plan broken down by ward over three years.

9.1.1 MFMA Circular No. 13

The SDBIP serves as a "contract" between the administration, council and community expressing the goals and objectives set by council as quantifiable outcomes that can be implemented by the administration over the next twelve months. The SDBIP provides the vital link between the mayor, council (executive) and the administration and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community.

In accordance with Section 53 of the MFMA, the mayor of a municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget. It also indicates that the annual performance agreements as required in terms of Section 57(1)(b) of the MSA for the municipal manager and all senior managers are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan.

9.1.2 High Level SDBIP Targets and Indicators

Quarterly projections of service delivery targets and performance indicators for each vote, is one of the five components of the top-layer SDBIP that must be made public as detailed in MFMA Circular 13.

The top level of the SDBIP includes measurable performance objectives in the form of service delivery targets and performance indicators that are provided to the community, that is, what impacts it seeks to achieve. These are drawn from the IDP programmes, services and activities that are relevant to each specific directorate as well as the statutory plans that the Directorate are responsible for. The SDBIPs therefore are the key mechanisms for monitoring the different responsibilities and targets that each Directorate must fulfil in meeting service delivery needs provided to the community.

9.1.3 Reporting on the SDBIP

Various reporting requirements are outlined in the MFMA, both the mayor and the accounting officer have clear roles to play in preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports required by the MFMA. The report then allows the Council to monitor the implementation of service delivery programmes and initiatives across the Municipality's boundaries.

9.1.4 Monthly Reporting

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer

of a municipality no later than 10 working days, after the end of each month. Reporting must include the following:

- Actual revenue, per source;
- Actual borrowings;
- Actual expenditure, per vote;
- Actual capital expenditure, per vote; and
- The amount of any allocations received.

If necessary, explanation of the following must be included in the monthly reports:

- Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
- Any material variances from the service delivery and budget implementation plan; and
- Any remedial or corrective steps taken or to be taken to ensure that the projected revenue and expenditure remain with the municipality's approved budget.

9.1.5 Quarterly Reporting

Section 52(d) of the MFMA compels the mayor to submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP provides qualitative information to quarterly report.

9.1.6 Mid-year Reporting

- Section 72 of the MFMA determines that by 25 January of each year the accounting officer must assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan; and
- The section 72 report must include the following:
  - The monthly statements submitted in terms of section 71 for the first half of the financial year;
  - The municipality's service delivery performance, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan; and
  - The past year's annual report, and progress on resolving problems identified in the annual report (s72);
  - Performance of service providers;
  - Make recommendations as to whether an adjustments budget is necessary (s72); and
  - Recommend revised projections for revenue and expenditure to the extent that this may be necessary (s72).

9.1.7 Monitoring and the Adjustment Budget Process

The section 71 and 72 budget monitoring reports required under the MFMA should provide a consolidated analysis of the Municipality's financial position including year-end projections. The Executive Mayor must consider these reports under s54 of the MFMA and then make a decision as to whether the SDBIP should be amended. The Adjustments Budget concept is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the municipality's finances. In simple terms, funds can be transferred within a vote but any movements between votes can only be agreed by an adjustments budget.

In accordance with the Stellenbosch Municipality's approved Performance Management Policy, key performance indicators (KPIs) can only be adjusted after the mid-year assessment and/or after the adjustments budget has been approved. KPIs should be adjusted to be aligned with the adjustment estimate and the reason for the change in KPIs should be documented in a report to the Executive Mayor for approval.

Additional KPIs can be added during the year with the approval of the municipal manager. The approval documents should be safeguarded for audit purposes. The 2019/20 Revised SDBIP is informed by a thorough assessment of the 2018/19 Annual Report, Auditor General's Report and the 2019/20 Adjustments Budget.

This policy is supported by MFMA Circular No. 13: Service Delivery and Budget Implementation Plan which stipulates that being a management and implementation plan (and not a policy proposal), the SDBIP is not required to be approved by the council – it is however tabled before council and made public for information and for purposes of monitoring. The SDBIP should be seen as a dynamic document that may (at lower layers of the plan) be continually revised by the municipal manager and other top managers, as actual performance after each month or quarter is taken into account.

9.1.8 Internal Auditing of Performance Reports

The Municipality's internal audit function will need to be continuously involved in auditing the performance reports based on the organisational and directorate/departmental scorecards. As required by Regulation, they will be required to produce an audit report on a quarterly basis, to be submitted to the Municipal Manager and Performance Audit Committee. The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

9.1.9 Annual Performance Reviews

At least annually, the Executive Mayor will be required to report to the full council on the overall municipal performance. It is proposed that this reporting take place using the municipal scorecard in an annual performance report format as per the Municipal Systems Act. The said annual performance report will form part of the municipality's Annual Report as per section 121 of the Municipal Finance Management Act.

9.2 Project Prioritisation

In the prioritisation of programmes and projects to be included in the SDBIPs, the following criteria will be applied:

- The extent to which the programme or project demonstrates measurable support for the strategic goals, focus areas and objectives of the Fourth generation IDP (as aligned to global, national, provincial and district policy directives);
- The location of the project in relation to previously disadvantaged areas and/or the extent to which such areas will benefit from the project;
- The clear identification of beneficiary communities and the expected positive impacts on beneficiary communities;
- The extent to which the project will support other programmes and/or projects of the municipality and its service delivery partners;
- The extent to which the project supports the EPWP;

- The extent to which the project is intended to enhance a previous project, extends a previous project, or completes an incomplete project;
- The extent to which the project is supported by other funding allocations, or supports such allocation to provide for richer, more integrated human settlement outcomes or accelerated delivery;
- The extent to which future operational resources for the project have been secured (including both human and financial resources);
- The extent to which prerequisite land planning, and associated statutory land and environmental processes are in place or have been completed; and
- The extent to which detail project milestone and cash-flow planning, and processes for procuring resources are completed and/or highlighted.

9.3 Five-Year Top Level Service Delivery and Budget Implementation Plan (SDBIP)

The SDBIP gives effect to the Integrated Development Plan (IDP) and is essentially the management and implementation tool setting out the quarterly service delivery targets.

The Top Layer SDBIP has been reviewed to include the main service delivery indicators of the Municipality and to take into account the recommendations made by the Auditor General. It should be noted that where indicators were removed from the Top Layer SDBIP, it has been moved to the Departmental SDBIP and will be monitored through the respective Directors' performance scorecards.

The following table reflects the 5 Year Implementation Plan of the Integrated Development Plan:

9.3.1 SFA 1 – Valley of Possibility

SFA 1 – VALLEY OF POSSIBILITY																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	VIP link	Delivery Indicator
KPI001	MFA 4: New Housing (PMU)	Planning and Economic Development	Number of serviced sites for low cost housing provided	Percentage of erven serviced	Programme	All	190 per annum	117	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 1	PSO 1	CWDM 1	VIP 1	**Output**
KPI002	MFA 4: New Housing (PMU)	Planning and Economic Development	Number of temporary housing units constructed in the Temporary Relocation Area by June 2018	Construct 270 temporary units (Temporary Relocation Area – TRA)	Project (Capex)	All	270 per annum	111	N/A	N/A	N/A	N/A	N/A	NKPA 8	NDP 2	PSO 4	CWDM 2	VIP 1	**Output**
KPI003	MFA 2: Transport, Roads and Stormwater	Planning and Economic Development	Number of bus and taxi shelters constructed	Constructed Bus and Taxi shelters based on completion photos	Project (Capex)	All	2 per annum	7	N/A	N/A	N/A	N/A	N/A	NKPA 6	NDP 2	PSO 4	CWDM 2	VIP 4	**Output**

SFA 1 – VALLEY OF POSSIBILITY																				
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	VIP link	Delivery Indicator
KPI004	MFA 8: Spatial Planning / Environmental, Heritage and Cultural Management	Planning and Economic Development	Spatial mapping of all current and planned social infrastructure (parks, crèches) as identified by June 2018	Spatial map containing all current and planned social infrastructure (parks, crèches) as updated annually by June 2018	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 11	NDP 4	PSO 5	CWDM 1	VIP 4	**Output**
KPI005	MFA 1: Local Economic Development	Planning and Economic Development	2 informal trading sites developed by June 2018	2 informal trading sites developed	Project (Capex)	All	2 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 1	PSO 1	CWDM 1	VIP 3	**Output**
KPI006	MFA 2: Transport, Roads and Stormwater	Planning and Economic Development	Number of bus terminals and taxi ranks constructed	Constructed taxi rank by April 2018. Photographs on Ignite	Project (Capex)	All	4 per annum	4	N/A	N/A	N/A	N/A	N/A	NKPA 6	NDP 2	PSO 4	CWDM 2	VIP 4	**Output**
KPI007	MFA 1: Local Economic Development	Planning and Economic Development	The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	Programme	All	1300 per annum	695	153.10	1 300	1 300	1 300	1 300	NKPA 4	NDP 1	PSO 1	CWDM 1	VIP 3	**Outcome**
KPI008	MFA 3: Land-Use Management	Planning and Economic Development	Land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Percentage of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	Programme	All	90% per annum	4 reports submitted	40%	90%	90%	90%	90%	NKPA 9	NDP 8	PSO4	CWDM 1	VIP 4	**Outcome**

SFA 1 – VALLEY OF POSSIBILITY																				
IDP Ref No	**Municipal Focus Area (MFA)**	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**5 year target**	***Actual* 2017/ 18**	***Actual* 2018/19**	**Target 2019/20**	**Target 2020/21**	**Target 2021/22**	**Outer years 2022 - 2027**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**VIP link**	**Delivery Indicator**
KPI009	MFA 1: Local Economic Development	Planning and Economic Development	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	Programme	All	4 per annum	4	5	4	4	4	4	NKPA 4	NDP 1	PSO 1	CWDM 1	VIP 3	**Output**
KPI010	MFA 8: Spatial Planning / Environmental, Heritage and Cultural Management	Planning and Economic Development	Revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 31 May	Programme	All	1 per annum	1	1	N/A	N/A	1	N/A	NKPA 11	NDP 4	PSO 5	CWDM 1	VIP 4	**Output**
KPI011	MFA 1: Local Economic Development	Planning and Economic Development	Expenditure of the Kayamandi Town Centre capital project measured quarterly in terms of the approved Capital Budget spent	Percentage of the Kayamandi Town Centre Capital Budget actually spent by 30 June	Project (Capex)	All	90% per annum	N/A	90%	N/A	N/A	N/A	N/A	NKPA 4	NDP 1	PSO 1	CWDM 1	VIP 2	**Input**
KPI012	MFA 4: New Housing (PMU)	Planning and Economic Development	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 March	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 8	NDP 2	PSO 4	CWDM 2	VIP 1	**Output**
KPI013	MFA 4: New Housing (PMU)	Planning and Economic Development	Human Settlements Plan submitted to Council	Number of Human Settlements Plans submitted to Council by 30 June	Programme	All	1 per annum	N/A	1	N/A	N/A	N/A	N/A	NKPA 8	NDP 2	PSO 4	CWDM 2	VIP 1	**Output**

SFA 1 – VALLEY OF POSSIBILITY																			
IDP Ref No	**Municipal Focus Area (MFA)**	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**5 year target**	***Actual* 2017/ 18**	***Actual* 2018/19**	**Target 2019/20**	**Target 2020/21**	**Target 2021/22**	**Outer years 2022 - 2027**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**VIP link**	**Delivery Indicator**
KPI014	MFA 3: Land-Use Management	Planning and Economic Development	Urban Development Strategy submitted to Council	Number of Urban Development Strategies submitted to Council by 30 June	Key Initiative	All	1 per annum	N/A	1	N/A	N/A	N/A	N/A	NKPA 11	NDP 4	PSO 5	CWDM 1	VIP 4	**Output**

9.3.2 SFA 2 – Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY																			
IDP Ref No	**Municipal Focus Area (MFA)**	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**5 year target**	***Actual* 2017/ 18**	***Actual* 2018/19**	**Target 2019/20**	**Target 2020/21**	**Target 2021/22**	**Outer years 2022 - 2027**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**Delivery Indicator**
KPI015	MFA 9: Community Services	Infrastructure Services	Curtail domestic and industrial water consumption by 45% and agricultural water consumption by 60%, measured in terms of the equivalent average consumption of 5 years	Domestic and industrial water consumption curtailed by 45%, measured in terms of the equivalent average consumption of 5 years from 2010/11 until 2014/15	Key Initiative	All	45% per annum	51.60%	N/A	N/A	N/A	N/A	N/A	NKPA 6	NDP 2	PSO 4	CWDM 2	VIP 3	**Outcome**
KPI016	MFA 12: Solid Waste Management	Infrastructure Services	Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	Programme	All	1 per annum	2	1	1	1	1	1	NKPA 8	NDP 2	PSO 4	CWDM 1	VIP 5	**Output**
KPI073	MFA 12: Solid Waste Management	Infrastructure Services	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	Programme	All	2 per annum	N/A	N/A	2	2	2	2	NKPA 8	NDP 2	PSO 4	CWDM 1	VIP 5	**Output**
KPI017	MFA 12: Solid Waste Management	Infrastructure Services	Waste Management By-Law adopted by Council	Number of Waste Management By-Laws adopted by Council by 30 June	Key Initiative	All	1 per annum	0	0	N/A	N/A	N/A	N/A	NKPA 9	NDP 3	PSO 5	CWDM 2	VIP 5	**Output**

SFA 2 - GREEN AND SUSTAINABLE VALLEY																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI018	MFA 10: Building Development Control	Planning and Economic Development	Building plan applications processed within 30 days	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	Programme	All	90% per annum	4 reports submitted	76.29%	90%	90%	90%	90%	NKPA 9	NDP 8	PSO4	CWDM 1	PDO 1.1	**Outcome**
KPI019	MFA 9: Community Services	Infrastructure Services	Waste water quality managed and measured ito the SANS Accreditation physical and micro parameters	Percentage waste water quality compliance as per analysis certificate measured by 30 June	Programme	All	80% per annum	73%	72.72%	75%	75%	80%	80%	NKPA 6	NDP 2	PSO 4	CWDM 2	VIP 4	**Outcome**
KPI078	MFA 10: Building Development Control	Community and Protection Services	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	Programme	All	1 per annum	N/A	N/A	1	1	1	1	NKPA 9	NDP 8	PSO4	CWDM 1	VIP 5	**Output**
KPI079	MFA 9: Community Services	Community and Protection Services	Submission of a Tree Management Policy to the MayCo	Number of Tree Management Policies submitted to the MayCo by 31 October	Programme	All	1 per annum	N/A	N/A	1	N/A	N/A	N/A	NKPA 9	NDP 8	PSO4	CWDM 1	VIP 5	**Output**

9.3.3 SFA 3 – Safe Valley

SFA 3 - SAFE VALLEY																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI020	MFA 14: Law Enforcement, Security Services and Land Invasion	Community and Protection Services	Extend CCTv coverage to all wards	Number of CCTV cameras installed within the WCO24 across various wards	Programme	All	12 per annum	103	N/A	N/A	N/A	N/A	N/A	NKPA 3	NDP 2	PSO 3	CWDM 1	VIP 1	Output
KPI021	MFA 14: Law Enforcement, Security Services and Land Invasion	Community and Protection Services	Quarterly progress reports to a Committee of Council/ MayCo on Safety Initiatives in the greater Stellenbosch	Number of Stellenbosch Safety Initiative projects undertaken reported to a Committee of Council/ MayCo	Key Initiative	All	4 per annum	4	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 3	PSO 4	CWDM 2	VIP 5	Output
KPI022	MFA 14: Law Enforcement, Security Services and Land Invasion	Community and Protection Services	Safety network database identified and developed by December 2017	Developed database by December 2017	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 5	NDP 4	PSO 5	CWDM 3	VIP 1	Output
KPI023	MFA 14: Law Enforcement, Security Services and Land Invasion	Community and Protection Services	Signed MOUs with SAPS to extent municipal law enforcement security cluster by December 2017	Signed MOU by December 2017	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 6	NDP 5	PSO 6	CWDM 4	VIP 1	Output
KPI024	MFA 13: Fire and Disaster Management	Community and Protection Services	Ward based risk assessments by June 2018	Completed risk assessment result of all wards by June 2018	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 7	NDP 6	PSO 7	CWDM 5	VIP 1	Output
KPI025	MFA 13: Fire and Disaster Management	Community and Protection Services	Revised Disaster Management Plan submitted to the MayCo	Number of Revised Disaster Management Plans submitted to the MayCo by 31 May	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 1	Output

SFA 3 - SAFE VALLEY																			
IDP Ref No	**Municipal Focus Area (MFA)**	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**5 year target**	***Actual* 2017/ 18**	***Actual* 2018/19**	**Target 2019/20**	**Target 2020/21**	**Target 2021/22**	**Outer years 2022 - 2027**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**Delivery Indicator**
KPI026	MFA 14: Law Enforcement, Security Services and Land Invasion	Community and Protection Services	Revised Safety and Security Strategy submitted to the MayCo	Number of Revised Safety and Security Strategies submitted to the MayCo by 31 May	Programme	All	1 per annum	N/A	1	1	1	N/A	N/A	NKPA 7	NDP 6	PSO 7	CWDM 5	VIP 1	**Output**
KPI027	MFA 15: Traffic Services	Community and Protection Services	Revised Traffic Management Plan submitted to the MayCo	Number of Revised Traffic Management Plans submitted to the MayCo by 31 October	Programme	All	1 per annum	N/A	N/A	1	1	N/A	N/A	NKPA 7	NDP 6	PSO 7	CWDM 5	VIP 1	**Output**

9.3.4 SFA 4 – Dignified Living

SFA 4 - DIGNIFIED LIVING																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI028	MFA 22: Water Services	Infrastructure Services	Number of new water connections meeting minimum standards	50 new taps installed by 30 June 2018	Programme	All	50 per annum	50	N/A	N/A	N/A	N/A	N/A	NKPA 8	NDP 2	PSO 4	CWDM 2	VIP 1	**Output**
KPI029	MFA 22: Water Services	Financial Services	Provide consumer accounts iro clean piped water to formal residential properties which are connected to the municipal water infrastructure network as at 30 June 2018	Number of consumer accounts iro formal residential properties receiving piped water	Programme	All	24,000 per annum	26,506	N/A	N/A	N/A	N/A	N/A	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 2	**Output**
KPI030	MFA 19: Electrical Services	Financial Services	Provide consumer accounts iro electricity to formal residential properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering as at 30 June 2018	Number of consumer accounts iro formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	Programme	All	24,000 per annum	26,506	N/A	N/A	N/A	N/A	N/A	NKPA 10	NDP 9	PSO 6	CWDM 4	VIP 2	**Output**
KPI031	MFA 20: Basic Service Delivery	Financial Services	Provide consumer accounts iro sanitation services to residential properties which are connected to the municipal waste water	Number consumer accounts iro of residential properties which are billed for sewerage in accordance with the SAMRAS	Programme	All	24,000 per annum	26,506	N/A	N/A	N/A	N/A	N/A	NKPA 11	NDP 10	PSO 7	CWDM 5	VIP 2	**Output**

SFA 4 - DIGNIFIED LIVING																				
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
			(sanitation/sewerage) network as at 30 June 2018	financial system															
KPI032	MFA 20: Basic Service Delivery	Financial Services	Provide consumer accounts iro of refuse removal, refuse dumps and solid waste disposal to all residential account holders once a week until 30 June 2018	Number consumer accounts iro of formal residential properties for which refuse is removed	Programme	All	24,000 per annum	26,506	N/A	N/A	N/A	N/A	N/A	NKPA 12	NDP 11	PSO 8	CWDM 6	VIP 2	**Output**
KPI033	MFA 20: Basic Service Delivery	Financial Services	Number of households with access to basic services (water, sanitation, refuse removal)	Number of households receiving basic water, sanitation and refuse from the municipal infrastructure network	Programme	All	10 per annum	10	N/A	N/A	N/A	N/A	N/A	NKPA 13	NDP 12	PSO 9	CWDM 7	VIP 3	**Output**
KPI034	MFA 21: Community Development	Community and Protection Services	Facilitate the registration of early childhood development centres on a quarterly basis	Quarterly ECD forum/Dept of Social Development registration workshops	Programme	All	4 per annum	4	N/A	N/A	N/A	N/A	N/A	NKPA 3	NDP 4	PSO 3	CWDM 1	VIP 1	**Output**
KPI035	MFA 21: Community Development	Community and Protection Services	Review Grant in aid policy and submit it to Council by June annually	Policy submitted to Council	Programme	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 5	PSO 4	CWDM 2	VIP 1	**Output**

SFA 4 - DIGNIFIED LIVING																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI036	MFA 18: Housing Administration	Planning and Economic Development	Alignment of Municipal and Provincial Government housing waiting lists by December 2017	Aligned Waiting lists submitted to the Director	Programme	All	2 per annum	2	N/A	N/A	N/A	N/A	N/A	NKPA 8	NDP 2	PSO 4	CWDM 2	VIP 1	**Output**
KPI037	MFA 20: Basic Service Delivery	Infrastructure Services	Provision of waterborne toilet facilities	Number of waterborne toilet facilities provided by 30 June	Programme	All	50 per annum	50	69	25	30	50	40	NKPA 2	NDP 2	PSO 4	CWDM 2	VIP 1	**Output**
KPI038	MFA 17: Informal Settlements	Planning and Economic Development	Report to MayCo on the identification of land for emergency housing	Number of reports on the identification of land for emergency housing submitted to MayCo by 30 June	Key Initiative	All	1 per annum	N/A	0	N/A	N/A	N/A	N/A	NKPA 9	NDP 8	PSO4	CWDM 1	VIP 4	**Output**
KPI039	MFA 20: Basic Service Delivery	Financial Services	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage registered indigent formal households with access to free basic water, measured quarterly	Programme	All	100% per annum	N/A	100%	100%	100%	100%	100%	NKPA 6	NDP 2	PSO 4	CWDM 2	VIP 1	**Outcome**
KPI040	MFA 19: Electrical Services	Infrastructure Services	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold(incl. Free basic	Percentage average electricity losses measured by 30 June	Programme	All	<9% per annum	5.70%	7.55%	<9%	<9%	<9%	<9%	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Outcome**

SFA 4 - DIGNIFIED LIVING																				
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
			electricity)) / Number of Electricity Units Purchased and/or Generated) x 100}																
KPI041	MFA 22: Water Services	Infrastructure Services	Water quality managed and measured quarterly ito the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate measured quarterly	Programme	All	90% per annum	95.80%	99.90%	90%	90%	90%	90%	NKPA 2	NDP 2	PSO 4	CWDM 1	VIP 5	**Outcome**
KPI042	MFA 22: Water Services	Infrastructure Services	Limit unaccounted water to less than 25%	Average percentage water losses measured by 30 June	Programme	All	<25% per annum	21.60%	28%	<25%	<25%	<25%	<25%	NKPA 3	NDP 3	PSO 5	CWDM 2	VIP 5	**Outcome**
KPI043	MFA 19: Electrical Services	Financial Services	Registered indigent formal households with access to free basic electricity provided by the Municipality (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	Programme	All	100% per annum	N/A	71%	65%	65%	100%	100%	NKPA 6	NDP 2	PSO 4	CWDM 2	VIP 1	**Outcome**
KPI044	MFA 20: Basic Service Delivery	Financial Services	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	Programme	All	100% per annum	N/A	100%	100%	100%	100%	100%	NKPA 7	NDP 3	PSO 5	CWDM 3	VIP 1	**Outcome**

SFA 4 - DIGNIFIED LIVING																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI045	MFA 20: Basic Service Delivery	Financial Services	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	Programme	All	100% per annum	N/A	100%	100%	100%	100%	100%	NKPA 8	NDP 4	PSO 6	CWDM 4	VIP 1	**Outcome**
KPI074	MFA 20: Basic Service Delivery	Financial Services	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	Programme	All	26 500 per annum	N/A	26 088	26 000	26 500	26 000	26 000	NKPA 8	NDP 4	PSO 6	CWDM 4	VIP 3	**Output**
KPI075	MFA 20: Basic Service Delivery	Financial Services	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	Programme	All	24 000 per annum	N/A	26 088	24 000	24 000	24 000	24 000	NKPA 8	NDP 4	PSO 6	CWDM 4	VIP 3	**Output**
KPI076	MFA 20: Basic Service Delivery	Financial Services	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	Programme	All	26 500 per annum	N/A	26 088	26 000	26 500	26 000	26 000	NKPA 8	NDP 4	PSO 6	CWDM 4	VIP 3	**Output**
KPI077	MFA 20: Basic Service Delivery	Financial Services	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	Programme	All	26 500 per annum	N/A	26 088	26 000	26 500	26 000	26 000	NKPA 8	NDP 4	PSO 6	CWDM 4	VIP 3	**Output**

9.3.5 SFA 5 – Good Governance and Compliance

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI046	MFA 33: Expenditure	Financial Services	The percentage of each directorate's capital budget spent on capital projects by 30 June annually	% of the Municipality's capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	Programme	All	90% per annum	86.6%	N/A	N/A	N/A	N/A	N/A	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Input**
KPI047	MFA 23: Human Resources	Corporate Services	Revised organisational structure submitted to Council for approval by December	Reviewed organisational structure submitted to Council	Programme	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Output**
KPI048	MFA 30: Supply Chain Management	Financial Services	Update and implement the preferential procurement policy by 30 June annually	Reviewed policy submitted to Council	Programme	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 1	PSO 1	CWDM 1	VIP 5	**Output**
KPI049	MFA 23: Human Resources	Financial Services	Establish an asset management section as part of the organisation structure by 30 June 2018	Establish asset management section	Key Initiative	All	1 per annum	1	N/A	N/A	N/A	N/A	N/A	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Outcome**
KPI050	MFA 31: Budget	Financial Services	Implement the Municipal Standard Chart of Accounts	Quarterly updates on the implementation progress of MSCOA to a Committee of Council/MayCo	Programme	All	4 per annum	4	N/A	N/A	N/A	N/A	N/A	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Output**

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE																				
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI051	MFA 27: Integrated Development Planning	Office of the Municipal Manager	Develop a public participation policy and submit it to a Committee of Council/ MayCo by June 2018	Public participation policy submitted to a Committee of Council/ MayCo	Key Initiative	All	1 per annum	0	N/A	N/A	N/A	N/A	N/A	NKPA 9	NDP11	PSO5	CWDM3	VIP 3	**Output**
KPI052	MFA 23: Human Resources	Corporate Services	Audit of all municipal leased properties (excluding rental stock) by March 2018	Audited outcome on leased properties	Key Initiative	All	1 per annum	0	N/A	N/A	N/A	N/A	N/A	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Output**
KPI053	MFA 27: Integrated Development Planning	Planning and Economic Development	Develop an Integrated Zoning Scheme and submit it to Committee of Council/ MayCo by 30 June 2018	Developed Integrated Zoning Scheme submitted to a Committee of Council/ MayCo	Key Initiative	All	1 per annum	0	N/A	N/A	N/A	N/A	N/A	NKPA 11	NDP 4	PSO 5	CWDM 1	VIP 4	**Output**
KPI054	MFA 30: Supply Chain Management	Financial Services	Percentage of bid specifications submitted (Total of draft specifications submitted/ Total of bids listed on the Demand Management Plan *100)	Minutes of the Bid Specification Committee	Programme	All	50% per annum	50%	N/A	N/A	N/A	N/A	N/A	NKPA 4	NDP 1	PSO 1	CWDM 1	VIP 5	**Outcome**
KPI055	MFA 31: Budget	Financial Services	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) /	Programme	All	4 per annum	7.61	4.7	4	4	4	4	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Output**

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE																				
IDP Ref No	**Municipal Focus Area (MFA)**	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**5 year target**	***Actual* 2017/ 18**	***Actual* 2018/19**	**Target 2019/20**	**Target 2020/21**	**Target 2021/22**	**Outer years 2022 - 2027**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**Delivery Indicator**
				Monthly Fixed Operational Expenditure excluding (Depreciation)															
KPI056	MFA 31: Income	Financial Services	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	Programme	All	96% per annum	98.08%	100.24%	96%	96%	96%	96%	NKPA 10	NDP 9	PSO 6	CWDM 4	VIP 5	**Outcome**
KPI057	MFA 31: Budget	Financial Services	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of approved Capital Budget for the Municipality actually spent by 30 June	Programme	All	90% per annum	86.6%	87.82%	90%	90%	90%	90%	NKPA 11	NDP 10	PSO 7	CWDM 5	VIP 5	**Input**
KPI058	MFA 23: Human Resources	Office of the Municipal Manager	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	Programme	All	75% per annum	50%	33%	75%	75%	75%	75%	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Outcome**

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE																			
IDP Ref No	**Municipal Focus Area (MFA)**	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**5 year target**	***Actual* 2017/ 18**	***Actual* 2018/19**	**Target 2019/20**	**Target 2020/21**	**Target 2021/22**	**Outer years 2022 - 2027**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**Delivery Indicator**
KPI059	MFA 23: Human Resources	Corporate Services	The percentage of actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure/ Total Annual payroll Budget) x100), measured by 30 June	Programme	All	0.85% per annum	0.13%	0.43%	0.58%	0.58%	0.85%	0.85%	NKPA 10	NDP 9	PSO 6	CWDM 4	VIP 5	**Input**
KPI060	MFA 31: Budget	Financial Services	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	Programme	All	15% per annum	14%	43.3%	15%	15%	15%	15%	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Outcome**
KPI061	MFA 31: Budget	Financial Services	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio – (Total outstanding service debtors / revenue received for services) measured by 30 June	Programme	All	27% per annum	10.9%	20%	27%	27%	27%	27%	NKPA 10	NDP 9	PSO 6	CWDM 4	VIP 5	**Outcome**
KPI062	MFA 29: Legal Services, compliance and control environment	Office of the Municipal Manager	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Output**

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE																			
IDP Ref No	**Municipal Focus Area (MFA)**	**Directorate**	**Indicator (Activity/ Project/ Programme/ Key Initiative)**	**Unit of Measurement**	**Indicator Type**	**Wards**	**5 year target**	***Actual* 2017/ 18**	***Actual* 2018/19**	**Target 2019/20**	**Target 2020/21**	**Target 2021/22**	**Outer years 2022 - 2027**	**NKPA link**	**NDP link**	**PSO link**	**CWDM link**	**PDO link**	**Delivery Indicator**
KPI063	MFA 29: Legal Services, compliance and control environment	Office of the Municipal Manager	Audit Action Plan (AAP) submitted to the Audit Committee	Number of Audit Action Plans submitted to the Audit Committee by 28 February	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Output**
KPI064	MFA 29: Legal Services, compliance and control environment	Office of the Municipal Manager	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 10	NDP 9	PSO 6	CWDM 4	VIP 5	**Output**
KPI065	MFA 24: Information and Communication Technology	Corporate Services	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Output**
KPI066	MFA 24: Information and Communication Technology	Corporate Services	Revised Strategic ICT Plan submitted to the ICT Steering Committee	Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 10	NDP 9	PSO 6	CWDM 4	VIP 5	**Output**
KPI067	MFA 27: Integrated Development Planning	Office of the Municipal Manager	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 11	NDP 4	PSO 5	CWDM 1	VIP 5	**Output**

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE																			
IDP Ref No	Municipal Focus Area (MFA)	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	*Actual* 2017/ 18	*Actual* 2018/19	Target 2019/20	Target 2020/21	Target 2021/22	Outer years 2022 - 2027	NKPA link	NDP link	PSO link	CWDM link	PDO link	Delivery Indicator
KPI068	MFA 29: Legal Services, Compliance and Control Environment	Financial Services	Revised Asset Management Policy submitted to Council	Number of Revised Asset Management Policies submitted to Council by 30 June	Programme	All	1 per annum	1	1	1	N/A	1	1	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Output**
KPI069	MFA 28: Performance Management	Corporate Services	Draft Centralised Customer Care Strategy submitted to MayCo	Number of Draft Centralised Customer Care Strategies submitted to MayCo by 28 February	Programme	All	1 per annum	N/A	0	N/A	N/A	N/A	N/A	NKPA 10	NDP 8	PSO 4	CWDM 1	VIP 5	**Output**
KPI070	MFA 27: Integrated Development Planning	Office of the Municipal Manager	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	Programme	All	1 per annum	1	1	1	1	1	1	NKPA 11	NDP 4	PSO 5	CWDM 1	VIP 5	**Output**
KPI071	MFA 29: Legal Services, Compliance and Control Environment	Infrastructure Services	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	Programme	All	1 per annum	N/A	1	1	1	1	1	NKPA 9	NDP 8	PSO 5	CWDM 3	VIP 5	**Output**
KPI072	MFA 24: Information and Communication Technology	Corporate Services	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	Key Initiative	All	1 per annum	N/A	N/A	1	N/A	N/A	N/A	NKPA 11	NDP 4	PSO 5	CWDM 1	VIP 5	**Output**

***Note**: The Five year Municipal Scorecard will be **updated** in accordance with the approved Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2020/21. The TL SDBIP 2020/21 must be approved by the Executive Mayor within 28 days after the adoption of the Municipal Budget, to be tabled in Council during May 2020.*

CHAPTER 10

Implementation, Monitoring and Review – one year

The Municipal Finance Management Act No 56 of 2003 (MFMA) requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, administration and the community. It gives effect to the IDP and budget of the municipality.

The municipal budget shall give effect to the Strategic Focus Areas as contained in the IDP. The Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) shall contain details on the execution of the budget and information on programmes and projects. Quarterly, half-yearly and annual performance reports must also be submitted to Council as a means to monitor the implementation of the predetermined objectives as contained in the IDP.

The SDBIP is a one – year detailed implementation plan which gives effect to the IDP and Budget of the Municipality. It is a contract between the administration, Council and community expressing the goals and objectives set by Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis of measuring the performance in service delivery against end year targets and implementing budget.

Indicators developed for the Stellenbosch Municipality addresses the Strategic Focus Areas of the Municipality. The Municipality utilises the one-year TL SDBIP to ensure that it delivers of its service delivery mandate by indicating clear indicators and targets. These indicators also forms the basis of the performance plans of the Directors, hence, the Directors are being evaluated on the approved TL SDBIP indicators.

The five necessary components are:

1. Monthly projections of revenue to be collected for each month;
2. Monthly projections of expenditure (operating and capital) and revenue for each vote;
3. Quarterly projections of service delivery targets and performance indicators;
4. Ward information for expenditure and service delivery; and
5. Detailed capital works plan broken down by ward over three years.

***Note**: This Chapter, the one-year Municipal Scorecard, will be updated in accordance with the approved Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) 2020/21 during June 2020. The TL SDBIP 2020/21 must be approved by the Executive Mayor within 28 days after the adoption of the Municipal Budget to be tabled in Council in May 2020.*

10.1 SFA 1- Valley of Possibility

SFA 1 – Valley of Possibility														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
KPI007	Planning and Economic Development	The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	Programme	All	500 per annum	153.10	1 300 job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	400 (400)	900 (900)	1 100 (1 100)	1 300 (1 300)	EPWP reporting system	Outcome
KPI008	Planning and Economic Development	Land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Percentage of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	Programme	All	90% per annum	40%	90% of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	90%	90%	90%	90%	Minutes of the MPT Meeting	Outcome
KPI009	Planning and Economic Development	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	Programme	All	4 per annum	5	4 quarterly training opportunities provided for entrepreneurs and SMMEs	1 (1)	1 (2)	1 (3)	1 (4)	Attendance Registers	Output
KPI012	Planning and Economic Development	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 March	Programme	All	1 per annum	1	1 Revised Housing Pipeline (document) submitted to the MayCo by 31 March	N/A	N/A	1	N/A	Proof of submission of the Revised Housing Pipeline (document) to the MayCo	Output

10.2 SFA 2 - Green and Sustainable Valley

SFA 2 - Green and Sustainable Valley														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
KPI016	Infrastructure Services	Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	Programme	All	1 per annum	1	1 external audit of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	N/A	N/A	N/A	1	Audit report	Output
KPI073	Infrastructure Services	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	Key Initiative	All	2 per annum	New KPI	2 identified waste minimisation projects implemented by 30 June	N/A	N/A	1 (1)	1 (2)	Waste minimisation report submitted to the Municipal Manager	Output
KPI018	Planning and Economic Development	Building plan applications processed within 30 days	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	Programme	All	90% per annum	76.29%	90% of building plan applications of <500sqm processed within 30 days after date of receipt	90%	90%	90%	90%	Building plan application register	Outcome
KPI019	Infrastructure Services	Waste water quality managed and measured ito the SANS Accreditation physical and micro parameters	Percentage waste water quality compliance as per analysis certificate measured by 30 June	Programme	All	80% per annum	72.72%	75% waste water quality compliance as per analysis certificate measured by 30 June	N/A	N/A	N/A	75%	Report submitted by the service provider and report from GDS system	Outcome
KPI078	Community and Protection Services	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	Programme	All	1 per annum	New KPI	1 Revised Facility Management Plan submitted to the MayCo by 31 May	N/A	N/A	N/A	1	Proof of submission of the Revised Facility Management Plan to the MayCo	Output

10.3 SFA 3 - Safe Valley

SFA 3 - Safe Valley														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
KPI025	Community and Protection Services	Revised Disaster Management Plan submitted to the MayCo	Number of Revised Disaster Management Plans submitted to the MayCo by 31 May	Programme	All	1 per annum	1	1 Revised Disaster Management Plan submitted to the MayCo by 31 May	N/A	N/A	N/A	1	Proof of submission of the Disaster Management Plan to the MayCo	Output
KPI026	Community and Protection Services	Revised Safety and Security Strategy submitted to the MayCo	Number of Revised Safety and Security Strategies submitted to the MayCo by 31 May	Programme	All	1 per annum	1	1 Revised Safety and Security Strategy submitted to the MayCo by 31 May	N/A	N/A	N/A	1	Proof of submission of the Revised Safety and Security Strategy to the MayCo	Output
KPI027	Community and Protection Services	Revised Traffic Management Plan submitted to the MayCo	Number of Revised Traffic Management Plans submitted to the MayCo by 31 October	Programme	All	1 per annum	New KPI	1 Revised Traffic Management Plan submitted to the MayCo by 31 October	N/A ~~1~~	1 ~~N/A~~	N/A	N/A	Proof of submission of the Revised Traffic Management Plan to the MayCo	Output

10.4 SFA 4 - Dignified Living

SFA 4 - Dignified Living														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
KPI037	Infrastructure Services	Provision of waterborne toilet facilities	Number of waterborne toilet facilities provided by 30 June	Programme	All	50 per annum	69	25 waterborne toilet facilities provided by 30 June	N/A	10 (10)	N/A	30 (30)	Completion certificates	Output
KPI039	Financial Services	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage registered indigent formal households with access to free basic water, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	Indigent Register	Outcome
KPI040	Infrastructure Services	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold(incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100}	Percentage average electricity losses measured by 30 June	Programme	All	<9% per annum	7.55%	<9% average electricity losses measured by 30 June	N/A	N/A	N/A	<9%	Monthly Eskom Accounts and Vending Reports from service provider and Notes to the AFS and monthly and annual Consumption reports generated by the Finance Department	Outcome
KPI041	Infrastructure Services	Water quality managed and measured quarterly ito the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate measured quarterly	Programme	All	90% per annum	99.90%	90% water quality level as per analysis certificate measured quarterly	90%	90%	90%	90%	Quarterly Supply System Drinking Water Quality Report - DWA Blue Drop System (BDS)	Outcome

SFA 4 - Dignified Living														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
KPI042	Infrastructure Services	Limit unaccounted water to less than 25%	Average percentage water losses measured by 30 June	Programme	All	<25% per annum	28%	<25% average percentage water losses measured by 30 June	N/A	N/A	N/A	<25%	Quarterly water balance sheet and Monthly Consumption Report	Outcome
KPI043	Financial Services	Registered indigent formal households with access to free basic electricity provided by the Municipality (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	Programme	All	100% per annum	71%	65% of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	65%	65%	65%	65%	Prepaid Electricity Service Provider Report	Output
KPI044	Financial Services	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	Indigent Register	Output
KPI045	Financial Services	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	Programme	All	100% per annum	100%	100% of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	Indigent Register	Output
KPI074	Financial Services	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	Programme	All	26 000 per annum	26 088	26 500 formal households with access to water, measured quarterly	26 500	26 500	26 500	26 500	ValuProp report	Output
KPI075	Financial Services	Formal households with access to electricity	Number of formal households with	Programme	All	24 000 per annum	26 088	24 000 formal households with access to electricity, measured quarterly	24 000	24 000	24 000	24 000	Itron management report	Output

SFA 4 - Dignified Living														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
		(NKPI Proxy - MSA, Reg. S10(a))	access to electricity, measured quarterly											
KPI076	Financial Services	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	Programme	All	26 000 per annum	26 088	26 500 formal households with access to refuse removal, measured quarterly	26 500	26 500	26 500	26 500	ValuProp report	Output
KPI077	Financial Services	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	Programme	All	26 000 per annum	26 088	26 500 formal households with access to sanitation, measured quarterly	26 500	26 500	26 500	26 500	ValuProp report	Output

10.5 SFA 5 - Good Governance and Compliance

SFA 5 - Good Governance and Compliance														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
KPI055	Financial Services	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	Programme	All	4 per annum	4.7	2 (months)	N/A	N/A	N/A	2 (months)	Financial Statements	Outcome
KPI056	Financial Services	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	Programme	All	96% per annum	100.24%	96%	N/A	N/A	N/A	96%	Debtors transaction summary: BS-Q909E extract generated from the Samras Financial System	Outcome
KPI057	Financial Services	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of approved Capital Budget for the Municipality actually spent by 30 June	Programme	All	90% per annum	87.82%	90% of approved Capital Budget for the Municipality actually spent by 30 June	10%	30%	60%	90%	Report from the financial system	Input

SFA 5 - Good Governance and Compliance														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
KPI058	Office of the Municipal Manager	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	Programme	All	75% per annum	33%	75% of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	N/A	N/A	N/A	75%	Employment Equity Report	Outcome
KPI059	Corporate Services	The percentage of actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy-MSA, Reg. S10(f))	Percentage of municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure/ Total Annual payroll Budget) x100), measured by 30 June	Programme	All	0.85% per annum	0.43%	0.58% of Municipality's payroll budget actually spent on implementing its workplace skills plan, measured by 30 June	N/A	N/A	N/A	0.58%	Report from the financial system	Input
KPI060	Financial Services	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	Programme	All	15% per annum	43.3%	15%	N/A	N/A	N/A	15%	Annual Financial Statements, supported by figures as per the SAMRAS financial system	Outcome
KPI061	Financial Services	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio – (Total outstanding service debtors / revenue received for services)	Programme	All	27% per annum	20%	27%	N/A	N/A	N/A	27%	Annual Financial Statements, supported by figures as per the SAMRAS financial system	Outcome

SFA 5 - Good Governance and Compliance														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
			measured by 30 June											
KPI062	Office of the Municipal Manager	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	Programme	All	1 per annum	1	1 Revised RBAP submitted to the Audit Committee by 30 June	N/A	N/A	N/A	1	Proof of submission of the RBAP to the Audit Committee	Output
KPI063	Office of the Municipal Manager	Audit Action Plan (AAP) submitted to the Audit Committee	Number of Audit Action Plans submitted to the Audit Committee by 28 February	Programme	All	1 per annum	1	1 Audit Action Plan submitted to the Audit Committee by 28 February	N/A	N/A	1	N/A	Proof of submission of the AAP to the Audit Committee	Output
KPI064	Office of the Municipal Manager	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	Programme	All	1 per annum	1	1 Revised Strategic Risk Register submitted to the Risk Management Committee by 30 June	N/A	N/A	N/A	1	Proof of submission of the SRR to the Risk Management Committee	Output
KPI065	Corporate Services	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	Programme	All	1 per annum	1	1 Revised ICT Backup Disaster Recovery Plan submitted to the ICT Steering Committee by 31 March	N/A	N/A	1	N/A	Proof of submission of the Revised ICT Backup Disaster Recovery Plan to the ICT Steering Committee	Output
KPI066	Corporate Services	Revised Strategic ICT Plan submitted to the ICT Steering Committee	Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	Programme	All	1 per annum	1	1 Revised Strategic ICT Plan submitted to the ICT Steering Committee by 31 March	N/A	N/A	1	N/A	Proof of submission of the Revised Strategic ICT Plan to the ICT Steering Committee	Output

SFA 5 - Good Governance and Compliance														
IDP Ref No	Directorate	Indicator (Activity/ Project/ Programme/ Key Initiative)	Unit of Measurement	Indicator Type	Wards	5 year target	Baseline (Actual result 2018/19)	Annual Target 2020/21	TOP LAYER: Service Delivery and Budget Implementation Plan (SDBIP 2020/21)				POE	Delivery Indicator
									Q1	Q2	Q3	Q4		
KPI067	Office of the Municipal Manager	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	Programme	All	1 per annum	1	1 Draft IDP submitted to Council by 31 March	N/A	N/A	1	N/A	Proof of submission of the Draft IDP to Council	Output
KPI070	Office of the Municipal Manager	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	Programme	All	1 per annum	1	1 IDP / Budget / SDF time schedule (process plan) submitted to Council by 31 August	1	N/A	N/A	N/A	Proof of submission of the IDP / Budget / SDF time schedule (process plan) to Council	Output
KPI071	Infrastructure Services	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	Programme	All	1 per annum	1	1 Revised Electrical Master Plan submitted to Council by 30 June	N/A	N/A	N/A	1	Proof of submission of the Revised Electrical Master Plan to Council	Output
KPI072	Corporate Services	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	Key Initiative	All	1 per annum	New KPI	1 Draft Smart City Framework submitted to the MayCo by 31 December	N/A	N/A	N/A	1	Proof of submission of the Draft Smart City Framework to the MayCo	Output

8.2	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021-2022/2023

Collaborator No: 682431
IDP KPA Ref No: Good Governance and Compliance
Meeting Date: 20 March 2020

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

2. PURPOSE

The purpose of this report is as follows:

a) The Executive Mayor to table the Medium Term Revenue and Expenditure Framework (inclusive of property rates charges and taxes, tariffs and service charges), annexures and proposed amendments to the budget related policies and other policies to Council for approval in terms of Section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003).

b) That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the tune of R 400 million of which over the MTREF R160 million will be required in year 1, R120 million in year 2 and R120 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms draft approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.

c) That Council specifically note and consider the applications for extension of the Jonkershoek and Techstel Special Rating Areas (SRA), that is in terms of paragraph 15(a) of the SRA By-Law.

3. DELEGATED AUTHORITY

FOR APPROVAL **BY MUNICIPAL COUNCIL**

EXECUTIVE SUMMARY

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

SPECIAL RATINGS AREAS – NEXT FIVE YEAR TERM

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

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

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

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

5. RECOMMENDATIONS

It is recommended to Council,

(a) that the Draft High Level Budget Summary, as set out in APPENDIX 1 – PART 1 – SECTION C; be approved for public release;

(b) that the Draft Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX 1 – PART 1 – SECTION D, be approved for public release;

(c) that the proposed Grants-In-Aid allocations as set out in APPENDIX 1 – PART 2 – SECTION J, be approved for public release;

(d) that the three year Capital Budget for 2020/2021, 2021/2022 and 2022/2023, as set out in APPENDIX 1 – PART 2 – SECTION N, be approved for public release;

(e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX 3 , be approved for public release;

(f) that the proposed amendments to existing budget related policies and other policies as set out in APPENDICES 4 - 29, be approved for public release.

(g) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the tune of R400 million of which R160 million will be required in year 1, R120 million in year 2 and R120 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;

(h) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially; and

(i) that Council takes note of MFMA circulars 98 and 99 that was published to guide the MTREF for 2020/2021 to 2022/2023 as set out in APPENDICES 30 – 31.

(j) that Council notes the Jonkershoek and Techstel SRA applications for the extension of the SRAs for a further period of five years and exempts both management bodies in terms of paragraph 15(a) of the SRA By-Law, from compliance with the provisions of Chapter 1 of the SRA By-Law.

(k) that proposed extension of the Jonkershoek and Techstel SRAs for a further period of five years beginning 1 July 2020 and ending 30 June 2025 be approved for public release; and

(l) that the proposed five year budgets with a combined total of R30 943 773.35 (VAT included) for Jonkershoek SRA and R15 713 218.21 (VAT included) for Techstel SRA as detailed in Annexures 32 (c) and 33 (c) be approved for public release.

6. DISCUSSION / CONTENTS

6.1. Background/ Legislative Framework

Section 16 of the MFMA states that:

(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Furthermore, section 17 of the MFMA states that:

(1) An annual budget of a municipality must be a schedule in the prescribed format-

a) setting out realistically anticipated revenue for the budget year from each revenue source;

b) appropriating expenditure for the budget year under the different votes of the municipality;

c) setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;

d) setting out-

i. estimated revenue and expenditure by vote for the current year;

ii. actual revenue and expenditure by vote for the financial year preceding the current year.

6.2 Discussion

The 2020 Budget Review highlighted the following reforms that are underway to improve spending efficiency and reduce wastege:

- Procurement: The state has a complex and often ineffective procurement system, which at times hamper government's ability to efficiently contract for goods and services. The draft procurement bill has been gazetted for public comment.

- Provincial grants: Government is piloting initiatives to improve municipal revenue collection and has made progress in reducing unfunded municipal budgets.

- Medico-legal claims: Work has begun to limit unreasonable claims against government.

- Public office bearers: There will be no increases in the salaries of public office bearers during 2020/2021.

Municipal governments face multiple pressures with the years ahead with local government expected to expand access to free basic services to poor households, while ensuring that those who can afford to pay for services do so. The 2020 MTREF includes large reductions in planned transfers to municipalities. This means that municipalities will be required to prioritise projects. Municipalities therefore must exercise caution when preparing their 2020/2021 MTREF budgets. It is advised that municipalities follow a conservative approach when projecting revenue and to eliminate wastage and unnecessary expenditure. It is imperative that municipalities should ensure the following, namely, that budgets they adopt are realistic and funded, that debts owned are collected and that their creditors are paid within 30 days of receipt of invoice. Legislation governing local planning and budgeting places emphasis on community participation in decision-making. The partnerships between municipalities and its stakeholders relies on the households and businesses recognising the value of, and paying for, municipal services. Therefore, the sustainability of the municipality will heavily depend on how they collect and spent their own revenues.

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

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

- Full participation in the Expanded Public Works Programme;

- Providing support to small businesses, which will create employment in the medium to long term;

- Establishment of Informal Traders;

- Promoting Internships and in-service training opportunities;

- Filling of vacancies within the municipality; and

- Developing partnerships with academic institutions for training opportunities.

- Implementation of a revised capacity building initiative, aligned to Back to Basics strategy, where the main focus will be on improving service delivery, accountability and financial management. It is always important that local government be effective and efficient, and this will be measured by its ability

to perform the basic mandate of service delivery. The "Back to Basics" programme was launched to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent staff, and ensuring transparency and accountability in local government.

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

- SMMEs: Expanding the small business incubation programme which provides entrepreneurs with the physical space, infrastructure and shared services, access to specialised knowledge market linkages, training in the use of new technologies and access to finance.
- National Minimum Wage (one of the demands of the Freedom Charter) to ensure greater coherence and consistency in the implementation of economic policy
- Mining
- Youth Development and Employment through the implementation of various initiatives
- Safety and security
- Agriculture and related initiatives
- Implementation of Procurement Bill: This bill will empower black and emerging businesses and advance radical economic transformation.
- Water Conservation Initiatives
- Encourage significant new investments and promoting greater investment in key manufacturing sectors
- Provision of Infrastructure through Infrastructure Investments
- Expansion of the Tourism Sector
- Developing capabilities in science, technology and innovation towards digital industrial revolution

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

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

The Premiers' speech focused on the following areas:

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

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

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

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

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

The economic situation has not improved since the previous financial year. Municipalities are also faced with a difficult fiscal environment as the demand for services rises, weak economic growth put strain on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. While some municipalities have handled these challenges well, others have fallen into financial distress and face liquidity problems. As a result of above mentioned challenges there is a need for municipalities to focus on collecting revenues owed to them, and eliminate any wasteful and non-core spending. It is therefore important that municipalities make adequate provision to service their debt obligations and they must ensure that expenditure is limited to the maximum revenue collected and not spend funds they do not have.

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

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

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

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

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

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

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

- Improving the effectiveness of revenue management processes and procedures;
- Paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as per the Cost Containment Regulations issued on 07 June 2019;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households; and

- Curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

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

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

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

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

- The on-going difficulties in the national and local economy;
- Aging infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The increased cost of bulk water and electricity, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- The Wage Bill: The 2020 Budget Review highlighted the proposed wage bill reduction for public service, wherein municipalities are encouraged to take decisive action to address bloated organisational structures and above inflation increases;
- Attracting economic investment;
- Water Conservation and drought;
- Electricity/ Loadshedding;
- Borrowing for multi-year capital projects and refinancing of existing loans;
- Reductions in allocations of some of the National and Provincial grants due to a worsening fiscal outlook; and
- Limited resources to deal with all key priorities.
- The current Coronavirus (Covid-19) pandemic

The municipality had to factor in the negative impact that the Coronavirus (Covid-19) would have on the community of the greater Stellenbosch and surrounding areas with the draft MTREF budget preparation process. The municipality is concerned about the impact that the virus will have on healthcare, education and the most vulnerable people who live in informal settlements, specifically those with chronic diseases, HIV/Aids, tuberculosis and commuters that have to make use of the public transport system.

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

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

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

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

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

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

The total budget quantum for the 2020/2021 year is R2 402 549 231 of which R1 899 463 402 (79%), is allocated to the operating budget and R 503 085 829 (21%) to capital investment.

Budget documentation in line with the budget and reporting regulations is attached as **APPENDIX 1 – PART 1**. The report serves as an overview of the budget as a whole, budget assumptions used to compile the budget, funding sources used to fund

the capital budget, different income categories to fund priorities of the municipalities, as well as the different expenditure items, including non-cash items.

DRAFT CAPITAL BUDGET 2020/2021 – 2022/2023

The draft capital budget is infrastructure orientated and addresses the huge backlog and urgent need to upgrade/refurbish municipal infrastructure and protection of our assets as addressed by the different master plans. It is directed by the IDP (Integrated Development Plan) and the needs of the community. It's also aligned to the strategic priority in the State of the Nation Address of Infrastructure investment and the "back to basics" approach. Council's attention is however drawn to the fact that not all needs identified by the community can realistically be funded by the municipality.

The main capital projects that the municipality will be investing in, which constitute more than 62% of the capital budget, include:

- Water Pipe Replacement
- Bulk Water Supply Pipeline & Reservoir – Jamestown
- Water Conservation & Demand Management
- Water Treatment Works: Idasvalley
- Bulk water Supply Pipe Line & Pumpstations: Franschhoek
- Bulk water supply Klapmuts
- New Reservoir Rosendal
- Bulk water supply pipe and Reservoir: Kayamandi
- New Reservoir & Pipeline: Vlottenburg
- Franschhoek Sewer Network Upgrade
- Sewerpipe Replacement: Dorp Straat
- Upgrade of WWTW Wemmershoek
- Bulk Sewer Outfall: Jamestown
- Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek
- Laterra Sub-station
- Jan Marais Nature Reserve Upgrade
- Integrated National Electrification Programme (Enkanini)
- Watergang Farm Upgrading
- Upgrading of The Steps/Orlean Lounge
- Kayamandi: Zone O (±711 services)
- Klapmuts: Erf 2181 (298 serviced sites)

- Upgrading of Traffic Offices: Stellenbosch
- Kleine Libertas Precinct Development
- Major Fire Pumper
- Integrated and Spray Parks

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

DRAFT OPERATING BUDGET 2020/2021 – 2022/2023

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

- The increase in bulk purchases (water and electricity)
- Employee related costs, as per SALGBC wage agreement
- Councillor remuneration, as per SALGA upper limits
- Service delivery challenges
- Repairs and maintenance
- Operational projects impacting job creation and economic development
- Contractual commitments
- Day to day operational costs (fuel & oil, telephones, bank costs, etc)
- Finance costs, influenced by level of borrowing

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

Electricity	**6.43%**
Sanitation	**6.50%**
Refuse removal	**16.50%**
Water	**6.00%**
Rates	**6.50%**

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

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

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

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

TARIFFS

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

BUDGET RELATED POLICIES & BY-LAWS

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

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

Rates Policy **(Appendix 5)**

Tariff Policy **(Appendix 6)**

Indigent Policy **(Appendix 7)**

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

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

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

Irrecoverable Debt Policy **(Appendix 11)**

Petty Cash Policy **(Appendix 12)**

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

Cost Containment Policy **(Appendix 14)**

Accounting Policy **(Appendix 15)**

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

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

Development Charges Policy **(Appendix 18)**

Ward Allocation Policy **(Appendix 19)**

Unchanged Policies

Virementation Policy **(Appendix 20)**

Asset Management Policy **(Appendix 21)**

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

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

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

Liquidity Policy **(Appendix 25)**

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

Inventory Management Policy **(Appendix 27)**

Preferential Procurement Policy **(Appendix 28)**

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

OTHER SUPPORTING DOCUMENTATION

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

6.2. Financial Implications

Financial impact already discussed above.

6.3. External Loan for 2020/2021

That Council specifically note and consider the need to take up external loans to fund critically needed refurbishment of infrastructure to the tune of R 400 million of which over the MTREF R160 million will be required in year 1, R120 million in year 2 and R120 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary).

6.4 Legal Implications

Legal Services

The item at my disposal is compliant with the relevant legislative framework.

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

27th Council Meeting on 29 May 2019, Item 5.2 Medium Term Revenue and Expenditure Framework.

6.7 Risk Implications

None

6.8 Comments from Senior Management:

6.8.1 Director: Infrastructure Services

Noted

6.8.2 *Director: Planning and Development Services*

Noted

6.8.3 Director: Community and Protection Services

Noted

6.8.4 Director: Corporate Services

Noted

6.8.5 Chief Financial Officer:

Noted

6.8.6 *Municipal Manager:*

Noted

FOR FURTHER DETAILS CONTACT:

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REPORT DATE	***30 March 2020***

DIRECTOR: FINANCIAL SERVICES

The contents of this report have been discussed with the Portfolio Committee Chairperson and the Councillor agrees with the recommendations.

APPENDIX 1

STELLENBOSCH MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2020/2021 TO 2022/2023

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

"THE INNOVATION CAPITAL OF SOUTH AFRICA"

Mission:

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

Our Values

In all of our work and engagements, we subscribe to the following values:

Character Leadership: We undertake to involve communities in planning development in their areas, provide regular progress reports on the implementation of those plans and deal decisively and swiftly with poor performance, mismanagement of council assets, corruption and fraud that are all impediments to good municipal governance.

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

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PART 1

A: RESOLUTIONS

It is recommended to Council,

(a) that the Draft High Level Budget Summary, as set out in APPENDIX 1 – PART 1 – SECTION C; be approved for public release;

(b) that the Draft Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in APPENDIX 1 – PART 1 – SECTION D, be approved for public release;

(c) that the proposed Grants-In-Aid allocations as set out in APPENDIX 1 – PART 2 – SECTION J, be approved for public release;

(d) that the three year Capital Budget for 2020/2021, 2021/2022 and 2022/2023, as set out in APPENDIX 1 – PART 2 – SECTION N, be approved for public release;

(e) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in APPENDIX 3 , be approved for public release;

(f) that the proposed amendments to existing budget related policies and other policies as set out in APPENDICES 4 - 29, be approved for public release.

(g) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the tune of R400 million of which R160 million will be required in year 1 and R120 million in year 2 and R120 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;

(h) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially; and

(i) that Council takes note of MFMA circulars 98 and 99 that was published to guide the MTREF for 2020/2021 to 2022/2023 as set out in APPENDICES 30 – 31;

(j) that Council notes the Jonkershoek and Techstel SRA applications for the extension of the SRAs for a further period of five years and exempts both management bodies in terms of paragraph 15(a) of the SRA By-Law, from compliance with the provisions of Chapter 1 of the SRA By-Law;

(k) that proposed extension of the Jonkershoek and Techstel SRAs for a further period of five years beginning 1 July 2020 and ending 30 June 2025 be approved for public release; and

(l) that the proposed five year budgets with a combined total of R30 943 773.35 (VAT included) for Jonkershoek SRA and R15 713 218.21 (VAT included) for Techstel SRA as detailed in Annexures 32 (c) and 33 (c) be approved for public release.

B: EXECUTIVE SUMMARY

The 2020 Budget Review highlighted the following reforms that are underway to improve spending efficiency and reduce wastege:

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

Municipal governments face multiple pressures with the years ahead with local government expected to expand access to free basic services to poor households, while ensuring that those who can afford to pay for services do so. The 2020 MTREF includes large reductions in planned transfers to municipalities. This means that municipalities will be required to prioritise projects. Municipalities therefore must exercise caution when preparing their 2020/2021 MTREF budgets. It is advised that municipalities follow a conservative approach when projecting revenue and to eliminate wastage and unnecessary expenditure. It is imperative that municipalities should ensure the following, namely, that budgets they adopt are realistic and funded, that debts owned are collected and that their creditors are paid within 30 days of receipt of invoice. Legislation governing local planning and budgeting places emphasis on community participation in decision-making. The partnerships between municipalities and its stakeholders relies on the households and businesses recognising the value of, and paying for, municipal services. Therefore, the sustainability of the municipality will heavily depend on how they collect and spent their own revenues.

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

The 2020 Budget confronts these challenges by addressing the central risks of the economy and its public finances, supporting growth-enhancing reforms and maintaining real growth in expenditure on social and economic priorities.

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

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

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

- SMMEs: Expanding the small business incubation programme which provides entrepreneurs with the physical space, infrastructure and shared services, access to specialised knowledge market linkages, training in the use of new technologies and access to finance.
- National Minimum Wage (one of the demands of the Freedom Charter) to ensure greater coherence and consistency in the implementation of economic policy
- Mining
- Youth Development and Employment through the implementation of various initiatives
- Safety and security
- Agriculture and related initiatives

- Implementation of Procurement Bill: This bill will empower black and emerging businesses and advance radical economic transformation.
- Water Conservation Initiatives
- Encourage significant new investments and promoting greater investment in key manufacturing sectors
- Provision of Infrastructure through Infrastructure Investments
- Expansion of the Tourism Sector
- Developing capabilities in science, technology and innovation towards digital industrial revolution

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

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

The Premiers' speech focused on the following areas:

- Safety: The province has a safety plan, the biggest in the country, in place with various safety initivatives which focuses on increasing boots on the ground and reducing violence, to build a safer environment for all. Focus also to help boost the Chrysalis Academy(live-in leadership development programme) aimed at empowering our most at-risk youth to become self-confident, economically-active role models within their respective communities.
- Economy : Focused on job creation initiatives to assist the private sector to create the jobs required, One of these initivatives is the Premier's Advancement of Youth Internship Programme, that helps unemployed people get the on-the-job training and experience they need to find a suitable job,
- Energy and resilience: Finding alternative means to generate electricity for the province and alleviate the strain on the electrical grid,
- Ease of business: creating job opportunities through provision of support to smaller businesses,

- Education: Implement initiatives to improve quality of education and access to educational system,
- Health: To maintain our current and health system and improve upon it. With regards to the recent outbreak of the coronavirus - or COVID-19 provincial treasury, (in their 2020 Budget) have stated that they have made provision for unanticipated events,
- Transport,
- Human settlements (implementing new initiatives to ensure that housing database is updated and backyard dwellers are prioritised) and
- Culture change and innovation.

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

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

In his weekly open letter to South Africa on Monday (16 March), president Cyril Ramaphosa warned that the coronavirus will be extremely disruptive and will likely cause damage to the economy.
"We have to address the inevitable economic fallout. We must expect a decline in exports, a drop in tourist arrivals and a severe impact on production, business viability and job creation and retention," he said.

The municipality had to factor in the negative impact that the Coronavirus (Covid-19) would have on the community of the greater Stellenbosch and surrounding areas with the draft MTREF budget preparation process. The municipality is concerned about the impact that the virus will have on healthcare, education and the most vulnerable people who live in informal settlements, specifically those with chronic diseases, HIV/Aids, tuberculosis and commuters that have to make use of the public transport system.

Economic security, with realistic anticipated revenues were of the many factors that had to be considered with the compilation of the draft MTREF budget. The budget takes into account the current economic climate and the impact that Covid-19 will have on the greater WC024.

National Treasury encourages municipalities to maintain tariff increases at levels that reflects an appropriate balance between the affordability to poorer households and other customers, while ensuring the financial sustainability of the municipality. Curtailing non-core expenditure has always been emphasized by National Treasury. In order to maintain a funded budget, municipalities need to not only focus on tariff increases, but also focus on how to eliminate expenditure that is unnecessary.

The initial cost containment measures were introduced through a MFMA Circular. Building on the MFMA Circular, National Treasury and other stakeholders thereafter drafted The Municipal Cost Containment Regulations that promotes the cost containment measures introduced in a number of spending areas. Cost Containment Regulations were issued on 07 June 2019. The implementation of cost containment measures is important as it will assist municipalities to reprioritise expenditure and to free up resources targeted towards service delivery. It will also be used to eliminate wastage of public resources on non-service delivery items. The main object of the regulations is to ensure that the resources of municipalities are used in an effective, efficient and economical manner.

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

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

challenges there is a need for municipalities to focus on collecting revenues owed to them, and eliminate any wasteful and non-core spending. It is therefore important that municipalities make adequate provision to service their debt obligations and they must ensure that expenditure is limited to the maximum revenue collected and not spend funds they do not have.

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

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

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

Drought conditions makes it challenging and difficult for some municipalities to improve their revenue generation from provision of water services. In respect of water services, the following important aspects should be focused on such as improving demand management, maintenance of infrastructure, management of losses, meter reading and tariff setting. The municipality should take strategic action to ensure effective water management and resilience to drought, including the

security of water supply, environmental degradation, and pollution of resources to achieve economic growth, development and socio-economic priorities in an equitable and sustainable manner. When setting the tariffs municipalities must ensure that the tariffs charged will be able to cover for the cost of bulk purchases, ongoing operations as well as provision for any future infrastructure.

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

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

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

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

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

The application of sound financial management principles for the compilation of the Stellenbosch's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. As a result of excellent financial discipline, the Stellenbosch Municipality has taken the theme of "Driving

efficiencies- doing more with less", to heart. The municipality's business and service delivery priorities were reviewed as part of this year's planning, through the Integrated Development Plan (IDP), and the annual budget process.

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

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

- The on-going difficulties in the national and local economy;
- The effect of COVID-19 on the local economy
- Aging infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The increased cost of bulk water and electricity, which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- The Wage Bill: The 2020 Budget Review highlighted the proposed wage bill reduction for public service, wherein municipalities are encouraged to take decisive action to address bloated organisational structures and above inflation increases;
- Attracting economic investment;
- Water Conservation and drought;
- Electricity/ Loadshedding;
- Borrowing for multi-year capital projects and refinancing of existing loans;
- Reductions in allocations of some of the National and Provincial grants due to a worsening fiscal outlook; and
- Limited resources to deal with all key priorities.

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

- Integrated Development Plan was used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be as affordable as possible and should ideally not exceed inflation as measured by the CPI, except where there are price

increases in the inputs of services that are beyond the control of the municipality. However, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

- National, provincial and local priorities;
- Headline inflation forecasts; and
- Funding choices and modelling.

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

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

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

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

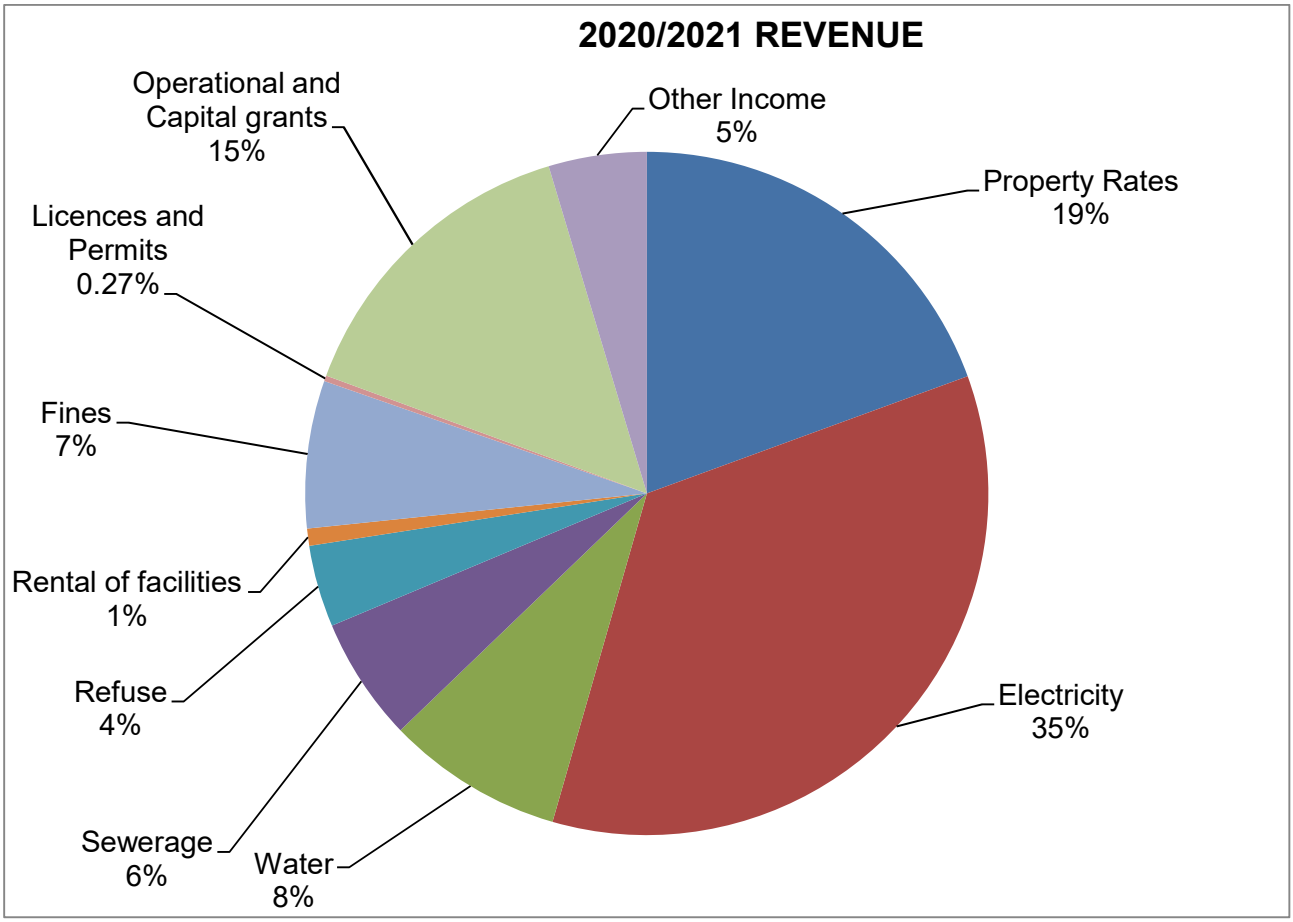
The total budget quantum for the 2020/2021 year is R2 402 549 231 of which R1 899 463 402 (79%), is allocated to the operating budget and R 503 085 829 (21%) to capital investment.

OPERATING BUDGET – REVENUE

Overall revenue budget increase was limited to 3.29% resulting in annual operating revenue increasing from R1 952 927 162 in 2019/2020 to R2 019 419 873 in 2020/2021. Taking cognisance of the economic conditions, the resultant low employment levels and levels of disposable income, it was important to keep services affordable by critically looking at the costs associated with providing the service.

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

REVENUE CATEGORIES	2019/2020	2020/2021	% INCR.
Property Rates	356,121,877	392,239,042	10.14%
Electricity	694,886,270	707,441,165	1.81%
Water	161,974,611	168,720,115	4.16%
Sewerage	113,503,000	118,311,570	4.24%
Refuse	69,224,664	78,304,940	13.12%
Rental of facilities	18,831,474	16,292,167	-13.48%
Fines	108,260,389	140,880,961	30.13%
Licences and Permits	5,398,023	5,502,903	1.94%
Operational + Capital grants	325,942,926	298,236,000	-8.50%
Other Income	98,783,927	93,491,009	-5.36%
Operating Revenue	**1,952,927,161**	**2,019,419,873**	**3.29%**



- Average tariff increases:

Property Rates	6.50%
Electricity	6.43%
Water	6.00%
Sanitation	6.50%
Refuse removal	16.50%

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

- The Municipality succeeded in accessing the EPWP Incentive Grant for Municipalities in a bid to give some relief to the poorest of the poor by means of contract employment opportunities over the short term. The allocation for the 2020/21 financial year is R 4 961 000.

Rates

In the 2020/2021 financial year, the Property Rates Tariff paid by owners will increase with 6.50%, whilst total rates also increased with 8.5%. The increase in total rates is due to interim valuations that were performed. Rates rebates to senior citizens and disabled persons are also available as per the requirements of the amended Rates Policy to qualifying ratepayers with a monthly income of R15 000 or less.

Electricity

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

Council's attention is further drawn to the fact that the proposed electricity tariff is at 6.43% whereas the increase in electricity bulk purchases for the 2020/2021 financial year is 6.90% as approved by NERSA (National Electricity Regulator of South Africa) for implementation by all municipalities. Although the proposed tariffs increases with 6.43%, the municipality is experiencing a decrease in electricity demand as consumers are utilising alternative energy sources.

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

Water

Taking cognizance of the challenges that the country is currently experiencing due to the severe drought, the plight of the poor and the affordability of basic services, the average tariff increase for the rest of the consumptive water scales is 6.00%. The tariff is designed to cater for current and future capital investment in basic water infrastructure and the need to generate surpluses. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2020/2021 and not based on the approved budget for the same year.**

Sewerage (Sanitation)

The proposed increase in this tariff is 6.50%. Sanitation services is classified as an economical service. This means that the service charges for sanitation must cover the cost of providing the service, i.e. it must at least break even.This tariff increase is necessitated by operational requirements, maintenance of existing aging infrastructure, new infrastructure financing/provision and to ensure that the service is delivered in a sustainable manner. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2020/2021 and not based on the approved budget for the same year.**

Refuse (Solid Waste)

Refuse removal services, like sanitation are also classified as an economical service. This means that the service charges for refuse must cover the cost of providing the service, i.e. it must at least break even. The municipality will implement an above inflation tariff increase as this service does not break even and to provide for the additional expenditure for the transport of the waste from the Stellenbosch Landfill Site. The solid waste tariffs were modelled to give effect to the principle of the service charge being cost reflective as the service cannot be cross-subsidized. It is proposed that the tariff increases by 16.50% as a result of the before mentioned. The very nature of this tariff does not lend it to financing the expansion of the landfill site and therefore the proposed extension by way of constructing the new cell, was funded from council's own reserves.

It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2020/2021 and not based on the approved budget for the same year.

Debt Management

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

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

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

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

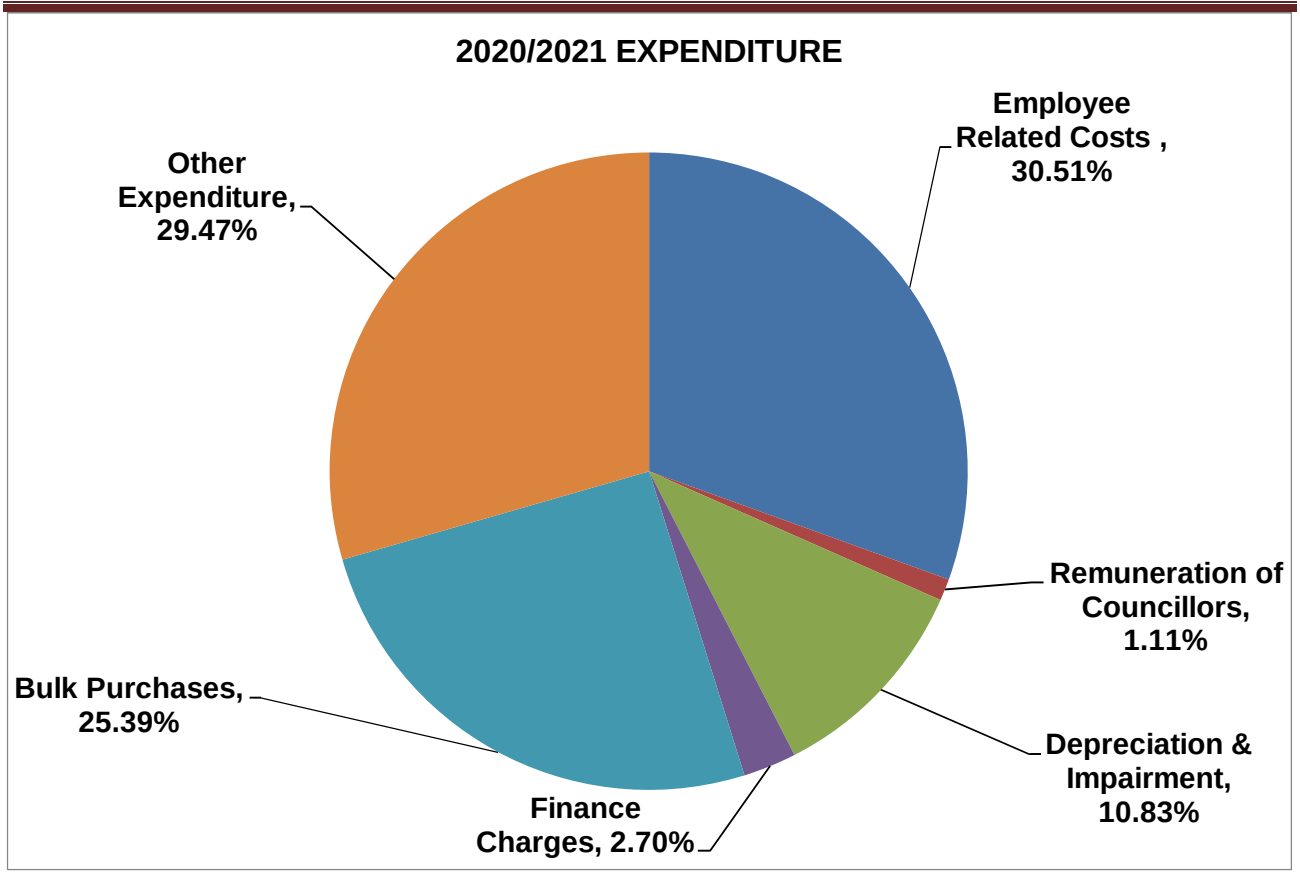
A zero tolerance approach will be followed where consumers are able to pay for services, as this indirectly denies paying consumers the level and standard of service that they are entitled to.

OPERATING BUDGET - EXPENDITURE

The budget sees an increase in annual operating expenditure from R 1 842 012 085 in 2019/2020 to R1 899 463 402 in 2020/2021. This 3.12% increase is primarily due to increases in several expenditure categories, examples which are included in the table below:

EXPENDITURE CATEGORIES	2019/2020	2020/2021	% INCR.
Employee Related Costs	557,267,891	579,439,085	3.98%
Remuneration of Councillors	19,936,393	21,132,587	6.00%
Depreciation & Impairment	206,956,223	205,627,580	-0.64%
Finance Charges	29,877,000	51,348,891	71.87%
Bulk Purchases	453,958,271	482,195,922	6.22%
Other Expenditure	574,016,306	559,719,337	-0.02%
Total Expenditure	**1,842,012,084**	**1,899,463,402**	**3.12%**

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



Explanation of significant expenditure variances:

Finance Charges

The interest payable for the 2020/2021 financial year has been calculated on the maximum amount of possible borrowings drawn down up to the end of the 2020/2021financial year.

Bulk Purchases

The municipal tariff guideline increase issued by NERSA setting the bulk purchase increase at 6.90%, whilst the increase on water was estimated at 8% as the bulk purchase charges of the City was not available at the time of compilation.

Other expenditure

Budgetary constraints and economic challenges meant that the municipality had to apply a combination of cost-saving interventions. These interventions includes amongst other, measures to limited telephone usage and filling of critical vacancies that will result in a decrease in consulting fees. As a result of these interventions other expenditure decreased with 0.02% from R574 016 306 in 2019/20 to R 559 719 337 in 2020/21.

CAPITAL BUDGET

The capital budget decrease from R 612 498 439 in 2019/2020 to R 503 085 829 in 2020/2021.

DIRECTORATE	2019/2020	2020/2021	% INCR.
Municipal Manager	35,000	40,000	14.29%
Planning and Economic Development	19,479,019	8,990,800	-53.84%
Community and Protection Services	63,653,652	49,039,347	-22.96%
Infrastructure Services	386,496,778	404,715,682	4.71%
Corporate Services	142,533,990	39,450,000	-72.32%
Financial Services	300,000	850,000	183.33%
Total Expenditure	**612,498,439**	**503,085,829**	**-17.86%**

FUNDING SOURCE	2019/2020	2020/2021	% INCR
Capital Replacement Reserve	261,016,441	180,453,463	-30.87%
External Loan	157,096,470	160,000,000	1.85%
National Government	62,526,000	63,690,000	1.86%
Provincial Government	81,859,528	56,436,000	-31.06%
Public Contributions and donations	50,000,000	42,506,366	-14.99%
	612,498,439	**503,085,829**	**-17.86%**

Major capital expenditure is planned in the following areas during the 2020/2021 financial year:

Water Services

- Water Pipe Replacement
- Bulk Water Supply Pipeline & Reservoir - Jamestown
- Water Conservation & Demand Management
- Water Treatment Works: Idasvalley
- Bulk water Supply Pipe Line & Pumpstations: Franschhoek
- Bulk water supply Klapmuts
- New Reservoir Rosendal
- Bulk water supply pipe and Reservoir: Kayamandi
- New Reservoir & Pipeline: Vlottenburg

Sanitation

- Franschhoek Sewer Network Upgrade
- Sewerpipe Replacement: Dorp Straat
- Upgrade of WWTW Wemmershoek
- Bulk Sewer Outfall: Jamestown
- Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek

Electrical Services

- Laterra SS
- Jan Marais Upgrade: Remove Existing Tx 1 and 2 and replace with 20MVA units
- Integrated National Electrification Programme (Enkanini)

Infrastructure Plan, Dev and Implement

- Watergang Farm Upgrading
- Upgrading of The Steps/Orlean Lounge
- Kayamandi: Zone O (±711 services)
- Klapmuts: Erf 2181 (298 serviced sites)

Property Services

- Upgrading of Traffic Offices: Stellenbosch
- Kleine Libertas Precinct

Fire and Rescue Services

- Major Fire Pumper

Parks and Cemeteries

- Integrated and Spray Parks

C: HIGH LEVEL BUDGET SUMMARY

	Operating Income R	Operating Expenditure R	Capital Expenditure R	Total Budget R
Municipal Manager	-	47,883,653	40,000	47,923,653
Planning & Economic Development	82,896,473	105,525,499	8,990,800	114,516,299
Infrastructure Services	1,251,715,966	1,094,794,771	404,715,682	1,499,510,453
Community and Protection Services	192,544,637	359,246,182	49,039,347	408,285,529
Corporate Services	4,302,674	181,429,497	39,450,000	220,879,497
Financial Services	487,960,122	110,583,800	850,000	111,433,800
Total	**2,019,419,873**	**1,899,463,402**	**503,085,829**	**2,402,549,231**

D: ANNUAL BUDGET TABLES

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

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

The information displayed in the “Adjusted Budget” column for the 2019/2020 financial year includes all changes approved by Council in the Mid – Year Adjustments Budgets during the current financial year.

WC024 Stellenbosch - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance									
Property rates	290 028	309 989	332 958	356 122	356 122	356 122	392 239	417 735	444 889
Service charges	795 176	862 001	817 760	1 024 589	1 039 589	1 039 589	1 072 778	1 159 693	1 254 248
Investment revenue	56 219	55 110	44 272	44 171	44 171	44 171	37 870	34 522	29 358
Transfers recognised - operational	122 568	133 057	145 981	172 339	182 455	182 455	178 107	181 180	197 574
Other own revenue	163 504	172 278	183 015	190 530	187 103	187 103	218 297	231 939	246 440
Total Revenue (excluding capital transfers and contributions)	1 427 495	1 532 435	1 523 986	1 787 751	1 809 440	1 809 440	1 899 291	2 025 069	2 172 509
Employee costs	409 575	444 579	461 114	603 268	557 268	557 268	579 439	623 493	676 723
Remuneration of councillors	16 094	17 308	18 272	19 936	19 936	19 936	21 133	22 401	23 745
Depreciation & asset impairment	149 139	157 550	176 665	206 956	206 956	206 956	205 628	214 881	224 550
Finance charges	19 627	18 775	23 207	39 877	29 877	29 877	51 349	64 710	77 154
Materials and bulk purchases	347 828	329 682	412 264	441 448	493 438	493 438	523 902	560 252	598 730
Transfers and grants	6 933	6 261	8 990	10 049	10 049	10 049	10 069	10 600	11 200
Other expenditure	365 516	372 180	387 065	486 713	524 488	524 488	507 944	518 098	541 578
Total Expenditure	1 314 712	1 346 334	1 487 578	1 808 247	1 842 012	1 842 012	1 899 463	2 014 434	2 153 680
Surplus/(Deficit)	112 783	186 101	36 409	(20 496)	(32 572)	(32 572)	(173)	10 635	18 828
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	105 184	77 477	88 153	141 088	141 488	141 488	120 129	95 295	100 702
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,	–	–	–	–	2 000	2 000	–	–	–
Surplus/(Deficit) after capital transfers & contributions	217 967	263 579	124 562	120 591	110 915	110 915	119 956	105 930	119 530
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	217 967	263 579	124 562	120 591	110 915	110 915	119 956	105 930	119 530
Capital expenditure & funds sources									
Capital expenditure	**410 203**	433 682	493 304	553 777	612 498	612 498	503 086	403 805	433 208
Transfers recognised - capital	**87 452**	80 137	93 849	141 088	144 386	144 386	120 126	95 295	100 702
Borrowing	**4 581**	–	120 561	140 000	157 097	157 097	160 000	120 000	120 000
Internally generated funds	**311 294**	353 265	278 894	257 189	311 016	311 016	180 453	184 427	212 506
Total sources of capital funds	**403 327**	433 402	493 304	538 277	612 498	612 498	460 579	399 722	433 208
Financial position									
Total current assets	**946 772**	908 487	852 021	780 320	847 178	847 178	811 631	856 991	891 799
Total non current assets	**4 874 276**	5 151 150	5 501 957	5 907 057	5 961 278	5 961 278	6 290 039	6 482 250	6 711 389
Total current liabilities	**445 838**	421 202	517 416	(208 585)	(208 585)	(208 585)	340 080	330 304	321 254
Total non current liabilities	**471 694**	457 152	596 463	743 814	743 814	743 814	906 736	1 024 866	1 137 851
Community wealth/Equity	**4 903 515**	5 181 283	5 240 099	(5 591 263)	(5 712 343)	(5 712 343)	5 854 854	5 984 071	6 144 083
Cash flows									
Net cash from (used) operating	**434 752**	349 918	387 190	355 914	354 891	354 891	322 507	319 307	344 075
Net cash from (used) investing	**(251 599)**	(362 468)	(383 881)	(558 277)	(612 498)	(612 498)	(503 086)	(403 805)	(433 208)
Net cash from (used) financing	**(11 908)**	(13 084)	145 498	139 117	99 117	99 117	133 689	88 922	81 922
Cash/cash equivalents at the year end	**299 431**	20 683	169 491	370 118	408 228	408 228	361 339	365 764	358 553
Cash backing/surplus reconciliation									
Cash and investments available	**621 906**	528 827	567 702	370 118	436 975	436 975	361 339	365 764	358 553
Application of cash and investments	**377 785**	291 733	478 147	271 759	281 956	281 956	72 055	13 461	(22 784)
Balance - surplus (shortfall)	**244 121**	237 095	89 555	98 359	155 019	155 019	289 284	352 303	381 338
Asset management									
Asset register summary (WDV)	**4 885 763**	5 148 981	5 479 996	558 277	612 498	612 498	6 610 615	7 017 706	7 471 396
Depreciation	**149 307**	157 550	–	206 956	206 956	206 956	205 628	214 881	224 550
Renewal and Upgrading of Existing Assets	**163 258**	274 838	493 304	29 600	28 540	28 540	248 644	214 077	158 138
Repairs and Maintenance	**59 139**	43 056	60 923	66 667	92 548	92 548	90 823	95 172	99 469
Free services									
Cost of Free Basic Services provided	**35 278**	85 751	96 808	36 070	36 070	36 070	106 072	117 215	117 215
Revenue cost of free services provided	**10**	61 225	66 773	22 660	22 660	22 660	94 811	94 811	94 811
Households below minimum service level									
Water:	2	2	2	2	2	2	1	1	1
Sanitation/sewerage:	2	2	1	48	48	48	1	1	1
Energy:	3	3	2	2	2	2	2	2	2
Refuse:	5	5	5	5	5	5	4	4	4

WC024 Stellenbosch - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		**500 031**	**420 926**	**440 981**	**331 023**	**462 855**	**462 855**	**495 254**	**523 139**	**551 781**
Executive and council		833	2 459	639	3 489	300	300	706	749	794
Finance and administration		499 198	418 467	440 342	327 534	462 555	462 555	494 548	522 390	550 987
Internal audit		–		–	–	–	–	–	–	–
Community and public safety		**44 980**	**55 819**	**72 223**	**236 029**	**268 468**	**268 468**	**256 245**	**265 106**	**273 605**
Community and social services		11 860	38 986	19 239	25 869	20 928	20 928	16 882	17 361	18 332
Sport and recreation		1 968	3 010	352	6 269	6 707	6 707	8 915	8 748	794
Public safety		265	2 639	353	112 588	127 982	127 982	165 747	175 343	186 027
Housing		30 888	11 184	52 279	91 304	112 850	112 850	64 701	63 654	68 452
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**23 479**	**135 719**	**146 244**	**12 064**	**20 641**	**20 641**	**31 385**	**18 562**	**19 190**
Planning and development		10 340	9 793	12 050	10 401	17 393	17 393	22 790	10 403	8 963
Road transport		13 139	125 902	133 707	1 334	2 701	2 701	8 465	8 021	10 080
Environmental protection		–	24	486	328	547	547	131	139	147
Trading services		**963 836**	**997 392**	**952 624**	**1 184 676**	**1 200 520**	**1 200 520**	**1 236 429**	**1 313 444**	**1 428 516**
Energy sources		546 211	553 809	561 723	683 765	738 765	738 765	757 248	802 603	863 220
Water management		205 388	256 841	164 175	126 526	86 767	86 767	191 604	216 164	239 663
Waste water management		148 321	116 332	147 926	272 240	272 789	272 789	177 313	167 542	183 518
Waste management		63 916	70 409	78 801	102 145	102 198	102 198	110 265	127 135	142 116
Other	4	**353**	**57**	**68**	**155 942**	**443**	**443**	**107**	**113**	**120**
Total Revenue - Functional	2	**1 532 679**	**1 609 913**	**1 612 139**	**1 919 735**	**1 952 927**	**1 952 927**	**2 019 420**	**2 120 364**	**2 273 211**
Expenditure - Functional										
Governance and administration		**276 164**	**217 592**	**242 254**	**377 706**	**336 310**	**336 310**	**329 110**	**349 849**	**373 164**
Executive and council		57 454	58 028	59 846	68 658	57 311	57 311	56 162	59 639	63 686
Finance and administration		218 710	149 081	172 181	290 203	261 314	261 314	258 354	274 705	292 998
Internal audit		–	10 483	10 227	18 845	17 685	17 685	14 595	15 505	16 480
Community and public safety		**247 878**	**181 945**	**197 337**	**395 031**	**413 697**	**414 093**	**406 547**	**426 830**	**451 535**
Community and social services		33 748	29 110	29 242	52 793	55 576	55 576	39 532	40 927	43 459
Sport and recreation		36 685	43 038	46 041	49 716	48 218	48 218	49 049	51 007	54 188
Public safety		139 493	79 275	91 508	257 239	272 238	272 634	281 078	295 426	311 647
Housing		37 886	30 523	30 546	35 283	37 666	37 666	36 888	39 470	42 241
Health		66		–	–	–	–	–	–	–
Economic and environmental services		**118 552**	**270 136**	**291 812**	**199 541**	**208 563**	**208 563**	**215 381**	**216 315**	**231 158**
Planning and development		48 236	56 242	61 016	72 499	84 260	84 260	89 452	83 303	89 752
Road transport		67 365	197 665	214 299	100 339	100 029	100 029	97 635	103 360	109 446
Environmental protection		2 951	16 229	16 498	26 703	24 274	24 274	28 294	29 651	31 959
Trading services		**667 661**	**676 661**	**756 174**	**835 832**	**883 045**	**883 045**	**948 301**	**1 021 314**	**1 097 692**
Energy sources		410 592	419 364	440 699	454 852	502 323	502 323	537 272	573 869	613 819
Water management		97 703	89 809	126 735	165 258	154 124	154 124	143 421	156 468	172 407
Waste water management		100 535	110 889	109 181	133 677	133 437	133 437	162 596	180 162	194 286
Waste management		58 831	56 599	79 559	82 044	93 161	93 161	105 013	110 815	117 180
Other	4	**4 457**	**–**	**–**	**137**	**396**	**–**	**124**	**126**	**132**
Total Expenditure - Functional	3	**1 314 712**	**1 346 334**	**1 487 578**	**1 808 247**	**1 842 012**	**1 842 012**	**1 899 463**	**2 014 434**	**2 153 680**
Surplus/(Deficit) for the year		**217 967**	**263 579**	**124 562**	**111 488**	**110 915**	**110 915**	**119 956**	**105 930**	**119 530**

WC024 Stellenbosch - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		–	–	4 061	387	387	387	–	–	–
Vote 2 - Planning and Development Services		10 267	11 228	67 415	96 045	96 045	96 045	82 896	77 211	80 758
Vote 3 - Infrastructure Services		38 679	36 446	153 113	1 196 525	1 196 525	1 196 525	1 251 716	1 320 672	1 437 756
Vote 4 - Community and Protection Services		949 711	1 001 047	953 834	147 702	149 655	149 655	192 545	202 513	206 277
Vote 5 - Corporate Services		126 660	147 487	4 728	10 396	10 396	10 396	4 303	4 619	4 957
Vote 6 - Financial Services		2 090	3 810	428 989	468 680	468 680	468 680	487 960	515 349	543 463
Total Revenue by Vote	2	**1 532 679**	**1 609 913**	**1 612 139**	**1 919 735**	**1 921 688**	**1 921 688**	**2 019 420**	**2 120 364**	**2 273 211**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Office of the Municipal Manager		17 255	18 394	26 726	52 258	42 600	42 600	47 884	49 452	53 040
Vote 2 - Planning and Development Services		56 227	55 541	74 263	109 279	108 028	108 028	105 525	110 105	118 297
Vote 3 - Infrastructure Services		65 442	61 463	844 635	972 006	1 015 078	1 015 078	1 094 795	1 167 574	1 251 724
Vote 4 - Community and Protection Services		727 774	736 873	336 045	357 526	343 865	343 865	359 246	376 880	399 676
Vote 5 - Corporate Services		261 992	302 208	150 522	184 055	195 973	195 973	181 429	193 737	206 407
Vote 6 - Financial Services		89 483	115 809	55 386	133 124	103 167	103 167	110 584	116 685	124 537
Total Expenditure by Vote	2	**1 314 712**	**1 346 334**	**1 487 578**	**1 808 247**	**1 808 712**	**1 808 712**	**1 899 463**	**2 014 434**	**2 153 680**
Surplus/(Deficit) for the year	2	**217 967**	**263 579**	**124 562**	**111 488**	**112 976**	**112 976**	**119 956**	**105 930**	**119 530**

WC024 Stellenbosch - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source										
Property rates	2	290 028	309 989	332 958	356 122	356 122	356 122	392 239	417 735	444 889
Service charges - electricity revenue	2	513 225	523 068	531 494	639 886	694 886	694 886	707 441	760 500	817 538
Service charges - water revenue	2	159 539	197 306	147 276	201 975	161 975	161 975	168 720	181 374	194 978
Service charges - sanitation revenue	2	81 352	91 619	83 862	113 503	113 503	113 503	118 312	126 594	135 455
Service charges - refuse revenue	2	41 059	50 008	55 128	69 225	69 225	69 225	78 305	91 225	106 278
Rental of facilities and equipment		16 906	14 992	14 524	18 831	18 831	18 831	16 292	17 270	18 307
Interest earned - external investments		56 219	55 110	44 272	44 171	44 171	44 171	37 870	34 522	29 358
Interest earned - outstanding debtors		6 451	6 849	8 025	11 270	11 286	11 286	13 281	14 211	15 206
Dividends received		–	–	–	–	–	–			
Fines, penalties and forfeits		102 817	114 767	118 046	108 260	108 260	108 260	140 881	149 335	158 297
Licences and permits		5 735	6 571	6 611	5 398	5 398	5 398	5 503	5 834	6 184
Agency services		6 400	2 365	2 833	2 852	2 852	2 852	2 931	3 107	3 293
Transfers and subsidies		122 568	133 057	145 981	172 339	182 455	182 455	178 107	181 180	197 574
Other revenue	2	25 195	26 734	32 924	34 815	40 475	40 475	39 408	42 181	45 152
Gains		–	–	52	–	–	–			
Total Revenue (excluding capital transfers and contributions)		**1 427 495**	**1 532 435**	**1 523 986**	**1 778 647**	**1 809 440**	**1 809 440**	**1 899 291**	**2 025 069**	**2 172 509**
Expenditure By Type										
Employee related costs	2	409 575	444 579	461 114	603 268	557 268	557 268	579 439	623 493	676 723
Remuneration of councillors		16 094	17 308	18 272	19 936	19 936	19 936	21 133	22 401	23 745
Debt impairment	3	82 169	47 971	105 207	72 067	72 067	72 067	74 007	76 008	78 072
Depreciation & asset impairment	2	149 139	157 550	176 665	206 956	206 956	206 956	205 628	214 881	224 550
Finance charges		19 627	18 775	23 207	39 877	29 877	29 877	51 349	64 710	77 154
Bulk purchases	2	347 828	329 682	380 671	406 458	453 958	453 958	482 196	516 151	552 501
Other materials	8	–	–	31 593	34 990	39 480	39 480	41 706	44 101	46 229
Contracted services		149 158	123 010	151 818	237 957	275 981	275 981	245 478	244 744	255 781
Transfers and subsidies		6 933	6 261	8 990	10 049	10 049	10 049	10 069	10 600	11 200
Other expenditure	4, 5	134 189	201 199	124 929	176 689	176 440	176 440	188 459	197 345	207 725
Losses				5 112	–	–				
Total Expenditure		**1 314 712**	**1 346 334**	**1 487 578**	**1 808 247**	**1 842 012**	**1 842 012**	**1 899 463**	**2 014 434**	**2 153 680**
Surplus/(Deficit)		**112 783**	**186 101**	**36 409**	**(29 600)**	**(32 572)**	**(32 572)**	**(173)**	**10 635**	**18 828**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		105 184	77 477	88 153	141 088	141 488	141 488	120 129	95 295	100 702
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–		–	–	–				
Transfers and subsidies - capital (in-kind - all)				–	–	2 000	2 000			
Surplus/(Deficit) after capital transfers & contributions		**217 967**	**263 579**	**124 562**	**111 488**	**110 915**	**110 915**	**119 956**	**105 930**	**119 530**
Taxation				–	–	–				
Surplus/(Deficit) after taxation		**217 967**	**263 579**	**124 562**	**111 488**	**110 915**	**110 915**	**119 956**	**105 930**	**119 530**
Attributable to minorities				–	–	–				
Surplus/(Deficit) attributable to municipality		**217 967**	**263 579**	**124 562**	**111 488**	**110 915**	**110 915**	**119 956**	**105 930**	**119 530**
Share of surplus/ (deficit) of associate	7			–	–	–				
Surplus/(Deficit) for the year		**217 967**	**263 579**	**124 562**	**111 488**	**110 915**	**110 915**	**119 956**	**105 930**	**119 530**

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote										
Multi-year expenditure ***to be appropriated***	2									
Vote 1 - Office of the Municipal Manager		–	–	7	35	35	35	–	–	–
Vote 2 - Planning and Development Services		–	4 281	50	5 000	7 894	7 894	8 459	6 200	6 500
Vote 3 - Infrastructure Services		22 955	24 273	64 808	115 523	116 380	116 380	369 835	267 280	327 839
Vote 4 - Community and Protection Services		274 968	335 311	1 226	23 780	22 771	22 771	17 500	21 000	17 600
Vote 5 - Corporate Services		399	4 606	892	20 200	20 483	20 483	24 600	37 600	2 500
Vote 6 - Financial Services		–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**298 322**	**368 471**	**66 984**	**164 538**	**167 563**	**167 563**	**420 394**	**332 080**	**354 439**
Single-year expenditure ***to be appropriated***	2									
Vote 1 - Office of the Municipal Manager		149	33	1	–	–	–	40	44	49
Vote 2 - Planning and Development Services		2 860	1 290	11 546	785	12 019	12 019	532	219	65
Vote 3 - Infrastructure Services		13 455	56 423	388 592	263 333	270 117	270 117	34 881	39 082	43 105
Vote 4 - Community and Protection Services		72 425	2 433	12 492	40 200	40 449	40 449	31 539	21 730	27 500
Vote 5 - Corporate Services		18 904	2 031	13 406	84 770	122 051	122 051	14 850	10 450	7 850
Vote 6 - Financial Services		3 934	446	283	150	300	300	850	200	200
Capital single-year expenditure sub-total		**111 881**	**65 211**	**426 320**	**389 238**	**444 936**	**444 936**	**82 692**	**71 725**	**78 769**
Total Capital Expenditure - Vote		**410 203**	**433 682**	**493 304**	**553 777**	**612 498**	**612 498**	**503 086**	**403 805**	**433 208**
Capital Expenditure - Functional										
Governance and administration		**43 259**	**10 770**	**48 183**	**105 155**	**142 869**	**142 869**	**40 340**	**48 294**	**10 599**
Executive and council		37	33	87	35	35	35	40	44	49
Finance and administration		528	10 738	48 096	105 120	142 834	142 834	40 300	48 250	10 550
Internal audit		42 694		–	–	–	–	–	–	–
Community and public safety		**29 035**	**73 699**	**91 870**	**61 445**	**63 341**	**63 341**	**45 776**	**39 304**	**73 685**
Community and social services		1 963	17 739	1 422	2 845	4 971	4 971	5 405	10 570	13 225
Sport and recreation		6 395	10 987	14 006	29 000	29 399	29 399	17 510	15 330	8 780
Public safety		3 290	8 638	8 685	29 550	26 221	26 221	16 320	10 310	15 615
Housing		17 387	36 336	67 757	50	2 750	2 750	6 541	3 094	36 065
Health		–		–	–	–	–	–	–	–
Economic and environmental services		**48 608**	**78 444**	**87 048**	**130 452**	**132 922**	**132 922**	**127 355**	**62 218**	**56 955**
Planning and development		1 059	4 672	7 608	50 332	50 808	50 808	49 851	13 398	14 575
Road transport		46 053	72 092	79 441	80 120	82 115	82 115	67 700	42 300	34 900
Environmental protection		1 495	1 679	–	–	–	–	9 804	6 520	7 480
Trading services		**287 826**	**269 391**	**260 825**	**261 225**	**273 365**	**273 365**	**289 615**	**253 989**	**291 969**
Energy sources		43 024	53 473	66 094	35 090	49 717	49 717	69 900	57 857	128 806
Water management		51 625	125 642	67 730	80 000	65 283	65 283	97 800	86 572	67 018
Waste water management		180 818	82 201	119 852	114 400	119 153	119 153	111 670	86 815	51 900
Waste management		12 360	8 075	7 148	31 735	39 212	39 212	10 245	22 745	44 245
Other		**1 474**	**1 379**	**5 378**	**–**	**–**	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	3	**410 203**	**433 682**	**493 304**	**558 277**	**612 498**	**612 498**	**503 086**	**403 805**	**433 208**
Funded by:										
National Government		74 883	55 942	41 486	62 526	62 526	62 526	63 690	43 675	46 102
Provincial Government		11 963	24 195	52 363	78 562	81 860	81 860	56 436	51 620	54 600
District Municipality		–		–	–	–	–			
allocations) (National / Provincial Departmental		607		–	–	–				
Transfers recognised - capital	4	**87 452**	**80 137**	**93 849**	**141 088**	**144 386**	**144 386**	**120 126**	**95 295**	**100 702**
Public contributions & donations		6 876	280	–	–	–	–	42 506	4 083	–
Borrowing	6	4 581		120 561	160 000	157 097	157 097	160 000	120 000	120 000
Internally generated funds		311 294	353 265	278 894	257 189	311 016	311 016	180 453	184 427	212 506
Total Capital Funding	7	**410 203**	**433 682**	**493 304**	**558 277**	**612 498**	**612 498**	**503 086**	**403 805**	**433 208**

WC024 Stellenbosch - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS										
Current assets										
Cash		299 431	23 233	169 538	46 864	46 864	46 864	30 000	28 000	25 000
Call investment deposits	1	322 475	505 594	398 164	323 254	390 111	390 111	331 339	337 764	333 553
Consumer debtors	1	120 058	195 911	175 342	148 796	148 796	148 796	188 886	229 821	271 839
Other debtors		162 027	135 159	61 748	204 059	204 059	204 059	209 059	214 059	219 059
Current portion of long-term receivables		2 121	1 600	1 631	2 511	2 511	2 511	2 511	2 511	2 511
Inventory	2	40 659	46 991	45 598	54 836	54 836	54 836	49 836	44 836	39 836
Total current assets		**946 772**	**908 487**	**852 021**	**780 320**	**847 178**	**847 178**	**811 631**	**856 991**	**891 799**
Non current assets										
Long-term receivables		3 513	2 158	3 025	3 876	3 876	3 876	3 876	3 876	3 876
Investments		–		–	–	–	–			
Investment property		423 623	423 252	422 881	416 637	417 348	417 348	459 712	481 712	487 762
Investment in Associate		–			–	–	–			
Property, plant and equipment	3	4 428 174	4 710 275	5 057 061	5 468 573	5 521 920	5 521 920	5 809 163	5 979 374	6 201 763
Biological		8 808	6 321	6 321	9 938	9 938	9 938	7 321	7 321	7 821
Intangible		9 435	8 368	11 894	5 414	5 577	5 577	7 348	7 348	7 548
Other non-current assets		724	774	774	2 618	2 618	2 618	2 618	2 618	2 618
Total non current assets		**4 874 276**	**5 151 150**	**5 501 957**	**5 907 057**	**5 961 278**	**5 961 278**	**6 290 039**	**6 482 250**	**6 711 389**
TOTAL ASSETS		**5 821 048**	**6 059 637**	**6 353 978**	**6 687 377**	**6 808 456**	**6 808 456**	**7 101 670**	**7 339 241**	**7 603 188**
LIABILITIES										
Current liabilities										
Bank overdraft	1	–		–	–	–				
Borrowing	4	13 084	14 502	25 870	26 311	26 311	26 311	31 078	38 078	45 578
Consumer deposits		14 577	15 674	17 078	14 274	14 274	14 274	14 274	14 274	14 274
Trade and other payables	4	370 581	342 059	417 255	254 131	254 131	254 131	234 131	214 131	194 131
Provisions		47 597	48 967	57 214	57 584	57 584	57 584	60 597	63 821	67 270
Total current liabilities		**445 838**	**421 202**	**517 416**	**352 300**	**352 300**	**352 300**	**340 080**	**330 304**	**321 254**
Non current liabilities										
Borrowing		173 302	158 800	292 930	449 591	449 591	449 591	578 513	660 436	734 858
Provisions		298 392	298 352	303 532	294 223	294 223	294 223	328 223	364 430	402 993
Total non current liabilities		**471 694**	**457 152**	**596 463**	**743 814**	**743 814**	**743 814**	**906 736**	**1 024 866**	**1 137 851**
TOTAL LIABILITIES		**917 533**	**878 354**	**1 113 879**	**1 096 114**	**1 096 114**	**1 096 114**	**1 246 816**	**1 355 170**	**1 459 105**
NET ASSETS	5	**4 903 515**	**5 181 283**	**5 240 099**	**5 591 263**	**5 712 342**	**5 712 342**	**5 854 854**	**5 984 071**	**6 144 083**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		4 903 515	5 181 283	5 240 099	5 591 263	5 712 342	5 712 342	5 854 854	5 984 071	6 144 083
Reserves	4	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**4 903 515**	**5 181 283**	**5 240 099**	**5 591 263**	**5 712 342**	**5 712 342**	**5 854 854**	**5 984 071**	**6 144 083**

WC024 Stellenbosch - Table A7 Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		284 494	306 230	330 932	341 877	341 877	341 877	376 549	401 026	427 093
Service charges		754 811	849 699	789 964	996 403	1 010 953	1 010 953	1 029 867	1 113 305	1 204 078
Other revenue		48 040	23 179	87 385	93 620	99 296	99 296	110 386	123 000	136 403
Transfers and Subsidies - Operational	1	216 896	159 487	147 412	172 339	181 076	181 076	178 107	181 180	197 574
Transfers and Subsidies - Capital	1	42 540	77 588	122 759	141 088	144 868	144 868	120 129	95 295	100 702
Interest		56 219	55 110	52 297	54 991	54 991	54 991	50 621	48 164	43 956
Dividends		–		–	–	–	–	–	–	–
Payments										
Suppliers and employees		(941 689)	(1 096 340)	(1 111 360)	(1 394 478)	(1 438 243)	(1 438 243)	(1 481 734)	(1 567 354)	(1 677 377)
Finance charges		(19 627)	(18 775)	(23 207)	(39 877)	(29 877)	(29 877)	(51 349)	(64 710)	(77 154)
Transfers and Grants	1	(6 933)	(6 261)	(8 990)	(10 049)	(10 049)	(10 049)	(10 069)	(10 600)	(11 200)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**434 752**	**349 918**	**387 190**	**355 914**	**354 891**	**354 891**	**322 507**	**319 307**	**344 075**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		2 244	1 407	1 968	–	–		–	–	–
Decrease (increase) in non-current receivables		(1 164)			–	–		–	–	–
Decrease (increase) in non-current investments		157 525	69 801	107 454	–	–		–	–	–
Payments										
Capital assets		(410 203)	(433 675)	(493 304)	(558 277)	(612 498)	(612 498)	(503 086)	(403 805)	(433 208)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(251 599)**	**(362 468)**	**(383 881)**	**(558 277)**	**(612 498)**	**(612 498)**	**(503 086)**	**(403 805)**	**(433 208)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–		–	–	–		–	–	–
Borrowing long term/refinancing		–	–	160 000	160 000	120 000	120 000	160 000	120 000	120 000
Increase (decrease) in consumer deposits		–		–	–	–		–	–	–
Payments										
Repayment of borrowing		(11 908)	(13 084)	(14 502)	(20 883)	(20 883)	(20 883)	(26 311)	(31 078)	(38 078)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(11 908)**	**(13 084)**	**145 498**	**139 117**	**99 117**	**99 117**	**133 689**	**88 922**	**81 922**
NET INCREASE/ (DECREASE) IN CASH HELD		**171 244**	**(25 634)**	**148 807**	**(63 245)**	**(158 490)**	**(158 490)**	**(46 890)**	**4 425**	**(7 210)**
Cash/cash equivalents at the year begin:	2	**128 187**	**46 317**	**20 683**	**433 363**	**566 719**	**566 719**	**408 228**	**361 339**	**365 764**
Cash/cash equivalents at the year end:	2	**299 431**	**20 683**	**169 491**	**370 118**	**408 228**	**408 228**	**361 339**	**365 764**	**358 553**

WC024 Stellenbosch - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available										
Cash/cash equivalents at the year end	1	299 431	20 683	169 491	370 118	408 228	408 228	361 339	365 764	358 553
Other current investments > 90 days		322 475	508 144	398 211	–	28 747	28 747	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–
Cash and investments available:		**621 906**	**528 827**	**567 702**	**370 118**	**436 975**	**436 975**	**361 339**	**365 764**	**358 553**
Application of cash and investments										
Unspent conditional transfers		88 493	100 324	148 234	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–
Statutory requirements	2	–		–	–	–				
Other working capital requirements	3	33 395	(48 971)	51 483	(72 860)	(73 147)	(73 147)	(127 943)	(191 053)	(255 377)
Other provisions		47 597	–	38 050	38 574	38 574	38 574	9 164	9 707	9 707
Long term investments committed	4	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	208 299	240 380	240 380	306 045	321 396	321 396	190 833	194 807	222 886
Total Application of cash and investments:		**377 785**	**291 733**	**478 147**	**271 759**	**286 823**	**286 823**	**72 055**	**13 461**	**(22 784)**
Surplus(shortfall)		**244 121**	**237 095**	**89 555**	**98 359**	**150 152**	**150 152**	**289 284**	**352 303**	**381 338**

WC024 Stellenbosch - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE										
Total New Assets	1	**246 945**	**158 843**	**–**	**365 903**	**440 083**	**440 083**	**269 476**	**193 014**	**295 552**
Roads Infrastructure		13 949	32 742	–	40 950	48 270	48 270	45 221	23 250	26 750
Storm water Infrastructure		–	–	–	–	–	–	3 000	–	–
Electrical Infrastructure		8 102	6 209	–	8 380	19 223	19 223	38 950	38 672	99 998
Water Supply Infrastructure		35 063	32 855	–	43 202	40 052	40 052	71 375	48 831	68 100
Sanitation Infrastructure		130 181	33 368	–	61 700	73 627	73 627	31 700	9 400	2 900
Solid Waste Infrastructure		1 611	1 559	–	26 800	31 243	31 243	6 000	18 500	42 500
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	610	683	683	650	670	800
Infrastructure		***188 905***	***106 734***	**–**	***181 642***	***213 097***	***213 097***	***196 896***	***139 322***	***241 048***
Community Facilities		13 898	14 769	–	15 310	16 489	16 489	–	–	–
Sport and Recreation Facilities		3 212	82	–	5 000	5 426	5 426	26 445	15 270	6 000
Community Assets		***17 110***	***14 850***	**–**	***20 310***	***21 915***	***21 915***	***26 445***	***15 270***	***6 000***
Heritage Assets		**–**	**1 337**	**–**	**2 000**	**2 039**	**2 039**	**–**	**–**	**–**
Revenue Generating		–	–	–	4 300	3 800	3 800	4 200	5 000	2 000
Non-revenue Generating		–	904	–	–	–	–	–	–	–
Investment properties		**–**	***904***	**–**	***4 300***	***3 800***	***3 800***	***4 200***	***5 000***	***2 000***
Operational Buildings		16 097	139	–	35 487	26 692	26 692	5 959	4 000	5 500
Housing		5 777	1 080	–	3 760	1 940	1 940	–	–	–
Other Assets		***21 875***	***1 219***	**–**	***39 247***	***28 632***	***28 632***	***5 959***	***4 000***	***5 500***
Biological or Cultivated Assets		**–**	**120**	**–**	**–**	**–**	**–**	**1 000**	**–**	**250**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		2 650	50	–	–	–	–	300	–	200
Intangible Assets		***2 650***	***50***	**–**	**–**	**–**	**–**	***300***	**–**	***200***
Computer Equipment		**1 800**	**2 184**	**–**	**77 550**	**112 925**	**112 925**	**100**	**50**	**50**
Furniture and Office Equipment		**5 170**	**3 620**	**–**	**2 545**	**3 226**	**3 226**	**3 247**	**2 616**	**3 174**
Machinery and Equipment		**–**	**6 560**	**–**	**21 480**	**29 227**	**29 227**	**12 880**	**8 431**	**8 530**
Transport Assets		**9 437**	**17 045**	**–**	**16 830**	**25 222**	**25 222**	**18 450**	**18 325**	**28 800**
Land		**–**	**4 221**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Renewal of Existing Assets	2	**163 258**	**29 097**	**–**	**29 600**	**28 540**	**28 540**	**38 300**	**27 634**	**40 002**
Roads Infrastructure		12 196	18 935	–	8 000	11 303	11 303	9 650	5 250	5 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		19 428	3 887	–	4 500	5 137	5 137	5 150	4 809	19 791
Water Supply Infrastructure		3 543	2 694	–	5 000	3 000	3 000	8 000	7 000	10 000
Sanitation Infrastructure		22 297	2 266	–	12 000	9 000	9 000	15 000	10 000	4 000
Solid Waste Infrastructure		1 173	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***58 637***	***27 782***	**–**	***29 500***	***28 440***	***28 440***	***37 800***	***27 059***	***38 791***
Community Facilities		882	10	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	363	–	–	–	–	–	–	550
Community Assets		***882***	***373***	**–**	**–**	**–**	**–**	**–**	**–**	***550***
Heritage Assets		**1 219**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		95 479	449	–	100	100	100	500	575	661
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***95 479***	***449***	**–**	***100***	***100***	***100***	***500***	***575***	***661***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**6 747**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**493**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**294**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Upgrading of Existing Assets	6	–	245 742	493 304	162 773	143 875	143 875	210 344	186 443	118 135
Roads Infrastructure		–	26 286	75 995	31 700	25 500	25 500	23 100	16 150	9 700
Storm water Infrastructure		–	1 233	–	1 000	685	685	2 000	–	–
Electrical Infrastructure		–	38 974	86 468	26 210	27 299	27 299	24 800	14 321	10 187
Water Supply Infrastructure		–	109 358	59 961	38 000	18 990	18 990	35 500	28 572	19 518
Sanitation Infrastructure		–	47 300	119 401	19 663	26 597	26 597	70 739	66 400	47 500
Solid Waste Infrastructure		–	719	11 869	1 500	1 000	1 000	2 000	1 000	1 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	1 494	908	1 000	1 000	1 000	2 000	–	600
Infrastructure		–	225 365	354 602	119 073	101 070	101 070	160 139	126 443	88 505
Community Facilities		–	4 275	11 646	12 000	14 766	14 766	–	–	–
Sport and Recreation Facilities		–	9 213		6 500	5 103	5 103	19 304	23 750	15 230
Community Assets		–	13 487	11 646	18 500	19 869	19 869	19 304	23 750	15 230
Heritage Assets		–	–	–	500	500	500	1 000	1 500	1 500
Revenue Generating		–	–	–	5 000	4 077	4 077	–	–	–
Non-revenue Generating		–	296		9 000	7 257	7 257	19 600	17 000	4 050
Investment properties		–	296	–	14 000	11 335	11 335	19 600	17 000	4 050
Operational Buildings		–	1 039	87 218	5 200	1 271	1 271	2 300	9 000	1 000
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	1 039	87 218	5 200	1 271	1 271	2 300	9 000	1 000
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	250
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	5 378	200	363	363	150	–	–
Intangible Assets		–	–	5 378	200	363	363	150	–	–
Computer Equipment		–	4 295	–	5 100	9 267	9 267	4 500	4 600	5 900
Furniture and Office Equipment		–	–	13 673	200	200	200	–	–	–
Machinery and Equipment		–	1 260	9 172	–	–	–	3 350	4 150	1 700
Transport Assets		–	–	11 615	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	410 203	433 682	493 304	558 277	612 498	612 498	518 120	407 092	453 690
Roads Infrastructure		26 144	77 963	75 995	80 650	85 073	85 073	77 971	44 650	41 450
Storm water Infrastructure		–	1 233	–	1 000	685	685	5 000	–	–
Electrical Infrastructure		27 530	49 070	86 468	39 090	51 659	51 659	68 900	57 802	129 977
Water Supply Infrastructure		38 606	144 907	59 961	86 202	62 041	62 041	114 875	84 403	97 618
Sanitation Infrastructure		152 478	82 934	119 401	93 363	109 223	109 223	117 439	85 800	54 400
Solid Waste Infrastructure		2 784	2 278	11 869	28 300	32 243	32 243	8 000	19 500	43 500
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	1 494	908	1 610	1 683	1 683	2 650	670	1 400
Infrastructure		247 542	359 880	354 602	330 215	342 607	342 607	394 835	292 825	368 345
Community Facilities		14 779	19 054	11 646	27 310	31 255	31 255	–	–	–
Sport and Recreation Facilities		3 212	9 657	–	11 500	10 529	10 529	45 749	39 020	21 780
Community Assets		17 991	28 711	11 646	38 810	41 784	41 784	45 749	39 020	21 780
Heritage Assets		1 219	1 337	–	2 500	2 539	2 539	1 000	1 500	1 500
Revenue Generating		–	–	–	9 300	7 877	7 877	4 200	5 000	2 000
Non-revenue Generating		–	1 200	–	9 000	7 257	7 257	19 600	17 000	4 050
Investment properties		–	1 200	–	18 300	15 135	15 135	23 800	22 000	6 050
Operational Buildings		111 576	1 627	87 218	40 787	28 063	28 063	8 759	13 575	7 161
Housing		5 777	1 080	–	3 760	1 940	1 940	–	–	–
Other Assets		117 353	2 707	87 218	44 547	30 003	30 003	8 759	13 575	7 161
Biological or Cultivated Assets		–	120	–	–	–	–	1 000	–	500
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		2 650	50	5 378	200	363	363	450	–	200
Intangible Assets		2 650	50	5 378	200	363	363	450	–	200
Computer Equipment		8 547	6 479	–	82 650	122 192	122 192	4 600	4 650	5 950
Furniture and Office Equipment		5 170	3 620	13 673	2 745	3 426	3 426	3 247	2 616	3 174
Machinery and Equipment		–	8 314	9 172	21 480	29 227	29 227	16 230	12 581	10 230
Transport Assets		9 731	17 045	11 615	16 830	25 222	25 222	18 450	18 325	28 800
Land		–	4 221	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		410 203	433 682	493 304	558 277	612 498	612 498	518 120	407 092	453 690

R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		929 136	953 362	750 669	831 319	835 742	835 742	913 712	958 362	999 812
Storm water Infrastructure		16 634	16 187	16 810	17 810	17 495	17 495	22 495	22 495	22 495
Electrical Infrastructure		622 432	647 744	951 482	990 572	1 003 141	1 003 141	1 072 041	1 129 843	1 259 820
Water Supply Infrastructure		1 175 877	1 279 509	1 327 683	1 413 884	1 389 724	1 389 724	1 504 599	1 589 002	1 686 620
Sanitation Infrastructure		741 750	810 333	917 422	1 010 785	1 026 645	1 026 645	1 144 084	1 229 884	1 284 284
Solid Waste Infrastructure		30 838	29 825	30 534	58 834	62 777	62 777	70 777	90 277	133 777
Rail Infrastructure		–	–		–	–	–	–	–	–
Coastal Infrastructure		–	–		–	–	–	–	–	–
Information and Communication Infrastructure		–	–	1 350	2 960	3 033	3 033	5 683	6 353	7 753
Infrastructure		***3 516 667***	***3 736 959***	***3 995 949***	***4 326 164***	***4 338 557***	***4 338 557***	***4 733 392***	***5 026 217***	***5 394 561***
Community Assets		16 800	99 941	78 475	117 285	120 259	120 259	166 008	205 028	226 808
Heritage Assets		**724**	**774**	**774**	3 274	3 313	3 313	**4 313**	**5 813**	**7 313**
Investment properties		**423 623**	**423 252**	**420 777**	439 077	435 912	435 912	**459 712**	**481 712**	**487 762**
Other Assets		785 434	749 728	421 770	466 317	451 773	451 773	460 532	474 107	481 268
Biological or Cultivated Assets		**8 808**	**6 321**	**6 321**	6 321	6 321	6 321	**7 321**	**7 321**	**7 821**
Intangible Assets		9 435	8 368	6 535	6 735	6 898	6 898	7 348	7 348	7 548
Computer Equipment		**33 617**	**17 456**	**21 185**	103 835	143 377	143 377	**147 977**	**152 627**	**158 577**
Furniture and Office Equipment		**9 467**	**14 477**	**15 359**	18 104	18 785	18 785	**22 032**	**24 648**	**27 822**
Machinery and Equipment		**12 603**	**13 322**	**40 230**	61 710	69 457	69 457	**85 687**	**98 268**	**108 498**
Transport Assets		**68 585**	**78 382**	**76 773**	93 603	101 995	101 995	**120 445**	**138 770**	**167 570**
Land		**–**	**–**	**395 847**	395 847	395 847	395 847	**395 847**	**395 847**	**395 847**
Zoo's, Marine and Non-biological Animals		**–**	**–**		–	–	–	**–**	**–**	**–**
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**4 885 763**	**5 148 981**	**5 479 996**	**6 038 273**	**6 092 494**	**6 092 494**	**6 610 615**	**7 017 706**	**7 471 396**
EXPENDITURE OTHER ITEMS		**208 446**	**200 605**	**60 923**	**273 623**	**299 504**	**299 504**	**296 451**	**310 053**	**324 019**
Depreciation	7	149 307	157 550	–	206 956	206 956	206 956	205 628	214 881	224 550
Repairs and Maintenance by Asset Class	3	**59 139**	**43 056**	**60 923**	**66 667**	**92 548**	**92 548**	**90 823**	**95 172**	**99 469**
Roads Infrastructure		5 596	5 510	3 862	–	–	–	–	–	–
Storm water Infrastructure		–	161	4 621	14 746	11 343	11 343	14 746	19 436	22 294
Electrical Infrastructure		11 876	7 510	7 790	2 328	2 328	2 328	2 328	740	2 616
Water Supply Infrastructure		5 493	1 215	6 090	1 162	1 112	1 112	1 162	1 231	1 305
Sanitation Infrastructure		16 031	6 220	5 187	7 414	5 514	5 514	7 414	5 051	5 354
Solid Waste Infrastructure		11 651	767	530	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	99	93	93	99	109	115
Infrastructure		***50 647***	***21 383***	***28 080***	***25 749***	***20 389***	***20 389***	***25 749***	***26 566***	***31 684***
Community Facilities		6 909	48	6 409	6 013	5 012	5 012	6 013	6 785	7 191
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		***6 909***	***48***	***6 409***	***6 013***	***5 012***	***5 012***	***6 013***	***6 785***	***7 191***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		858	9 705	6 737	31	31	31	31	622	659
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***858***	***9 705***	***6 737***	***31***	***31***	***31***	***31***	***622***	***659***
Biological or Cultivated Assets		**–**	**–**	**–**	**42**	**42**	**42**	**42**	**45**	**48**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		725	–	–	–	–	–	–	–	–
Intangible Assets		***725***	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**5 038**	**10 066**	**27 505**	**27 541**	**27 541**	**27 505**	**26 838**	**27 883**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**24 157**	**26 743**	**24 001**
Transport Assets		**–**	**6 883**	**9 630**	**7 326**	**39 531**	**39 531**	**7 326**	**7 574**	**8 003**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL EXPENDITURE OTHER ITEMS		**208 446**	**200 605**	**60 923**	**273 623**	**299 504**	**299 504**	**296 451**	**310 053**	**324 019**
Renewal and upgrading of Existing Assets as % of total capex		*39.8%*	*63.4%*	*100.0%*	*34.5%*	*28.1%*	*28.1%*	*48.0%*	*52.6%*	*34.9%*
Renewal and upgrading of Existing Assets as % of deprecn		*109.3%*	*174.4%*	*0.0%*	*93.0%*	*83.3%*	*83.3%*	*120.9%*	*99.6%*	*70.4%*
R&M as a % of PPE		*1.3%*	*0.9%*	*1.2%*	*1.2%*	*1.7%*	*1.7%*	*1.6%*	*1.6%*	*1.6%*
Renewal and upgrading and R&M as a % of PPE		*5.0%*	*6.0%*	*10.0%*	*4.0%*	*4.0%*	*4.0%*	*5.0%*	*4.0%*	*3.0%*

WC024 Stellenbosch - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		36 779	38 618	39 599	39 599	39 599	39 599	40 626	40 676	40 676
Piped water inside yard (but not in dwelling)		3 854	4 047	4 249	4 249	4 249	4 249	4 461	4 561	4 561
Using public tap (at least min.service level)	2	6 828	7 169	4 528	4 528	4 528	4 528	4 778	4 878	4 878
Other water supply (at least min.service level)	4	–	–	1 774	1 774	1 774	1 774	684	834	834
Minimum Service Level and Above sub-total		47 461	49 834	50 150	50 150	50 150	50 150	50 550	50 950	50 950
Using public tap (< min.service level)	3	1 305	1 370	1 270	1 270	1 270	1 270	1 170	1 070	1 070
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		292	307	257	257	257	257	207	157	157
Below Minimum Service Level sub-total		1 597	1 677	1 527	1 527	1 527	1 527	1 377	1 227	1 227
Total number of households	5	**49 058**	**51 511**	**51 677**	**51 677**	**51 677**	**51 677**	**51 927**	**52 177**	**52 177**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		43 679	45 863	46 206	46 206	46 206	46 206	46 256	46 306	46 306
Flush toilet (with septic tank)		1 873	1 967	2 065	2 065	2 065	2 065	2 165	2 265	2 265
Chemical toilet		352	370	388	388	388	388	407	420	420
Pit toilet (ventilated)		229	240	150	150	150	150	50	–	–
Other toilet provisions (> min.service level)		1 137	1 194	1 468	1 468	1 468	1 468	1 898	2 236	2 236
Minimum Service Level and Above sub-total		47 270	49 634	50 277	50 277	50 277	50 277	50 777	51 227	51 227
Bucket toilet		1 172	1 231	900	550	550	550	800	700	700
Other toilet provisions (< min.service level)		182	191	150	1 899	1 899	1 899	50	–	–
No toilet provisions		434	456	350	45 566	45 566	45 566	300	250	250
Below Minimum Service Level sub-total		1 788	1 877	1 400	48 015	48 015	48 015	1 150	950	950
Total number of households	5	**49 058**	**51 511**	**51 677**	**98 292**	**98 292**	**98 292**	**51 927**	**52 177**	**52 177**
Energy:										
Electricity (at least min.service level)		13 639	14 321	14 571	14 571	14 571	14 571	14 821	15 071	15 071
Electricity - prepaid (min.service level)		32 860	34 503	34 753	34 753	34 753	34 753	35 003	35 253	35 253
Minimum Service Level and Above sub-total		46 499	48 824	49 324	49 324	49 324	49 324	49 824	50 324	50 324
Electricity (< min.service level)		223	234	150	150	150	150	150	150	150
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		2 336	2 453	2 203	2 203	2 203	2 203	1 953	1 703	1 703
Below Minimum Service Level sub-total		2 559	2 687	2 353	2 353	2 353	2 353	2 103	1 853	1 853
Total number of households	5	**49 058**	**51 511**	**51 677**	**51 677**	**51 677**	**51 677**	**51 927**	**52 177**	**52 177**
Refuse:										
Removed at least once a week		43 660	39 475	47 149	47 149	47 149	47 149	47 649	48 149	48 149
Minimum Service Level and Above sub-total		43 660	39 475	47 149	47 149	47 149	47 149	47 649	48 149	48 149
Removed less frequently than once a week		768	–	–	–	–	–	–	–	–
Using communal refuse dump		1 074	1 128	1 078	1 078	1 078	1 078	1 028	978	978
Using own refuse dump		2 256	2 369	2 200	2 200	2 200	2 200	2 100	2 000	2 000
Other rubbish disposal		842	884	800	800	800	800	750	700	700
No rubbish disposal		458	481	450	450	450	450	400	350	350
Below Minimum Service Level sub-total		5 398	4 862	4 528	4 528	4 528	4 528	4 278	4 028	4 028
Total number of households	5	**49 058**	**44 337**	**51 677**	**51 677**	**51 677**	**51 677**	**51 927**	**52 177**	**52 177**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		9 823 567	6 182	6 482	6 000	6 000	6 000	6 000	6 000	6 000
Sanitation (free minimum level service)		9 400 683	6 182	6 482	6 000	6 000	6 000	6 000	6 000	6 000
Electricity/other energy (50kwh per household per month)		8 688 555	6 182	6 482	6 000	6 000	6 000	6 000	6 000	6 000
Refuse (removed at least once a week)		10 173 067	6 182	6 482	6 000	6 000	6 000	6 000	6 000	6 000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per **indigent** household per month)		–	10 413	11 038	11 700	11 700	11 700	11 700	12 402	12 402
Sanitation (free sanitation service to **indigent households**)		–	10 247	11 169	12 174	12 174	12 174	12 174	13 270	13 270
Electricity/other energy (50kwh per **indigent** household per month)		–	9 557	10 513	11 249	11 249	11 249	11 249	12 037	12 037
Refuse (removed once a week **for indigent households**)		–	11 190	12 198	13 295	13 295	13 295	13 295	14 492	14 492
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		35 278	44 343	51 890	57 653	57 653	57 653	57 653	65 015	65 015
Total cost of FBS provided		**35 278**	**85 751**	**96 808**	**106 072**	**106 072**	**106 072**	**106 072**	**117 215**	**117 215**
Highest level of free service provided per household										
Property rates (R value threshold)		95 000	200 000	200 000	200 000	200 000	200 000	200 000	200 000	200 000
Water (kilolitres per household per month)		10	10	10	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		94	101	101	112	112	112	122	121	121
Electricity (kwh per household per month)		60	100	100	100	100	100	100	100	100
Refuse (average litres per week)		250	250	250	250	250	250	250	250	250
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)		–	–		–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	39 422	41 669	44 377	44 377	44 377	47 262	47 262	50 334
Water **(in excess of 6 kilolitres per indigent household per month)**		–	5 089	5 597	5 961	5 961	5 961	6 349	6 349	6 761
Sanitation **(in excess of free sanitation service to indigent households)**		–	7 654	8 343	8 843	8 843	8 843	9 374	9 374	9 936
Electricity/other energy **(in excess of 50 kwh per indigent household per r**		–	1 117	1 198	1 363	1 363	1 363	1 472	1 472	1 590
Refuse **(in excess of one removal a week for indigent households)**		–	7 929	8 642	10 068	10 068	10 068	11 730	11 730	13 665
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	10	15	1 323	22 660	22 660	22 660	19 660	19 660	19 660
Other		–	–	–	–	–	–	–	–	–

Total revenue cost of subsidised services provided	**10**	**61 225**	**66 773**	**92 785**	**92 785**	**92 785**	**94 811**	**94 811**	**94 811**

PART 2

A: OVERVIEW OF STELLENBOSCH MUNICIPALITY

Background

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

State of the Greater Stellenbosch Area

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

renowned for various architectural styles such as Dutch, Georgian and Victorian, which reflect their rich heritage and traditions, but also the divisions of the past.

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

A variety of sport facilities are available. Coetzenburg, with its athletics and rugby stadiums, has hosted star performances over many generations while the Danie Craven Stadium is the home of Maties rugby, the largest rugby club in the world. The municipal area has a number of theatres, which include the University's HB Thom Theatre, Spier Amphitheatre, Dorpstraat Theatre, Aan de Braak Theatre, and Oude Libertas Amphitheatre – well-known for its summer season of music, theatre and dance.

Limited municipal resources require an increase in multi-sectoral partnerships to address the broad spectrum of needs in the community. The Municipality cannot address the challenges of Stellenbosch on its own, not only because of limited resources, but also because it does not control all the variables impacting on development and management in the town. Welfare and community organisations play a leading role in assisting to meet the needs of previously neglected communities. The business sector also play a key role in shaping the economic development of the Municipal area.

3.1 Stellenbosch Municipal Area at a Glance

Table 1: Stellenbosch Municipal Area at a Glance

Demographics		Population Estimates	
Population	186 274	Households	52 374

Education	2018	Poverty	
Matric Pass Rate	85.2%	Gini-Coefficient	0.609
Learner-Teacher Ratio	1:33	Human Development Index	0.71
Gr 12 Drop-out Rate	72.5%		

Health			2018/2019	
Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies – Delivery rate to women U/18	
13	59.2%	62	13.6	

Safety and Security	% Change between 2016 and 2017 in # of reported cases/100 000			
Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
1140	191	2146	57	182

Access to Basic Service Delivery	% HHs with access to basic services, 2016			
Water	Refuse Removal	Electricity	Sanitation	Housing
98.5%	71.0%	98.1%	90.9%	65.1%

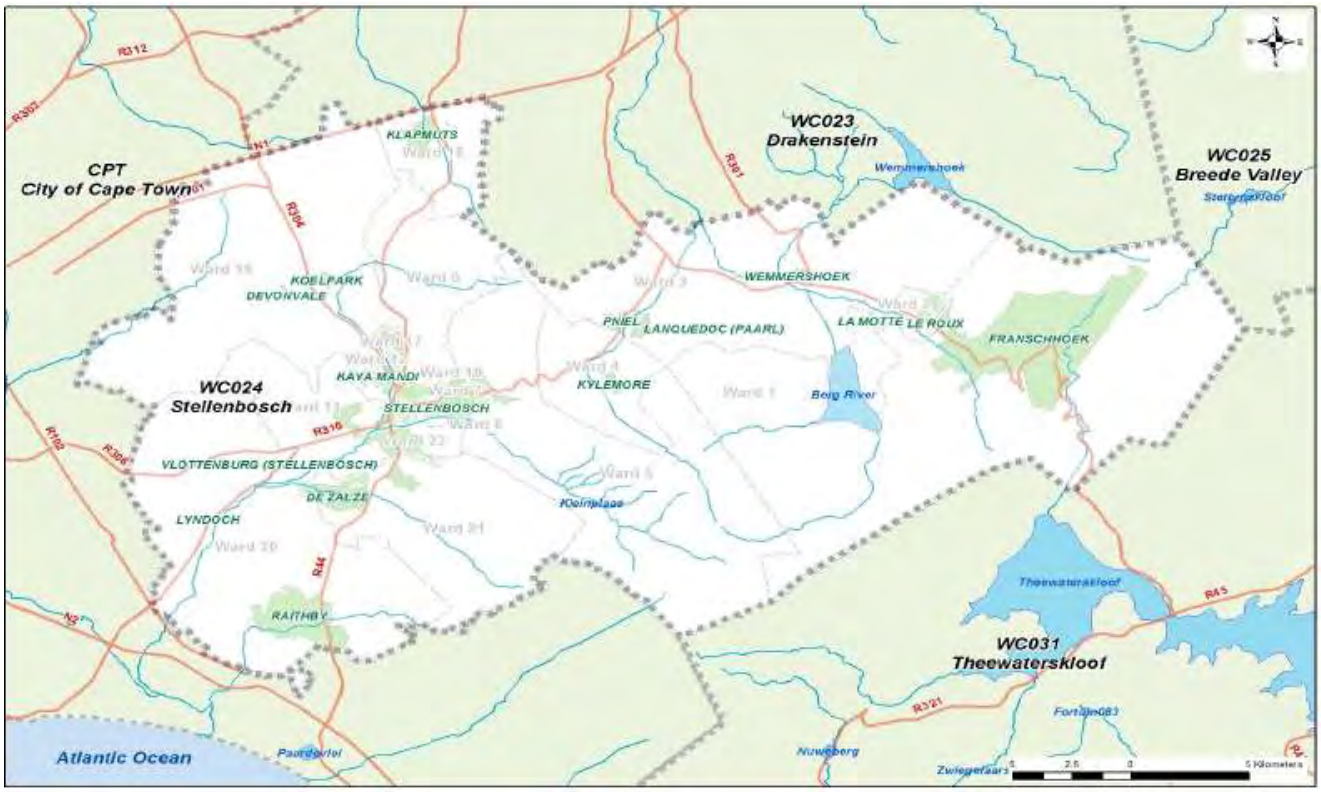
Road Safety	Labour	Socio-economic Risks
Fatal Crashes Road User Fatalities 37	Unemployment 9.9%	1. Scarcity of landfill space; 2. Availability and cost of electricity; 3. Financial Sustainability;

Finance, insurance, real estate and business services	Wholesale and retail trade, catering and accommodation	Manufacturing
21.5%	20.3%	16.8%

Source: DLG 2019 Socio- Economic Profile- Stellenbosch Municipality

3.2 Location

Figure 1: Locality map of Municipal Boundaries



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

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

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

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2019 indicates a number of 186 274 people and 52 374 households. The Municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klapmuts to the North, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschhoek in the East.

The following municipalities share their borders with Stellenbosch Municipality:

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

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

Figure 2: Locality of Cape Winelands District in relation to Provincial Boundaries

Source: Western Cape provincial Spatial Development Framework

The Western Cape Province, which makes up 10.6% of the country's land surface and encompasses an area of 129 462 km2. The province spatial area includes 1 metropolitan area (City of Cape Town), 5 district municipal areas (Central Karoo, Eden *renamed Garden Route*, Overberg, Cape Winelands and West Coast) and 24 local municipalities.

3.3 Socio-Economic Perspective

3.3.1 Population Growth

With an estimated population of 186 274 in 2019, Stellenbosch is the third most populated municipal area in the Cape Winelands District (CWD). The area is expected to grow to 200 157 by 2023, equating to an average annual growth rate of 1.8 per cent, and set to become the second most populated area in the District after Drakenstein from 2020 onwards. The estimated population growth rate of Stellenbosch is slightly higher than that of the CWD at 1.6 per cent and on par with the Western Cape average annual growth rate of 1.8 per cent over the same period.

The table below depicts Stellenbosch's population composition by age cohorts. These groupings are also expressed as a dependency ratio which in turn indicates who are part of the workforce (ages 15-64) and those, who are depending on them (children and senior citizens). A higher dependency ratio implies greater pressure on social systems and the delivery of basic services. Between 2019 and 2025, the largest population growth was recorded in the 65+ aged cohort which grew at an annual average rate of 4.1 per cent. This predicted growth rate increases the dependency ratio towards 2025.

Table 2: Age Cohorts and Dependency Ratio

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2019	45,105	131,887	9,282	41.2
2022	47,544	140,077	10,647	41.5
2025	49,749	145,910	11,806	42.2
Growth	1.6%	1.7%	4.1%	-

Source: Western Cape, Socio-Economic Profile 2018

3.3.2 Access to Services and Housing

Since no new household survey information is available (compared to SEPLG 2017), this section highlights housing and household services access levels from the most recent available information from Statistics South Africa's Community Survey 2016. The next household survey which includes municipal level access to household services will be the Census in 2021.

The table below indicates access to housing and services in the Stellenbosch Municipal area. With a total of 52 374 households, only 65.1% have access to formal housing.

Table 3: Access to Services

Community Survey 2016	Stellenbosch	Cape Winelands District
Total number of households	**52 374**	**236 006**
Formal main dwelling	34 071	191 077
	65,1%	*81,0%*
Water (piped inside dwelling/ within 200m)	51 581	232 605
	98,5%	*98,6%*
Electricity (primary source of lighting)	51 386	228 650
	98,1%	*96,9%*
Sanitation (flush/chemical toilet)	47 594	218 483
	90,9%	*92,6%*
Refuse removal (at least weekly)	37 207	192 974
	71,0%	*81,8%*

Source: Western Cape, Socio-Economic Profile 2018

Access to water, electricity and sanitation services were however significantly higher as at 98.5%, 98.1% and 90.9% respectively while household access to refuse removal services was at 71.0%. With the exception of refuse removal service, these figures are on par or above that of the Cape Winelands District.

3.3.3 Education

Education and training improves access to employment opportunities and helps to sustain and accelerate overall development. Quality Education is the 4th Sustainable Development Goal, whilst the National Development Plan (NDP) emphasises the link between education and employment as well as the significant contribution it makes to the development of the capabilities and wellbeing of the population. Early childhood development (ECD) is one of the priority areas of the South African government and remains a critical policy issue that the Department of Education aims to address. Early years in life are critical for acquisition of perception motor skills required for reading, writing and numeracy in later years.

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Table 4: Early Childhood Development – attendance levels

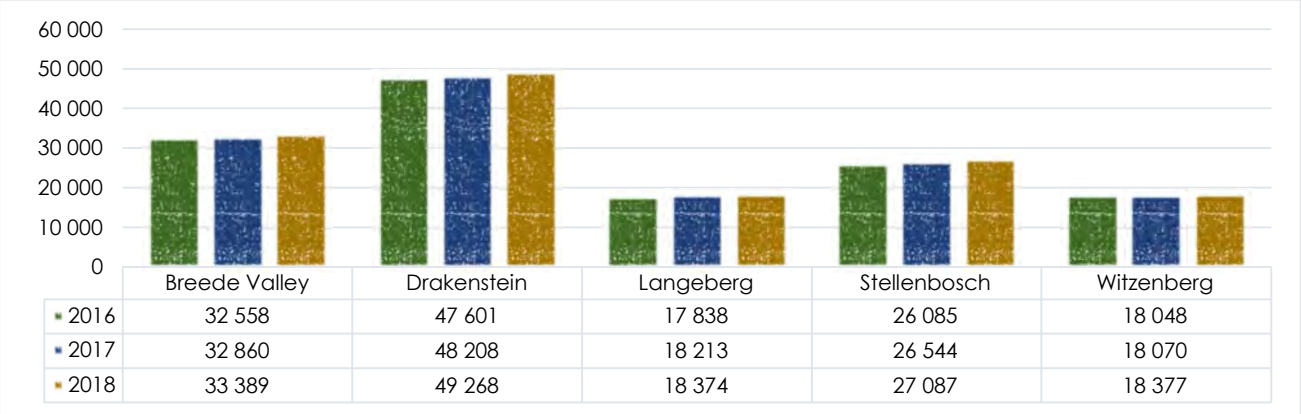
Early Childhood Development (ECD)		
Ages	**Stellenbosch**	
1	Attending	26.4%
	Not Attending	73.6%

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

Source: Western Cape, Socio-Economic Profile 2018

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

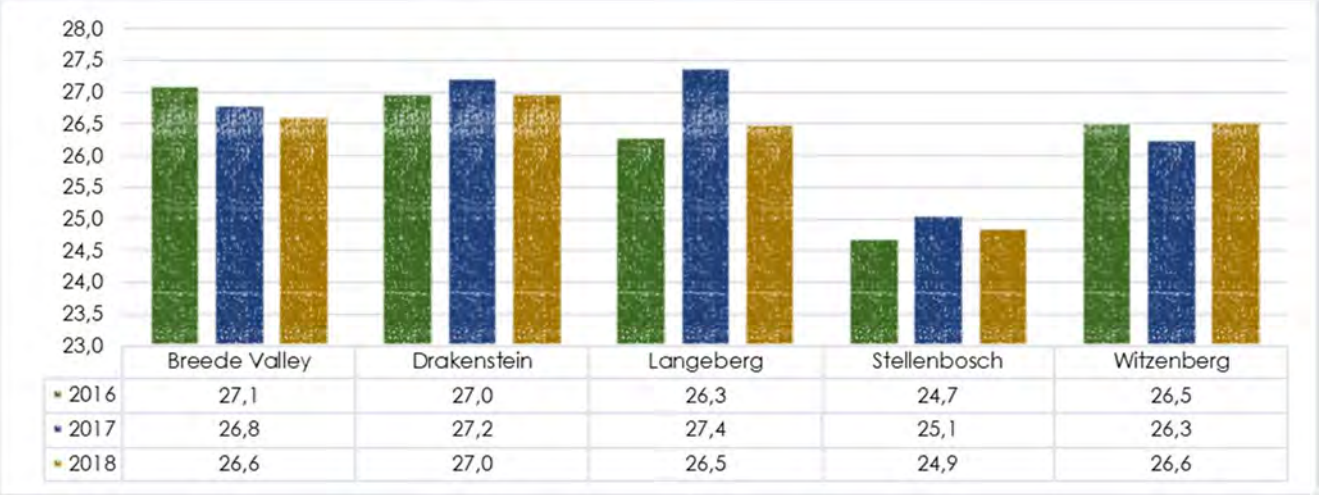
Figure 3: Learner enrolment



Source: Western Cape, Socio-Economic Profile 2018

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

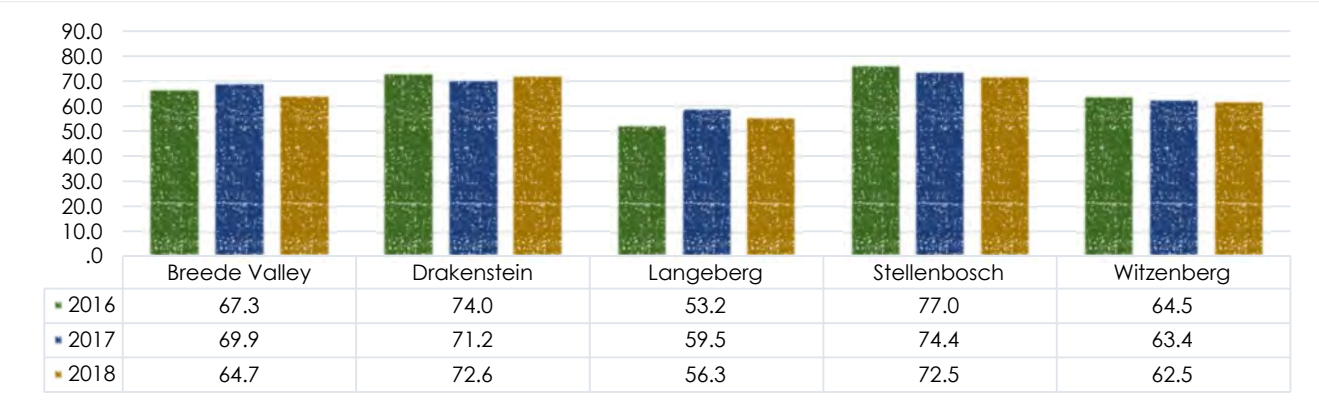
Figure 9: Learner-Teacher Ratio



Source: Western Cape, Socio-Economic Profile 2018

Stellenbosch has the lowest learner-teacher ratio in the District, which bodes well for educational outcomes. The school **drop-out rates** for learners within Stellenbosch Municipal area increased from a low 21.7% in 2015 to 23.0% in 2016, increasing further to 25.6% in 2017 and 27.5% in 2018.

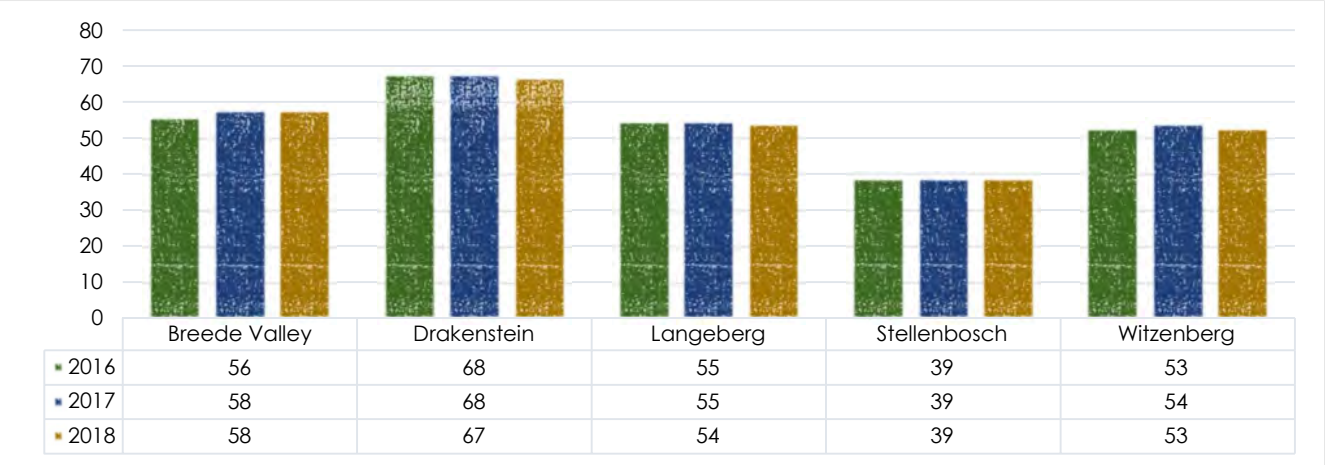
Figure 4: School drop-out Rates



Source: Western Cape, Socio-Economic Profile 2019

The learner retention rate for Stellenbosch has been regressing, from 77.0 per cent in 2016 to 74.4 per cent in 2017 and 72.5 per cent in 2018. Despite the regression, it remains above the retention rate for the Western Cape which was 66.8 per cent in 2018.

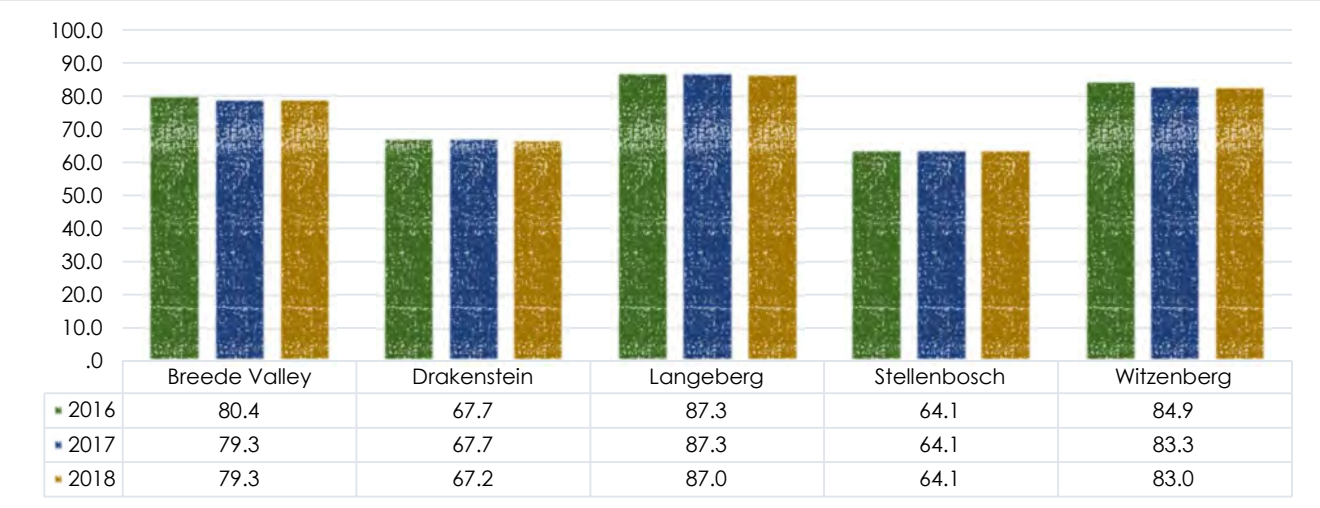
Figure 5: Educational Facilities



Source: Western Cape, Socio-Economic Profile 2019

The number of schools in the Stellenbosch municipal area and across the CWD remains mostly unchanged in recent years, the exception being the closure of one school in the Witzenberg and Drakenstein municipal areas between 2017 and 2018. The closure of these schools could have a negative impact on education outcomes given the gradual increase in learner enrolment.

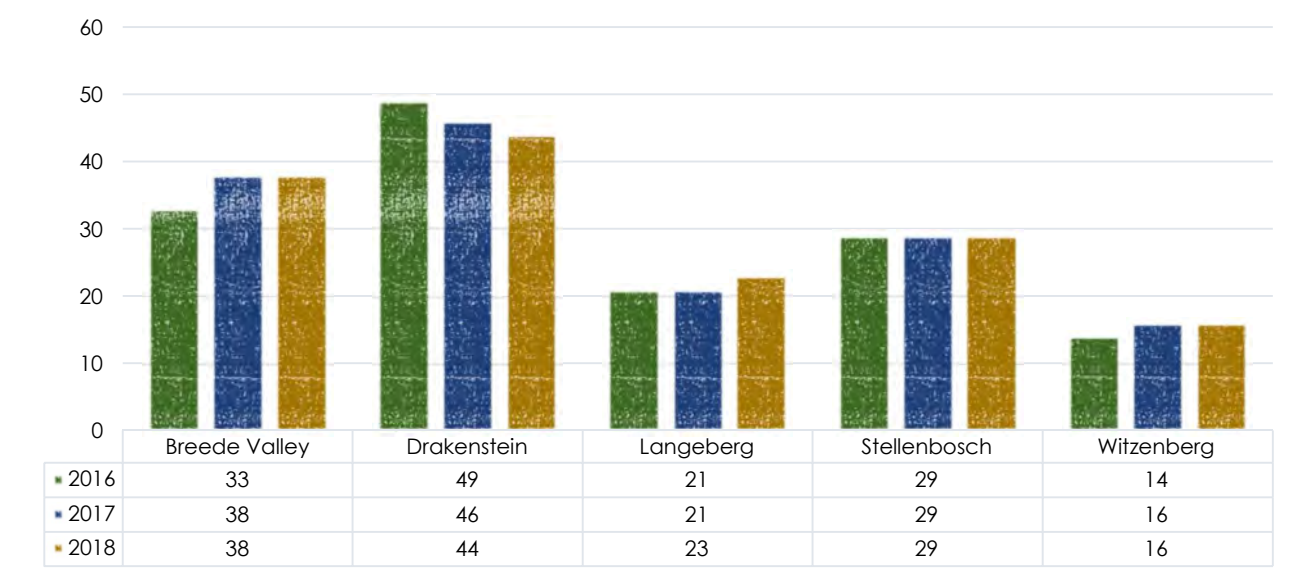
Figure 6: No Fee Schools



Source: Western Cape, Socio-Economic Profile 2019

The proportion of no-fee schools in the Stellenbosch Municipal area remained the same at 64.1 per cent from 2016 to 2018. The proportion of no-fee schools decreased in Breede Valley, Drakenstein, Langeberg and Witzenberg. A decrease in the number of no fee schools could have a negative impact on education outcomes.

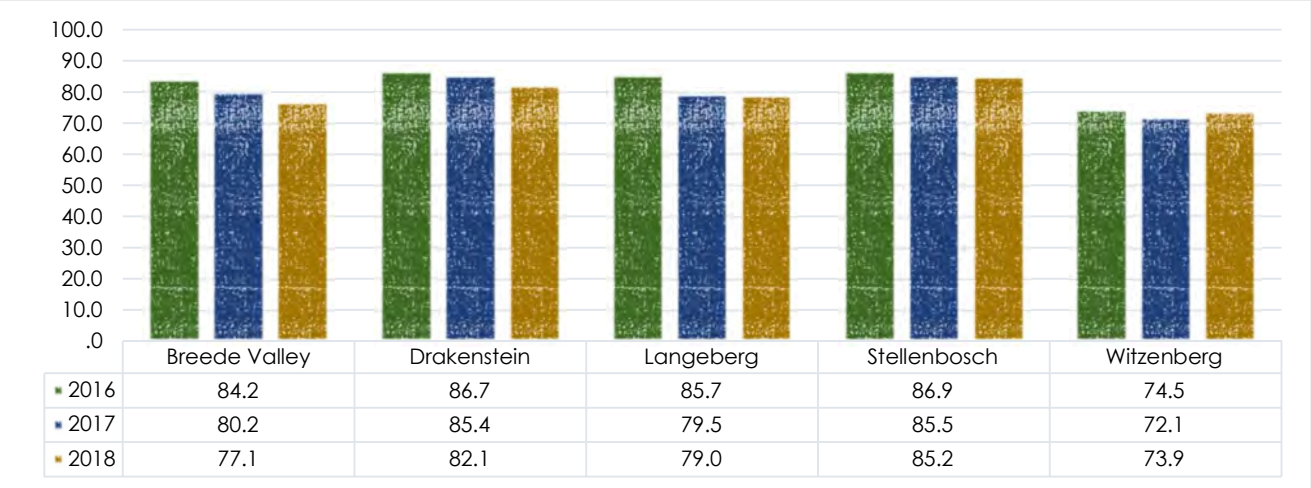
Figure 7: Schools with libraries



Source: Western Cape, Socio-Economic Profile 2019

There were no changes in the number of schools with libraries in the Stellenbosch area from 2016 to 2018. The availability of library facilities within schools contribute towards narrowing the academic attainment gap by allowing students access to information which in turn directly links to improved education outcomes.

Figure 8: Educational outcomes



Source: Western Cape, Socio-Economic Profile 2019

The matric pass rates for the CWD declined overall in 2018, with all areas except for Witzenberg experiencing an increase in their matric pass rates. The 2018 pass rate in the Stellenbosch municipal area (85.2 per cent) is the highest in the District and above the District average (79.5 per cent). Decreasing pass rates should be seen within context where more students potentially pass matric within a certain region than the previous year (in terms of actual numbers), but that less passed as a percentage of the overall enrolment figure. It could also very well be the case where pass rates overall declined, but that the quality of the pass result improved i.e. more students passed with subjects such as maths and science or more students passed with matriculation

exemption (requirement for first-degree study at a South African university.

3.3.4 Health

Health is another major factor contributing to the general quality of life in the Western Cape. It is therefore important to monitor the public health facilities as well as a variety of factors such as Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) or Tuberculosis (TB) and general topics that affect the community, like maternal health. This Socio-economic Profile provides the basic statistics concerning these issues. Since this profile focusses on public health facilities, data on private facilities are not included.

Table 5: Health care facilities

Area	PHC Clinics		Community Health Centres[1]	Community Day Centres[2]	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Stellenbosch	7	6	0	1	1	0	8	15
Cape Winelands District	39	33	0	6	4	2	49	100

Source: Western Cape, Socio-Economic Profile 2019

In 2018, there were a total of 13 primary healthcare clinics (PHC) in Stellenbosch – 7 fixed and 6 mobile facilities. Although there are no community health centres in Stellenbosch, there is one community day centre. There is also 1 district hospital as well as 8 antiretroviral treatment clinics/sites and 15 Tuberculosis clinics/ sites. Access to emergency medical services is critical for rural citizens due to distances between towns and health facilities being much greater than in urban areas. Combined with the relatively lower population per square kilometre in rural areas, ambulance coverage is greater in rural areas to maintain adequate coverage for rural communities.

In 2018, Stellenbosch had 1 ambulance for every 10 000 inhabitants. It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

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

Table 6: HIV/AIDS Management

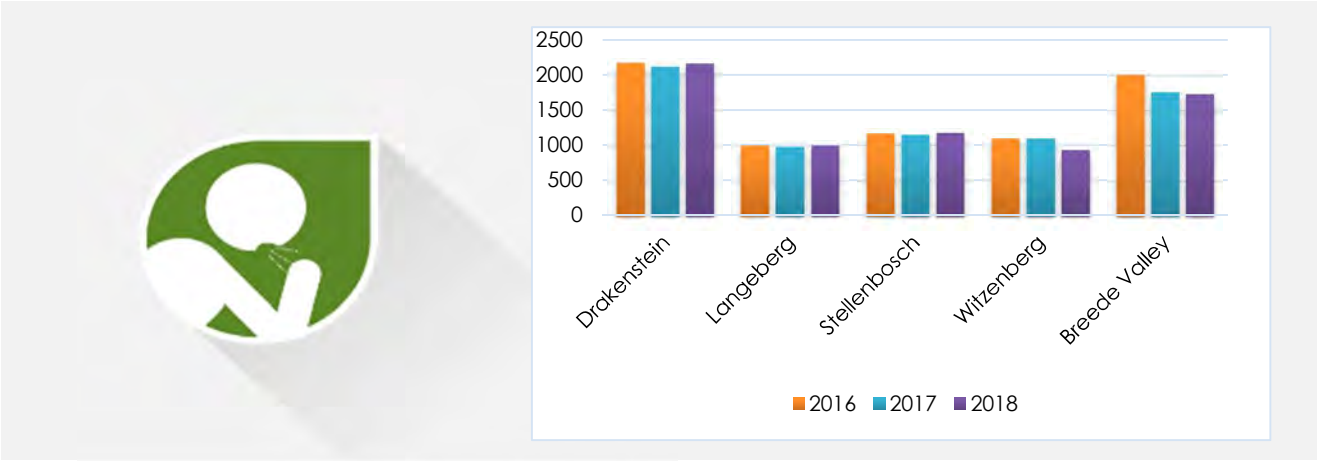
Area	ART clients that remain with treatment month end		Number of new ART patients	
	2017/18	2018/19	2017/18	2018/19
Stellenbosch	5 702	6 064	801	637
Cape Winelands District	29 019	30 724	4 602	3 851

Source: Western Cape, Socio-Economic Profile 2019

[1] Community Health Centre: A facility that normally provides primary health care services, 24 hour maternity, accident and emergency services and beds where health care users can be observed for a maximum of 48 hours and which normally has a procedure room but not an operating theatre.
[2] Community Day Centre: A health facility that provides a comprehensive health care services during day hours, including mother and child health, chronic diseases care, women's health, HIV and TB care, men's health, acute services, physio therapy, mental health services and oral health care.

The number of clients (patients) that remain committed to their antiretroviral treatment (ART) plan in the Stellenbosch municipal area increased by 6.3 per cent from 5 702 patients in 2017/18 to 6 064 in 2018/19. There is a notable decrease in the number of new clients starting ART treatment – the number of new patients in the Stellenbosch municipal area decreased by 20.5 per cent from 801 in 2017/18 to 637 in 2018/19. This could be an indication that the HIV infections are decreasing or an indication that less people are being tested and access HIV treatment.

Figure 1: Tuberculosis



Source: Western Cape, Socio-Economic Profile 2019

Tuberculosis (TB) accounted for 7.6 per cent of the premature deaths in the Province in 2016. The number of TB patients within the Stellenbosch municipal area has gradually decreased from 1 173 in 2016/17 to 1 151 in 2017/18 before increasing to 1 175 in 2018/19. The 1 175 registered TB patients received treatment at 15 TB clinics/treatment sites. Above figures refer to registered patients and should not be interpreted as a general decline in TB infections.

TB accounted for 7.6 per cent of the premature deaths in the Province in 2016. The number of TB patients within the Stellenbosch municipal area has gradually decreased from 1 173 in 2016/17 to 1 151 in 2017/18 before increasing to 1 175 in 2018/19. The 1 175 registered TB patients received treatment at 15 TB clinics/treatment sites. Above figures refer to registered patients and should not be interpreted as a general decline in TB infections.

Child Health

Area	Immunisation Rate		Malnutrition		Neonatal Mortality Rate		Low birth weight	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Stellenbosch	52.3	59.2	2.6	1.8	5.6	6.6	9.6	9.2
Cape Winelands District	58.9	61.8	4.7	4.4	9.5	9.3	16.0	15.8

Table 7: Child Health

Source: Western Cape, Socio-Economic Profile 2019

The **immunisation coverage rate** for children under the age of one in the Stellenbosch municipal area increased from 52.3 per cent in 2017/18 to 59.2 per cent in 2018/19. This is the second lowest immunisation rate within the CWD.

In 2018/19, there were 1.8 **malnourished children** under five years of age (severe acute malnutrition) per 100 000 people in the Stellenbosch municipal area. This is an improvement from 2.7 the previous year. In 2018/19, the Cape Winelands District was the worst performing district for malnourished children.

The **neonatal mortality rate** (NMR) (deaths per 1 000 live births before 28 days of life) for the Stellenbosch municipal area declined from 5.6 deaths in 2017/18 to 6.6 in 2018/19. A fall in the NMR may indicate improvement in new-born health outcomes, or it may potentially reflect reporting constraints.

A total of 9.2 per cent of all babies born in facility in the Stellenbosch municipal area in 2018/19 **weighed less than 2 500 grams**. This is an improvement from the 9.6 per cent recorded in 2017/18 and below the District average of 15.8.

3.3.5 Safety and Security

South African society is becoming more and more violent. This was confirmed by the 2018/19 crime statistics released by the South African Police Service (SAPS) and Stats SA.

Table 8: Safety and Security Statistics

Safety and Security		2017		2018		2019	
		Cape Winelands District	Stellenbosch	Cape Winelands District	Stellenbosch	Cape Winelands District	Stellenbosch
Murder	Actual number	345	56	353	58	336	57
	Per 100 000	38	31	38	31	31	37
Sexual Offences	Actual number	954	188	970	201	835	182
	Per 100 000	106	103	105	108	92	99
Drug-Related Offences	Actual number	13 882	2 272	16 008	2 724	10 751	2 146
	Per 100 000	1 249	1 538	1 459	1 727	1 186	1 166
Driving under the Influence	Actual number	814	131	875	189	818	191
	Per 100 000	90	72	94	101	90	104
Residential Burglaries	Actual number	6 278	1 579	5 820	1 525	5 454	1 140
	Per 100 000	696	868	628	817	602	620
Road User	Actual	307	47	243	34	237	37

Safety and Security		2017		2018		2019	
		Cape Winelands District	Stellenbosch	Cape Winelands District	Stellenbosch	Cape Winelands District	Stellenbosch
Fatalities	number						

Source: Western Cape, Socio-Economic Profile 2019

According to the official 2018/19 crime statistics, the Western Cape murder rate increased by 4.4. per cent between 2017 and 2018. In comparison, the rate decreased within the Stellenbosch municipal area and most of the broader CWD over the same period, with the exception of Drakenstein. The number of murders in the Stellenbosch municipal area decreased by 1.7 per cent even though the number per 100 000 people remains at 31 whilst in turn decreasing by 2.6 per cent from 38 in 2017 to 37 in 2018 in the District.

The actual number of reported sexual offences in Stellenbosch has decreased from 2017 to 2018. The number of reported occurrences per 100 000 people decreased from 108 in 2017/18 to 99 in 2018/19 (8.3 per cent decrease). The sexual offences rate for Stellenbosch for 2018/19 was higher than that of the District which also decreased from 105 in 2017/18 to 92 in 2018/19 (12.4 per cent decrease).

Although there was an improvement between 2017/18 and 2018/19, the Western Cape still has the highest drug-related crime rate in the country at 1 203 reported incidents per 100 000 people in 2018/19. The drug-related crime rate for Stellenbosch decreased from 1 459 reported incidents per 100 000 people in 2017/18 to 1 166 in 2018/19, a 20.1 per cent drop. The incidences of drug-related crime rate decreased amongst all local municipal areas across the District between 2017/18 and 2018/19 with the District average decreasing from 1 727 to 1 186 respectively, a 31.3 per cent decrease.

The number of reported cases of driving under the influence (DUI) of alcohol or drugs per 100 000 people in the Stellenbosch municipal area increased by 3.0 per cent from 101 incidences in 2017/18 to 104 in 2018/19. The DUI rate across the CWD decreased from 94 incidences per 100 000 people in 2017/18 to 90 in 2018/19 (4.3 per cent). Overall, the DUI rate for the Western Cape on average has declined.

The 2018/19 crime statistics indicate that residential burglaries per 100 000 people in the Western Cape decreased from 644 in 2017/18 to 583 in 2018/19 (9.5 per cent decrease). Overall the incidence of residential burglaries in the CWD and Stellenbosch also decreased by 4.1 per cent and 24.1 per cent respectively.

According to a recent study, most road fatalities in Africa fall within the working age cohort - between the ages of 15 – 64 years – whilst three out of four fatalities were found to be male (Peden et al., 2013). The untimely death of these primary breadwinners therefore impacts directly

upon not only the livelihood of family structures, but deprive society of active economic participants that contribute towards growth and development. The socio-economic impact of such road fatalities has proven to be particularly devastating in South Africa where most road users hail from poor and vulnerable communities.

The number of road user fatalities in the Stellenbosch municipal area increased from 29 in 2017 to 37 in 2018. (27.6 per cent increase). In comparison, the number of fatalities across the broader CWD region increased by 10.2 per cent from 215 in 2017 to 237 in 2018. Contributing factors to road fatalities include driver fatigue and distractions, excessive speeding and reckless driving as well as road obstacles such as pedestrians and animal.

3.3.6 Economic Outlook

In 2017, the total GDPR for Stellenbosch amounted to R15.639 billion with economic activity mostly focussed within the tertiary sector (R10.953 billion; 70.0 per cent). The overall economy grew by 1.9 per cent between 2008 and 2017. From 2014 – 2018 (estimated) economic growth in the municipal area slowed to 1.4 per cent compared to the District's growth of 1.0 per cent over the same period. Stellenbosch's GDPR economy is expected to grow at 0.8 per cent 2018.

Table 9: Stellenbosch: GDPR performance per sector, 2008 - 2018

Stellenbosch: GDPR performance per sector, 2008 - 2018									
Sector	Contribution to GDPR (%) 2017	R million value 2017	Trend		Real GDPR growth (%)				
			2008 - 2017	2014 – 2018e	2014	2015	2016	2017	2018e
Primary sector	**6.4**	**1 003.6**	**2.1**	**-0.3**	**6.7**	**-3.3**	**-9.6**	**9.0**	**-4.3**
Agriculture, forestry and fishing	6.2	974.0	2.1	-0.3	6.7	-3.4	-9.8	9.2	-4.4
Mining and quarrying	0.2	29.6	1.4	1.6	7.2	0.3	0.6	2.2	-2.5
Secondary sector	**23.5**	**3 682.4**	**-0.6**	**-0.2**	**0.3**	**0.0**	**-0.4**	**-0.9**	**-0.2**
Manufacturing	16.8	2 627.0	-1.5	-0.8	-0.7	-0.8	-1.0	-1.3	-0.2
Electricity, gas and water	1.4	221.4	0.1	-0.3	0.1	-1.3	-2.5	1.1	1.4
Construction	5.3	834.0	4.0	2.2	4.9	3.5	2.7	0.5	-0.6
Tertiary sector	**70.0**	**10 952.5**	**2.9**	**2.1**	**3.0**	**2.4**	**2.0**	**1.5**	**1.6**
Wholesale and retail trade, catering and accommodation	20.3	3 179.2	3.3	2.3	3.1	3.6	3.1	0.7	1.1
Transport, storage and communication	10.8	1 693.0	4.7	3.8	5.9	3.2	3.3	3.4	3.3
Finance, insurance, real estate and business services	21.5	3 359.4	2.9	2.4	2.7	2.9	1.8	2.4	2.1
General government	10.7	1 669.7	1.9	0.1	2.4	-0.5	-0.6	-0.9	0.2

Community, social and personal services	6.7	1 051.3	1.2	0.9	1.2	0.6	1.2	1.0	0.3
Total Stellenbosch	**100**	**15 638.5**	**1.9**	**1.4**	**3.0**	**1.4**	**0.6**	**1.4**	**0.8**

Source: Quantec Research, 2017 (e denotes estimate

The **primary sector** is almost exclusively supported by the agriculture, forestry and fishing sector which contributed 6.2 per cent (R974.0 million) to total GDPR in 2017. The agriculture, forestry and fishing sector which grew at an average rate of 2.1 per cent between 2008 and 2017, which is slower when compared to the other sectors. The sector contracted by 0.3 per cent from 2014 to 2018 dropping off mainly due to the impact of the drought.

Challenges were encountered in the **secondary sector**, specifically in the manufacturing and electricity, gas and water sectors. The secondary sector contributed 23.5 per cent (R3.682 billion) to total GDPR in 2017 and contracted by 0.6 per cent between 2008 and 2017. Strong growth within the construction sector (4.0 per cent) was offset by weakened performance in the manufacturing (-1.5 per cent) and electricity, gas and water (0.1 per cent) sectors. From 2014 to 2018 growth in the construction sector slowed to 2.2 per cent while the manufacturing sector shrunk by -0.8 per cent.

The finance, insurance, real estate and business services sector is the most dominant sector in the tertiary sector and the largest contributor to GDPR in 2017 (R3.359 billion; 21.5 per cent), followed closely by the wholesale and retail trade, catering and accommodation sector (R3.179 billion; 20.3 per cent). From 2008 to 2017, the fastest growing sector was the transport, storage and communication sector, growing at 4.7 per cent on average per annum. It is also expected to be the fastest growing sector in 2018, with a growth rate of 3.3 per cent.

Municipality	R million value 2016	Contribution to GDPR (%) 2016	Trend 2006 - 2016	Trend 2013 - 2017e	Real GDPR growth (%) 2012	2013	2014	2015	2016	2017e
Witzenberg	8 197.9	13.5	4.9	3.7	4.9	5.0	5.6	2.9	1.6	3.2
Drakenstein	19 896.8	32.9	2.4	1.7	2.8	2.6	2.7	1.4	0.7	1.2
Stellenbosch	14 561.2	24.0	2.5	1.7	2.9	2.6	2.7	1.5	0.9	1.0
Breede Valley	11 665.3	19.3	3.0	2.1	3.2	3.2	3.6	1.5	0.6	1.9
Langeberg	6 234.7	10.3	3.1	2.3	3.4	3.2	3.9	1.7	0.0	2.7
Total Cape Winelands District	**60 555.9**	**100**	**2.9**	**2.1**	**3.2**	**3.1**	**3.4**	**1.7**	**0.8**	**1.7**
Western Cape Province	**529 927.7**	**-**	**2.6**	**1.8**	**2.9**	**2.6**	**2.4**	**1.5**	**1.2**	**1.0**

Table 10: Cape Winelands District GDPR contribution and average growth rates per municipal area, 2012 – 2017

Source: Quantec Research, 2018 (e denotes estimate)

In 2017, the CWD economy grew by an estimated 1.7% which is higher than the provincial growth of 1%. In 2016, the CWD contributed R60.6 billion to the economy of the Western Cape, with the largest contributions made by the Drakenstein (R19.9 billion) and Stellenbosch (R14.6 billion) municipal areas. The economies of these two municipal areas grow at very similar rates, and it is estimated that between 2013 and 2017, the Drakenstein and Stellenbosch Municipal areas' economies grew at an annual average rate of 1.7%.

The local economies were influenced by the volatile national economy, especially in 2015, 2016 and 2017. The economic growth in these three years has fluctuated sporadically and is still much lower than the average 10-year economic growth rates.

The local economy of the Stellenbosch Municipal area is driven by the wholesale and retail trade sector; the finance, insurance, real estate and business services sector; and the manufacturing sector. Collectively, these sectors contribute 58.7% (R8.6 billion) to the Municipal GDPR. The manufacturing sector in the Stellenbosch Municipal area is highly reliant on the agriculture, forestry and fishing sector, as 40% of manufacturing sector activities are within the food, beverages and tobacco subsector.

3.3.7 Labour

Table 11: Cape Winelands District employment growth, 2012 – 2017

Municipality	Contribution to employment (%) 2016	Number of jobs 2016	Trend 2006 – 2016	Trend 2013 - 2017e	Employment (net change) 2012	2013	2014	2015	2016	2017e
Witzenberg	16.1	60 633	6 588	11 803	2 471	2 815	886	6 082	723	1 297
Drakenstein	28.6	107 760	10 271	14 151	2 865	3 500	1 346	6 755	449	2 101
Stellenbosch	19.9	74 877	7 801	9 251	1 738	2 504	1 001	4 167	-171	1 750
Breede Valley	21.8	81 940	4 691	11 791	2 240	3 018	610	6 758	-309	1 714
Langeberg	13.6	51 171	2 877	7 958	1 363	2 274	372	4 638	-929	1 603
Total Cape Winelands District	**100**	**376 381**	**32 228**	**54 954**	**10 677**	**14 111**	**4 215**	**28 400**	**-237**	**8 465**
Western Cape Province	**-**	**2 460 960**	**289 207**	**272 208**	**55 379**	**69 794**	**38 527**	**105 507**	**8 279**	**50 101**

Source: Quantec Research, 2018 (e denotes estimate)

The Stellenbosch Municipal area has a large farming community; the agriculture, forestry and fishing sector contributed 14.7 per cent to employment in 2016 making it the 3rd largest contributor to employment. Stellenbosch contributed 76 585 jobs to formal employment in the CWD in 2017.

Table 12: Stellenbosch employment growth per sector 2006 – 2017

Stellenbosch employment growth per sector 2006 – 2017									
Sector	Contribution to employment (%) 2017	Number of jobs 2017	Trend		Employment (net change)				
			2008 - 2017	2014 – 2018e	2014	2015	2016	2017	2017e
Primary Sector	14.0	10 726	-4 528	425	-581	2 245	-517	-463	-259
Agriculture, forestry and fishing	14.0	10 692	-4,526	424	-583	2 243	-518	-463	-255
Mining and quarrying	0.0	34	-2	1	2	2	1	0	-4
Secondary Sector	15.6	11 921	404	666	176	163	135	135	57
Manufacturing	10.2	7 847	-546	-28	-37	89	-89	68	-59
Electricity, gas and water	0.2	157	45	17	6	6	8	0	-3
Construction	5.1	3 917	905	677	207	68	216	67	119
Tertiary Sector	70.4	53 938	13 735	6 726	1553	1 855	320	1 833	1 165
Wholesale and retail trade, catering and accommodation	25.4	19 444	5 631	3 125	451	951	253	1,073	397
Transport, storage and communication	4.3	3 255	1 504	455	118	250	-151	168	70
Finance, insurance, real estate and business services	16.7	12 794	3 541	2 214	387	550	238	395	644
General government	9.7	7 439	1 152	148	365	-156	122	-261	78
Community, social and personal services	14.4	11 006	1 907	784	232	260	-142	458	-24
Total Stellenbosch	**100%**	**76 585**	**9 611**	**7 817**	**1 148**	**4 263**	**-62**	**1 505**	**963**

Source: Quantec Research, 2017 (e denotes estimate)

In 2017, employment within the Stellenbosch Municipality was mostly concentrated within wholesale and retail trade catering and accommodation (25.4 per cent; 19 444), the finance, insurance, real estate and business services sector (16.7 per cent; 12 794) and the Community, social and personal services (14.4 per cent, 11 006) sectors. Collectively, these three sectors in contributed 56.5 per cent to total employment in the municipal area.

Between 2008 and 2017, a net total of 9 611 jobs were created in Stellenbosch – notable job creation in the wholesale and retail trade catering and accommodation (5 631) and the finance, insurance, real estate and business services (3 541) sectors were offset by job losses in the agriculture, forestry and fishing (-4 526) and manufacturing (-546) sectors. Job losses in the agriculture, forestry and fishing sector can mostly be attributed to the impact of the drought, although other factors such as mechanisation also contributed to job losses.

Table 13: Stellenbosch: Trends in labour force skills, 2014 – 2018

Stellenbosch: Trends in labour force skills, 2014 - 2018				
Formal employment by skill	Skill level contribution (%)	Average growth (%)	Number of jobs	
	2017	2014 – 2018e	2017	2018e
Skilled	23.9	2.6	13 199	13 545
Semi-skilled	43.1	3.5	23 824	24 606
Low skilled	33.0	2.5	18 273	18 368
Total Stellenbosch	*100%*	*3.0*	*55 296*	*56 519*

Source: Quantec Research, 2017 (e denotes estimate)

In 2017, Stellenbosch's labour force mostly consisted of semi-skilled (43.1 per cent) and low-skilled (33.0 per cent) workers. The semi-skilled category (3.5 per cent) grew faster than the skilled (2.6 per cent) and the low-skilled (2.5 per cent) categories. The demand for more skilled labour is on the rise which implies the need to capacitate and empower low-skilled workers.

Table 14: Narrow definition unemployment rate for the Western Cape

Narrow Definition Unemployment Rates for the Western Cape (%)											
Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Stellenbosch	6.8	8.0	9.2	9.4	9.3	9.0	9.3	8.6	9.5	10.0	9.9
Cape Winelands District	6.9	8.1	9.4	9.6	9.4	8.9	9.3	8.3	9.1	9.6	9.5
Western Cape	12.7	14.0	15.4	15.5	15.6	15.5	15.9	15.9	17.1	17.8	17.7

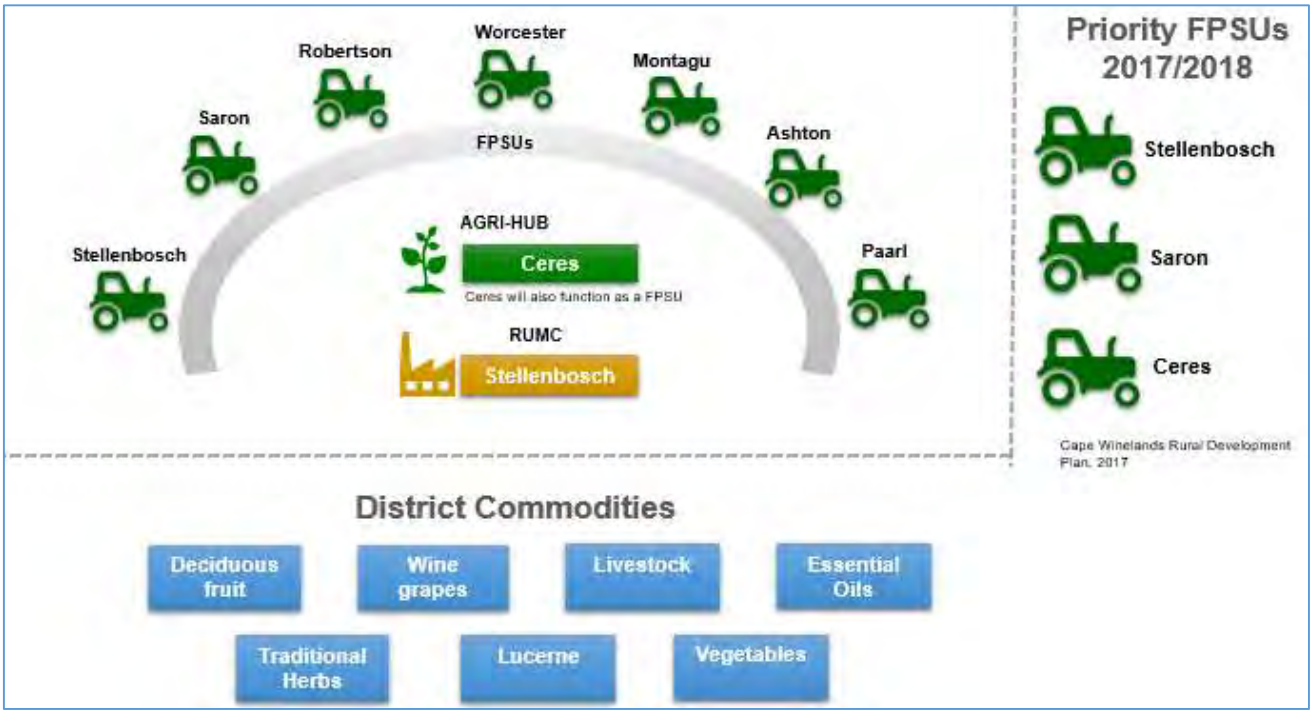
Source: Quantec Research, 2017 (e denotes estimate)

In 2018, unemployment in Stellenbosch stood at 9.9 per cent, higher than the CWD at 9.5 per cent, but still significantly lower than the Provincial average of 17.7 per cent. This estimate is based on the narrow definition of unemployment i.e. the percentage of people that are able to work, but unable to find employment.

3.3.8 Agri-Parks

Agro-processing opportunities, such as vegetable packing facility, an abattoir and feedlot, cold storage for fruit as well as a fruit pulp processing plant, is fast becoming a key economic contributor in Stellenbosch. The below diagram outlines the locations for Farmer Production Support Units (FPSUs), the Agri-Hub and the RUMC within the CWD. The Agri-Park Programme will not only focus on the main commodities (wine grapes and fruit), but also on other commodities that are unique to the areas around each FPSU. These commodities include livestock and lucerne, as well as essential oils, traditional herbs and vegetables.

Figure 9: Agri-Park Implementation



Source: Cape Winelands Rural Development Plan, 2017

Due to the importance of the agricultural value chain, initiatives such as the Agri-Park Programme has the potential for widespread economic benefits since it will not only support farming activities but also promote local processing. Not only will these development support and generate new farming activities in the District, it will also stimulate the economy through the construction sector, the manufacturing sector (forward and backward linkages), the wholesale and retail trade, catering and accommodation sector and the transport, storage and communication sector, contributing to economic growth and employment creation.

Due to the importance of the agricultural value chain within the District, initiatives such as the Agri-Park Programme has the potential for widespread economic benefits since it will not only support farming activities but also promote local processing.

3.3.9 General Demographics of Farmworkers

The Farmworker Household Survey Report of 2014/15 reports on general demographic trends of farmworker households within the Cape Winelands area. According to the study, Stellenbosch had 811 households and approximately 3 351 people living and working on farms. The study further indicated that there is approximately an equal split between males and females with an average age of 27.37 years. It was also found that over 66% of individuals were below the age of 35, i.e. classified as youth.

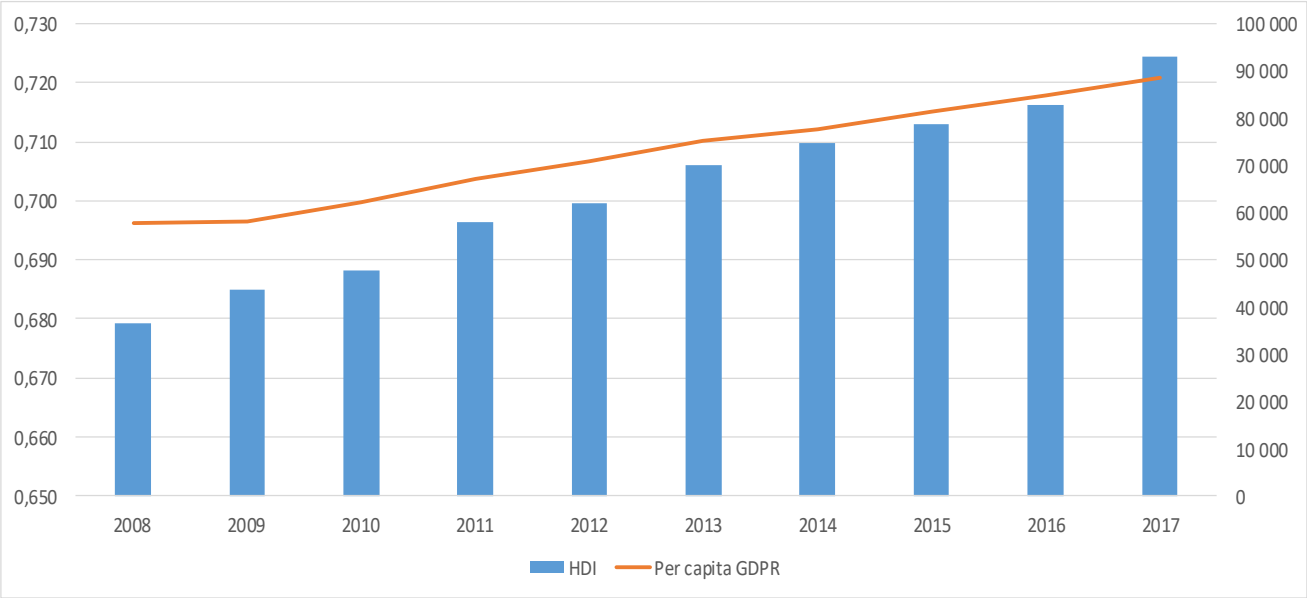
The study found that an overall of 62.63% of individuals living in farmworker households have permanent jobs both on and off the farm on which they reside. Approximately 18.1% of individuals living on farms were unemployed, while 19.27% had either temporary or seasonal work.

3.3.10 Poverty Context

Inflation adjusted poverty lines show that food poverty increased from R219 in 2006 to R531 per person per month in 2017. The lower-bound poverty line has increased from R370 in 2006 to R758 per person per month in 2017 while the upper-bound poverty line has increased from R575 in 2006 to R1 138 per person per month in 2017.

The United Nations uses the Human Development Index (HDI)3 to assess the relative level of socio-economic development in countries. Indicators used to measure human development include education, housing, access to basic services and health indicators. Per capita income is the average income per person of the population per year; per capita income does not represent individual income within the population. The life expectancy and infant mortality rates are other important criteria for measuring development.

Figure 10: Human Development Index (HDI)



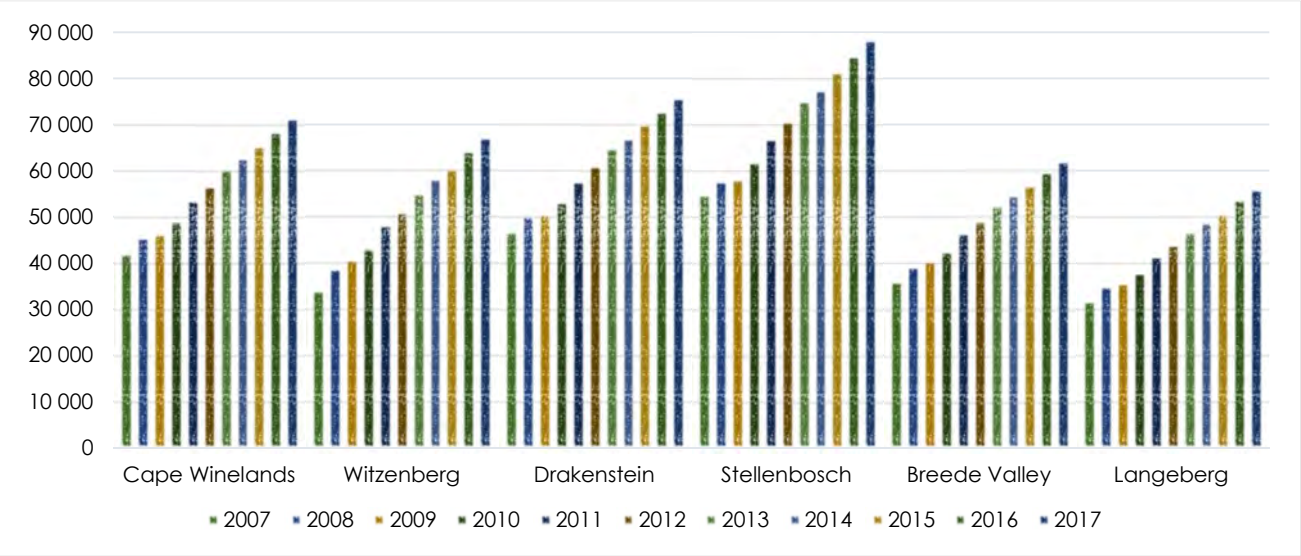
Source: Global Insight, 2017

There has been a general increase in the HDI in Stellenbosch, Cape Winelands and the whole of the Western Cape between 2011 and 2015. With the exception of a drop in HDI levels for the Western Cape for 2016. The human development index increased to 0.72 in Stellenbosch, 0.71 in the Cape Winelands District, and 0.73 in the Province.

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

3 The HDI is a composite indicator reflecting education levels, health, and income. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living. The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represents no human development.

Figure 11: GDPR per Capita – 2008 to 2017

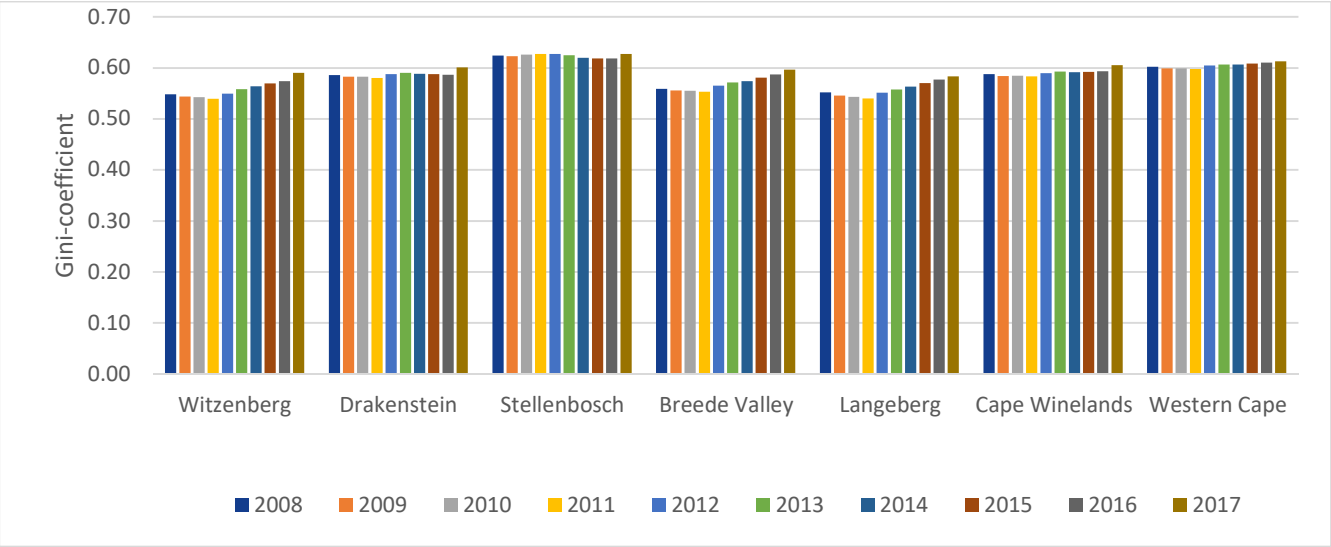


Source: Stats SA 2017, own calculations

At R88 431 in 2017, Stellenbosch Municipal area's real GDPR per capita is significantly above that of the Cape Winelands District's figure of R71 426 as well as slightly above that of the Western Cape (R87 110).

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a gini-coefficient4 of 0.7 in 2010 to 0.6 by 2030. Income inequality in the Stellenbosch Municipal area has generally increased between 2008 and 2011, decreasing to 2015 before picking up again, reaching 0.63 in 2017. For the entire period it has been beyond the NDP's 0.6 target and the increasing trend could see it moving further beyond this level.

Figure 12: Income Inequality – 2008 to 2017



Source: Global Insight, 2017

4 Gini-coefficient or income inequality is the measure of deviation of the distribution of income among individuals or households within a country. A value of 0 represents absolute equality and a value of 1 represents absolute inequality.

Income inequality levels were slightly higher in Stellenbosch than in the Cape Winelands District and the Western Cape. According to the United Nations Development Report on Human Development for 2018, South Africa ranked 113 on the list after the Philippines, classified as medium Human Development.

The objective of the indigent policies of municipalities is to alleviate poverty in economically disadvantaged communities.

Table 15: Indigent Households – 2014 to 2017

Area	2016/2017	2017/2018	2018/2019
Stellenbosch	6 626	5 686	6 813*
Cape Winelands District	42 756	42 292	50 265
Western Cape	516 321	349 484	370 639

Source: Stellenbosch Municipality - Annual Performance Report 2018/19

The Stellenbosch municipal area experienced an increase in the number of indigent households between 2017 and 2019, implying an increased demand for indigent support and additional burden on municipal financial resources. Similarly, the number of indigent household.

3.3.11 Broadband Penetration

Broadband penetration offers immense economic benefits by fostering competition, encouraging innovation, developing human capital and by building infrastructure. Improved connectivity will attract new business and investments, reduce the cost of doing business and will offer small, medium and micro- enterprises access to new markets.

The location of the Wi-Fi hotspots is reflected in the map below.

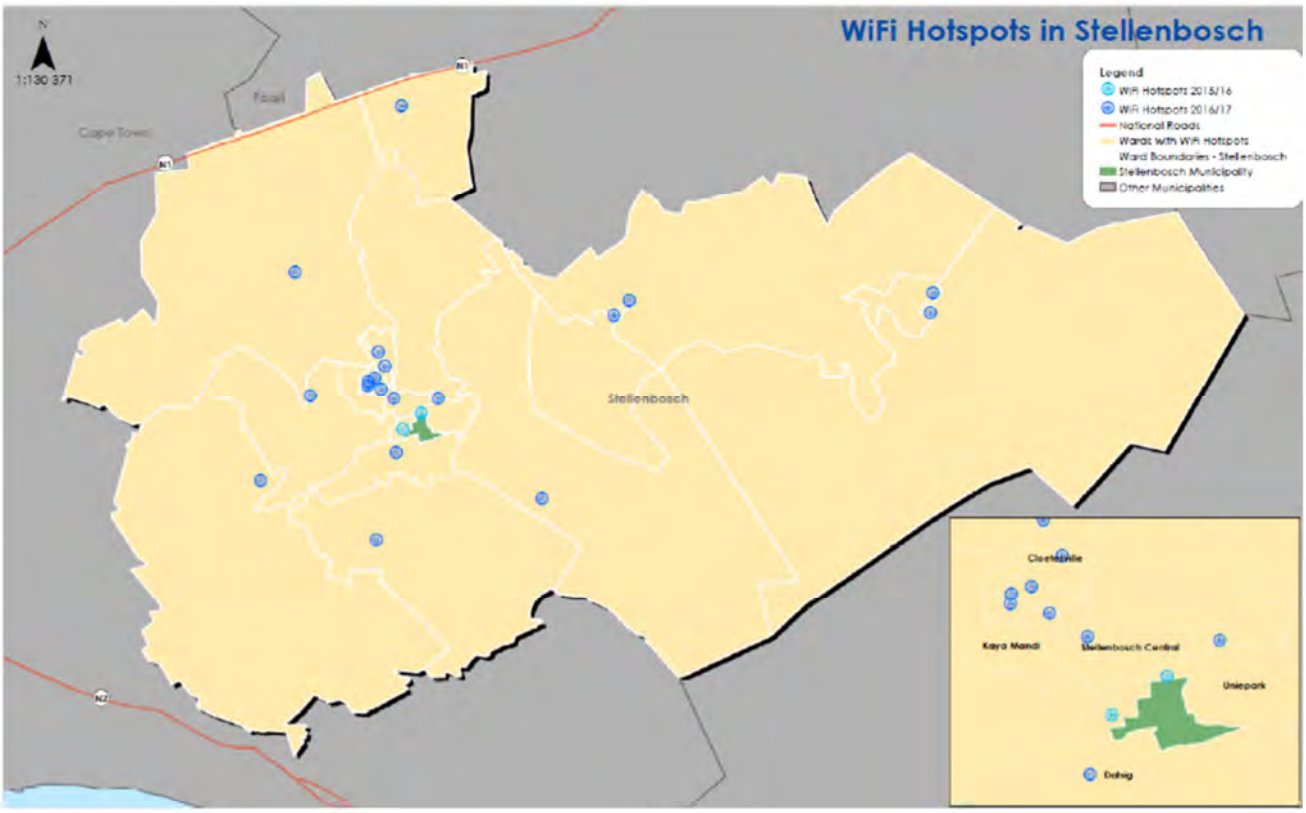


Figure 13: Wi-Fi: Department of Economic Development and Tourism, 2016

Source: WC Department of Economic Development

3.3.12 Law Reform – Implementation of SPLUMA/LUPA in municipalities

The Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA), implemented on 1 July 2015, and the Western Cape Land Use Planning Act of 2014 (LUPA) ushers in a new era of planning and development decision-making where the responsibility rests largely on local municipalities to fulfil their role as land use planning decision-makers as per constitutional mandates and obligations. Section 24(1) of SPLUMA determines that a municipality must, after consultation as prescribed in the Act, adopt and approve a single land use scheme for its entire area within five years from the commencement of this Act.

Stellenbosch Municipality currently has a Land Use Management Scheme in the form of Zoning Schemes compliant with the provisions of the Land Use Planning Ordinance 15 of 1985 (LUPO). Stellenbosch Municipality has developed a draft Integrated Zoning Scheme and is busy with the stakeholder engagement process.

3.3.13 From Waste Management to Integrated Waste Management

There is a shortage of available landfill airspace across the province. The recovery of waste material for the waste economy is only at 9%. It is paramount to move away from the landfill bias to integrated waste management. To achieve this, more integrated waste management infrastructure is urgently needed. This will increase the recovery of waste material and thereby save landfill airspace, promote the waste economy, reduce the environmental impacts of waste management and create jobs. A mind shift is also needed from municipalities to move away from seeing waste just as a nuisance and risk to realise the intrinsic value of waste and to utilise the potential value of it.

3.3.14 Climate Change

To date, the implementation of climate change responses to this changed climate has been slow, but it has to be incorporated into every facet of spatial and land use planning, service delivery, infrastructure development and economic planning. Failure would compromise basic service delivery, exacerbate poverty and undermine the most vulnerable communities.

There is a unique opportunity in the immediate short term to radically shift planning and infrastructure development to become climate resilient and to reduce greenhouse gas emissions that are directly driving the problem. The window of opportunity is however short and closing rapidly, implying that climate change response is urgently needed if the Western Cape aims to continue with a thriving local economy and to continue reducing inequality and poverty.

B: LEGISLATIVE ENVIRONMENT

Legal Requirements

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

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

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

Guidelines issued by National Treasury

National Treasury issued the following circulars regarding the budget for 2015/2016:
MFMA Circular No. 74 Municipal Budget Circular for the 2015/16 MTREF- 12 December 2014
MFMA Circular No. 75 Municipal Budget Circular for the 2015/16 MTREF- 04 March 2015

Other circulars used during the compilation of the budget:

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

- MFMA Circular No. 91 Municipal Budget Circular for 2018/2019 MTREF – 7 March 2018
- Local Government: Municipal Finance Management Act, 2003-Municipal Cost Containment Regulation (Draft)- 16 February 2018/ Cost Containment regulations issued June 2019
- MFMA Circular No. 93 Municipal Budget Circular for 2019/2020 MTREF – 7 December 2018
- MFMA Circular No. 94 Municipal Budget Circular for 2019/2020 MTREF – 7 March 2019
- Local Government: Municipal Finance Management Act, 2003-Municipal Cost Containment Regulations issued June 2019
- MFMA Circular No. 98 Municipal Budget Circular for 2020/2021 MTREF – 6 December 2019
- MFMA Circular No. 99 Municipal Budget Circular for 2019/2020 MTREF – 9 March 2020

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

- National outcomes/priorities
- Economy and Headline inflation forecasts
- Division of Revenue outlook
- Local Government Conditional Grants & additional allocations and Changes to structure of conditional grant allocations
- Unfunded budgets in Local Government
- Municipal Standard Chart of Accounts (mSCOA)
- Development of Integrated Development Plan (IDP)
- Eskom Bulk Tariff Increases
- Funding choices and budgeting issues
- Conditional transfers to municipalities
- Funding Choices and Budgeting Issues
- Borrowing for capital infrastructure
- Revenue Budget
- Conditional transfers to municipalities
- Municipal Budget and Reporting Regulations
- Preparation of Municipal Budgets for 2020/2021 MTREF
- Budget process and submissions for the 2020/21 MTREF

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

C: OVERVIEW OF ANNUAL BUDGET PROCESS

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

A time schedule outlining important dates and deadlines as prescribed for the IDP/Budget process was approved on **14 August 2019**. The budget process for the 2019/2020 MTREF period proceeded/will proceed according to the following timeline

Activity	**Time frame**
Formulation of budget assumptions	September 2019
Detailed programmes and projects to further define budget	November 2019 – March 2020
IDP and Budget considered by Council	30 March 2020
IDP and Budget - public participation	April 2020
Final approval of IDP and the Budget	27 May 2020

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

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

Horizontal Alignment Matrix

Table 16: Horizontal Alignment Matrix

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

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

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

Measurable performance objectives and indicators

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

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

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

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

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

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

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

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

E: OVERVIEW OF MUNICIPAL BY-LAWS BUDGET RELATED POLICIES

Summary of Changes to Policies (Appendix 4)

The following existing policies were reviewed and amended

Rates Policy

The revised Rates Policy as required by the Municipal Property Rates Act (Act no 6 of 2004) is attached as Appendix 5.

Tariff Policy

This policy serves as the implementing tool which guides the levying of tariffs for municipal services in accordance with the provisions of the Municipal Systems Act and any other applicable legislation. Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided. Refer to Appendix 6.

Indigent Policy

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

Special Ratings Area Policy

The aim of the policy is to provide the framework to strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods. Refer to Appendix 8.

Special Ratings Area By-Law

A “special rating area” refers to a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act. This By-law aims to provide for the establishment of special ratings areas, to provide for additional rates and to provide for matter incidental thereto. Refer to Appendix 9.

Credit Control and Debt Collection Policy

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

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

Irrecoverable Debt Policy

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

Petty Cash Policy

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

Travel and Subsistence Policy

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

Cost Containment Policy

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

Accounting Policy

This policy provides the accounting framework applicable to the finances of the municipality and is informed by the Municipal Finance Management Act (Act no 56 of 2003). Refer to Appendix 15.

Cash Management and Investment Policy

To regulate and provide directives in respect of the investment of funds and to maximize returns from authorized investments, consistent with the primary objective of minimizing risk. Refer to Appendix 16.

Supply Chain Management Policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Preferential Procurement Policy Framework Act, no 5 of 2000 and its accompanying regulations influences and dictates process around the evaluation and awarding of points. In this regard, the

Minister of Finance acting in terms of section 5 of the Procurement Policy Framework Act, revised the Regulations accompanying this Act on the 20th January 2017 for implementation by all affected public entities by the 1 April 2017. The Supply Chain Management Policy was therefore amended and adopted at Council during February 2017. Refer to Appendix 17.

Development Charges Policy

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

The intent is aligned with the following:

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

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

Ward Allocation Policy

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

directly benefit the community. The Policy shall be governed by the underlying principle of ensuring that ward allocation projects meet the requirements of the Integrated Development Plan, including specific reference to, valley of opportunity, green and sustainable valley, safe valley, valley with dignified living and valley of good governance and compliance. Refer to Appendix 19.

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

Virementation Policy

The policy sets out the Virement principles and processes which the Stellenbosch Municipality will follow during a financial year. These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year. The policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the Approved budget and it will be applicable to all municipal staff and councillors involved in budget implementation. Refer to Appendix 20.

Asset Management Policy

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

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

- **And whereas** the municipal manager as accounting officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.
- **And whereas** these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes in meeting the municipality's operational requirements.
- **Now therefore** the municipal council of the Stellenbosch Municipality adopts this asset management policy. Refer to Appendix 21.

Budget Implementation and Monitoring Policy

The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning,

preparation and approval of the annual and adjustments budgets. The framework for virementations is also explained and regulated in this policy as well as monitoring roles and responsibilities. Refer to Appendix 22.

Borrowing, Funds and Reserves

This policy strives to establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds. The policy provides a framework to ensure that the annual budget of Stellenbosch Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year non cash backed liabilities. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework. Refer to Appendix 23.

Financing of External Bodies performing municipal functions Policy

The purpose of this Policy is to provide a framework for financial assistance by Stellenbosch Municipality ("the Municipality") to external organisations/bodies conducting local government functions to the extent as set out in section 155(6)(a) and (7) of the Constitution as listed in Part B of Schedule 4 and 5. Refer to Appendix 24.

Liquidity Policy

The documented Liquidity Policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner. This policy will be implemented to provide guidance on the minimum liquidity level that Stellenbosch Municipality has to maintain in order to comply with required legislative and / or National Treasury directives and within the overall financial management objectives as approved/reviewed by the Council from time to time. Refer to Appendix 25.

Supply Chain Management Policy for Standard for Infrastructure Procurement and Delivery Management (SIPDM)

This policy establishes the Stellenbosch Municipality's policy for infrastructure delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement for a new facility to be occupied and used as a functional entity.Refer to Appendix 26.

Inventory Management Policy

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

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

The policy aims to achieve the following objectives which are to provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory, procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy and eliminate any potential misuse of inventory and possible theft. Refer to Appendix 27.

Preferrential Procurement Policy

Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective. Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation. The preferential procurement policy is founded on the following principles, namely, value for money, open and effective competition, ethics and fair dealing, accountability and reporting and equity. This policy will be applicable to all active industry sectors within the Stellenbosch Municipal area and must be read with the supply chain management policy of the municipality. Refer to Appendix 28.

Grant-in-aid Policy

This policy provide the framework for grants-in-aid to non-governmental organisations (NGO's), community-based organisations (CBO's) or non-profit organisations (NPO's) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Refer Appendix 29.

F: OVERVIEW OF KEY BUDGET ASSUMPTIONS

Municipalities' long-term financial viability depends largely on the extent to which improved and sustainable revenue capacity on the one hand and sound financial management of its resources on the other hand can be achieved. These imperatives necessitate proper multi-year financial planning.

Future impacts of revenue streams, expenditure requirements and the financial implications for the community at large (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.

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

	2020/2021	2021/2022	2022/2023
Percentage Increase:			
Water	6.00%	6.50%	6.50%
Electricity	6.43%	7.00%	7.00%
Sanitation	6.50%	6.50%	6.50%
Refuse	16.50%	16.50%	16.50%
Property Rates	6.50%	6.50%	6.50%
Collection Rates			
Water	96%	96%	96%
Electricity (Post Paid Meters)	96%	96%	96%
Sanitation	96%	96%	96%
Refuse	96%	96%	96%
Rates	96%	96%	96%
Employee Related Costs			
Salaries and Wages and related costs	6.25%	7.00%	7.00%
Notch Increment	2.40%	2.40%	2.40%
Other Assumptions			
Bulk Purchases - Electricity	6.90%	7.00%	7.00%
Bulk Purchases - Water	8.00%	8.00%	8.00%

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

The budget theme of "*Driving Efficiencies; i.e. reprioritization of existing resources / current allocations"*, resulted from the realization that no, or limited, scope for additional externally- or internally-funded revenue growth existed and the challenge that more needed to be done with the existing resource envelope. This was reiterated in **National Treasury Budget Circular 99** where it states that "…municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts. **Municipalities should also pay particular attention to managing all revenue and cash streams effectively and carefully evaluate all spending decisions**."

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

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

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

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

G: HIGH LEVEL BUDGET OVERVIEW

Capital Budget for 2020/2021, 2021/2022 and 2022/2023

Although the capital budget is infrastructure orientated and addresses the very urgent need for the upgrading of infrastructure as addressed by the different infrastructure master plans, it does however speak to the IDP (Integrated Development Plan) and the needs of the community. It's also aligned to the strategic priority in the State of the Nation Address of Infrastructure investment and the "back to basics" approach. The responsiveness of the budget can be measured against what was identified as priorities by the community and the actual amount allocated, bearing in mind that resources are limited, to address or at least alleviate the most critical needs identified.

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

The capital budgets as proposed, amounts to:

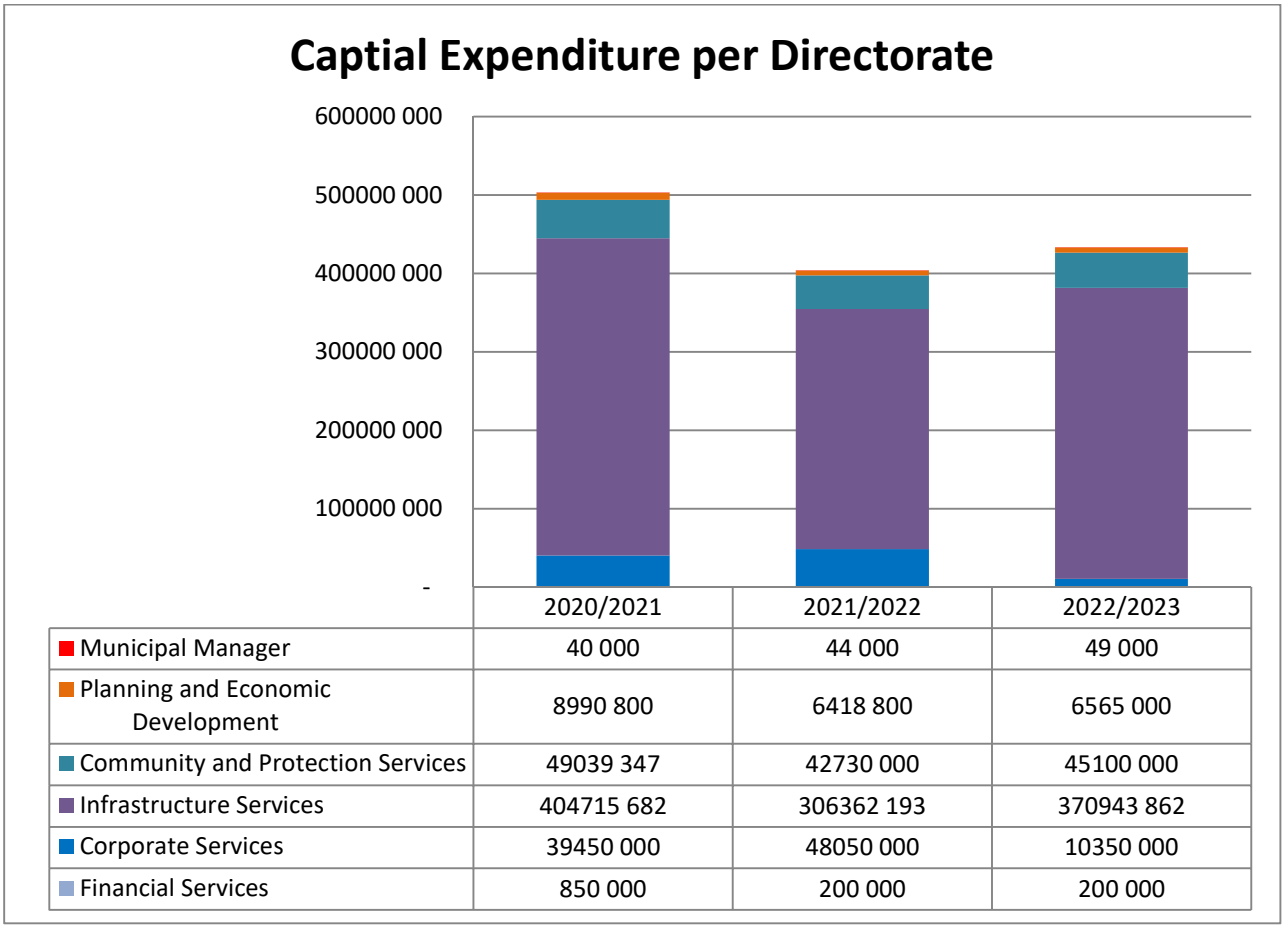
2020/2021	2021/2022	2022/2023
R	R	R
503,085,829	403,804,993	433,207,862

Compilation of the Capital Budget

The capital budgets depicted per Directorate are as follows:

	2020/2021		2021/2022		2022/2023	
	R	%	R	%	R	%
Municipal Manager	40,000	0.01%	44,000	0.01%	49,000	0.01%
Planning and Economic Development	8,990,800	1.79%	6,418,800	1.59%	6,565,000	1.52%
Community and Protection Services	49,039,347	9.75%	42,730,000	10.58%	45,100,000	10.41%
Corporate Services	39,450,000	7.84%	48,050,000	11.90%	10,350,000	2.39%
Infrastructure Services	404,715,682	80.45%	306,362,193	75.87%	370,943,862	85.63%
Financial Services	850,000	0.17%	200,000	0.05%	200,000	0.05%
	503,085,829	**100.00%**	**403,804,993**	**100.0%**	**433,207,862**	**100.0%**

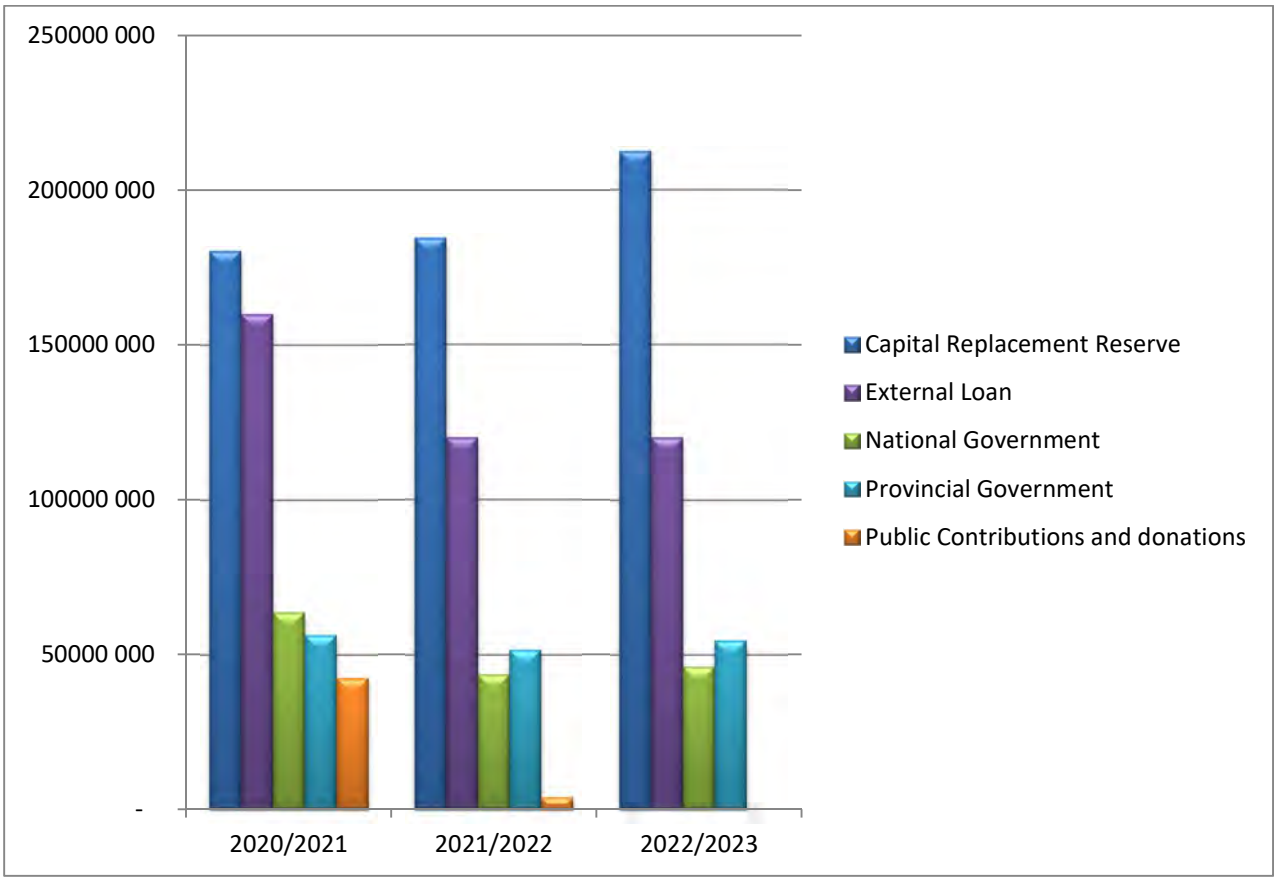
Investment in infrastructure for the next three years equals:



Financing of the Capital Budget

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

	2020/2021 R		2021/2022 R		2022/2023 R	
Own Funding						
Capital Replacement Reserve	180,453,463	35.87%	184,426,795	45.67%	212,505,862	49.05%
External Funding						
Grants National Government	63,690,000	12.66%	43,675,000	10.82%	46,102,000	10.64%
Grants Provincial Government	56,436,000	11.22%	51,620,000	12.78%	54,600,000	12.60%
External Loans	160,000,000	31.80%	120,000,000	29.72%	120,000,000	27.70%
Public Contributions and Donations	42,506,366	8.45%	4,083,198	1.01%	-	0.00%
	503,085,829	**100.00%**	**403,804,993**	**100.00%**	**433,207,862**	**100.00%**



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

Operating Budget for 2020/2021, 2021/2022 and 2022/2023

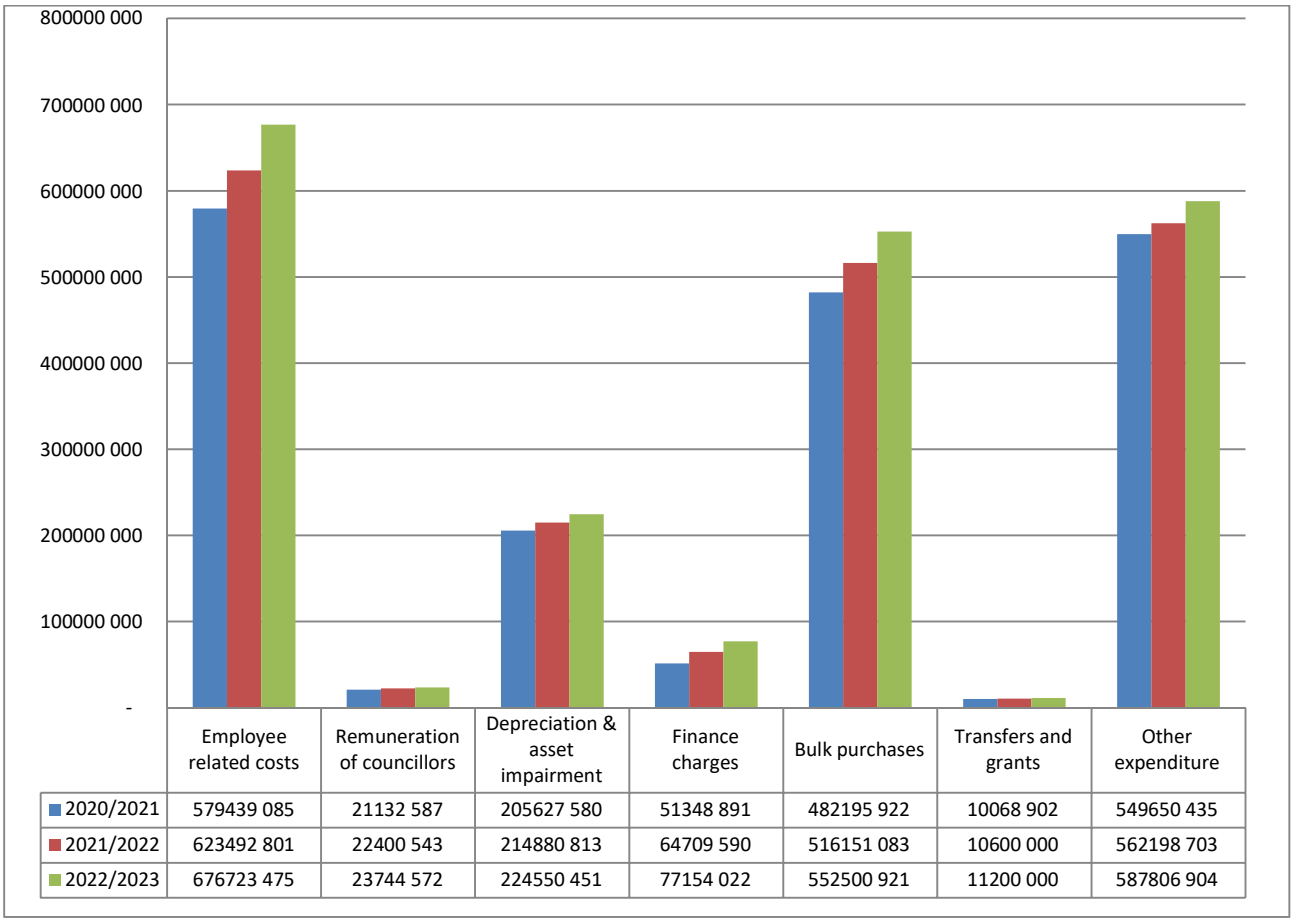
Expenditure

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

	2020/2021	2021/2022	2021/2023
	R	R	R
Municipal Manager	47,883,653	49,452,313	53,039,754
Planning and Development	105,525,499	110,105,165	118,296,751
Community and Protection Services	359,246,182	376,879,784	399,676,478
Infrastructure Services	1,094,794,771	1,167,574,243	1,251,723,593
Corporate Services	181,429,497	193,737,229	206,407,018
Financial Services	110,583,800	116,684,799	124,536,750
Total Expenditure	**1,899,463,402**	**2,014,433,533**	**2,153,680,345**

The operating expenditure budget per category is as follows:

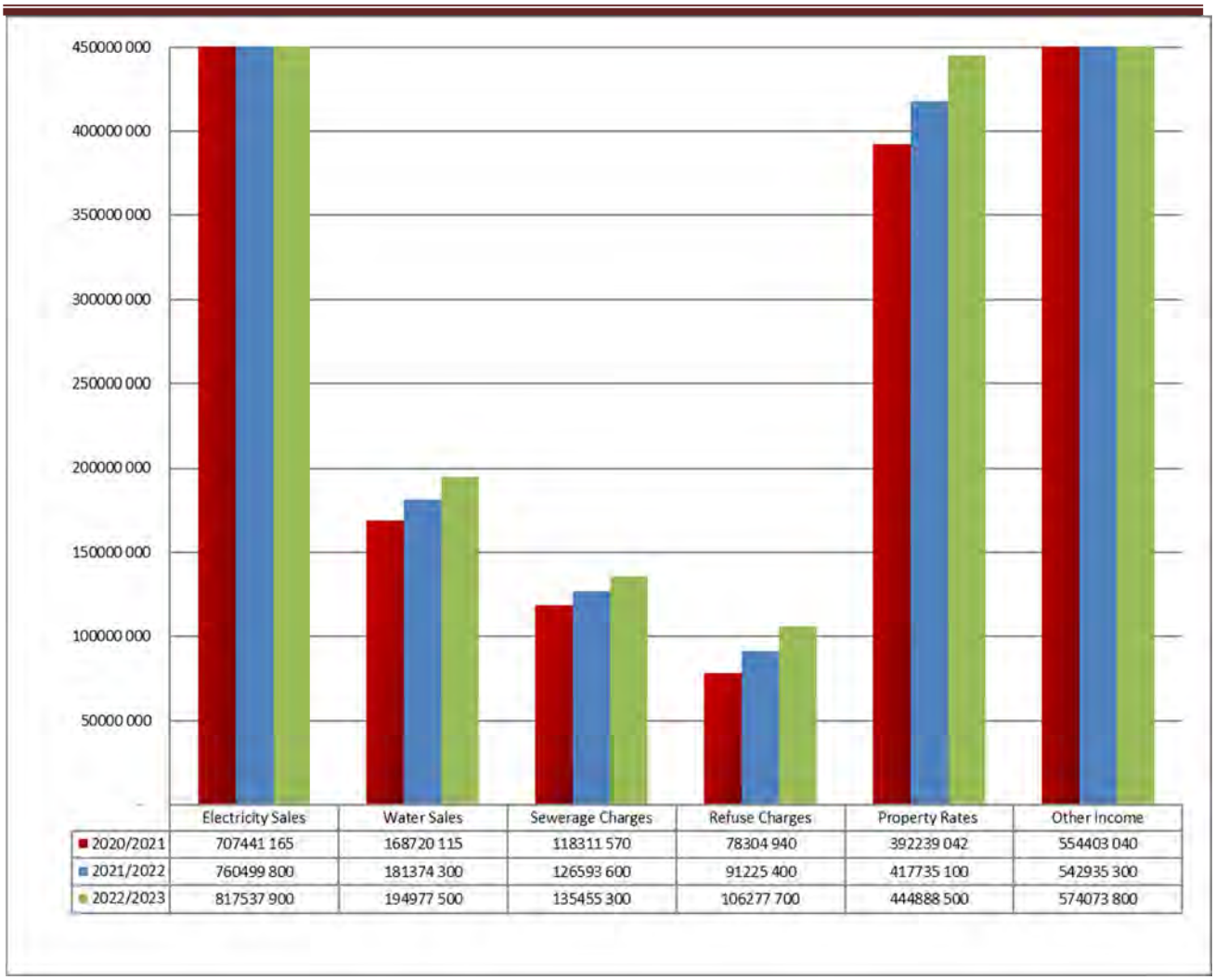
	2020/2021	2021/2022	2022/2023
	R	R	R
Employee related costs	579,439,085	623,492,801	676,723,475
Remuneration of councillors	21,132,587	22,400,543	23,744,572
Depreciation & asset impairment	205,627,580	214,880,813	224,550,451
Finance charges	51,348,891	64,709,590	77,154,022
Bulk purchases	482,195,922	516,151,083	552,500,921
Transfers and grants	10,068,902	10,600,000	11,200,000
Other expenditure	549,650,435	562,198,703	587,806,904
Total Expenditure	**1,899,463,402**	**2,014,433,533**	**2,153,680,345**



	Employee related costs	Remuneration of councillors	Depreciation & asset impairment	Finance charges	Bulk purchases	Transfers and grants	Other expenditure
2020/2021	579439 085	21132 587	205627 580	51348 891	482195 922	10068 902	549650 435
2021/2022	623492 801	22400 543	214880 813	64709 590	516151 083	10600 000	562198 703
2022/2023	676723 475	23744 572	224550 451	77154 022	552500 921	11200 000	587806 904

The operational budget will be funded as follows:

	2020/2021	2021/2022	2022/2023
	R	R	R
Electricity Sales	707,441,165	760,499,800	817,537,900
Water Sales	168 720 115	181,374,300	194,977,500
Sewerage Charges	118,311,570	126,593,600	135,455,300
Refuse Charges	78,304,940	91,225,400	106,277,700
Property Rates	392,239,042	417,735,100	444,888,500
Other Income	554,403,040	542,935,300	574,073,800
Total Income	**2,019,419,873**	**2,120,363,500**	**2,273,210,700**



	Electricity Sales	Water Sales	Sewerage Charges	Refuse Charges	Property Rates	Other Income
2020/2021	707441 165	168720 115	118311 570	78304 940	392239 042	554403 040
2021/2022	760499 800	181374 300	126593 600	91225 400	417735 100	542935 300
2022/2023	817537 900	194977 500	135455 300	106277 700	444888 500	574073 800

H: OVERVIEW OF THE BUDGET FUNDING

Financing of the Capital Budget

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

	2020/2021 R	2021/2022 R	2022/2023 R
Capital Replacement Reserve	180,453,463	184,426,795	212,505,862
Grants National Government	63,690,000	43,675,000	46,102,000
Grants Provincial Government	56,436,000	51,620,000	54,600,000
External Loans	160,000,000	120,000,000	120,000,000
Public Contributions & Donations	42,506,366	4,083,198	-
	503,085,829	**403,804,993**	**433,207,862**

Grant funding from National Government includes the following:

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

Grant funding from Provincial Government includes the following:

- Human Settlement Development Grant
- Integrated Transport Planning
- Library Services Grant
- Regional Socio-economic project/ violence prevention through urban upgrading (RSEP/VPUU) municipal projects
- Financial assistance to municipalities for maintenance and Construction of transport infrastructure

Financing of the Operational Budget

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

- Equitable Share Allocation
- Financial Management Capacity Building Grant
- Municipal Accreditation and Capacity Building Grant
- Community Development Workers Operational Support Grant
- Expanded Public Works Program Incentive Grant
- Human Settlement Development Grant

I: EXPENDITURE ON ALLOCATION AND GRANT PROGRAMMES

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**99,065**	**117,001**	**131,448**	**144,704**	**142,954**	**142,954**	**156,315**	**166,626**	**182,249**
Local Government Equitable Share		95,982	110,631	124,176	136,177	136,177	136,177	149,804	165,076	180,699
Expanded Public Works Programme Integrate		1,758	4,820	5,722	5,227	5,227	5,227	4,961	–	–
LGSETA Bursary Fund		–		–	–	–	–			
Local Government Financial Management Gra		1,325	1,550	1,550	1,550	1,550	1,550	1,550	1,550	1,550
Municipal Systems Improvement Grant		–		–	1,750	–	–			
		–		–	–	–	–			
National Resources Management Grant		–		–	–	–	–			
Provincial Government:		**24,672**	**18,476**	**15,042**	**27,635**	**18,089**	**18,089**	**21,792**	**14,554**	**15,325**
Community Development Workers Operationa		56	56	–	–	112	112	56	56	56
Environmental Affairs and Development Planning		–		–	–	–	–			
Financial Management Capacity Building Grai		120	15	–	380	380	380	401		
Human Settlements Development Grant		11,136	4,929	1,455	12,438	4,200	4,200	7,570		
LG Graduate Internship Grant		60		–	–	80	80			
Libraries, Archives and Museums		10,009	11,045	12,210	12,454	12,454	12,454	13,077	13,796	14,555
Maintenance and Construction of Transport Infrastru		2,171	2,176	971	384	384	384	450	450	450
Municipal Accreditation and Capacity Building Grar		–	–	151	224	224	224	238	252	264
Regional Socio-Economic Project/violence thr		–		–	1,500	–	–	–	–	–
Spatial Development framework		900		–	–	–	–			
WC Financial Management Support Grant		220	255	255	255	255	255			
National Resources Management Grant										
District Municipality:		**300**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Hosting of cultural events		300		–	–	–				
Other grant providers:		**–**	**–**	**–**	**–**	**2,035**	**2,035**	**–**	**–**	**–**
LG SETA Bursary Fund		–		–	–	35	35			
Public Corporations		–		–	–	2,000	2,000			
Total Operating Transfers and Grants	5	**124,037**	**135,477**	**146,490**	**172,339**	**163,078**	**163,078**	**178,107**	**181,180**	**197,574**
Capital Transfers and Grants										
National Government:		**80,106**	**48,647**	**43,668**	**62,526**	**62,526**	**62,526**	**63,690**	**43,675**	**46,102**
Municipal Infrastructure Grant (MIG)		34,147	36,358	35,107	–	–	–			
Energy Efficiency and Demand Side Management		8,000	7,236	–	–	–	–			
Integrated National Electrification Programme (Muni		5,000	4,000	5,000	15,640	15,640	15,640	16,200	5,253	5,584
Integrated Urban Development Grant		–		–	46,886	46,886	46,886	47,490	38,422	40,518
Local Government Financial Management Grant		150		–	–	–	–			
Regional Bulk Infrastructure		32,809		–	–	–	–			
Shared Economic infrastructure facility		–	1,053	3,561	–	–	–			
		–		–	–	–	–			
		–		–	–	–	–			
		–		–	–	–	–			
Other capital transfers/grants [insert desc]		–		–	–	–	–			
Provincial Government:		**60**	**–**	**43,514**	**78,562**	**76,070**	**–**	**–**	**–**	**–**
Development of Sport and Recreational Facilities		60								
Human Settlements Development Grant		14,900	20,588	43,514	25,462	73,970	73,970	45,139	50,020	54,000
Human Settlements Development Grant (Roll over)		–		–	52,500	–	–			
Integrated Transport Planning		–	1,433	–	600	600	600	600	600	600
Library Services: Conditional Grant		4,944	3,714							
Maintenance and Construction of Transport		4,000								
Fire services capacity building grant			800							
RSEP/ VPUU		–		–	–	1,500	1,500	4,000	1,000	
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Hosting of cultural events		–	–	–						
Other grant providers:		**11,631**	**230**	**–**	**50,000**	**50,000**	**50,000**	**–**	**–**	**–**
Public contribution		11,024		–	50,000	50,000	50,000			
Donated Assets			230							
LOTTO		607								
Total Capital Transfers and Grants	5	**91,797**	**48,877**	**87,182**	**191,088**	**188,596**	**112,526**	**63,690**	**43,675**	**46,102**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**215,834**	**184,354**	**233,672**	**363,427**	**351,674**	**275,604**	**241,797**	**224,855**	**243,676**

J: ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Transfers to other municipalities											
Operational	1	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
Operational	2	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
Operational	3	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Grant-In-Aid: Sundry		2,172	1,547	3,816	4,336	5,391	5,391	5,391	3,869	4,100	4,300
Grant-In-Aid: External Bodies Performing Tourism Function		3,830	3,714	4,124	4,600	4,600	4,600	4,600	5,000	5,200	5,500
Grant-In-Aid: External Bodies Performing Animal Welfare Function		932	1,000	1,050	1,113	1,113	1,113	1,113	1,200	1,300	1,400
Total Cash Transfers To Organisations		**6,933**	**6,261**	**8,990**	**10,049**	**11,104**	**11,104**	**11,104**	**10,069**	**10,600**	**11,200**
Cash Transfers to Groups of Individuals											
Operational		–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	6	**6,933**	**6,261**	**8,990**	**10,049**	**11,104**	**11,104**	**11,104**	**10,069**	**10,600**	**11,200**
Non-Cash Transfers to other municipalities											
Operational	1	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms											
Operational	2	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State											
Operational	3	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations											
Operational	4	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–	–
Groups of Individuals											
Operational	5	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL NON-CASH TRANSFERS AND GRANTS		–	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	**6,933**	**6,261**	**8,990**	**10,049**	**11,104**	**11,104**	**11,104**	**10,069**	**10,600**	**11,200**

REPORT RECEIVED FROM COMMUNITY DEVELOPMENT: 2020/2021 GRANT-IN-AID ALLOCATIONS AND DONATIONS

1. SUBJECT

GRANT IN AID APPLICATIONS AND DONATIONS 2020/2021

2. PURPOSE

To obtain Council's approval for Grant-in-Aid (GiA) applications and recommended donations for the financial year 2020-2021.

3. DELEGATED AUTHORITY (FOR DECISION BY MUNICIPAL COUNCIL)

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

4. EXECUTIVE SUMMARY

The application is in terms of the annual GiA donations made to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by the Grant in Aid Policy approved at the Special Council Meeting in May 2019.

5. RECOMMENDATIONS

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

6. DISCUSSION / CONTENTS

6.1. Background

In terms of Council's Grant-in-Aid Policy, proposals were called for by means of advertisement in the press on 10 October 2019 (Eikestad Nuus) and on the municipal website and facebook page.

The advertisement included an invitation to attend one of two compulsory workshops on either 05 November 2019 or 12 November 2019 to assist and give guidance on the policy and application procedure. Two hundred and Twenty (220) persons attended the workshops.

The above mentioned workshop followed a financial management workshop for emerging organizations on 29 October 2019 to build management capacity within organizations and to promote compliance with policy requirements. This workshop was attended by 76 participants.

By the closing date (29 November 2019), 119 applications were received.

6.2 Discussion

The Department Community Development scrutinized and evaluated one hundred and nineteen (119) applications representing the following categories:

CATEGORY	SUB CATEGORY	APPLICATIONS RECEIVED	APPLICATIONS RECOMMENDED/ CONDITIONALLY RECOMMENDED
Social Development	General	7	4
	ECD	40	29
	Disability	4	2
	Elderly	6	3
	Youth	12	7
	Substance Abuse	2	1
	Gender	2	1
	Food Security	1	1
	People Living on the Street	2	2
	Safety and Security	2	0
	Skills Development	3	3
Health	Physical and Psychological	4	2
Environment	Botany	4	0
Sport, Art and Culture	Sport Clubs	20	5
	Art and Culture	10	3
	Total	**119**	**63**

Table 1: Applications and grant recommendations per category

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

The following wards will benefit from the recommended donations:

SUB CATEGORY	APPLICATIONS RECOMMENDED	WARDS SERVED THROUGH THE ORGANIZATIONS	RECOMMENDED AMOUNT
General Soc Dev	4	6-15, 19	158 200.00
ECD	29	1-3, 12-18	1 150 500.00
Disability	2	2, 11-16	80 000.00
Elderly	3	1-3, 9	120 000.00
Youth	7	1-2, 4-6, 8, 16-17, 21-22	280 000.00
Substance Abuse	1	4, 6-10, 16-17	40 000.00
Gender	1	ALL	40 000.00
Food Security	1	ALL	40 000.00
People living on the street	2	ALL	1 405 201.90
Safety and Security	0		0.00
Skills Development	3	ALL	120 000.00
Physical and Psychological Health	2	ALL	80 000.00
Environment	0		0.00
Sport Clubs	5	5-6, 19-21	200 000.00
Art and Culture	3	16, 17, 19, 20	115 000.00
Total	**63**		**3 868 901.90**

Table 2: Ward based recommendations and financial allocations

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

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

6.3. Financial Implications

This report has the following financial implications:

Prior to dealing with appeals and the final feedback reports by April 2020 as part of the comment period on the draft budget for 2020-2021, in accepting the recommendations, council will need to approve the following amounts for Grant in Aid donations:

2020-2021 (Cat A)	2020-2021 (Cat B)
2 503 700.00	1 365 201.90

6.4. Legal Implications

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

6.5 Staff Implications

This report has no staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions:

None

6.7 Risk Implications

This report has no risk implications for the Municipality.

6.8 Comments from Senior Management:

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

6.8.1 *Chief Financial Officer:*

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

ANNEXURES

Grant in Aid 2020-2021 Register of applications and donation recommendations

FOR FURTHER DETAILS CONTACT:

NAME	Michelle Aalbers
POSITION	Manager: Community Development
DIRECTORATE	Planning and Economic Development
CONTACT NUMBERS	8408
E-MAIL ADDRESS	Michelle.aalbers@stellenbosch.gov.za
REPORT DATE	08-01-2020

DIRECTOR: COMMUNITY AND PROTECTION SERVICES

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

2020/21 GRANT-IN-AID APPLICATIONS (Submission for Draft Budget March 2020)

No	Organisation Name	Category A	Category B			Recommendation	Notes
		Funds proposed	Funds proposed YEAR 1 (2020-2021)	Funds proposed YEAR 2 (2021-2022)	Funds proposed YEAR 3 (2022-2023)		
SOCIAL DEVELOPMENT							
GENERAL							
1	ACVV Stellenbosch	40 000.00	0.00	0.00	0.00	RECOMMENDED	
2	Bottelary Heuwels Renosterveld Bewarea	38 200.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK 30 APRIL
3	Ikusasa NPO	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIAL STATEMENTS AND BANK FROM NOT SUBMITTED
4	Klapmuts Development	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NEWLY ESTABLISHED. CONSTITUTION INDICATE 14 BOARD MEMEBERS, LISTED 4. NO FINANCIALS FOR MONTHS IN EXISTANCE.

5	Legacy Community Development	40 000.00	0.00	0.00	0.00	RECOMMENDED	
6	StellCare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINAL FEEDBACK 30 APRIL. REQUIRE MINUTES OF AGM CONFIRMING CHANGE OF NAME.
7	Vinyard Houses	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
		158 200.00	**0.00**	**0.00**	**0.00**		
ECD							
8	Azasakhe Daycare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIALS. CREDIT CONTROL FORM NOT SIGNED. APPLICATION CATEGORY NOT SPECIFIED. NO PROPOSAL OR BUSINESS PLAN.
9	Bubble Bee Educare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION NOT SIGNED
10	Chennel Daycare	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION NOT SIGNED
11	Early Education Centre, The	40 000.00	0.00	0.00	0.00	RECOMMENDED	
12	Family in Focus Klapmuts	40 000.00	0.00	0.00	0.00	RECOMMENDED	
13	Franschhoek	40 000.00	0.00	0.00	0.00	RECOMMENDED	

	Transformation Charter: Babethane						
14	Inam Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
15	Indiphakamele Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM NOT SUBMITTED. PREVIOUS EXPENDITURE OUTSTANDING.
16	Isibane Sempumelelo	40 000.00	0.00	0.00	0.00	RECOMMENDED	
17	Kayamandi ECD Forum	0.00	0.00	0.00	0.00	NOT RECOMMENDED	PROOF OF PREVIOUS EXPENDITURE NOT SUFFICIENT
18	Lilies Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM INCOMPLETE, FEEDBACK OF PREVIOUS EXPENDITURE REQUIRED
19	Lithalethu Educare Centre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM IINCOMPLETE, AGM MINUTES NOT SIGNED
20	Little Butterflies	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
21	Little Explorers	40 000.00	0.00	0.00	0.00	RECOMMENDED	DSD PROVIDED CONFIRMATION OF REGISTRATION. AWAITING CERTIFICATE
22	Liyakha Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	

23	Liyema Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
24	Lubabalo Creche Centre	40 000.00	0.00	0.00	0.00	RECOMMENDED	
25	Luthando Educare	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
26	Masifunde Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION NOT SIGNED
27	Mzamo Partial Care Centre	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
28	Noxolo Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
29	Phakamani Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
30	Prochorus Community Development	40 000.00	0.00	0.00	0.00	RECOMMENDED	CONDITION: FUNDING NOT TO BE SPENT ON STIPENDS TO BE INCLUDED IN MOA
31	Samnkies Creche	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
32	Sibongile Day Care Centre	0.00	0.00	0.00	0.00	NOT RECOMMENDED	ONLY INCOME STATEMENTS INCORRECTLY REFLECTING FINANCIAL SITUATION
33	Sibongumusa ECD Centre	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
34	Simni Educare Centre	30 500.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL

35	Siyanqoba Creche	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
36	Siyavuya Creche	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
37	Siyazama Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
38	Sizamile Creche	40 000.00	0.00	0.00	0.00	RECOMMENDED	
39	Tembalethu Creche	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
40	Thanduxolo Daycare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
41	Ukusiza Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FROM NOT SUBMITTED
42	Umtha Wemfundo Educare	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
43	Umthombo Wemfundo Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
44	Unakho Day Care for Disable	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
45	Yethu Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
46	Yolies Creche	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FROM NOT SUBMITTED
47	Zenzele Educare	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		1 150 500.00	**0.00**	**0.00**	**0.00**		

DISABILITY							
48	Bridging Abilities	0.00	0.00	0.00	0.00	NOT RECOMMENDED	PROOF OF REGISTRATION. APPLICATION AND CONSTITUTION NOT SIGNED.
49	Change Abilities	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
50	Huis Horison	40 000.00	0.00	0.00	0.00	RECOMMENDED	
51	Maties Parasport	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM INCORRECTLY COMPLETED AND IN NAME OF US. CONSTITUTION IN NAME OF MATIE PARASPORT, FINANCIALS IN NAME OF US, REGISTRATION IN NAME OF STELLENBOSCH TRUST. UNCERTAINTY RELATING TO ENTITY
		80 000.00	**0.00**	**0.00**	**0.00**		
ELDERLY							
52	ACVV Franschhoek	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK REPORT BY 30 APRIL
53	Idas Valley Golden Boys and Girls	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM INCOMPLETE. REQUIRE CONFIRMATION ON REGISTRATION
54	Raithby Senior Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CONSTITUTION INDICATES 5 BOARD MEMEBERS, APPLICATION RECORDS ONLY 3

55	Utopia	40 000.00	0.00	0.00	0.00	RECOMMENDED	
56	Young Ideas	0.00	0.00	0.00	0.00	NOT RECOMMENDED	REQUIRE REGISTRATION DOC. FINANCIALS: REQUIRE 2018 FINANCIAL STATEMENTS
57	Waterblommetjies Klub	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		120 000.00	**0.00**	**0.00**	**0.00**		
YOUTH							
58	Franschhoek High School	0.00	0.00	0.00	0.00	NOT RECOMMENDED	REQUIRE REGISTRATION DOC FROM DOE AND NEED TO SUBMIT FINAL FEEDBACK BY 30 APRIL
59	Green Door Literacy and Creative Education Community Project	40 000.00	0.00	0.00	0.00	RECOMMENDED	
60	Help 2 Read	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION NOT SIGNED. FINAL FEEDBACK BY 30 APRIL
61	Inkuthazo Yesizwe Youth Organisation	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIAL STATEMENTS. NOT ALL DIRECTORS LISTED
62	Impact through Sport	40 000.00	0.00	0.00	0.00	RECOMMENDED	
63	Inspiring People Network	0.00	0.00	0.00	0.00	NOT RECOMMENDED	REGISTERED AS PRIVATE COMPANY. NO FINANCIALS OR CONSTITUTION

64	Kylemore Secondary	40 000.00	0.00	0.00	0.00	RECOMMENDED	
65	Sport for Life	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION NOT SIGNED, BANK FORM NOT SIGNED
66	Ubuntu Hiking	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK 30 APRIL
67	United Christian Student's Association of SA, The	40 000.00	0.00	0.00	0.00	RECOMMENDED	
68	Usiko Stellenbosch	40 000.00	0.00	0.00	0.00	RECOMMENDED	
69	Youth Empowerment Action	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		280 000.00	**0.00**	**0.00**	**0.00**		
SUBSTANCE ABUSE							
70	ABBA a project of BADISA Stellenbosch	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
71	Christian Dependancy Ministry	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM AND APPLICATION NOT SIGNED
		40 000.00	**0.00**	**0.00**	**0.00**		
GENDER							
72	Kayamandi Women and Children Development Project	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIAL STATEMENTS OUTSTANDING

73	Safe House La Brie De Dieu	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		40 000.00	**0.00**	**0.00**	**0.00**		
FOOD SECURITY							
74	Feeding In Action	40 000.00	0.00	0.00	0.00	RECOMMENDED	
		40 000.00	**0.00**	**0.00**	**0.00**		
PEOPLE LIVING ON THE STREET							
75	Stellenbosch Night Shelter	0.00	1 365 201.90	0.00	0.00	RECOMMENDED	
76	Stellumthombo NPC	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK 30 APRIL
		40 000.00	**1 365 201.90**	**0.00**	**0.00**		
SAFETY AND SECURITY							
77	Raithby Neighbourhood Watch	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CONSTITUTION NOT SIGNED. NO FIN STATEMENTS
78	Tennantville Neighbourhood Watch	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION REQUIRE 2ND SIGNATURE. FIN STATEMENTS DOES NOT COVER 12 MONTHS
		0.00	**0.00**	**0.00**	**0.00**		
SKILLS DEVELOPMENT							
79	Bergzicht Training	40 000.00	0.00	0.00	0.00	RECOMMENDED	

80	Franschhoek Hospitality Academy and Learning Centre	40 000.00	0.00	0.00	0.00	RECOMMENDED	
81	Stellemploy	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK 30 APRIL
		120 000.00	**0.00**	**0.00**	**0.00**		
SUBTOTAL SOCIAL DEVELOPMENT		**R 2 108 700.00**	**R 1 365 201.90**	**R 0.00**	**R 0.00**		
HEALTH							
82	At Heart	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANKFORM NOT SIGNED. FINAL FEEDBACK BY 30 APRIL
83	CANSA	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICANT REQUESTED TO SUBMIT FIN STATEMENTS BY JAN 2020. APPLICATION REQUIRE 2ND SIGNATURE.
84	Good Hope Psychological Service	40 000.00	0.00	0.00	0.00	RECOMMENDED	
85	Stellenbosch Hospice	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK 30 APRIL
SUBTOTAL HEALTH		**R 80 000.00**	**R 0.00**	**R 0.00**	**R 0.00**		
ENVIRONMENT							
86	Stellenbosch Horticultural & Industrial Society	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION REQUIRE 2ND SIGNATURE. FIN STATEMENTS NOT ACCORDING TO FIN

							PERIOD.
87	Siyakathala Community Project	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FIN STATEMENTS, BANK FORM OR PROPOSAL
88	Volkskerk van Afrika (Stellenbosch)	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM NOT SIGNED AND INCOMPLETE. BUSINESS PLAN INCOMPLETE. NO COSTING OF PROJECT.
89	Methodist Church of South Africa (Stellenbosch)	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FIN STATEMENTS NOT SIGNED AND DATED. APPLICATION INCOMPLETE ITO OF WORKS
SUBTOTAL ENVIRONMENT		**R 0.00**	**R 0.00**	**R 0.00**	**R 0.00**		
SPORT ARTS AND CULTURE							
SPORT CLUBS							
90	Blue Stars United Football Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	ANNUAL STATEMENTS COVER 13 MONTH PERIOD. COMPANY DETAILS AND CONTACT INFO NOT ON BANK FORM
91	Cape Winelands Farmworkers Sport & Recreation Ass	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL
92	Celtic United FC	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK BY 30 APRIL. CURRENT FEEDBACK INCLUDES EXPENSES PRIOR TO

							FUNDING PERIOD
93	Coronation Cricket Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO PROPOSAL. ACC NAME NOT ON BANK FORM. CONSITUTION INDICATE 10 EXEC, APPL INDICATE 9. FINAL FEEDBACK BY 30 APRIL. NO PROOF OF AFF WITH BOLAND CRICKET AS PER CONSTITUTION.
94	Excelsior RFC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION NOT SIGNED. CONSTITUTION INDICATE 5 EXEC MEMBERS, LIST ONLY 4. FIN YEAR INDICATED AS 31 OCT TO 1 NOV IN CONSTITUTION. SUPPLIED ITEMISED EXPENDITURE FOR 30 AUG TO 1 SEPT.
95	Glen Eagles Soccer Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CONSTITUTION INDICATE 14 MANAGEMENT POSITIONS, LIST 10. CLAIM REGISTRATION AS NPO, NO PROOF PROVIDED. FUNDING FOR PREVIOUS SUPPORT DOES NOT COVER ONE PERIOD, PROOF OF EXPENDITURE LACKING. REQUIRE FINAL FEEDBACK REPORT.

96	Groot Drakenstein Games Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION SIGNED BY ONE PERSON
97	Jametown AFC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION NOT DATED. CONSTITUTION INDICATE 10 EXEC MEMBERS, LIST 8.
98	Klapmuts Cricket Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	PROOF OF AFF AS PER CONSTITUTION. FINAL FEEDBACK BY 30 APRIL. FIN REPORT COVER 8 MONTHS, BUT SIGNED PRIOR TO THE ENDING OF THE PERIOD. DOES NOT REFLECT GIA DONATION.
99	Klapmuts United FC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	PROOF OF AFFILIATION. NO FINANCIALS. CONSTITUTION IS REPLICA OF OTHER APPLICANT.
100	Lanquedoc All Stars	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CONSTITUTION NOT SIGNED
101	Nietvoorbij United FC	40 000.00	0.00	0.00	0.00	RECOMMENDED	
102	Pniel Villagers RFC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	REQUIRE CLARIFICATION ON FIN STATEMENTS
103	Stellenbosch and District Cricket Club	40 000.00	0.00	0.00	0.00	CONDITIONAL	FINAL FEEDBACK 30 APRIL
104	Stellenbosch District Coronation RFC	40 000.00	0.00	0.00	0.00	RECOMMENDED	

105	Stellenbosch Homing Union	0.00	0.00	0.00	0.00	NOT RECOMMENDED	BANK FORM COMPLETED INCORRECTLY. REQUIRE CLAIRTY REGARDING AFFILIATION
106	Sunday Spurs FC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FIN STATEMENT REQUIRE SIGNATURE OF TREASURER, BANK FORM NOT SIGNED
107	VD Stel Cricket Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FIN STATEMENTS NOT SIGNED BY 2 PERSONS. CONSTITUTION INDICATE FIN YEAR AS APR-MARCH. FIN STATEMENTS JULY-JUNE. NO PROOF OF AFFILIATION TO BOLAND CRICKET.
108	VD Stel Evergreen Club	0.00	0.00	0.00	0.00	NOT RECOMMENDED	CONSTITUTION INDICATE 8 + 2 TRUSTUEES. LIST ONLY 8. FIN YEAR NOV-OCT. STATEMENTS FOR 11 MONTHS.
109	VD Stel FC	0.00	0.00	0.00	0.00	NOT RECOMMENDED	TRIAL BALANCE FOR 10 MONTHS.
		200 000.00	**0.00**	**0.00**	**0.00**		
ARTS AND CULTURE							
110	Bapa Theatre Academy	0.00	0.00	0.00	0.00	NOT RECOMMENDED	APPLICATION INCOMPLETE. BANK FORM NOT SIGNED. NO FIN STATEMENTS
111	Celebration Gospel Choir	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FINANCIAL STATEMENTS DISCREPENCY IN RELATION TO

							FIN YEAR.
112	eBosch	0.00	0.00	0.00	0.00	NOT RECOMMENDED	ONE SIGNATURE ON APPLICATION FORM. PROOF OF PREVIOUS EXPENDITURE OUTSTANDING.
113	Mulit Arts Alliance	35 500.00	0.00	0.00	0.00	RECOMMENDED	
114	Pniel Heritage and Cultural Trust	40 000.00	0.00	0.00	0.00	RECOMMENDED	
115	Smart Mission Entertainment	0.00	0.00	0.00	0.00	NOT RECOMMENDED	FIN STATEMENTS QUESTIONABLE. THREE BOARD MEMBERS WITH SAME SURNAME AND TWO RESIDING AT SAME ADDRESS.
116	Sp(i)eel	39 500.00	0.00	0.00	0.00	RECOMMENDED	
117	Stellenbosch Heemkring	0.00	0.00	0.00	0.00	NOT RECOMMENDED	ONE SIGNATURE ON APPLICATION
118	Stellenbosch Museum	0.00	0.00	0.00	0.00	NOT RECOMMENDED	ONE SIGNATURE ON APPLICATION FORM. OMIT TO DECLARE POLITICAL OFFICE BEARERS.

119	St Johns Brass Band	0.00	0.00	0.00	0.00	NOT RECOMMENDED	NO FINANCIALS. NOT ALL MEMBERS LISTED AS PER CONSTITUTION
		115 000.00	**0.00**	**0.00**	**0.00**		
SUTOTAL SPORT ARTS AND CULTURE		**R 315 000.00**	**R 0.00**	**R 0.00**	**R 0.00**		
		R 2 503 700.00	**R 1 365 201.90**	**R 0.00**	**R 0.00**		
APPEALS RECEIVED BY 30 APRIL 2019							
SOCIAL DEVELOPMENT							
GENERAL							
		0.00	0.00	0.00	0.00		
ECD							
		0.00	0.00	0.00	0.00		
DISABILITY							
		0.00	0.00	0.00	0.00		

GENDER							
		0.00	0.00	0.00	0.00		
ELDERLY							
		0.00	0.00	0.00	0.00		
YOUTH							
		0.00	0.00	0.00	0.00		
SUBSTANCE ABUSE							
		0.00	0.00	0.00	0.00		
HEALTH							
		0.00	0.00	0.00	0.00		

SPORT ARTS AND CULTURE							
SPORT CLUBS							
		0.00	0.00	0.00	0.00		
ARTS AND CULTURE GROUPS/ORGANIZATIONS							
		0.00	0.00	0.00	0.00		
SUBTOTAL SPORT ARTS & CULTURE		0.00	0.00	0.00	0.00		
		R 0.00	R 0.00	R 0.00	R 0.00		
FEEDBACK REPORTS 2018-2019 NOT RECEIVED							

R 2 503 700.00	**R 1 365 201.90**	**R 0.00**	**R 0.00**

K: COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		10,747	11,326	11,322	12,934	12,934	12,934	15,433	16,204	17,014
Pension and UIF Contributions		385	505	132	800	800	800	840	1,162	1,514
Medical Aid Contributions		202	204	50	87	87	87			
Motor Vehicle Allowance		3,704	4,060	4,139	4,667	4,667	4,667	3,476	3,650	3,832
Cellphone Allowance		1,057	1,058	1,740	1,263	1,263	1,263	1,384	1,384	1,384
Housing Allowances		–	–	–	–	–	–			
Other benefits and allowances		–	155	154	186	186	186			
Sub Total - Councillors		**16,094**	**17,308**	**17,538**	**19,936**	**19,936**	**19,936**	**21,133**	**22,401**	**23,745**
% increase	4		**7.5%**	**1.3%**	**13.7%**	**–**	**–**	**6.0%**	**6.0%**	**6.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		6,447	8,260	3,029	4,445	4,445	4,445	7,576	7,955	8,353
Pension and UIF Contributions		595	870	581	852	852	852	1,034	1,085	1,140
Medical Aid Contributions		–	–	72	78	78	78	–	–	–
Overtime		–	–	–	–	–	–			
Performance Bonus		59	215	591	–	–	–	1,072	1,126	1,182
Motor Vehicle Allowance	3	664	776	493	1,006	1,006	1,006	1,056	1,109	1,165
Cellphone Allowance	3	76	156	104	134	134	134	83	87	92
Housing Allowances	3	20	–	–	–	–	–			
Other benefits and allowances	3	–	131	18	34	34	34			
Payments in lieu of leave		–	–	–	–	–	–			
Long service awards		–	–	–	–	–	–			
Post-retirement benefit obligations	6	–	–	–	–	–	–			
Sub Total - Senior Managers of Municipality		**7,861**	**10,407**	**4,889**	**6,549**	**6,549**	**6,549**	**10,822**	**11,363**	**11,932**
% increase	4		**32.4%**	**(53.0%)**	**34.0%**	**–**	**–**	**65.2%**	**5.0%**	**5.0%**
Other Municipal Staff										
Basic Salaries and Wages		283,522	302,475	298,785	354,828	308,908	308,908	331,294	354,169	384,391
Pension and UIF Contributions		40,290	41,461	47,153	59,439	59,439	59,439	60,226	65,627	71,510
Medical Aid Contributions		18,812	20,027	21,580	26,328	26,328	26,328	27,962	30,451	33,161
Overtime		22,552	32,633	44,111	51,545	51,545	51,545	39,498	43,013	46,841
Performance Bonus		29	108	–	–	–	–	28,443	31,016	33,821
Motor Vehicle Allowance	3	10,401	9,143	9,026	13,074	13,074	13,074	14,530	15,864	17,319
Cellphone Allowance	3	674	788	1,237	869	869	869	1,060	1,158	1,264
Housing Allowances	3	2,123	2,233	2,853	2,875	2,875	2,875	3,897	4,244	4,621
Other benefits and allowances	3	21,537	25,305	30,742	39,440	39,440	39,440	30,109	32,762	35,651
Payments in lieu of leave		–	–	858	2,007	2,007	2,007	–	–	–
Long service awards		–	–	–	66	66	66	1,067	1,162	1,265
Post-retirement benefit obligations	6	–	–	421	46,247	46,247	46,247	30,131	32,240	34,497
Sub Total - Other Municipal Staff		**399,941**	**434,171**	**456,766**	**596,719**	**550,799**	**550,799**	**568,217**	**611,705**	**664,342**
% increase	4		**8.6%**	**5.2%**	**30.6%**	**(7.7%)**	**–**	**3.2%**	**7.7%**	**8.6%**
Total Parent Municipality		**423,896**	**461,886**	**479,193**	**623,204**	**577,284**	**577,284**	**600,172**	**645,469**	**700,019**
			9.0%	**3.7%**	**30.1%**	**(7.4%)**	**–**	**4.0%**	**7.5%**	**8.5%**
TOTAL SALARY, ALLOWANCES & BENEFITS		**423,896**	**461,886**	**479,193**	**623,204**	**577,284**	**577,284**	**600,172**	**645,469**	**700,019**
% increase	4		**9.0%**	**3.7%**	**30.1%**	**(7.4%)**	**–**	**4.0%**	**7.5%**	**8.5%**
TOTAL MANAGERS AND STAFF	5,7	**407,801**	**444,579**	**461,655**	**603,268**	**557,348**	**557,348**	**579,039**	**623,069**	**676,274**

K: COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS (continued)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contribution 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4	1	679,129	90,222	218,930			988,281
Chief Whip		1	424,834	101,674	272,275			798,783
Executive Mayor		1	459,142	108,642	231,000			798,783
Deputy Executive Mayor		1	400,741	90,222	260,447			751,410
Executive Committee		8	3,611,372	732,621	1,667,290			6,011,282
Total for all other councillors		31	9,857,350	1,100,772	825,926			11,784,049
Total Councillors	8	**43**	**15,432,566**	**2,224,152**	**3,475,868**			**21,132,587**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1,344,746	328,503	174,332	203,234		2,050,814
Chief Finance Officer		1	1,417,071	–	163,389	173,851		1,754,311
Director: Commmunity and Protecetion		1	1,156,642	235,060	188,757	173,851		1,754,311
Director: Corporate		1	1,156,642	235,060	188,757	173,851		1,754,311
Director: Infrastructure Services		1	1,156,642	235,060	188,757	173,851		1,754,311
Director: Planning and Development		1	1,344,741	–	235,719	173,851		1,754,311
List of each offical with packages >= senior manager								
Designation - 05			–	–	–	–		–
Designation - 06			–	–	–	–		–
Designation - 07			–	–	–	–		–
Designation - 08			–	–	–	–		–
Designation - 09			–	–	–	–		–
Designation - 10			–	–	–	–		–
Designation - 11			–	–	–	–		–
Designation - 12			–	–	–	–		–
Designation - 13			–	–	–	–		–
Designation - 14			–	–	–	–		–
Designation - 15			–	–	–	–		–
								–
								–
Total Senior Managers of the Municipality	8,10	**6**	**7,576,484**	**1,033,684**	**1,139,712**	**1,072,487**		**10,822,367**
A Heading for Each Entity List each member of board by designation	6,7							
			–	–	–	–		–
Total for municipal entities	8,10	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**49**	**23,009,050**	**3,257,836**	**4,615,580**	**1,072,487**		**31,954,954**

L: MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source													1		
Property rates	66,521	27,640	29,686	26,271	26,190	36,627	25,438	23,389	54,947	20,411	19,034	20,394	376,549	401,026	427,093
Service charges - electricity revenue	119,978	49,852	53,541	47,383	47,236	66,060	45,881	42,185	99,102	36,813	34,330	36,783	679,144	730,080	784,836
Service charges - water revenue	28,614	11,889	12,769	11,300	11,265	15,755	10,942	10,061	23,635	8,780	8,187	8,772	161,971	174,119	187,178
Service charges - sanitation revenue	20,065	8,337	8,954	7,924	7,900	11,048	7,673	7,055	16,574	6,157	5,741	6,151	113,579	121,530	130,037
Service charges - refuse revenue	13,280	5,518	5,926	5,245	5,228	7,312	5,078	4,669	10,969	4,075	3,800	4,071	75,173	87,576	102,027
Rental of facilities and equipment	2,590	1,076	1,156	1,023	1,020	1,426	991	911	2,140	795	741	794	14,663	15,543	16,476
Interest earned - external investments	6,690	2,780	2,986	2,642	2,634	3,684	2,558	2,352	5,526	2,053	1,914	2,051	37,870	34,522	29,358
Interest earned - outstanding debtors	2,252	936	1,005	890	887	1,240	861	792	1,861	691	644	691	12,750	13,643	14,598
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	8,459	3,515	3,775	3,341	3,330	4,657	3,235	2,974	6,987	2,595	2,420	2,593	47,881	56,335	65,297
Licences and permits	972	404	434	384	383	535	372	342	803	298	278	298	5,503	5,834	6,184
Agency services	518	215	231	204	204	285	198	182	428	159	148	159	2,931	3,107	3,293
Transfers and Subsidies - Operational	31,464	13,074	14,041	12,426	12,388	17,325	12,032	11,063	25,990	9,654	9,003	9,646	178,107	181,180	197,574
Other revenue	6,962	2,893	3,107	2,749	2,741	3,833	2,662	2,448	5,751	2,136	1,992	2,134	39,408	42,181	45,152
Cash Receipts by Source	**308,366**	**128,130**	**137,611**	**121,782**	**121,406**	**169,788**	**117,922**	**108,424**	**254,712**	**94,618**	**88,234**	**94,538**	**1,745,530**	**1,866,676**	**2,009,104**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	21,222	8,818	9,471	8,381	8,355	11,685	8,115	7,462	17,530	6,512	6,072	6,506	120,129	95,295	100,702
Short term loans												–			
Borrowing long term/refinancing								160,000				–	160,000	120,000	120,000
Total Cash Receipts by Source	**329,588**	**136,948**	**147,082**	**130,163**	**129,761**	**181,473**	**126,037**	**275,886**	**272,241**	**101,129**	**94,306**	**101,045**	**2,025,659**	**2,081,971**	**2,229,806**
Cash Payments by Type															
Employee related costs	24,625	45,208	49,232	37,641	48,614	48,713	25,134	36,489	32,629	38,338	49,100	113,585	549,308	591,252	642,226
Remuneration of councillors	947	1,739	1,894	1,448	1,870	1,874	967	1,404	1,255	1,475	1,889	4,370	21,133	22,401	23,745
Finance charges	2,302	4,226	4,602	3,519	4,544	4,554	2,349	3,411	3,050	3,584	4,590	10,618	51,349	64,710	77,154
Bulk purchases - Electricity	20,408	37,468	40,802	31,196	40,290	40,372	20,830	30,241	27,043	31,773	40,693	94,137	455,254	487,122	521,220
Bulk purchases - Water & Sewer	1,208	2,217	2,415	1,846	2,384	2,389	1,233	1,790	1,600	1,880	2,408	5,571	26,942	29,030	31,281
Other materials	1,870	3,432	3,738	2,858	3,691	3,699	1,908	2,770	2,477	2,911	3,728	8,624	41,706	44,101	46,229
Contracted services	11,004	20,203	22,001	16,821	21,725	21,769	11,232	16,306	14,582	17,133	21,942	50,760	245,478	244,744	255,781
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–			
Transfers and grants - other	451	829	902	690	891	893	461	669	598	703	900	2,082	10,069	10,600	11,200
Other expenditure	6,362	11,680	12,719	9,725	12,559	12,585	6,493	9,427	8,430	9,905	12,685	29,345	141,913	148,705	156,896
Cash Payments by Type	**69,177**	**127,002**	**138,305**	**105,745**	**136,569**	**136,847**	**70,608**	**102,507**	**91,665**	**107,701**	**137,935**	**319,091**	**1,543,151**	**1,642,664**	**1,765,731**
Other Cash Flows/Payments by Type															
Capital assets	–	1,528	19,296	29,268	32,167	38,654	17,411	29,361	64,783	62,217	97,727	125,707	503,086	403,805	433,208
Repayment of borrowing						12,500						13,811	26,311	31,078	38,078
Total Cash Payments by Type	**69,177**	**128,530**	**157,601**	**135,012**	**168,736**	**188,001**	**88,019**	**131,868**	**156,448**	**169,918**	**235,662**	**458,610**	**2,072,548**	**2,077,546**	**2,237,017**
NET INCREASE/(DECREASE) IN CASH HELD	**260,411**	**8,417**	**(10,520)**	**(4,849)**	**(38,975)**	**(6,527)**	**38,018**	**144,018**	**115,793**	**(68,789)**	**(141,356)**	**(357,565)**	**(46,890)**	**4,425**	**(7,210)**
Cash/cash equivalents at the month/year begin:	408,228	668,640	677,057	666,537	661,688	622,714	616,186	654,204	798,222	914,015	845,226	703,870	408,228	361,339	365,764
Cash/cash equivalents at the month/year end:	668,640	677,057	666,537	661,688	622,714	616,186	654,204	798,222	914,015	845,226	703,870	346,305	361,339	365,764	358,553

M: CONTRACTS HAVING FUTURE AND BUDGETARY IMPLICATIONS

Description	Ref	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
HCB Valuers		–	1,000	1,701	425	271	279	279						3,954
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	1,000	1,701	425	271	279	279	–	–	–	–	–	3,954
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		**–**	**1,000**	**1,701**	**425**	**271**	**279**	**279**	**–**	**–**	**–**	**–**	**–**	3,954
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

N: DETAIL CAPITAL BUDGET 2020-2023

MUNICIPAL MANAGER

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Executive Support: Office of the Municipal Manager	Furniture, Tools and Equipment	Good Governance and Compliance	40 000	44 000	49 000
			40 000	**44 000**	**49 000**

PLANNING AND DEVELOPMENT SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Economic Development and Tourism	Furniture tools and equipment	Good Governance and Compliance	35 000	-	-
Economic Development and Tourism	Local Economic Development Hub Kayamandi	Valley of Possibility	-	-	4 500 000
Economic Development and Tourism	Local Economic Development Hub Jamestown	Valley of Possibility	1 500 000	2 000 000	1 000 000
Economic Development and Tourism	Upgrading of the Kayamandi Economic Tourism Corridor	Valley of Possibility	250 000	-	-
IHS: Informal Settlements	Langrug Planning	Dignified Living	1 000 000	500 000	-
IHS: Housing Development	Furniture, Tools and Equipment	Good Governance and Compliance	51 800	58 800	25 000
IHS: Housing Development	Erf 7001 and other possible sites for mix-used development in Cloetesville	Dignified Living	500 000	1 000 000	-
IHS: Housing Development	Kylemore Erf 64	Dignified Living	500 000	-	-
IHS: Housing Development	Farm 82 Stellenbosh	Dignified Living	500 000	-	-
IHS: Housing Development	La Motte Old Forest Station (±430 services & ±430 units)	Dignified Living	500 000	1 200 000	-
IHS: Housing Development	Kayamandi Town Centre: Planning (±700 units)	Dignified Living	1 000 000	-	-
IHS: Housing Development	Northern Extension: Feasibility	Dignified Living	1 000 000	1 000 000	1 000 000
IHS: Housing Development	Jamestown: Housing	Dignified Living	500 000	500 000	-
IHS: Housing Development	Enkanini Planning	Dignified Living	1 459 000	-	-
Housing Administration	Furniture, Tools and Equipment	Good Governance and Compliance	30 000	35 000	40 000
Spatial Planning: Planning and Development	Furniture, Tools and Equipment	Good Governance and Compliance	35 000	-	-

PLANNING AND DEVELOPMENT SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Land Use Management	Furniture, Tools & Equipment	Good Governance and Compliance	130 000	125 000	-
			8 990 800	**6 418 800**	**6 565 000**

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Executive Support: Engineering Services: General	Furniture, Tools & Equipment	Good Governance and Compliance	100 000	-	-
Executive Support: Engineering Services: General	Update of Engineering Infrastructure GIS Data	Good Governance and Compliance	300 000	-	-
Electrical Services	Ad-Hoc Provision of Street lighting and Lighting of Public Spaces	Safe Valley	2 000 000	2 000 000	2 000 000
Electrical Services	Automatic Meter Reader	Green and Sustainable Valley	400 000	400 000	400 000
Electrical Services	Bien don 66/11kV substation new	Valley of Possibility	1 500 000	2 200 000	70 000 000
Electrical Services	Buildings & Facilities Electrical Supply - Stellenbosch	Valley of Possibility	500 000	575 000	661 250
Electrical Services	Cable replacement 66kV oil MN - US - MK	Valley of Possibility	-	-	480 000
Electrical Services	Data Network	Valley of Possibility	-	500 000	500 000
Electrical Services	DSM Geyser Control	Green and Sustainable Valley	200 000	100 000	100 000
Electrical Services	Electrical Equipment	Valley of Possibility	-	1 601 009	-
Electrical Services	Electricity Network: Pniel	Valley of Possibility	3 500 000	3 500 000	3 500 000
Electrical Services	Energy Balancing Between Metering and Mini-Substations	Valley of Possibility	500 000	500 000	-
Electrical Services	Energy Efficiency and Demand Side Management	Green and Sustainable Valley	1 000 000	1 000 000	1 000 000
Electrical Services	General System Improvements - Franschhoek	Valley of Possibility	2 000 000	2 000 000	2 000 000
Electrical Services	General Systems Improvements - Stellenbosch	Valley of Possibility	3 000 000	3 000 000	3 000 000
Electrical Services	System Control Centre & Upgrade Telemetry	Good Governance and Compliance	1 550 000	1 559 300	1 568 656

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Electrical Services	Infrastructure Improvement - Franschhoek	Valley of Possibility	1 500 000	1 500 000	1 500 000
Electrical Services	Integrated National Electrification Programme (Enkanini)	Valley of Possibility	16 400 000	11 500 000	13 225 000
Electrical Services	Jan Marais Upgrade: Remove Existing and replace with 20MVA units	Valley of Possibility	15 800 000	5 000 000	500 000
Electrical Services	Kwarentyn Sub cables: 11kV 3 core 185mmsq copper cabling, 3.8km	Valley of Possibility	5 500 000	-	-
Electrical Services	Kayamandi Costa grounds substation 66/11 kV 2x 20MVA	Valley of Possibility	-	-	300 000
Electrical Services	Laterra Substation	Valley of Possibility	8 000 000	371 553	427 286
Electrical Services	Main substation upgrade: Remove Existing and replace with 10MVA units	Valley of Possibility	-	-	7 571 200
Electrical Services	Substation 66kV equipment	Valley of Possibility	-	-	1 950 000
Electrical Services	Meter Panels	Green and Sustainable Valley	500 000	500 000	400 000
Electrical Services	Replace Ineffective Meters & Energy Balance of mini-substations	Green and Sustainable Valley	600 000	250 000	-
Electrical Services	Network Cable Replace 11 Kv	Valley of Possibility	3 000 000	3 000 000	3 000 000
Electrical Services	Stellenbosch Switchgear (11kV)	Valley of Possibility	-	-	13 272 470
Electrical Services	Cloetesville - University New 66kV cable	Valley of Possibility	450 000	16 800 000	-
Electrical Services	University substation upgrade 66/11kV 20MVA Trfr x 3	Valley of Possibility	-	-	450 000
Electrical Services	Specialized Vehicles	Good Governance and Compliance	1 600 000	-	-
Electrical Services	Vehicle Fleet	Good Governance and Compliance	-	-	1 000 000

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Infrastructure Plan, Dev and Implement	Computer - Hardware/Equipment	Good Governance and Compliance	100 000	50 000	50 000
Infrastructure Plan, Dev and Implement	Furniture, Tools and Equipment	Good Governance and Compliance	20 000	23 000	25 000
Infrastructure Plan, Dev and Implement	Basic Improvements: Langrug	Dignified Living	2 720 682	-	-
Infrastructure Plan, Dev and Implement	Idas Valley IRDP / FLISP	Dignified Living	1 000 000	-	-
Infrastructure Plan, Dev and Implement	Kayamandi: Zone O (±711 services)	Dignified Living	10 680 000	-	9 000 000
Infrastructure Plan, Dev and Implement	Klapmuts TRA (298 Nutec Structures)	Dignified Living	1 980 000	-	-
Infrastructure Plan, Dev and Implement	Klapmuts: Erf 2181 (298 serviced sites)	Dignified Living	13 560 000	-	-
Infrastructure Plan, Dev and Implement	Longlands, Vlottenburg (±144 Services and ±144 units)	Dignified Living	6 340 000	-	-
Infrastructure Plan, Dev and Implement	Northern Extension Bulk Services	Dignified Living	-	-	35 000 000
Infrastructure Plan, Dev and Implement	Smartie Town	Dignified Living	1 000 000	-	-
Infrastructure Plan, Dev and Implement	Upgrading of The Steps/ Orlean Lounge	Dignified Living	5 000 000	5 000 000	-
Infrastructure Plan, Dev and Implement	Watergang Farm Upgrading	Dignified Living	5 000 000	5 000 000	-
Waste Management: Solid Waste Management	Expansion of the landfill site (New cells)	Green and Sustainable Valley	2 000 000	7 000 000	20 000 000
Waste Management: Solid Waste Management	Formalize skip areas in Franschhoek and Kayamandi	Green and Sustainable Valley	-	-	500 000
Waste Management: Solid Waste Management	Skips (5,5Kl)	Green and Sustainable Valley	200 000	200 000	200 000
Waste Management: Solid Waste Management	Furniture, Tools and Equipment : Solid Waste	Good Governance and Compliance	45 000	45 000	45 000

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Waste Management: Solid Waste Management	Integrated Waste Management Plan	Green and Sustainable Valley	-	-	100 000
Waste Management: Solid Waste Management	Landfill Gas To Energy	Green and Sustainable Valley	500 000	2 000 000	8 000 000
Waste Management: Solid Waste Management	Mini Waste drop-off facilities at inf. Settlements	Green and Sustainable Valley	-	-	100 000
Waste Management: Solid Waste Management	Street Refuse Bins	Green and Sustainable Valley	1 000 000	1 000 000	1 000 000
Waste Management: Solid Waste Management	Transfer Station: Stellenbosch Planning and Design	Green and Sustainable Valley	2 000 000	8 000 000	9 000 000
Waste Management: Solid Waste Management	Upgrade Refuse disposal site (Existing Cell)- Rehab	Green and Sustainable Valley	2 000 000	1 000 000	1 000 000
Waste Management: Solid Waste Management	Vehicles	Good Governance and Compliance	2 000 000	3 000 000	-
Waste Management: Solid Waste Management	Waste Biofuels	Green and Sustainable Valley	-	-	300 000
Waste Management: Solid Waste Management	Waste Management Software	Green and Sustainable Valley	-	-	200 000
Waste Management: Solid Waste Management	Waste Minimization Projects	Green and Sustainable Valley	500 000	500 000	500 000
Waste Management: Solid Waste Management	Waste to Energy - Implementation	Green and Sustainable Valley	-	-	3 000 000
Waste Management: Solid Waste Management	Waste to Energy - Planning	Green and Sustainable Valley	-	-	300 000
Water and Wastewater Services: Water	Bulk water supply Klapmuts	Valley of Possibility	15 000 000	5 000 000	-
Water and Wastewater Services: Water	Bulk water Supply Pipe : Cloetesville/ Idas Valley	Valley of Possibility	-	-	1 000 000
Water and Wastewater Services: Water	Bulk water supply pipe and Reservoir: Kayamandi	Valley of Possibility	19 500 000	-	-
Water and Wastewater Services: Water	Bulk water Supply Pipe Line & Pumpstations: Franschhoek	Valley of Possibility	12 000 000	-	-

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Water and Wastewater Services: Water	Bulk Water Supply Pipe: Idas Valley/Papegaaiberg and Network Upgrades	Valley of Possibility	-	-	1 000 000
Water and Wastewater Services: Water	Bulk Water Supply Pipeline & Reservoir - Jamestown	Valley of Possibility	1 000 000	10 000 000	9 000 000
Water and Wastewater Services: Water	Chlorination Installation: Upgrade	Valley of Possibility	500 000	500 000	500 000
Water and Wastewater Services: Water	Dwarsriver Bulk Supply Augmentation and Network Upgrades	Valley of Possibility	1 000 000	5 822 000	7 518 000
Water and Wastewater Services: Water	Furniture, Tools and Equipment : Reticulation	Good Governance and Compliance	100 000	100 000	150 000
Water and Wastewater Services: Water	New Developments Bulk Water Supply WC024	Valley of Possibility	1 000 000	2 000 000	2 000 000
Water and Wastewater Services: Water	New Reservoir & Pipeline: Vlottenburg	Valley of Possibility	10 000 000	20 000 000	-
Water and Wastewater Services: Water	New Reservoir Rosendal	Valley of Possibility	6 000 000	6 000 000	9 000 000
Water and Wastewater Services: Water	Northern Extension Bulk Services	Valley of Possibility	1 300 000	2 000 000	9 000 000
Water and Wastewater Services: Water	Reservoirs and Dam Safety	Valley of Possibility	1 500 000	1 500 000	1 500 000
Water and Wastewater Services: Water	Specialized vehicle: Jet Machine	Valley of Possibility	-	-	3 850 000
Water and Wastewater Services: Water	Update Water Masterplan and IMQS	Valley of Possibility	1 500 000	1 500 000	2 000 000
Water and Wastewater Services: Water	Upgrade and Replace Water Meters	Valley of Possibility	2 500 000	3 000 000	1 500 000
Water and Wastewater Services: Water	Upgrade of Franschhoek Reservoirs and Pipelines	Valley of Possibility	-	-	1 000 000
Water and Wastewater Services: Water	Upgrading of Koelenhof Water Scheme	Valley of Possibility	-	-	500 000
Water and Wastewater Services: Water	Vehicles	Good Governance and Compliance	1 000 000	1 000 000	1 500 000

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Water and Wastewater Services: Water	Water Conservation & Demand Management	Green and Sustainable Valley	5 000 000	5 000 000	5 000 000
Water and Wastewater Services: Water	Water Telemetry Upgrade	Valley of Possibility	500 000	750 000	1 500 000
Water and Wastewater Services: Water	Water Treatment Works: Idasvalley	Valley of Possibility	11 000 000	15 000 000	2 000 000
Water and Wastewater Services: Water	Water Treatment Works: Paradyskloof and Associated works	Valley of Possibility	-	-	500 000
Water and Wastewater Services: Water	Waterpipe Replacement	Valley of Possibility	7 000 000	7 000 000	7 000 000
Water and Wastewater Services: Water	WSDP (tri-annually)	Valley of Possibility	400 000	400 000	-
Water and Wastewater Services: Sanitation	Access to Basic Services	Dignified Living	1 465 000	280 900	300 000
Water and Wastewater Services: Sanitation	Bulk Sewer Outfall: Jamestown	Dignified Living	30 000 000	6 000 000	-
Water and Wastewater Services: Sanitation	Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniel)	Dignified Living	-	5 000 000	26 000 000
Water and Wastewater Services: Sanitation	Cloetesville Bulk Sewer Upgrade	Dignified Living	-	-	1 000 000
Water and Wastewater Services: Sanitation	Effluent Recycling of Waste Water 10Ml per day	Dignified Living	-	-	500 000
Water and Wastewater Services: Sanitation	Extention of WWTW Klapmuts & Reclamination water unit	Valley of Possibility	-	1 000 000	5 000 000
Water and Wastewater Services: Sanitation	Franschhoek Sewer Network Upgrade	Dignified Living	5 000 000	-	-
Water and Wastewater Services: Sanitation	Furniture, Tools and Equipment : Sanitation	Good Governance and Compliance	200 000	200 000	400 000
Water and Wastewater Services: Sanitation	Industrial Effluent Monitoring	Dignified Living	750 000	1 000 000	-
Water and Wastewater Services: Sanitation	Kayamandi Bulk Sewer	Dignified Living	-	-	500 000

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Water and Wastewater Services: Sanitation	Klapmuts Bulk Sewer Upgrade	Dignified Living	-	-	1 000 000
Water and Wastewater Services: Sanitation	New Development Bulk Sewer Supply WC024	Dignified Living	1 000 000	1 000 000	1 000 000
Water and Wastewater Services: Sanitation	Sewer Pumpstation & Telemetry Upgrade	Dignified Living	1 000 000	1 000 000	1 500 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement	Dignified Living	2 000 000	3 000 000	3 000 000
Water and Wastewater Services: Sanitation	Sewerpipe Replacement: Dorp Straat	Dignified Living	12 000 000	6 000 000	-
Water and Wastewater Services: Sanitation	Update Sewer Masterplan	Dignified Living	1 500 000	1 500 000	500 000
Water and Wastewater Services: Sanitation	Upgrade Auto-Samplers	Dignified Living	100 000	150 000	200 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW Wemmershoek	Dignified Living	15 000 000	-	-
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Klapmuts	Dignified Living	1 655 000	6 000 000	10 000 000
Water and Wastewater Services: Sanitation	Upgrade of WWTW: Pniel & Decommissioning of Franschhoek	Dignified Living	40 000 000	54 684 431	-
Water and Wastewater Services: Sanitation	Vehicles	Good Governance and Compliance	-	-	1 000 000
Roads and Stormwater	Adhoc Reconstruction Of Roads (WC024)	Valley of Possibility	3 000 000	3 000 000	3 000 000
Roads and Stormwater	Bridge Rehabilitation	Valley of Possibility	3 000 000	-	-
Roads and Stormwater	Furniture, Tools and Equipment : Roads and Stormwater	Good Governance and Compliance	500 000	500 000	500 000
Roads and Stormwater	Parking area upgrades	Dignified Living	2 500 000	-	-
Roads and Stormwater	Reseal Roads - Stellenbosch & Surrrounding	Valley of Possibility	5 000 000	5 000 000	5 500 000

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Roads and Stormwater	Reseal Roads - Jamestown & Surrrounding	Valley of Possibility	1 500 000	1 500 000	1 500 000
Roads and Stormwater	Reseal Roads - Kylemore & Surrounding	Valley of Possibility	-	1 500 000	1 000 000
Roads and Stormwater	Reseal Roads - Klapmuts, Raithby, Meerlust, wemmershoek, LaMotte, Maasdorp	Valley of Possibility	-	1 000 000	1 000 000
Roads and Stormwater	Reseal Roads - Franschhoek & Surrrounding	Valley of Possibility	2 500 000	1 000 000	1 000 000
Roads and Stormwater	River Rehabilitation Implementation	Valley of Possibility	2 000 000	-	-
Roads and Stormwater	Rivers Rehabilitation Planning & Design	Valley of Possibility	1 000 000	-	-
Roads and Stormwater	Specialized Vehicles	Good Governance and Compliance	4 000 000	1 000 000	-
Roads and Stormwater	Upgrade Stormwater Water Conveyance System	Valley of Possibility	2 000 000	-	-
Roads and Stormwater	Upgrading of Laquedoc Access Road and Bridge	Valley of Possibility	2 000 000	-	-
Transport Planning	Bicycle Lockup Facilities	Safe Valley	-	1 000 000	500 000
Transport Planning	Cycle Plan - Design & Implementation	Valley of Possibility	-	500 000	500 000
Transport Planning	Comprehensive Integrated Transport Plan	Green and Sustainable Valley	1 000 000	1 000 000	1 000 000
Transport Planning	Adam Tas Road	Valley of Possibility	-	-	750 000
Transport Planning	De Beer Street	Valley of Possibility	-	100 000	100 000
Transport Planning	Joubert Street	Valley of Possibility	-	1 500 000	-
Transport Planning	Freight Strategy for Stellenbosch & Franschhoek	Valley of Possibility	-	-	200 000

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Transport Planning	Jamestown South Transport Network	Green and Sustainable Valley	2 000 000	3 000 000	4 000 000
Transport Planning	Pedestrian and Cycle paths Design and Phased implementation	Valley of Possibility	-	2 000 000	-
Transport Planning	Khayamandi Pedestrian Crossing (R304, River and Railway Line)	Valley of Possibility	2 500 000	-	-
Transport Planning	Non-Motorised Transport Implementation	Good Governance and Compliance	2 000 000	-	-
Transport Planning	Stellenbosch NMT: Jamestown - new sidewalks	Good Governance and Compliance	1 000 000	-	2 000 000
Transport Planning	Parking Development	Valley of Possibility	1 000 000	-	-
Transport Planning	Public Transport Facilities	Valley of Possibility	-	-	2 000 000
Transport Planning	Public Transport Infrastructure (Public Transport Shelters & Embayments)	Valley of Possibility	350 000	400 000	500 000
Transport Planning	Re-design of Bergzicht Public Transport Facility	Valley of Possibility	1 000 000	3 000 000	3 000 000
Transport Planning	Taxi Rank: Franschhoek	Valley of Possibility	5 000 000	-	1 500 000
Transport Planning	Taxi Rank: Kayamandi	Valley of Possibility	3 500 000	-	-
Transport Planning	Taxi Rank: Klapmuts	Valley of Possibility	2 000 000	250 000	250 000
Transport Planning	Tour Bus Parking	Valley of Possibility	500 000	-	400 000
Transport Planning	Update Roads Master Plan for WC024	Valley of Possibility	-	-	1 000 000
Traffic Engineering	Directional Information Signage	Valley of Possibility	200 000	-	-
Traffic Engineering	Furniture, Tools and Equipment : Traffic Engineering	Good Governance and Compliance	100 000	-	-

INFRASTRUCTURE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Traffic Engineering	Main Road Intersection Improvements: Franschhoek	Valley of Possibility	1 700 000	-	-
Traffic Engineering	Main road intersection improvements: Helshoogte rd/La Colline	Valley of Possibility	2 400 000	-	700 000
Traffic Engineering	Main road intersection improvements: R44 / Helshoogte	Valley of Possibility	2 000 000	100 000	100 000
Traffic Engineering	Main Road Intersection Improvements: R44 / Merriman Street	Valley of Possibility	2 000 000	100 000	100 000
Traffic Engineering	Main Road Intersection Improvements: Strand / Adam Tas / Alexander	Valley of Possibility	4 000 000	1 700 000	-
Traffic Engineering	Main Road Intersection Improvements:Pniel / Kylemore	Valley of Possibility	-	4 000 000	-
Traffic Engineering	Pedestrian Crossing Implementation	Safe Valley	100 000	2 000 000	-
Traffic Engineering	Road Traffic Management System	Safe Valley	1 500 000	2 000 000	-
Traffic Engineering	Road Transport Safety Master Plan - WC024	Safe Valley	-	500 000	-
Traffic Engineering	Signalisation implementation	Good Governance and Compliance	250 000	3 000 000	-
Traffic Engineering	Traffic Calming Projects: Implementation	Safe Valley	1 000 000	100 000	100 000
Traffic Engineering	Traffic Management Improvement Programme	Safe Valley	1 000 000	250 000	-
Traffic Engineering	Traffic Signal Control: Installation and Upgrading of Traffic Signals and Associated Components	Safe Valley	500 000	500 000	-
Traffic Engineering	Universal Access Implementation	Valley of Possibility	100 000	300 000	-
Traffic Engineering	Specialized Vehicle	Good Governance and Compliance	-	500 000	2 400 000
Traffic Engineering	Vehicles	Good Governance and Compliance	-	-	300 000
			404 715 682	**306 362 193**	**370 943 862**

CORPORATE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Information and Communications Technology	Public WI-FI Network	Valley of Possibility	600 000	600 000	700 000
Information and Communications Technology	Purchase and Replacement of Computer/software and Peripheral devices	Good Governance and Compliance	500 000	600 000	600 000
Information and Communications Technology	Upgrade and Expansion of IT Infrastructure Platforms	Good Governance and Compliance	4 000 000	4 000 000	4 000 000
Properties and Municipal Building Maintenance	Flats: Interior Upgrading: Cloetesville - Kloof and Long Streets	Dignified Living	1 500 000	-	-
Properties and Municipal Building Maintenance	Furniture Tools and Equipment: Property Management	Good Governance and Compliance	350 000	250 000	550 000
Properties and Municipal Building Maintenance	Kaymandi: Upgrading of Makapula Hall	Dignified Living	1 000 000	1 000 000	-
Properties and Municipal Building Maintenance	Kleine Libertas Precinct	Dignified Living	10 000 000	12 000 000	-
Properties and Municipal Building Maintenance	La Motte Clubhouse	Dignified Living	800 000	-	-
Properties and Municipal Building Maintenance	Structural Improvement: General	Valley of Possibility	3 400 000	5 000 000	2 000 000
Properties and Municipal Building Maintenance	Structural improvements at the Van der Stel Sport grounds	Valley of Possibility	1 000 000	1 000 000	-
Properties and Municipal Building Maintenance	Structural Upgrade: Heritage Building	Valley of Possibility	1 000 000	1 500 000	1 500 000
Properties and Municipal Building Maintenance	Structural Upgrading: Community Hall Lamotte	Valley of Possibility	300 000	-	-
Properties and Municipal Building Maintenance	Upgrading Fencing	Safe Valley	300 000	300 000	500 000
Properties and Municipal Building Maintenance	Upgrading of Community Facilities: Jonkershoek	Valley of Possibility	200 000	1 800 000	-
Properties and Municipal Building Maintenance	Upgrading of Eike Town Town Hall	Valley of Possibility	2 000 000	-	-
Properties and Municipal Building Maintenance	Upgrading of Library in Kayamandi	Valley of Possibility	200 000	1 000 000	500 000

CORPORATE SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Properties and Municipal Building Maintenance	Upgrading of New Office Space: Ryneveld Street	Valley of Possibility	1 800 000	9 000 000	-
Properties and Municipal Building Maintenance	Upgrading of Stellenbosch Town Hall	Valley of Possibility	2 500 000	-	-
Properties and Municipal Building Maintenance	Upgrading of Traffic Offices: Stellenbosch	Valley of Possibility	8 000 000	10 000 000	-
			39 450 000	**48 050 000**	**10 350 000**

COMMUNITY AND PROTECTION SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Parks and Cemeteries	Artificial grass on parks and gardens	Green and Sustainable Valley	-	-	300 000
Parks and Cemeteries	Extension of Cemetery Infrastructure	Dignified Living	1 500 000	8 000 000	9 000 000
Parks and Cemeteries	Facilities upgrade- Nursery	Green and Sustainable Valley	100 000	-	50 000
Community Development	Furniture Tools and Equipment	Good Governance and Compliance	85 000	100 000	60 000
Community Development	Vehicle	Good Governance and Compliance	-	-	500 000
Community Development	Upgrading of swimming pool	Valley of Possibility	500 000	-	-
Community Services: Library Services	Franschhoek: Furniture, Tools and Equipment	Good Governance and Compliance	65 000	-	-
Community Services: Library Services	Groendal: Furniture, Tools and Equipment	Good Governance and Compliance	75 000	-	-
Community Services: Library Services	Idas Valley: Furniture, Tools and Equipment	Good Governance and Compliance	55 000	-	-
Community Services: Library Services	Pniel: Furniture, Tools and Equipment	Good Governance and Compliance	-	-	35 000
Community Services: Library Services	Cloetesville: Furniture, Tools and Equipment	Good Governance and Compliance	50 000	-	-
Community Services: Library Services	Upgrading: Cloetesville Library	Valley of Possibility	1 000 000	700 000	-
Community Services: Library Services	Libraries: CCTV	safe Valley	300 000	-	-
Community Services: Library Services	Libraries: Small Capital	Valley of Possibility	85 000	-	-
Community Services: Library Services	Library Books	Valley of Possibility	160 000	170 000	180 000
Community Services: Library Services	Replacement of geysers	Good Governance and Compliance	-	-	100 000
Community Services: Library Services	Vehicles	Good Governance and Compliance	-	-	300 000

COMMUNITY AND PROTECTION SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Disaster Management	Specialized Vehicles: Incident command vehicle	Good Governance and Compliance	-	-	1 500 000
Disaster Management	Vehicle Fleet	Good Governance and Compliance	800 000	-	-
Environmental Management: Nature Conservation	Botmaskop: Security Fencing	Safe Valley	1 500 000	2 000 000	-
Environmental Management: Nature Conservation	Hiking Trails in Nature Areas	Green and Sustainable Valley	-	-	2 000 000
Environmental Management: Nature Conservation	Jan Marais Nature Reserve: Upgrading and maintenance of the reserve	Green and Sustainable Valley	2 000 000	1 000 000	-
Environmental Management: Nature Conservation	Mont Rochelle Nature Reserve: Upgrade of Facilities.	Green and Sustainable Valley	1 504 347	-	-
Environmental Management: Nature Conservation	Papegaaiberg Nature Reserve	Green and Sustainable Valley	1 000 000	-	-
Environmental Management: Nature Conservation	Upgrade office space: Simonsberg Road	Valley of Possibility	2 000 000	600 000	-
Environmental Management: Nature Conservation	Nature Conservation: Vehicle Fleet	Good Governance and Compliance	-	-	1 000 000
Environmental Management: Nature Conservation	Furniture, Tools and Equipment	Good Governance and Compliance	50 000	70 000	100 000
Environmental Management: Nature Conservation	Workshop: Furniture, Tools and Equipment	Good Governance and Compliance	100 000	100 000	-
Environmental Management: Nature Conservation	Workshop: Community Services Tractors	Good Governance and Compliance	-	-	800 000
Environmental Management: Nature Conservation	Workshop: Specialized equipment	Good Governance and Compliance	500 000	1 000 000	1 500 000
Environmental Management: Urban Greening	Design and implement electronic Urban Forestry management tool	Green and Sustainable Valley	-	-	250 000
Environmental Management: Urban Greening	Irrigation Systems	Green and Sustainable Valley	-	-	100 000
Environmental Management: Urban Greening	Storage Containers: Fertilisers & Pesticides.	Green and Sustainable Valley	-	-	30 000
Environmental Management: Urban Greening	Urban Forestry: Furniture, Tools and Equipment	Good Governance and Compliance	-	-	500 000

COMMUNITY AND PROTECTION SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Environmental Management: Urban Greening	Urban Forestry Specialized equipment	Good Governance and Compliance	-	-	1 200 000
Environmental Management: Urban Greening	Urban Forestry: Vehicle Fleet	Good Governance and Compliance	1 000 000	1 500 000	-
Environmental Management: Urban Greening	Urban Greening: Beautification: Main Routes and Tourist Routes	Green and Sustainable Valley	150 000	250 000	-
Fire and Rescue Services	Furniture Tools and Equipment	Good Governance and Compliance	400 000	-	400 000
Fire and Rescue Services	Major Fire Pumper	Safe Valley	5 000 000	-	-
Fire and Rescue Services	Rapid Response Vehicle	Safe Valley	-	-	2 500 000
Fire and Rescue Services	Vehicle Fleet	Good Governance and Compliance	1 000 000	1 000 000	-
Fire and Rescue Services	Rescue equipment	Safe Valley	300 000	-	300 000
Recreation, Sports Grounds & Halls	Borehole: Rural Sportsgrounds	Green and Sustainable Valley	550 000	550 000	-
Recreation, Sports Grounds & Halls	Fencing: Sport Grounds (WC024)	Safe Valley	1 000 000	1 000 000	1 500 000
Law Enforcement and Security	Furniture Tools and Equipment	Good Governance and Compliance	300 000	300 000	200 000
Law Enforcement and Security	Install and Upgrade CCTV/ LPR Cameras In WC024	Safe Valley	2 000 000	2 000 000	2 000 000
Law Enforcement and Security	Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings	Safe Valley	950 000	950 000	500 000
Law Enforcement and Security	Law Enforcement Tools and Equipment	Safe Valley	750 000	750 000	750 000
Law Enforcement and Security	Law Enforcement: Vehicle Fleet	Good Governance and Compliance	2 500 000	2 500 000	2 500 000
Law Enforcement and Security	Neighbourhood Watch Safety equipment	Safe Valley	1 500 000	800 000	500 000
Law Enforcement and Security	Office accommodation	Valley of Possibility	-	-	1 000 000

COMMUNITY AND PROTECTION SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Parks and Cemeteries	Fencing on Various Parks and Gardens	safe Valley	-	-	200 000
Parks and Cemeteries	Pathways on Parks & gardens	Green and Sustainable Valley	100 000	100 000	200 000
Parks and Cemeteries	Upgrading of Parks	Green and Sustainable Valley	1 500 000	1 600 000	1 700 000
Parks and Cemeteries	Integrated and Spray Parks	Green and Sustainable Valley	5 000 000	3 000 000	3 000 000
Parks and Cemeteries	Landscaping of Circles in Stellenbosch	Green and Sustainable Valley	150 000	-	-
Parks and Cemeteries	Furniture, Tools and Equipment	Good Governance and Compliance	50 000	50 000	200 000
Parks and Cemeteries	Horticulture Furniture, Tools and Equipment	Good Governance and Compliance	80 000	-	30 000
Parks and Cemeteries	Purchase of Equipment	Good Governance and Compliance	30 000	-	-
Parks and Cemeteries	River development	Green and Sustainable Valley	-	-	250 000
Parks and Cemeteries	Specialized Vehicle	Good Governance and Compliance	1 000 000	-	-
Parks and Cemeteries	Vehicle Fleet	Good Governance and Compliance	-	1 000 000	-
Recreation, Sports Grounds & Halls	Furniture, Tools & Equipment	Good Governance and Compliance	450 000	400 000	300 000
Recreation, Sports Grounds & Halls	Recreational Equipment Sport	Valley of Possibility	80 000	80 000	100 000
Recreation, Sports Grounds & Halls	Re-Surface of Netball/Tennis Courts	Valley of Possibility	-	-	550 000
Recreation, Sports Grounds & Halls	Sight Screens/Pitch Covers Sports Grounds	Valley of Possibility	250 000	250 000	250 000
Recreation, Sports Grounds & Halls	Sport: Community Services Special Equipment	Valley of Possibility	300 000	300 000	300 000
Recreation, Sports Grounds & Halls	Upgrade of Irrigation System	Green and Sustainable Valley	-	-	200 000

COMMUNITY AND PROTECTION SERVICES

Department	Name	Strategic Objective	2020/2021	2021/2022	2022/2023
Recreation, Sports Grounds & Halls	Upgrade of Sport Facilities	Valley of Possibility	7 000 000	8 000 000	-
Recreation, Sports Grounds & Halls	Upgrading of Halls	Valley of Possibility	-	-	250 000
Recreation, Sports Grounds & Halls	Vehicle Fleet	Good Governance and Compliance	600 000	600 000	950 000
Traffic Services	Furniture, Tools & Equipment	Good Governance and Compliance	220 000	585 000	965 000
Traffic Services	Mobile Radios	Safe Valley	200 000	200 000	-
Traffic Services	Replacement of Patrol Vehicles	Safe Valley	1 200 000	1 225 000	2 800 000
Traffic Services	Specialized Vehicle	Safe Valley	-	-	1 200 000
			49 039 347	**42 730 000**	**45 100 000**

FINANCIAL SERVICES

Department	Name		2020/2021	2021/2022	2022/2023
Financial Services: General	Furniture, Tools & Equipment	Good Governance and Compliance	600 000	200 000	200 000
Financial Services: General	Vehicle Fleet	Good Governance and Compliance	250 000	-	-
			850 000	**200 000**	**200 000**

O: LEGISLATION COMPLIANCE

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

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

P: OTHER SUPPORTING DOCUMENTS

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

SA1 - Supporting detail to Budgeted Financial Performance
SA2 - Matrix Financial Performance Budget (revenue source/expenditure type and type)
SA3 - Supporting detail to Budgeted Financial Position
SA4 - Reconciliation of IDP strategic objectives and budget (revenue)
SA5 - Reconciliation of IDP strategic objectives and budget (operational expenditure)
SA6 - Reconciliation of IDP strategic objectives and budget (capital expenditure)
SA7 - Measurable Performance Objectives
SA8 - Performance indicators and benchmarks
SA9 - Social, economic and demographic statistics and assumptions
SA10 - Funding measurement
SA11 - Property Rates Summary
SA12a- Property rates by category (2019/2020)
SA12b- Property rates by category (2020/2021)
SA13a Service Tariffs by category
SA13b Service Tariffs by category-explanatory
SA14 - Household bills
SA15 - Investment particulars by type
SA16 - Investment particulars by maturity
SA17 - Borrowing
SA18 - Transfers and grant receipts
SA19 - Expenditure on transfers and grant programme
SA20 - Reconciliation of transfers grant receipts and unspent funds
SA21 - Transfers and grants made by the municipality
SA22 - Summary councillor and staff benefits
SA23 - Salaries, allowances & benefits (political office bearers/councilors/senior managers)
SA24 - Summary of personnel numbers
SA25 - Consolidated budgeted monthly revenue and expenditure
SA26 - Budgeted monthly revenue and expenditure (municipal vote)
SA27 - Budgeted monthly revenue and expenditure (functional classification)

SA28 - Budgeted monthly capital expenditure (municipal vote)

SA29 - Budgeted monthly capital expenditure (functional classification)

SA30 - Budgeted monthly cash flow

SA31 - Not applicable

SA32 - List of external mechanism

SA33 - Contracts having future budgetary implications

SA34a- Capital expenditure on new asset class

SA34b- Capital expenditure on the renewal of existing assets by asset class

SA34c- Repairs and maintenance expenditure by asset class

SA34d- Depreciation by asset class

SA34e- Capital expenditure on the upgrading of existing assets by asset class

SA35 - Future financial implications of the capital budget

SA36 - Detailed Capital Budget

SA37 - Projects delayed from previous financial years

SA38 - Consolidated detailed operational projects

WC024 Stellenbosch - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		290 028	309 989	332 958	356 122	356 122	356 122	392 239	417 735	444 889
less Revenue Foregone ***(exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)***		–								
Net Property Rates		**290 028**	**309 989**	**332 958**	**356 122**	**356 122**	**356 122**	**392 239**	**417 735**	**444 889**
Service charges - electricity revenue	6									
Total Service charges - electricity revenue		513 225	523 068	531 494	642 069	697 069	697 069	707 441	760 500	817 538
less Revenue Foregone ***(in excess of 50 kwh per indigent household per month)***		–								
less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	2 182	2 182	2 182	12 554	13 496	14 508
Net Service charges - electricity revenue		**513 225**	**523 068**	**531 494**	**639 886**	**694 886**	**694 886**	**694 887**	**747 004**	**803 030**
Service charges - water revenue	6									
Total Service charges - water revenue		**159 539**	**197 306**	**147 276**	**226 205**	**186 205**	**186 205**	**168 720**	**181 374**	**194 978**
less Revenue Foregone ***(in excess of 6 kilolitres per indigent household per month)***		–								
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–	1 672	1 797	1 932
Net Service charges - water revenue		**159 539**	**197 306**	**147 276**	**226 205**	**186 205**	**186 205**	**167 048**	**179 577**	**193 045**
Service charges - sanitation revenue										
Total Service charges - sanitation revenue		81 352	**91 619**	**83 862**	**123 161**	**123 161**	**123 161**	**118 312**	**126 594**	**135 455**
less Revenue Foregone ***(in excess of free sanitation service to indigent households)***		–								
less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–	10 298	11 019	11 790
Net Service charges - sanitation revenue		**81 352**	**91 619**	**83 862**	**123 161**	**123 161**	**123 161**	**108 014**	**115 575**	**123 665**
Service charges - refuse revenue	6									
Total refuse removal revenue		41 059	50 008	55 128	69 225	69 225	69 225	78 305	91 225	106 278
Total landfill revenue		–								
less Revenue Foregone ***(in excess of one removal a week to indigent households)***		–								
less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	–	–	–	15 854	18 470	21 518
Net Service charges - refuse revenue		**41 059**	**50 008**	**55 128**	**69 225**	**69 225**	**69 225**	**62 451**	**72 755**	**84 760**
Other Revenue by source										
Fuel Levy		–								
Other Revenue		–								
Encroachment Fees		–								
Merchandising, Jobbing and Contracts		–								
Building Plan Approval		–								
Parking Fees		–								
Collection Charges		–								
Cemetery and Burial		–								
Other Revenue		25 195	25 125	26 705	43 902	40 475	40 475	39 408	42 181	45 152
		–								
		–								
		–								
Total 'Other' Revenue	1	**25 195**	**25 125**	**26 705**	**43 902**	**40 475**	**40 475**	**39 408**	**42 181**	**45 152**
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	291 743	291 072	301 079	350 317	324 365	324 365	338 870	362 124	392 744
Pension and UIF Contributions		40 886	44 645	47 734	60 291	58 243	58 243	61 260	66 712	72 649
Medical Aid Contributions		18 812	20 027	21 652	26 406	25 406	25 406	27 962	30 451	33 161
Overtime		22 552	29 350	31 607	–	–	–	39 498	43 013	46 841
Performance Bonus		88	323	591	27 014	27 014	27 014	29 516	32 143	35 003
Motor Vehicle Allowance		11 065	9 919	9 781	13 969	13 969	13 969	15 586	16 973	18 484
Cellphone Allowance		750	944	1 342	1 003	1 003	1 003	1 143	1 245	1 356
Housing Allowances		2 143	2 233	2 853	2 875	2 875	2 875	3 897	4 244	4 621
Other benefits and allowances		21 537	42 783	44 475	62 641	60 641	60 641	30 109	32 762	35 651
Payments in lieu of leave		–			2 007	2 007	2 007			
Long service awards		–			5 980	980	980	1 067	1 162	1 265
Post-retirement benefit obligations	4	–			50 765	40 765	40 765	30 131	32 240	34 497
sub-total	5	**409 575**	**441 295**	**461 114**	**603 268**	**557 268**	**557 268**	**579 039**	**623 069**	**676 274**
Less: Employees costs capitalised to PPE		–								
Total Employee related costs	1	**409 575**	**441 295**	**461 114**	**603 268**	**557 268**	**557 268**	**579 039**	**623 069**	**676 274**

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		149 139	157 550	174 959	194 802	194 802	194 802	205 628	214 881	224 550
Lease amortisation		–			2 383	2 383	2 383			
Capital asset impairment		–			9 772	9 772	9 772			
Total Depreciation & asset impairment	1	**149 139**	**157 550**	**174 959**	**206 956**	**206 956**	**206 956**	**205 628**	**214 881**	**224 550**
Bulk purchases										
Electricity Bulk Purchases		323 673	313 553	350 008	375 842	424 842	424 842	455 254	487 122	521 220
Water Bulk Purchases		24 155	16 127	30 662	30 616	29 116	29 116	26 942	29 030	31 281
Total bulk purchases	1	**347 828**	**329 679**	**380 671**	**406 458**	**453 958**	**453 958**	**482 196**	**516 151**	**552 501**
Transfers and grants										
Cash transfers and grants		6 933	6 261	8 990	10 049	11 104	11 104	10 069	10 600	11 200
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–
Total transfers and grants	1	**6 933**	**6 261**	**8 990**	**10 049**	**11 104**	**11 104**	**10 069**	**10 600**	**11 200**
Contracted services										
Outsourced Services		44 938	38 291	54 111	73 978	102 163	102 163	94 932	98 599	103 032
Consultants and Professional Services		43 122	29 430	31 526	36 676	49 183	49 183	40 746	30 519	31 900
Contractors		61 098	57 363	66 180	127 303	124 635	124 635	109 800	115 626	120 849
Total contracted services		**149 158**	**125 083**	**151 818**	**237 957**	**275 981**	**275 981**	**245 478**	**244 744**	**255 781**
Other Expenditure By Type										
Collection costs		–								
Contributions to 'other' provisions		–								
Audit fees		–								
Other Expenditure		134 189	118 937	121 829	176 689	176 440	176 440	188 273	197 150	207 520
Total 'Other' Expenditure	1	**134 189**	**118 937**	**121 829**	**176 689**	**176 440**	**176 440**	**188 273**	**197 150**	**207 520**
by Expenditure Item	8									
Employee related costs		–								
Other materials		–								
Contracted Services		–								
Other Expenditure		59 140	43 056	60 923	91 240	91 240	91 240	90 823	95 172	99 469
Total Repairs and Maintenance Expenditure	9	59 140	43 056	60 923	91 240	91 240	91 240	90 823	95 172	99 469

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

Description R thousand	Ref 1	Vote 1 - Office of the Municipal Manager	Vote 2 - Planning and Development Services	Vote 3 - Infrastructure Services	Vote 4 - Community and Protection Services	Vote 5 - Corporate Services	Vote 6 - Financial Services	Total
Revenue By Source								
Property rates							392 239	**392 239**
Service charges - electricity revenue				707 441				**707 441**
Service charges - water revenue				168 720				**168 720**
Service charges - sanitation revenue				118 312				**118 312**
Service charges - refuse revenue				78 305				**78 305**
Rental of facilities and equipment			15 967		57	269		**16 292**
Interest earned - external investments							37 870	**37 870**
Interest earned - outstanding debtors				9 741	140 853		3 540	**154 135**
Dividends received					5 201			**5 201**
Fines, penalties and forfeits			27		2 931		0	**2 958**
Licences and permits			17		21 246	150	135	**21 547**
Agency services					15 256			**15 256**
Other revenue			6 709	4 619		3 646	3 188	**18 162**
Transfers and subsidies			2 838	109 388		238	50 987	**163 451**
Gains								**–**
Total Revenue (excluding capital transfers and contributio		**–**	**25 557**	**1 196 526**	**185 545**	**4 303**	**487 960**	**1 899 891**
Expenditure By Type								
Employee related costs		29 200	68 842	168 151	160 110	77 302	75 834	**579 439**
Remuneration of councillors		–	–	–	–	21 133	–	**21 133**
Debt impairment		–	4 718	15 645	51 874	–	1 769	**74 007**
Depreciation & asset impairment		2 990	3 579	169 830	15 299	10 997	2 934	**205 628**
Finance charges		–	–	51 349	–	–	–	**51 349**
Bulk purchases		–	–	482 196	–	–	–	**482 196**
Other materials		499	2 225	23 981	11 697	2 386	918	**41 706**
Contracted services		5 697	11 454	142 576	72 591	22 355	11 081	**265 754**
Transfers and subsidies		–	8 869	–	1 200	–	–	**10 069**
Other expenditure		9 916	6 684	53 590	49 984	49 493	18 791	**188 459**
Losses								**–**
Total Expenditure		**48 303**	**106 371**	**1 107 318**	**362 755**	**183 665**	**111 327**	**1 919 739**
Surplus/(Deficit)		**(48 303)**	**(80 813)**	**89 208**	**(177 210)**	**(179 362)**	**376 633**	**(19 848)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			**57 339**	**55 190**	**7 000**			**119 529**
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								**–**
Transfers and subsidies - capital (in-kind - all)								**–**
Surplus/(Deficit) after capital transfers & contributions		**(48 303)**	**(23 474)**	**144 398**	**(170 210)**	**(179 362)**	**376 633**	**99 681**

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS										
Call investment deposits										
Call deposits		–	–							
Other current investments		322 475	505 618	398 164	323 254	390 111	390 111	331 339	337 764	333 553
Total Call investment deposits		**322 475**	**505 618**	**398 164**	**323 254**	**390 111**	**390 111**	**331 339**	**337 764**	**333 553**
Consumer debtors										
Consumer debtors		181 445	312 344	326 093	263 296	263 296	263 296	343 050	425 435	510 767
Less: Provision for debt impairment		61 387	127 452	150 751	114 500	114 500	114 500	154 164	195 613	238 928
Total Consumer debtors	2	**120 058**	**184 892**	**175 342**	**148 796**	**148 796**	**148 796**	**188 886**	**229 821**	**271 839**
Debt impairment provision										
Balance at the beginning of the year		68 286	105 867	127 452	75 926	75 926	75 926	114 500	154 164	195 613
Contributions to the provision		(6 898)	21 586	23 299	–	–	–			
Bad debts written off		–			38 574	38 574	38 574	39 664	41 449	43 314
Balance at end of year		**61 387**	**127 452**	**150 751**	**114 500**	**114 500**	**114 500**	**154 164**	**195 613**	**238 928**
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)		5 608 774	6 047 611	6 495 235	7 201 635	7 254 982	7 254 982	7 747 853	8 132 944	8 579 884
Leases recognised as PPE	3		–		–	–	–			
Less: Accumulated depreciation		1 180 600	1 297 006	1 438 174	1 733 062	1 733 062	1 733 062	1 938 690	2 153 570	2 378 121
Total Property, plant and equipment (PPE)	2	**4 428 174**	**4 750 606**	**5 057 061**	**5 468 573**	**5 521 920**	**5 521 920**	**5 809 163**	**5 979 374**	**6 201 763**
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)		–								
Current portion of long-term liabilities		13 084	14 502	25 870	26 311	26 311	26 311	31 078	38 078	45 578
Total Current liabilities - Borrowing		**13 084**	**14 502**	**25 870**	**26 311**	**26 311**	**26 311**	**31 078**	**38 078**	**45 578**
Trade and other payables										
Trade Payables	5	282 087	243 316	269 021	254 131	254 131	254 131	234 131	214 131	194 131
Other creditors		–								
Unspent conditional transfers		88 493	100 324	148 234						
VAT		–								
Total Trade and other payables	2	**370 581**	**343 640**	**417 255**	**254 131**	**254 131**	**254 131**	**234 131**	**214 131**	**194 131**
Non current liabilities - Borrowing										
Borrowing	4	173 302	158 800	292 930	449 591	449 591	449 591	578 513	660 436	734 858
Finance leases (including PPP asset element)		–								
Total Non current liabilities - Borrowing		**173 302**	**158 800**	**292 930**	**449 591**	**449 591**	**449 591**	**578 513**	**660 436**	**734 858**
Provisions - non-current										
Retirement benefits		220 223	217 471	201 831	247 335	247 335	247 335	274 453	303 469	334 517
Refuse landfill site rehabilitation		78 169	79 165	101 702	46 888	46 888	46 888	53 770	60 961	68 476
Other		–								
Total Provisions - non-current		**298 392**	**296 636**	**303 532**	**294 223**	**294 223**	**294 223**	**328 223**	**364 430**	**402 993**
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance		4 685 548	5 162 592	5 287 154	5 537 458	5 537 254	5 537 254	5 712 342	5 854 854	5 984 071
GRAP adjustments		–								
Restated balance		4 685 548	5 162 592	5 287 154	5 537 458	5 537 254	5 537 254	5 712 342	5 854 854	5 984 071
Surplus/(Deficit)		217 967	263 579	124 562	111 488	110 915	110 915	119 956	105 930	119 530
Transfers to/from Reserves		–								
Depreciation offsets		–								
Other adjustments		–	(244 888)	(171 617)	(57 682)	64 173	64 173	22 556	23 287	40 482
Accumulated Surplus/(Deficit)	1	**4 903 515**	**5 181 283**	**5 240 099**	**5 591 263**	**5 712 342**	**5 712 342**	**5 854 854**	**5 984 071**	**6 144 083**
Reserves										
Housing Development Fund		–								
Capital replacement		–								
Self-insurance		–								
Other reserves		–								
Revaluation		–								
Total Reserves	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL COMMUNITY WEALTH/EQUITY	2	**4 903 515**	**5 181 283**	**5 240 099**	**5 591 263**	**5 712 342**	**5 712 342**	**5 854 854**	**5 984 071**	**6 144 083**

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

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Green and Sustainable Valley	Green and Sustainable Valley			69 840	75 684	79 450	92 235	92 235	92 235	93 750	95 388	97 472
Valley of Possibility	Valley of Possibility			891 183	915 435	925 987	1 166 851	1 166 851	1 166 851	1 136 193	1 172 605	1 257 700
Dignified Living	Dignified Living			68 830	74 131	70 875	89 235	122 427	122 427	119 526	152 377	178 577
Safe Valley	Safe Valley			112 374	132 098	116 610	120 736	120 736	120 736	166 752	176 408	187 156
Good Governance and Compliance	Good Governance and Compliance			390 452	412 565	419 217	450 678	450 678	450 678	503 199	523 585	552 306
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**1 532 679**	**1 609 913**	**1 612 139**	**1 919 735**	**1 952 927**	**1 952 927**	**2 019 420**	**2 120 364**	**2 273 211**

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

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Green and Sustainable Valley	Green and Sustainable Valley			79 824	148 521	152 907	134 693	134 693	134 693	56 240	58 867	62 951
Valley of Possibility	Valley of Possibility			679 885	558 757	668 493	929 325	963 090	963 090	56 488	57 263	61 248
Dignified Living	Dignified Living			111 736	144 272	152 099	175 098	175 098	175 098	1 195 754	1 281 822	1 373 326
Safe Valley	Safe Valley			179 051	227 413	226 987	260 235	260 235	260 235	252 153	265 609	280 922
Good Governance and Compliance	Good Governance and Compliance			264 216	267 371	287 092	308 896	308 896	308 896	338 827	350 873	375 233
Allocations to other priorities												
Total Expenditure			1	**1 314 712**	**1 346 334**	**1 487 578**	**1 808 247**	**1 842 012**	**1 842 012**	**1 899 463**	**2 014 434**	**2 153 680**

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

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Green and Sustainable Valley	Green and Sustainable Valley	A		23 731	19 856	25 981	63 780	58 660	58 660	30 954	37 450	64 180
Valley of Possibility	Valley of Possibility	B		21 028	128 935	135 095	242 601	216 006	216 006	237 725	202 470	224 635
Dignified Living	Dignified Living	C		341 861	262 590	320 676	177 861	197 023	197 023	183 010	120 815	99 500
Safe Valley	Safe Valley	D		18 566	10 596	9 654	39 820	42 900	42 900	21 100	17 575	15 350
Good Governance and Compliance	Good Governance and Compliance	E		5 017	11 705	1 898	29 715	97 908	97 908	30 297	25 495	29 543
Allocations to other priorities			3									
Total Capital Expenditure			1	**410 203**	**433 682**	**493 304**	**553 777**	**612 498**	**612 498**	**503 086**	**403 805**	**433 208**

WC024 Stellenbosch - Supporting Table SA7 Measureable performance objectives

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Vote 1 - Municipal Manager									
Function 1 - Budget Performance									
Sub-function 1 - Capital Expenditure	36 051	148 801	32 557	85 000	285 000	285 000	285 000	35 000	40 000
Insert measure/s description									
Sub-function 2 - Operational Expenditure	8 238 911	17 254 619	18 393 857	30 232 351	33 607 414	33 607 414	52 257 775	53 488 863	55 780 101
Insert measure/s description									
Sub-function 3 - Operational Revenue	-	-	-	360 000	360 000	360 000	387 360	416 799	448 476
Insert measure/s description									
Vote 2 - Planning and Development Services									
Function 1 - Budget Performance									
Sub-function 1 - Capital Expenditure	1 315 413	2 860 286	5 570 904	13 030 000	13 517 538	13 517 538	13 517 538	9 950 000	5 001 600
Insert measure/s description									
Sub-function 2 - Operational Expenditure	35 427 645	56 227 204	55 540 580	104 508 518	118 915 222	118 915 222	109 278 726	112 576 917	120 939 194
Insert measure/s description									
Sub-function 3 - Operational Revenue	6 422 798	10 266 502	11 227 770	71 543 195	89 260 819	89 260 819	96 044 641	103 344 034	111 198 181
Insert measure/s description									
Vote 3 - Human Settlements									
Function 1 - Budget Performance									
Sub-function 1 - Capital Expenditure	27 822 003	36 410 428							
Insert measure/s description									
Sub-function 2 - Operational Expenditure	75 822 801	65 441 660							
Insert measure/s description									
Sub-function 3 - Operational Revenue	59 713 665	38 679 360							
Insert measure/s description									
Vote 4 - Community & Protection									
Function 1 - Budget Performance									
Sub-function 1 - Capital Expenditure	14 904 068	19 302 239	337 743 802	52 690 000	45 902 450	45 902 450	45 902 450	64 315 000	28 245 000
Insert measure/s description									
Sub-function 2 - Operational Expenditure	228 451 039	261 992 054	736 873 119	370 026 172	364 119 842	364 119 842	357 525 777	379 804 910	404 175 565
Insert measure/s description									
Sub-function 3 - Operational Revenue	117 022 448	126 660 294	147 486 883	137 269 341	137 269 341	137 269 341	147 701 811	158 927 149	171 005 612
Insert measure/s description									
Vote 5 - Infrastructure services									
Function 1 - Budget Performance									
Sub-function 1 - Capital Expenditure	297 722 194	347 392 959	80 696 265	431 440 751	470 553 955	470 553 955	470 553 955	378 857 056	353 625 915
Insert measure/s description									
Sub-function 2 - Operational Expenditure	791 659 110	727 774 390	61 463 447	939 734 241	912 529 941	912 529 941	972 005 815	1 046 404 189	1 115 437 235
Insert measure/s description									
Sub-function 3 - Operational Revenue	883 729 455	968 043 473	36 445 615	1 077 892 328	1 064 407 034	1 064 407 034	1 196 524 526	1 200 828 032	1 283 093 310
Insert measure/s description									
Vote 5 - Corporate services									
Function 1 - Budget Performance									
Sub-function 1 - Capital Expenditure	4 931 170	3 934 279	5 950 664	30 081 869	32 391 287	32 391 287	38 859 418	103 970 000	27 950 000
Insert measure/s description									
Sub-function 2 - Operational Expenditure	81 672 533	114 053 416	302 208 434	175 476 943	176 481 880	176 481 880	184 054 859	195 929 917	209 548 123
Insert measure/s description									
Sub-function 3 - Operational Revenue	1 540 410	2 090 375	-	360 000	360 000	360 000	387 360	416 799	448 476
Insert measure/s description									
Vote 7 - Financial services									
Function 1 - Budget Performance									
Sub-function 1 - Capital Expenditure	1 288 598	154 201	446 150	450 000	900 000	900 000	900 000	150 000	150 000
Insert measure/s description									
Sub-function 2 - Operational Expenditure	38 489 209	96 539 452	115 809 302	96 351 921	113 450 151	113 450 151	133 124 272	137 056 848	142 471 654
Insert measure/s description									
Sub-function 3 - Operational Revenue	344 536 819	405 271 470	3 809 785	422 123 138	437 435 138	437 435 138	468 680 208	498 451 904	526 942 249
Insert measure/s description									

WC024 Stellenbosch - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.4%	2.4%	2.5%	3.4%	2.8%	2.8%	4.1%	4.8%	5.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.4%	2.3%	2.7%	3.8%	3.1%	3.1%	4.5%	5.2%	5.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	40.1%	38.8%	25.6%	25.6%	47.0%	39.4%	36.1%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity										
Current Ratio	Current assets/current liabilities	2.1	2.2	1.6	2.2	2.4	2.4	2.4	2.6	2.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.1	2.2	1.6	2.2	2.4	2.4	2.4	2.6	2.8
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	1.3	1.1	1.1	1.2	1.2	1.1	1.1	1.1
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		95.7%	98.6%	97.4%	96.9%	96.9%	0.0%	96.0%	96.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		95.8%	98.6%	97.4%	96.9%	96.9%	96.9%	96.0%	96.0%	96.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	20.2%	21.8%	15.9%	20.2%	19.9%	19.9%	21.3%	22.2%	22.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Creditors to Cash and Investments		94.2%	1176.4%	158.7%	68.7%	62.3%	62.3%	64.8%	58.5%	54.1%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	23 531	374 764	379 353	21 178	21 178	21 178	383 147	386 978	390 848
	Total Cost of Losses (Rand '000)		21 488	28 627	1 525	1 525	1 525	26 820	27 088	27 359
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	5.7%	7.5%	7.2%	7.2%	7.2%	7.0%	7.0%	7.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	2 648	8 645	9 051	9 141	9 141	9 141	9 233	9 325	9 418
	Total Cost of Losses (Rand '000)		1 868	2 535	2 011	2 011	2 011	2 031	2 051	2 072
	% Volume (units purchased and generated less units sold)/units purchased and generated	217%	21.6%	28.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.7%	29.0%	30.3%	33.9%	30.8%	30.8%	30.5%	30.8%	31.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.7%	30.1%	31.4%	35.0%	31.9%	31.9%	31.6%	31.9%	32.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.1%	2.8%	4.0%	3.7%	5.1%	5.1%	4.8%	4.7%	4.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.8%	11.5%	13.1%	13.9%	13.1%	13.1%	13.5%	13.8%	13.9%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	19.1	20.9	18.2	21.2	21.2	21.2	21.7	22.5	24.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	25.8%	28.0%	20.5%	25.4%	25.1%	25.1%	27.0%	28.0%	28.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.3	0.2	1.7	3.1	3.3	3.3	2.8	2.7	2.5

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

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Statistics South Africa	201	156	171	174	184	195	207	207	207	207
Females aged 5 - 14		Statistics South Africa	18	11	12	12	13	14	15	15	15	15
Males aged 5 - 14		Statistics South Africa	16	11	12	13	13	14	15	15	15	15
Females aged 15 - 34		Statistics South Africa	39	33	36	38	40	42	45	45	45	45
Males aged 15 - 34		Statistics South Africa	42	33	36	37	39	42	44	44	44	44
Unemployment		Statistics South Africa	16	10	11	12	12	13	14	14	14	14
Monthly household income (no. of households)	1, 12											
No income		Statistics South Africa, regional economic growth	3 557	8 961	9 820	10 124	10 731	11 375	12 058	12 299	12 545	12 796
R1 - R1 600		Statistics South Africa, regional economic growth	245	914	2 065	2 093	2 219	2 352	2 493	2 543	2 594	2 646
R1 601 - R3 200		Statistics South Africa, regional economic growth	1 126	1 517	1 614	1 666	1 766	1 872	1 984	2 024	2 065	2 107
R3 201 - R6 400		Statistics South Africa, regional economic growth	3 728	4 415	4 699	4 849	5 140	5 448	5 775	5 891	6 009	6 129
R6 401 - R12 800		Statistics South Africa, regional economic growth	4 484	7 160	7 620	7 864	8 336	8 836	9 366	9 553	9 744	9 939
R12 801 - R25 600		Statistics South Africa, regional economic growth	6 463	6 742	7 176	7 406	7 850	8 321	8 821	8 997	9 177	9 361
R25 601 - R51 200		Statistics South Africa, regional economic growth	4 144	4 994	5 316	5 486	5 815	6 164	6 534	6 665	6 799	6 936
R52 201 - R102 400		Statistics South Africa, regional economic growth	2 578	3 671	3 907	4 032	4 274	4 530	4 802	4 898	4 996	5 096
R102 401 - R204 800		Statistics South Africa, regional economic growth	1 680	2 874	3 058	3 156	3 345	3 546	3 759	3 834	3 911	3 990
R204 801 - R409 600		Statistics South Africa, regional economic growth	69	1 432	1 523	1 572	1 666	1 766	1 872	1 910	1 948	1 987
R409 601 - R819 200		Statistics South Africa, regional economic growth	242	430	458	473	501	531	563	575	587	599
> R819 200		Statistics South Africa, regional economic growth	245	305	325	335	355	376	399	407	415	423
Poverty profiles (no. of households)												
< R2 060 per household per month	13		8 656	15 807	16 824	17362.00	18403.72	19507.94	20678.42	21256.00	21850.00	22461.00
Insert description	2				<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600
Household/demographics (000)												
Number of people in municipal area		Statistics South Africa, regional population growth rate	200 524	155 718	170 654	176	187	198	210	210	210	210
Number of poor people in municipal area		Statistics South Africa, regional population growth rate										
Number of households in municipal area		Statistics South Africa, regional population growth rate	36 413	43 417	47 582	49	52	55	58	58	58	58
Number of poor households in municipal area		Statistics South Africa, regional population growth rate	8 656	15 807	17 323	18	19	20	21	21	21	21
Definition of poor household (R per month)					<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600	<R1600
Housing statistics	3											
Formal			32 918	32 620	35 749	36 857	39 068	41 413	43 897	46 531	49 323	52 283
Informal			3 495	10 796	11 832	12 199	12 931	13 707	14 529	15 401	16 325	17 304
Total number of households			36 413	43 417	47 581	49 056	51 999	55 119	58 426	61 932	65 648	69 587
Dwellings provided by municipality	4		-	-	-							
Dwellings provided by province/s			-	-	-							
Dwellings provided by private sector	5		-	-	-							
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Economic	6											
Inflation/inflation outlook (CPIX)						5.4%	5.3%	5.3%	5.2%	4.5%	4.6%	4.6%
Interest rate - borrowing						11.0%	11.0%	10.5%	10.5%	10.5%	10.5%	10.5%
Interest rate - investment						7.0%	8.0%	8.5%	8.5%	8.5%	8.5%	8.5%
Remuneration increases						7.0%	7.0%	7.0%	7.0%	6.3%	7.0%	7.0%
Consumption growth (electricity)						0.0%	-1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)						0.0%	0.5%	-1.0%	-1.0%	1.0%	1.0%	1.0%
Collection rates	7											
Property tax/service charges						98.0%	97.0%	96.0%	96.0%	96.0%	96.0%	96.0%
Rental of facilities & equipment						83.0%	83.0%	97.0%	97.0%	97.0%	97.0%	97.0%
Interest - external investments						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors						97.0%	97.0%	96.0%	96.0%	96.0%	96.0%	96.0%
Revenue from agency services						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	36 779	38 618	39 599	40 626	40 626	40 626	40 626	40 676	40 726
		Piped water inside yard (but not in dwelling)	3 854	4 047	4 249	4 461	4 461	4 461	4 461	4 561	4 664
	8	Using public tap (at least min.service level)	6 828	7 169	4 528	4 778	4 778	4 778	4 778	4 878	4 980
	10	Other water supply (at least min.service level)	–	–	1 774	684	684	684	684	834	1 017
		Minimum Service Level and Above sub-total	47 461	49 834	50 150	50 550	50 550	50 550	50 550	50 950	51 387
	9	Using public tap (< min.service level)	1 305	1 370	1 270	1 170	1 170	1 170	1 170	1 070	979
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	292	307	257	207	207	207	207	157	119
		Below Minimum Service Level sub-total	1 597	1 677	1 527	1 377	1 377	1 377	1 377	1 227	1 098
		Total number of households	**49 058**	**51 511**	**51 677**	**51 927**	**51 927**	**51 927**	**51 927**	**52 177**	**52 485**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	43 679	45 863	46 206	46 256	46 256	46 256	46 256	46 306	46 356
		Flush toilet (with septic tank)	1 873	1 967	2 065	2 165	2 165	2 165	2 165	2 265	2 370
		Chemical toilet	352	370	388	407	407	407	407	420	433
		Pit toilet (ventilated)	229	240	150	50	50	50	50	–	–
		Other toilet provisions (> min.service level)	1 137	1 194	1 468	1 898	1 898	1 898	1 898	2 236	2 633
		Minimum Service Level and Above sub-total	47 270	49 634	50 277	50 777	50 777	50 777	50 777	51 227	51 792
		Bucket toilet	1 172	1 231	900	800	800	800	800	700	613
		Other toilet provisions (< min.service level)	182	191	150	50	50	50	50	–	–
		No toilet provisions	434	456	350	300	300	300	300	250	208
		Below Minimum Service Level sub-total	1 788	1 877	1 400	1 150	1 150	1 150	1 150	950	821
		Total number of households	**49 058**	**51 511**	**51 677**	**51 927**	**51 927**	**51 927**	**51 927**	**52 177**	**52 613**
		Energy:									
		Electricity (at least min.service level)	13 639	14 321	14 571	14 821	14 821	14 821	14 821	15 071	15 325
		Electricity - prepaid (min.service level)	32 860	34 503	34 753	35 003	35 003	35 003	35 003	35 253	35 505
		Minimum Service Level and Above sub-total	46 499	48 824	49 324	49 824	49 824	49 824	49 824	50 324	50 830
		Electricity (< min.service level)	223	234	150	150	150	150	150	150	150
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	2 336	2 453	2 203	1 953	1 953	1 953	1 953	1 703	1 485
		Below Minimum Service Level sub-total	2 559	2 687	2 353	2 103	2 103	2 103	2 103	1 853	1 635
		Total number of households	**49 058**	**51 511**	**51 677**	**51 927**	**51 927**	**51 927**	**51 927**	**52 177**	**52 465**
		Refuse:									
		Removed at least once a week	43 660	39 475	47 149	47 649	47 649	47 649	47 649	48 149	48 654
		Minimum Service Level and Above sub-total	43 660	39 475	47 149	47 649	47 649	47 649	–	–	–
		Removed less frequently than once a week	768	–	–	–	–	–	–	–	–
		Using communal refuse dump	1 074	1 128	1 078	1 028	1 028	1 028	1 028	978	930
		Using own refuse dump	2 256	2 369	2 200	2 100	2 100	2 100	2 100	2 000	1 905
		Other rubbish disposal	842	884	800	750	750	750	750	700	653

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17 Outcome	2017/18 Outcome	2018/19 Outcome	Current Year 2019/20 Original Budget	2020/21 Medium Term Revenue & Expenditure Framework Outcome	Outcome	Outcome
		No rubbish disposal		458	481	450	400	400	400	400	350	306
		Below Minimum Service Level sub-total		5 398	4 862	4 528	4 278	4 278	4 278	4 278	4 028	3 794
		Total number of households		**49 058**	**44 337**	**51 677**	**51 927**	**51 927**	**51 927**	**4 278**	**4 028**	**3 794**

Municipal in-house services	Ref.		2016/17 Outcome	2017/18 Outcome	2018/19 Outcome	Current Year 2019/20 Original Budget	Adjusted Budget	Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Framework Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	36 779	38 618	39 599	40 626	40 626	40 626	40 626	40 676	40 726
		Piped water inside yard (but not in dwelling)	3 854	4 047	4 249	4 461	4 461	4 461	4 461	4 561	4 664
	8	Using public tap (at least min.service level)	6 828	7 169	4 528	4 778	4 778	4 778	4 778	4 878	4 980
	10	Other water supply (at least min.service level)	–		1 774	684	684	684	684	834	1 017
		Minimum Service Level and Above sub-total	47 461	49 834	50 150	50 550	50 550	50 550	50 550	50 950	51 387
	9	Using public tap (< min.service level)	1 305	1 370	1 270	1 170	1 170	1 170	1 170	1 070	979
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–		–
		No water supply	292	307	257	207	207	207	207	157	119
		Below Minimum Service Level sub-total	1 597	1 677	1 527	1 377	1 377	1 377	1 377	1 227	1 098
		Total number of households	**49 058**	**51 511**	**51 677**	**51 927**	**51 927**	**51 927**	**51 927**	**52 177**	**52 485**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	43 679	45 863	46 206	46 256	46 256	46 256	46 256	46 306	46 356
		Flush toilet (with septic tank)	1 873	1 967	2 065	2 165	2 165	2 165	2 165	2 265	2 370
		Chemical toilet	352	370	388	407	407	407	407	420	433
		Pit toilet (ventilated)	229	240	150	50	50	50	50	–	–
		Other toilet provisions (> min.service level)	1 137	1 194	1 468	1 898	1 898	1 898	1 898	2 236	2 633
		Minimum Service Level and Above sub-total	47 270	49 634	50 277	50 777	50 777	50 777	50 777	51 227	51 792
		Bucket toilet	1 172	1 231	900	800	800	800	800	700	613
		Other toilet provisions (< min.service level)	182	191	150	50	50	50	50		–
		No toilet provisions	434	456	350	300	300	300	300	250	208
		Below Minimum Service Level sub-total	1 788	1 877	1 400	1 150	1 150	1 150	1 150	950	821
		Total number of households	**49 058**	**51 511**	**51 677**	**51 927**	**51 927**	**51 927**	**51 927**	**52 177**	**52 613**
		Energy:									
		Electricity (at least min.service level)	13 639	14 321	14 571	14 821	14 821	14 821	14 821	15 071	15 325
		Electricity - prepaid (min.service level)	32 860	34 503	34 753	35 003	35 003	35 003	35 003	35 253	35 505
		Minimum Service Level and Above sub-total	46 499	48 824	49 324	49 824	49 824	49 824	49 824	50 324	50 830
		Electricity (< min.service level)	223	234	150	150	150	150	150	150	150
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–		–
		Other energy sources	2 336	2 453	2 203	1 953	1 953	1 953	1 953	1 703	1 485
		Below Minimum Service Level sub-total	2 559	2 687	2 353	2 103	2 103	2 103	2 103	1 853	1 635
		Total number of households	**49 058**	**51 511**	**51 677**	**51 927**	**51 927**	**51 927**	**51 927**	**52 177**	**52 465**
		Refuse:									
		Removed at least once a week	43 660	39 475	47 149	47 649	47 649	47 649	47 649	48 149	48 654
		Minimum Service Level and Above sub-total	43 660	39 475	47 149	47 649	47 649	47 649	47 649	48 149	48 654
		Removed less frequently than once a week	768	–	–	–	–	–	–		–
		Using communal refuse dump	1 074	1 128	1 078	1 028	1 028	1 028	1 028	978	930

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
		Using own refuse dump		2 256	2 369	2 200	2 100	2 100	2 100	2 100	2 000	1 905
		Other rubbish disposal		842	884	800	750	750	750	750	700	653
		No rubbish disposal		458	481	450	400	400	400	400	350	306
		Below Minimum Service Level sub-total		5 398	4 862	4 528	4 278	4 278	4 278	4 278	4 028	3 794
		Total number of households		**49 058**	**44 337**	**51 677**	**51 927**	**51 927**	**51 927**	**51 927**	**52 177**	**52 448**

WC024 Stellenbosch Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1	299 431	20 683	169 491	370 118	408 228	408 228	361 339	365 764	358 553
Cash + investments at the yr end less applications - R'000	18(1)b	2	244 121	237 095	89 555	98 359	150 152	150 152	289 284	352 303	381 338
Cash year end/monthly employee/supplier payments	18(1)b	3	3.3	0.2	1.7	3.1	3.3	3.3	2.8	2.7	2.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	217 967	263 579	124 562	111 488	110 915	110 915	119 956	105 930	119 530
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	2.0%	(7.8%)	14.0%	(4.9%)	(6.0%)	(1.0%)	1.7%	1.7%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	87.1%	87.7%	90.6%	91.7%	91.7%	91.7%	90.1%	90.5%	90.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	7.6%	4.1%	9.1%	5.2%	5.2%	5.2%	5.1%	4.8%	4.6%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	100.8%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	40.1%	38.8%	25.6%	25.6%	41.8%	38.9%	36.1%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10							123.3%	123.0%	122.4%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	17.1%	(28.2%)	48.9%	0.0%	0.0%	12.7%	11.5%	10.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(38.6%)	40.1%	28.1%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.3%	0.9%	1.2%	1.2%	1.7%	1.7%	1.6%	1.6%	1.6%
Asset renewal % of capital budget	20(1)(vi)	14	39.8%	6.7%	0.0%	5.3%	4.7%	4.7%	7.6%	6.8%	9.2%

WC024 Stellenbosch - Supporting Table SA11 Property rates summary

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Valuation:	1									
Date of valuation:										
Financial year valuation used		**02/07/2012**	**02/07/2012**	**02/07/2012**	**01/07/2017**			**01/07/2017**		
Municipal by-laws s6 in place? (Y/N)	2	2015/2016	2015/2016	Y	Y			Y		
Municipal/assistant valuer appointed? (Y/N)		Y	Y	Y	Y			Y		
Municipal partnership s38 used? (Y/N)		Y	Y	N	N	N	N	N	N	N
No. of assistant valuers (FTE)	3	**2**	**2**	**2**	2	**2**	**2**	2	**2**	**2**
No. of data collectors (FTE)	3	8	8	8	8	8	8	8	8	8
No. of internal valuers (FTE)	3	–	–	–	–	–	–	–	–	–
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4	–	–	–	–	–	–	–	–	–
Valuation appeal board established? (Y/N)		Y	Y	Y	Y			Y		
Implementation time of new valuation roll (mths)		24	24	12	12			12		
No. of properties	5	32 363	32 363	33 403	34 428	34 428	34 428	34 962	34 962	34 962
No. of sectional title values	5	7 105	7 105	7 617	7 930	7 930	7 930	7 930	7 930	7 930
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–
No. of supplementary valuations		2	2	2	2	2	2	2	2	2
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–
No. of objections by rate payers		–	–	–	–	–	–	–	–	–
No. of appeals by rate payers		–	–	–	–	–	–	–	–	–
No. of successful objections	8	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	8	–	–	–	–	–	–	–	–	–
Supplementary valuation				–	–	–	–	–	–	–
Public service infrastructure value (Rm)	5	0	0	33	69	69	69	69	69	69
Municipality owned property value (Rm)		0	0	1 161	1 074	1 074	1 074	1 111	1 111	1 111
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		10	10	33	69	69	69	69	69	69
Valuation reductions-nature reserves/park (Rm)		11	11	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		365	365	382	418	418	418	424	424	424
Valuation reductions-public worship (Rm)		334	334	189	370	370	370	362	362	362
Valuation reductions-other (Rm)		–	–	2	2	2	2			
Total valuation reductions:		**721**	**721**	**605**	**858**	**858**	**858**	**855**	**855**	**855**
Total value used for rating (Rm)	5	48 963	48 963	69 851	70 957	70 957	70 957	71 899	71 899	71 899
Total land value (Rm)	5	20 656	20 656	10 583	–	–	–	–	–	–
Total value of improvements (Rm)	5	28 233	28 233	59 873	–	–	–	–	–	–
Total market value (Rm)	5	48 889	48 889	70 456	73 300	73 300	73 300	71 899	71 899	71 899
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Y	Y	Y	Y			Y		
Differential rates used? (Y/N)	5	Y	Y	Y	Y			Y		
Limit on annual rate increase (s20)? (Y/N)		Y	Y	Y	Y			Y		
Special rating area used? (Y/N)		Y	Y	Y	Y			Y		
Phasing-in properties s21 (number)		0	0	0	0			0		
Rates policy accompanying budget? (Y/N)		Y	Y	Y	Y			Y		
Fixed amount minimum value (R'000)				200	200			200		
Non-residential prescribed ratio s19? (%)				25.0%	25.0%			25.0%		
Rate revenue:										
Rate revenue budget (R '000)	6	297 495 800	297 495 800	345 900	356 122	356 122	356 122	392 239	417 735	444 889
Rate revenue expected to collect (R'000)	6			345 905	341 877	341 877	341 877	376 549	401 026	427 093
Expected cash collection rate (%)		98.0%	98.0%	97.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%
Special rating areas (R'000)	7	–	–	4 908	4 908	4 908	4 908	6 383	6 383	6 383
Rebates, exemptions - indigent (R'000)		1 174	1 174	3 467	4 217	4 217	4 217	4 895	5 213	5 552
Rebates, exemptions - pensioners (R'000)		2 694	2 694	3 635	2 261	2 261	2 261	2 297	2 446	2 605
Rebates, exemptions - bona fide farm. (R'000)		134	134	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		24 643	24 643	28 793	41 602	41 602	41 602	44 336	47 218	50 287
Phase-in reductions/discounts (R'000)				–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		**28 645**	**28 645**	**35 894**	**48 081**	**48 081**	**48 081**	**51 528**	**54 877**	**58 444**

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

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2019/20																	
Valuation:																	
No. of properties		28 724	–	2 980	1 984	71	–	668	–	–	–	–	–	–	–	1	–
No. of sectional title property values		6 643	–	974	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–		–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**		3															
Frequency of valuation **(select)**		4															
Method of valuation used **(select)**																	
Base of valuation **(select)**																	
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Flat rate used? (Y/N)		N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	33	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		418	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	370	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–
Total valuation reductions:																	
Total value used for rating (Rm)	6	44 258	–	13 492	12 360	761	–	69	–	–	–	–	–	–	–	16	–
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	**44 258**	**–**	**13 492**	**12 360**	**761**	**–**	**69**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**16**	**–**
Rating:																	
Average rate	3	0.005080	–	0.011175	0.001271	0.011175	–	0.001271	–	–	–	–	–	–	–	0.001271	–
Rate revenue budget (R '000)		228 095	–	151 246	15 710	8 508	–	100	–	–	–	–	–	–	–	21	–
Rate revenue expected to collect (R'000)		218 971	–	145 196	15 082	8 168	–	96	–	–	–	–	–	–	–	20	–
Expected cash collection rate (%)	4	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%
Special rating areas (R'000)		4 908	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		4 217	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		2 261	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		21 757	–	19 543	212	–	–	90	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)																	

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

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2020/21																	
Valuation:																	
No. of properties		29 184	–	3 039	2 004	71	–	662	–	–	–	–	–	–	–	2	–
No. of sectional title property values		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–		–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**		3															
Frequency of valuation **(select)**		4															
Method of valuation used **(select)**																	
Base of valuation **(select)**																	
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Flat rate used? (Y/N)		N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		424	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	362	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																	
Total value used for rating (Rm)	6	44 798		13 850	12 401	766		69								16	
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	**6**	44 798		13 850	12 401	766		69								16	
Rating:																	
Average rate	3	0.005410		0.011901	0.001354	0.011901		0.001354								0.001354	
Rate revenue budget (R '000)		245 286		166 080	16 790	9 112		93								22	
Rate revenue expected to collect (R'000)		235 474	–	159 437	16 119	8 748	–	89	–	–	–	–	–	–	–	21	–
Expected cash collection rate (%)	4	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%
Special rating areas (R'000)		6 383															
Rebates, exemptions - indigent (R'000)		4 895															
Rebates, exemptions - pensioners (R'000)		2 297															
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)		35 215		20 506	247			93									
Phase-in reductions/discounts (R'000)																	
Total rebates,exemptns,reductns,discs (R'000)																	

WC024 Stellenbosch - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Property rates *(rate in the Rand)*	1								
Residential properties		Rate in rand	0.0060	0.0045	0.0048	0.0051	0.0054	0.0058	0.0061
Residential properties - vacant land		Rate in rand	0.0120	0.0090	0.0095	0.0102	0.0108	0.0115	0.0123
Formal/informal settlements			n/a	n/a					
Small holdings			depends on	n/a					
Farm properties - used		Rate in rand	0.0015	0.0011	0.0012	0.0013	0.0014	0.0014	0.0015
Farm properties - not used		Rate in rand	0.0015	0.0011	0.0012	0.0013	0.0014	0.0014	0.0015
Industrial properties		Rate in rand	0.0120	0.0099	0.0105	0.0112	0.0119	0.0127	0.0135
Business and commercial properties		Rate in rand	0.0120	0.0099	0.0105	0.0112	0.0119	0.0127	0.0135
Communal land - residential			n/a	n/a	n/a	n/a			
Communal land - small holdings			n/a	n/a	n/a	n/a			
Communal land - farm property			n/a	n/a	n/a	n/a			
Communal land - business and commercial			n/a	n/a	n/a	n/a			
Communal land - other			n/a	n/a	n/a	n/a			
State-owned properties				Res or Bus	Res or Bus	Res or Bus			
Municipal properties				Res or Bus	Res or Bus	Res or Bus			
Public service infrastructure		Rate in rand	0.0015	0.0011	0.0012	0.0013	0.0014	0.0014	0.0015
Privately owned towns serviced by the owner				n/a	n/a	n/a			
State trust land				n/a	n/a	n/a			
Restitution and redistribution properties				n/a	n/a	n/a			
Protected areas		Rate in rand	0.0015	0.0011	0.0012	0.0013	0.0014	0.0014	0.0015
National monuments properties		Rate in rand	0.0120	0.0011	0.0012	0.0118	0.0125	0.0133	0.0142
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			80 000	185 000	185 000	185 000	185 000	185 000	185 000
Indigent rebate or exemption			no rebate	185 000	185 000	185 000	185 000	185 000	185 000
Pensioners/social grants rebate or exemption			depends on	depends on	depends on	depends on	depends on	depends on	depends on
Temporary relief rebate or exemption			n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bona fide farmers rebate or exemption			n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*		Rands	53	57	61	66	70	74	78
Service point - vacant land *(Rands/month)*							-	-	-
Water usage - flat rate tariff *(c/kl)*							-	-	-

Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Water usage - life line tariff		(describe structure)					-	-	-
Water usage - Block 1 (c/kl)		0 kiloliters to 6 kiloliters	5	5	5	6	6	6	7
Water usage - Block 2 (c/kl)		7 kiloliters to 20 kiloliters	7	7	8	9	9	10	10
Water usage - Block 3 (c/kl)		21 kiloliters to 40 kiloliters	11	12	13	15	15	16	17
Water usage - Block 4 (c/kl)		41 kiloliters to 60 kiloliters	18	19	20	25	26	28	30
Other	2	61 kiloliters and above	24	26	27	53	56	60	63
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
Waste water - flat rate tariff *(c/kl)*									
Volumetric charge - Block 1 (c/kl)		0 - 250	1 134	1 213	1 310	1 428	1 521	1 620	1 725
Volumetric charge - Block 2 (c/kl)		251 - 500	1 455	1 556	1 681	1 832	1 951	2 078	2 213
Volumetric charge - Block 3 (c/kl)		501 - 600	1 639	1 753	1 893	2 064	2 198	2 341	2 493

Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Volumetric charge - Block 4 (c/kl)		601 - 700	1 819	1 946	2 102	2 291	2 440	2 598	2 767
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
FBE		(how is this targeted?)							
Life-line tariff - meter		0 - 50 kwh (c/kWh)	84	84	87	-	-	-	-
Life-line tariff - prepaid		51 - 350 kwh (c/kWh)	131	131	108	133	142	151	160
Flat rate tariff - meter *(c/kwh)*		351 - 600 kwh (c/kWh)	169	169	165	198	211	225	239
Flat rate tariff - prepaid*(c/kwh)*		601 - 99999 kwh (c/kWh)	189	189	187	228	243	259	275
Meter - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	84	84	87	106	113	121	128
Meter - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	104	104	111	156	166	176	188
Meter - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	169	169	157	203	216	230	244
Meter - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)	191	191	185	227	242	257	274
Meter - IBT Block 5 (c/kwh)							-	-	-
Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	84	84	87	106	113	120	128
Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	107	107	135	136	145	154	164
Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	161	161	165	192	205	218	232
Prepaid - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)	189	189	185	226	241	257	273
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee									
80l bin - once a week									
250l bin - once a week		Rands	127	127	135	181	211	246	287

WC024 Stellenbosch - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Exemptions, reductions and rebates *(Rands)*									
Property rates (R value threshold)			95 000	95 000	95 000	95 000	95 000	95 000	95 000
Water (kilolitres per household per month) - registered			10	6	6	6	6	6	6
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)			90	90	90	90	90	90	90
Electricity (kwh per household per month)			60	60	60	60	60	60	60
Refuse (average litres per week)			250	250	250	250	250	250	250
Water tariffs									
Water usage - life line tariff		0 kiloliters to 6 kiloliters	5	5	5	6	6	6	7
Water usage - Block 1 (c/kl)		7 kiloliters to 20 kiloliters	7	7	8	9	9	10	10
Water usage - Block 2 (c/kl)		21 kiloliters to 40 kiloliters	11	12	13	15	15	16	17
Water usage - Block 3 (c/kl)		41 kiloliters to 60 kiloliters	18	19	20	25	26	28	30
Water usage - Block 4 (c/kl)		61 kiloliters and above	24	26	27	34	36	38	40
Water usage - Block 5 (c/kl)									
Waste water tariffs									
Size per erf in m² - Block 1 (c/kl)		0 - 250	1 134	1 213	1 310	1 428	1 521	1 620	1 725
Size per erf in m² - Block 2 (c/kl)		251 - 500	1 455	1 556	1 681	1 832	1 951	2 078	2 213
Size per erf in m² - Block 3 (c/kl)		501 - 600	1 639	1 753	1 893	2 064	2 198	2 341	2 493
Size per erf in m² - Block 4 (c/kl)		601 - 700	1 819	1 946	2 102	2 291	2 440	2 598	2 767
Size per erf in m² - Block 5 (c/kl)		701 - 800	2 001	2 141	2 312	2 520	2 684	2 859	3 044
Size per erf in m² - Block 6 (c/kl)		801 - 900	2 183	2 336	2 523	2 750	2 928	3 119	3 321
Size per erf in m² - Block 7 (c/kl)		901 - 1000	2 364	2 529	2 731	2 977	3 170	3 377	3 596
Size per erf in m² - Block 8 (c/kl)		Above - 1000	2 364	2 529	2 731	2 977	3 170	3 377	3 596
Electricity tariffs									
Regular - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	84	87	92	106	113	121	128

Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Regular - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	131	111	117	156	166	176	188
Regular - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	169	157	166	203	216	230	244
Regular - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)	189	185	195	227	242	257	274
Life Line Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	84	87	92	-	-	-	-
Life Line Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	104	108	115	133	142	151	160
Life Line Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	169	165	172	198	211	225	239
Life Line Prepaid - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)	191	187	198	228	243	259	275
Regular Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)	84	87	92	106	113	120	128
Regular Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)	107	111	143	136	145	154	164
Regular Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)	161	157	175	192	205	218	232
Regular Prepaid - IBT Block 4 (c/kwh)		601 - 99999 kwh (c/kWh)		185	196	226	241	257	273

WC024 Stellenbosch - Supporting Table SA14 Household bills

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		302.50	188.00	198.75	211.67	211.67	211.67	6.5%	225.43	240.08	255.69
Electricity: Basic levy		122.00	119.10	123.22	145.74	145.74	145.74	6.4%	155.11	165.08	175.70
Electricity: Consumption		1 506.55	1 534.87	1 647.23	1 838.80	1 838.80	1 838.80	6.4%	1 957.03	2 082.87	2 216.80
Water: Basic levy		52.81	56.50	64.98	65.58	65.58	65.58	6.0%	69.51	73.69	78.11
Water: Consumption		230.41	246.54	284.86	303.38	303.38	303.38	6.0%	321.58	340.87	361.33
Sanitation		155.89	169.92	185.21	196.33	196.33	196.33	6.5%	209.09	222.68	237.15
Refuse removal		127.20	138.65	151.13	176.06	176.06	176.06	16.5%	205.11	238.96	278.38
Other		–									
sub-total		**2 497.36**	**2 453.58**	**2 655.38**	**2 937.55**	**2 937.55**	**2 937.55**	**7.0%**	**3 142.87**	**3 364.23**	**3 603.16**
VAT on Services		–									
Total large household bill:		**2 497.36**	**2 453.58**	**2 655.38**	**2 937.55**	**2 937.55**	**2 937.55**	**7.0%**	**3 142.87**	**3 364.23**	**3 603.16**
% increase/-decrease			**(1.8%)**	**8.2%**	**10.6%**	**–**	**–**		**7.0%**	**7.0%**	**7.1%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		202.50	188.00	198.75	211.67	211.67	211.67	6.5%	225.43	240.08	255.69
Electricity: Basic levy		–	–	–	–	–	–	6.4%	–	–	–
Electricity: Consumption		708.94	722.27	775.14	865.29	865.29	865.29	6.4%	920.92	980.14	1 043.16
Water: Basic levy		52.80	56.50	64.98	65.58	65.58	65.58	6.0%	69.51	73.69	78.11
Water: Consumption		175.13	187.39	216.16	230.21	230.21	230.21	6.0%	244.02	258.66	274.18
Sanitation		140.43	153.07	166.84	176.86	176.86	176.86	6.5%	188.35	200.59	213.63
Refuse removal		127.20	138.65	151.13	176.06	176.06	176.06	16.5%	205.11	238.96	278.38
Other											
sub-total		**1 407.00**	**1 445.87**	**1 573.00**	**1 725.67**	**1 725.67**	**1 725.67**	**7.4%**	**1 853.36**	**1 992.12**	**2 143.16**
VAT on Services		–									
Total small household bill:		**1 407.00**	**1 445.87**	**1 573.00**	**1 725.67**	**1 725.67**	**1 725.67**	**7.4%**	**1 853.36**	**1 992.12**	**2 143.16**
% increase/-decrease			**2.8%**	**8.8%**	**9.7%**	**–**	**–**		**7.4%**	**7.5%**	**7.6%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		96.70	37.60	39.75	42.33	42.33	42.33	6.5%	45.09	48.02	51.14
Electricity: Basic levy		–			–	–	–	6.4%	–	–	–
Electricity: Consumption		296.30	301.87	323.97	355.16	355.16	355.16	6.4%	378.00	402.30	428.17
Water: Basic levy		–	–		–	–	–	6.0%	–	–	–
Water: Consumption		86.37	128.24	147.46	157.04	157.04	157.04	6.0%	166.47	176.46	187.04
Sanitation		25.46	27.75	30.25	32.07	32.07	32.07	6.5%	34.15	36.37	38.74
Refuse removal		26.61	29.00	31.61	36.83	36.83	36.83	16.5%	42.90	49.98	58.23
Other					–	–	–				
sub-total		**531.44**	**524.47**	**573.04**	**623.43**	**623.43**	**623.43**	**6.9%**	**666.61**	**713.13**	**763.32**
VAT on Services		–									
Total small household bill:		**531.44**	**524.47**	**573.04**	**623.43**	**623.43**	**623.43**	**6.9%**	**666.61**	**713.13**	**763.32**
% increase/-decrease			**(1.3%)**	**9.3%**	**8.8%**	**–**	**–**		**6.9%**	**7.0%**	**7.0%**

WC024 Stellenbosch - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality										
Securities - National Government		–								
Listed Corporate Bonds		–								
Deposits - Bank		322 475	505 594	398 164	323 254	390 111	390 111	331 339	337 764	333 553
Deposits - Public Investment Commissioners		–								
Deposits - Corporation for Public Deposits		–								
Bankers Acceptance Certificates		–								
Negotiable Certificates of Deposit - Banks		–								
Guaranteed Endowment Policies (sinking)		–								
Repurchase Agreements - Banks		–								
Municipal Bonds		–								
Municipality sub-total	1	**322 475**	**505 594**	**398 164**	**323 254**	**390 111**	**390 111**	**331 339**	**337 764**	**333 553**
Entities										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–	–	–	–
Deposits - Bank		–	–	–	–	–	–	–	–	–
Deposits - Public Investment Commissioners		–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits		–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Entities sub-total		**–**	–	–	–	–	–	–	–	–
Consolidated total:		**322 475**	**505 594**	**398 164**	**323 254**	**390 111**	**390 111**	**331 339**	**337 764**	**333 553**

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Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [3]	Expiry date of investment	Opening balance	Interest to be realised	Closing Balance
Parent municipality										
ABSA Bank		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	30 June 2021	50 000	5 415	**55 415**
Standard Bank		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	30 June 2021	50 000	5 415	**55 415**
FNB		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	30 June 2021	50 000	5 415	**55 415**
Nedbank		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	30 June 2021	50 000	5 415	**55 415**
Investec		6 Months	Fixed Deposit	Yes	Fixed Rate	0.085	30 June 2021	131 339	16 210	**147 549**
										–
										–
Municipality sub-total								**331 339**		**369 209**
Entities										
										–
										–
										–
										–
										–
										–
										–
Entities sub-total								**–**		**–**
TOTAL INVESTMENTS AND INTEREST	1							**331 339**		**369 209**

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)

2. List investments in expiry date order

3. If 'variable' is selected in column F, input interest rate range

4. Withdrawals to be entered as negative

check

WC024 Stellenbosch - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality										
Annuity and Bullet Loans		186 386	173 302	318 800	475 902	475 902	475 902	609 591	698 513	780 436
Long-Term Loans (non-annuity)		–								
Local registered stock		–								
Instalment Credit		–								
Financial Leases		–								
PPP liabilities		–								
Finance Granted By Cap Equipment Supplier		–								
Marketable Bonds		–								
Non-Marketable Bonds		–								
Bankers Acceptances		–								
Financial derivatives		–								
Other Securities		–								
Municipality sub-total	1	**186 386**	**173 302**	**318 800**	**475 902**	**475 902**	**475 902**	**609 591**	**698 513**	**780 436**
Entities										
Annuity and Bullet Loans		–	–	–	–	–	–	–	–	–
Long-Term Loans (non-annuity)		–	–	–	–	–	–	–	–	–
Local registered stock		–	–	–	–	–	–	–	–	–
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		–	–	–	–	–	–	–	–	–
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Entities sub-total	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Borrowing	1	**186 386**	**173 302**	**318 800**	**475 902**	**475 902**	**475 902**	**609 591**	**698 513**	**780 436**

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Unspent Borrowing	1	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

WC024 Stellenbosch - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**99 065**	**117 001**	**131 448**	**144 704**	**142 954**	**142 954**	**156 315**	**166 626**	**182 249**
Local Government Equitable Share		95 982	110 631	124 176	136 177	136 177	136 177	149 804	165 076	180 699
Expanded Public Works Programme Integrated Grai		1 758	4 820	5 722	5 227	5 227	5 227	4 961	–	–
LGSETA Bursary Fund		–		–	–	–	–			
Local Government Financial Management Grant [S		1 325	1 550	1 550	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Systems Improvement Grant		–		–	1 750	–	–			
		–		–	–	–	–			
National Resources Management Grant		–		–	–	–	–			
Provincial Government:		**24 672**	**18 476**	**15 042**	**27 635**	**18 089**	**18 089**	**21 792**	**14 554**	**15 325**
Community Development Workers Operational Supp		56	56	–	–	112	112	56	56	56
Environmental Affairs and Development Planning		–		–	–	–	–			
Financial Management Capacity Building Grant		120	15	–	380	380	380	401		
Human Settlements Development Grant		11 136	4 929	1 455	12 438	4 200	4 200	7 570		
LG Graduate Internship Grant		60		–	–	80	80			
Libraries, Archives and Museums		10 009	11 045	12 210	12 454	12 454	12 454	13 077	13 796	14 555
Maintenance and Construction of Transport Infrastructure		2 171	2 176	971	384	384	384	450	450	450
Municipal Accreditation and Capacity Building Grant		–	–	151	224	224	224	238	252	264
Regional Socio-Economic Project/violence through u		–		–	1 500	–	–	–	–	–
Spatial Development framework		900		–	–	–	–			
WC Financial Management Support Grant		220	255	255	255	255	255			
National Resources Management Grant										
District Municipality:		**300**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Hosting of cultural events		300		–	–	–				
Other grant providers:		**–**	**–**	**–**	**–**	**2 035**	**2 035**	**–**	**–**	**–**
LG SETA Bursary Fund		–		–	–	35	35			
Public Corporations		–		–	–	2 000	2 000			
Total Operating Transfers and Grants	5	**124 037**	**135 477**	**146 490**	**172 339**	**163 078**	**163 078**	**178 107**	**181 180**	**197 574**
Capital Transfers and Grants										
National Government:		**80 106**	**48 647**	**43 668**	**62 526**	**62 526**	**62 526**	**63 690**	**43 675**	**46 102**
Municipal Infrastructure Grant (MIG)		34 147	36 358	35 107	–	–	–			
Energy Efficiency and Demand Side Management Grant		8 000	7 236	–	–	–	–			
Integrated National Electrification Programme (Municipal (		5 000	4 000	5 000	15 640	15 640	15 640	16 200	5 253	5 584
Integrated Urban Development Grant		–		–	46 886	46 886	46 886	47 490	38 422	40 518
Local Government Financial Management Grant		150		–	–	–	–			
Regional Bulk Infrastructure		32 809		–	–	–	–			
Shared Economic infrastructure facility		–	1 053	3 561	–	–	–			
		–		–	–	–	–			
		–		–	–	–	–			
		–		–	–	–	–			
Other capital transfers/grants [insert desc]		–		–	–	–	–			
Provincial Government:		**60**	**–**	**43 514**	**78 562**	**76 070**	**–**	**–**	**–**	**–**
Development of Sport and Recreational Facilities		60								
Human Settlements Development Grant		14 900	20 588	43 514	25 462	73 970	73 970	45 139	50 020	54 000
Human Settlements Development Grant (Roll over)		–		–	52 500	–	–			
Integrated Transport Planning		–	1 433	–	600	600	600	600	600	600
Library Services: Conditional Grant		4 944	3 714							
Infrastructure		4 000								
Fire services capacity building grant			800							
RSEP/ VPUU		–		–	–	1 500	1 500	4 000	1 000	
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Hosting of cultural events		–	–	–						
Other grant providers:		**11 631**	**230**	**–**	**50 000**	**50 000**	**50 000**	**–**	**–**	**–**
Public contribution		11 024		–	50 000	50 000	50 000			
Donated Assets			230							
LOTTO		607								
Total Capital Transfers and Grants	5	**91 797**	**48 877**	**87 182**	**191 088**	**188 596**	**112 526**	**63 690**	**43 675**	**46 102**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**215 834**	**184 354**	**233 672**	**363 427**	**351 674**	**275 604**	**241 797**	**224 855**	**243 676**

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**99 065**	**117 001**	**97 265**	**144 704**	**142 954**	**142 954**	**156 315**	**166 626**	**182 249**
Local Government Equitable Share		95 982	110 631	89 588	136 177	136 177	136 177	149 804	165 076	180 699
Expanded Public Works Programme Integrated Grant for Mu		1 758	4 820	5 722	5 227	5 227	5 227	4 961	–	–
Local Government Financial Management Grant [Schedule 5		1 325	1 550	1 550	–	–	–			
Municipal Systems Improvement Grant		–		–	1 550	1 550	1 550	1 550	1 550	1 550
LGSETA Bursary Fund		–		–	1 750	–	–			
National Resources Management Grant				405						
Provincial Government:		**31 406**	**18 405**	**15 313**	**27 635**	**18 009**	**18 009**	**21 792**	**14 554**	**15 325**
Community Development Workers Operational Support Gran		56		56	–	112	112	56	56	56
Financial Management Capacity Building Grant				366	380	380	380	401		
Human Settlements Development Grant		18 050	4 929	1 455	12 438	4 200	4 200	7 570		
LG Graduate Internship Grant										
Libraries, Archives and Museums		10 009	11 045	12 210	12 454	12 454	12 454	13 077	13 796	14 555
Maintenance and Construction of Transport Infrastructure		2 171	2 176	971	384	384	384	450	450	450
Municipal Accreditation and Capacity Building Grant					224	224	224	238	252	264
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)					1 500	–	–	–	–	–
Spatial Development framework		900								
WC Financial Management Support Grant		220	255	255	255	255	255			
National Resources Management Grant										
District Municipality:		**300**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Hosting of cultural events		300		–						
Other grant providers:		**–**	**–**	**–**	**2 035**	**2 035**	**2 035**	**–**	**–**	**–**
LG SETA Bursary Fund		–		–	35	35	35			
Public Corporations					2 000	2 000	2 000			
Total operating expenditure of Transfers and Grants:		**130 771**	**135 406**	**112 578**	**174 374**	**162 998**	**162 998**	**178 107**	**181 180**	**197 574**
Capital expenditure of Transfers and Grants										
National Government:		**80 106**	**48 647**	**43 668**	**62 526**	**62 526**	**62 526**	**63 690**	**43 675**	**46 102**
Municipal Infrastructure Grant (MIG)		34 147	36 358	35 107	–	–	–			
Energy Efficiency and Demand Side Management Grant		8 000	7 236	–	–	–	–			
Integrated National Electrification Programme (Municipal Gra		5 000	4 000	5 000	15 640	15 640	15 640	16 200	5 253	5 584
Integrated Urban Development Grant		–			46 886	46 886	46 886	47 490	38 422	40 518
Local Government Financial Management Grant		150			–	–	–			
Regional Bulk Infrastructure		32 809			–	–	–			
Shared Economic infrastructure facility		–	1 053	3 561	–	–	–			
Other capital transfers/grants [insert desc]										
Provincial Government:		**60**	**20 588**	**43 514**	**–**	**–**	**–**	**–**	**–**	**–**
Development of Sport and Recreational Facilities		60	20 588	43 514						
Human Settlements Development Grant (Roll over)					25 462	73 970	73 970	45 139	50 020	54 000
Integrated Transport Planning		9 402			52 500	–	–			
Library Services: Conditional Grant		–	1 433		600	600	600	600	600	600
Maintenance and Construction of Transport Infrastructure		3 280	3 714							
Fire services capacity building grant		4 000								
RSEP/ VPUU			800							
RSEP/ VPUU		–		–	1 500	1 500	1 500	4 000	1 000	
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Hosting of cultural events		–		–						
Other grant providers:		**11 631**	**–**	**–**	**50 000**	**50 000**	**50 000**	**–**	**–**	**–**
Public contribution		11 024		–	50 000	50 000	50 000			
Donated Assets										
LOTTO		607								
Total capital expenditure of Transfers and Grants		**91 797**	**69 235**	**87 182**	**112 526**	**112 526**	**112 526**	**63 690**	**43 675**	**46 102**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**222 567**	**204 642**	**199 760**	**286 900**	**275 524**	**275 524**	**241 797**	**224 855**	**243 676**

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	1 953	1 953			
Current year receipts		99 065	117 001	131 448	144 704	142 954	142 954	156 315	166 626	182 249
Conditions met - transferred to revenue		**99 065**	**117 001**	**131 448**	**144 704**	**143 201**	**143 201**	**156 315**	**166 626**	**182 249**
Conditions still to be met - transferred to liabilities		–				1 706	1 706			
Provincial Government:										
Balance unspent at beginning of the year		7 532	7 391	5 797	–	5 563	5 563			
Current year receipts		24 672	26 269	12 672	27 635	18 089	18 089	21 792	14 554	15 325
Conditions met - transferred to revenue		**32 204**	**33 660**	**9 303**	**27 635**	**23 652**	**23 652**	**21 792**	**14 554**	**15 325**
Conditions still to be met - transferred to liabilities		–		9 167						
District Municipality:										
Balance unspent at beginning of the year		–								
Current year receipts		300								
Conditions met - transferred to revenue		**300**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–								
Other grant providers:										
Balance unspent at beginning of the year		–				–	–			
Current year receipts		–		406		2 035	2 035			
Conditions met - transferred to revenue		**–**	**–**	**406**	**–**	**2 035**	**2 035**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–								
Total operating transfers and grants revenue		**131 569**	**150 661**	**141 158**	**172 339**	**168 888**	**168 888**	**178 107**	**181 180**	**197 574**
Total operating transfers and grants - CTBM	2	**–**	**–**	**9 167**	**–**	**1 706**	**1 706**	**–**	**–**	**–**
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–			–					
Current year receipts		80 106	47 594	40 107	62 526	62 526	62 526	63 690	43 675	46 102
Conditions met - transferred to revenue		**80 106**	**47 594**	**40 107**	**62 526**	**62 526**	**62 526**	**63 690**	**43 675**	**46 102**
Conditions still to be met - transferred to liabilities		–								
Provincial Government:										
Balance unspent at beginning of the year		10 320	–	15 093	–	3 003	3 003			
Current year receipts		23 904	25 102	43 514	78 562	76 070	76 070	49 739	51 620	54 600
Conditions met - transferred to revenue		**34 224**	**25 102**	**58 607**	**78 562**	**79 073**	**79 073**	**49 739**	**51 620**	**54 600**
Conditions still to be met - transferred to liabilities		–								
District Municipality:										
Balance unspent at beginning of the year		–								
Current year receipts		–								
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–								
Other grant providers:										
Balance unspent at beginning of the year		–				–				
Current year receipts		11 631	1 053	3 561		50 000	50 000			
Conditions met - transferred to revenue		**11 631**	**1 053**	**3 561**	**–**	**50 000**	**50 000**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–								
Total capital transfers and grants revenue		**125 961**	**73 750**	**102 275**	**141 088**	**191 599**	**191 599**	**113 429**	**95 295**	**100 702**
Total capital transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE		**257 529**	**224 410**	**243 433**	**313 427**	**360 487**	**360 487**	**291 536**	**276 475**	**298 276**
TOTAL TRANSFERS AND GRANTS - CTBM		**–**	**–**	**9 167**	**–**	**1 706**	**1 706**	**–**	**–**	**–**

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Transfers to other municipalities											
Operational	1	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Entities/Other External Mechanisms											
Operational	2	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Cash Transfers to other Organs of State											
Operational	3	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Cash Transfers to Organisations											
Grant-In-Aid: Sundry		2 172	1 547	3 816	4 336	5 391	5 391	5 391	3 869	4 100	4 300
Grant-In-Aid: External Bodies Performing Tourism Function		3 830	3 714	4 124	4 600	4 600	4 600	4 600	5 000	5 200	5 500
Grant-In-Aid: External Bodies Performing Animal Welfare Function		932	1 000	1 050	1 113	1 113	1 113	1 113	1 200	1 300	1 400
Total Cash Transfers To Organisations		**6 933**	**6 261**	**8 990**	**10 049**	**11 104**	**11 104**	**11 104**	**10 069**	**10 600**	**11 200**
Cash Transfers to Groups of Individuals											
Operational		–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	6	**6 933**	**6 261**	**8 990**	**10 049**	**11 104**	**11 104**	**11 104**	**10 069**	**10 600**	**11 200**
Non-Cash Transfers to other municipalities											
Operational	1	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to Entities/Other External Mechanisms											
Operational	2	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Non-Cash Transfers to other Organs of State											
Operational	3	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Non-Cash Grants to Organisations											
Operational	4	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–	–
Groups of Individuals											
Operational	5	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL NON-CASH TRANSFERS AND GRANTS		–	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	**6 933**	**6 261**	**8 990**	**10 049**	**11 104**	**11 104**	**11 104**	**10 069**	**10 600**	**11 200**

WC024 Stellenbosch - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		10 747	11 326	11 322	12 934	12 934	12 934	15 433	16 204	17 014
Pension and UIF Contributions		385	505	132	800	800	800	840	1 162	1 514
Medical Aid Contributions		202	204	50	87	87	87			
Motor Vehicle Allowance		3 704	4 060	4 139	4 667	4 667	4 667	3 476	3 650	3 832
Cellphone Allowance		1 057	1 058	1 740	1 263	1 263	1 263	1 384	1 384	1 384
Housing Allowances		–	–	–	–	–	–			
Other benefits and allowances		–	155	154	186	186	186			
Sub Total - Councillors		**16 094**	**17 308**	**17 538**	**19 936**	**19 936**	**19 936**	**21 133**	**22 401**	**23 745**
% increase	4		**7.5%**	**1.3%**	**13.7%**	**–**	**–**	**6.0%**	**6.0%**	**6.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		6 447	8 260	3 029	4 445	4 445	4 445	7 576	7 955	8 353
Pension and UIF Contributions		595	870	581	852	852	852	1 034	1 085	1 140
Medical Aid Contributions		–	–	72	78	78	78	–	–	–
Overtime		–	–	–	–	–	–			
Performance Bonus		59	215	591	–	–	–	1 072	1 126	1 182
Motor Vehicle Allowance	3	664	776	493	1 006	1 006	1 006	1 056	1 109	1 165
Cellphone Allowance	3	76	156	104	134	134	134	83	87	92
Housing Allowances	3	20	–	–	–	–	–			
Other benefits and allowances	3	–	131	18	34	34	34			
Payments in lieu of leave		–	–	–	–	–	–			
Long service awards		–	–	–	–	–	–			
Post-retirement benefit obligations	6	–	–	–	–	–	–			
Sub Total - Senior Managers of Municipality		**7 861**	**10 407**	**4 889**	**6 549**	**6 549**	**6 549**	**10 822**	**11 363**	**11 932**
% increase	4		**32.4%**	**(53.0%)**	**34.0%**	**–**	**–**	**65.2%**	**5.0%**	**5.0%**
Other Municipal Staff										
Basic Salaries and Wages		283 522	302 475	298 785	354 828	308 908	308 908	331 294	354 169	384 391
Pension and UIF Contributions		40 290	41 461	47 153	59 439	59 439	59 439	60 226	65 627	71 510
Medical Aid Contributions		18 812	20 027	21 580	26 328	26 328	26 328	27 962	30 451	33 161
Overtime		22 552	32 633	44 111	51 545	51 545	51 545	39 498	43 013	46 841
Performance Bonus		29	108	–	–	–	–	28 443	31 016	33 821
Motor Vehicle Allowance	3	10 401	9 143	9 026	13 074	13 074	13 074	14 530	15 864	17 319
Cellphone Allowance	3	674	788	1 237	869	869	869	1 060	1 158	1 264
Housing Allowances	3	2 123	2 233	2 853	2 875	2 875	2 875	3 897	4 244	4 621
Other benefits and allowances	3	21 537	25 305	30 742	39 440	39 440	39 440	30 109	32 762	35 651
Payments in lieu of leave		–	–	858	2 007	2 007	2 007	–	–	–
Long service awards		–	–	–	66	66	66	1 067	1 162	1 265
Post-retirement benefit obligations	6	–	–	421	46 247	46 247	46 247	30 131	32 240	34 497
Sub Total - Other Municipal Staff		**399 941**	**434 171**	**456 766**	**596 719**	**550 799**	**550 799**	**568 217**	**611 705**	**664 342**
% increase	4		**8.6%**	**5.2%**	**30.6%**	**(7.7%)**	**–**	**3.2%**	**7.7%**	**8.6%**
Total Parent Municipality		**423 896**	**461 886**	**479 193**	**623 204**	**577 284**	**577 284**	**600 172**	**645 469**	**700 019**
			9.0%	**3.7%**	**30.1%**	**(7.4%)**	**–**	**4.0%**	**7.5%**	**8.5%**
TOTAL SALARY, ALLOWANCES & BENEFITS		**423 896**	**461 886**	**479 193**	**623 204**	**577 284**	**577 284**	**600 172**	**645 469**	**700 019**
% increase	4		**9.0%**	**3.7%**	**30.1%**	**(7.4%)**	**–**	**4.0%**	**7.5%**	**8.5%**
TOTAL MANAGERS AND STAFF	5,7	**407 801**	**444 579**	**461 655**	**603 268**	**557 348**	**557 348**	**579 039**	**623 069**	**676 274**

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	679 129	90 222	218 930			988 281
Chief Whip		1	424 834	101 674	272 275			798 783
Executive Mayor		1	459 142	108 642	231 000			798 783
Deputy Executive Mayor		1	400 741	90 222	260 447			751 410
Executive Committee		8	3 611 372	732 621	1 667 290			6 011 282
Total for all other councillors		31	9 857 350	1 100 772	825 926			11 784 049
Total Councillors	8	**43**	**15 432 566**	**2 224 152**	**3 475 868**			**21 132 587**
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 344 746	328 503	174 332	203 234		2 050 814
Chief Finance Officer		1	1 417 071	–	163 389	173 851		1 754 311
Director: Commmunity and Protecetion		1	1 156 642	235 060	188 757	173 851		1 754 311
Director: Corporate		1	1 156 642	235 060	188 757	173 851		1 754 311
Director: Infrastructure Services		1	1 156 642	235 060	188 757	173 851		1 754 311
Director: Planning and Development		1	1 344 741	–	235 719	173 851		1 754 311
List of each offical with packages >= senior manager								
Designation - 05			–	–	–	–		–
Designation - 06			–	–	–	–		–
Designation - 07			–	–	–	–		–
Designation - 08			–	–	–	–		–
Designation - 09			–	–	–	–		–
Designation - 10			–	–	–	–		–
Designation - 11			–	–	–	–		–
Designation - 12			–	–	–	–		–
Designation - 13			–	–	–	–		–
Designation - 14			–	–	–	–		–
Designation - 15			–	–	–	–		–
								–
								–
Total Senior Managers of the Municipality	8,10	**6**	**7 576 484**	**1 033 684**	**1 139 712**	**1 072 487**		**10 822 367**
A Heading for Each Entity	6,7							
List each member of board by designation								
			–	–	–	–		–
Total for municipal entities	8,10	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**49**	**23 009 050**	**3 257 836**	**4 615 580**	**1 072 487**		**31 954 954**

References

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

WC024 Stellenbosch - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		43	43	–	43	43	–	43	43	–
Board Members of municipal entities	4	–	-	–	–	-	–	–	-	–
Municipal employees	5									
Municipal Manager and Senior Managers	3	5	5	–	5	5	–	5	5	–
Other Managers	7	11	11	2	11	11	2	11	11	–
Professionals		*105*	*74*	*6*	*110*	*74*	*6*	*110*	*74*	*6*
Finance		27	17	3	27	17	3	27	17	3
Spatial/town planning		10	15	–	10	15	–	10	15	–
Information Technology		7	7	–	7	7	–	7	7	–
Roads		5	2	1	5	2	1	5	2	1
Electricity		2	1	–	2	1	–	2	1	–
Water		3	3	–	3	3	–	3	3	–
Sanitation		1	–	–	1	–	–	1	–	–
Refuse		4	1	–	4	1	–	4	1	–
Other		46	28	2	51	28	2	51	28	2
Technicians		*163*	*163*	–	*177*	*163*	–	*177*	*163*	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		11	11	–	11	11	–	11	11	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		23	23	–	23	23	–	23	23	–
Electricity		29	29	–	29	29	–	29	29	–
Water		59	59	–	59	59	–	59	59	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		11	11	–	11	11	–	11	11	–
Other		30	30	–	44	30	–	44	30	–
Clerks (Clerical and administrative)		241	241	85	241	241	85	241	241	85
Service and sales workers		160	160	96	160	160	96	160	160	96
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–			–			–		
Plant and Machine Operators		58	58	–	58	58	–	58	58	–
Elementary Occupations		423	423	12	479	423	12	479	423	12
TOTAL PERSONNEL NUMBERS	9	**1 209**	**1 178**	**201**	**1 284**	**1 178**	**201**	**1 284**	**1 178**	**199**
% increase					6.2%	–	–	–	–	(1.0%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

References

1. Positions must be funded and aligned to the municipality's current organisational structure

2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.

3. s57 of the Systems Act

4. Include only in Consolidated Statements

5. Include municipal entity employees in Consolidated Statements

6. Include headcount (number fo persons, Not FTE) of managers and staff only (exclude councillors)

7. Managers who provide the direction of a critical technical function

8. Total number of employees working on these functions

WC024 Stellenbosch - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source																
Property rates		69 293	28 792	30 923	27 366	27 281	38 153	26 498	24 364	57 236	21 262	19 827	21 244	392 239	417 735	444 889
Service charges - electricity revenue		124 977	51 929	55 772	49 357	49 204	68 813	47 792	43 943	103 231	38 347	35 760	38 315	707 441	760 500	817 538
Service charges - water revenue		29 806	12 385	13 301	11 771	11 735	16 411	11 398	10 480	24 620	9 146	8 529	9 138	168 720	181 374	194 978
Service charges - sanitation revenue		20 901	8 685	9 327	8 254	8 229	11 508	7 993	7 349	17 264	6 413	5 980	6 408	118 312	126 594	135 455
Service charges - refuse revenue		13 833	5 748	6 173	5 463	5 446	7 617	5 290	4 864	11 426	4 245	3 958	4 241	78 305	91 225	106 278
Rental of facilities and equipment		2 878	1 196	1 284	1 137	1 133	1 585	1 101	1 012	2 377	883	824	882	16 292	17 270	18 307
Interest earned - external investments		6 690	2 780	2 986	2 642	2 634	3 684	2 558	2 352	5 526	2 053	1 914	2 051	37 870	34 522	29 358
Interest earned - outstanding debtors		2 346	975	1 047	927	924	1 292	897	825	1 938	720	671	719	13 281	14 211	15 206
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		24 888	10 341	11 107	9 829	9 799	13 704	9 517	8 751	20 558	7 637	7 121	7 630	140 881	149 335	158 297
Licences and permits		972	404	434	384	383	535	372	342	803	298	278	298	5 503	5 834	6 184
Agency services		518	215	231	204	204	285	198	182	428	159	148	159	2 931	3 107	3 293
Transfers and subsidies		31 464	13 074	14 041	12 426	12 388	17 325	12 032	11 063	25 990	9 654	9 003	9 646	178 107	181 180	197 574
Other revenue		6 962	2 893	3 107	2 749	2 741	3 833	2 662	2 448	5 751	2 136	1 992	2 134	39 408	42 181	45 152
Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributio		**335 530**	**139 416**	**149 733**	**132 510**	**132 100**	**184 745**	**128 309**	**117 975**	**277 149**	**102 952**	**96 006**	**102 866**	**1 899 291**	**2 025 069**	**2 172 509**
Expenditure By Type																
Employee related costs		25 975	47 688	51 932	39 706	51 280	51 385	26 513	38 490	34 419	40 441	51 793	119 816	579 439	623 493	676 723
Remuneration of councillors		947	1 739	1 894	1 448	1 870	1 874	967	1 404	1 255	1 475	1 889	4 370	21 133	22 401	23 745
Debt impairment		3 318	6 091	6 633	5 071	6 550	6 563	3 386	4 916	4 396	5 165	6 615	15 303	74 007	76 008	78 072
Depreciation & asset impairment		9 218	16 923	18 429	14 091	18 198	18 235	9 409	13 659	12 215	14 351	18 380	42 519	205 628	214 881	224 550
Finance charges		2 302	4 226	4 602	3 519	4 544	4 554	2 349	3 411	3 050	3 584	4 590	10 618	51 349	64 710	77 154
Bulk purchases		21 616	39 685	43 217	33 043	42 674	42 761	22 063	32 031	28 643	33 654	43 101	99 708	482 196	516 151	552 501
Other materials		1 870	3 432	3 738	2 858	3 691	3 699	1 908	2 770	2 477	2 911	3 728	8 624	41 706	44 101	46 229
Contracted services		11 004	20 203	22 001	16 821	21 725	21 769	11 232	16 306	14 582	17 133	21 942	50 760	245 478	244 744	255 781
Transfers and subsidies		451	829	902	690	891	893	461	669	598	703	900	2 082	10 069	10 600	11 200
Other expenditure		8 448	15 510	16 891	12 914	16 679	16 713	8 623	12 519	11 195	13 153	16 845	38 969	188 459	197 345	207 725
Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**85 150**	**156 327**	**170 240**	**130 161**	**168 102**	**168 444**	**86 911**	**126 176**	**112 830**	**132 569**	**169 784**	**392 769**	**1 899 463**	**2 014 434**	**2 153 680**
Surplus/(Deficit)		**250 380**	**(16 911)**	**(20 507)**	**2 349**	**(36 002)**	**16 300**	**41 398**	**(8 201)**	**164 319**	**(29 617)**	**(73 778)**	**(289 903)**	**(173)**	**10 635**	**18 828**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		21 222	8 818	9 471	8 381	8 355	11 685	8 115	7 462	17 530	6 512	6 072	6 506	120 129	95 295	100 702
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**271 602**	**(8 093)**	**(11 036)**	**10 730**	**(27 647)**	**27 985**	**49 514**	**(739)**	**181 848**	**(23 105)**	**(67 705)**	**(283 397)**	**119 956**	**105 930**	**119 530**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**271 602**	**(8 093)**	**(11 036)**	**10 730**	**(27 647)**	**27 985**	**49 514**	**(739)**	**181 848**	**(23 105)**	**(67 705)**	**(283 397)**	**119 956**	**105 930**	**119 530**

References

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

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

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote																
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Planning and Development Services		14 645	6 085	6 535	5 784	5 766	8 063	5 600	5 149	12 096	4 493	4 190	4 490	82 896	77 211	80 758
Vote 3 - Infrastructure Services		221 129	91 881	98 681	87 330	87 060	121 755	84 561	77 750	182 653	67 850	63 272	67 793	1 251 716	1 320 672	1 437 756
Vote 4 - Community and Protection Services		34 015	14 134	15 180	13 433	13 392	18 729	13 008	11 960	28 097	10 437	9 733	10 428	192 545	202 513	206 277
Vote 5 - Corporate Services		760	316	339	300	299	419	291	267	628	233	217	233	4 303	4 619	4 957
Vote 6 - Financial Services		86 203	35 818	38 469	34 044	33 939	47 464	32 965	30 310	71 204	26 450	24 666	26 428	487 960	515 349	543 463
Total Revenue by Vote		**356 752**	**148 234**	**159 204**	**140 891**	**140 455**	**196 430**	**136 425**	**125 436**	**294 678**	**109 464**	**102 079**	**109 372**	**2 019 420**	**2 120 364**	**2 273 211**
Expenditure by Vote to be appropriated																
Vote 1 - Office of the Municipal Manager		2 147	3 941	4 292	3 281	4 238	4 246	2 191	3 181	2 844	3 342	4 280	9 901	47 884	49 452	53 040
Vote 2 - Planning and Development Services		4 731	8 685	9 458	7 231	9 339	9 358	4 828	7 010	6 268	7 365	9 432	21 820	105 525	110 105	118 297
Vote 3 - Infrastructure Services		49 078	90 102	98 121	75 021	96 889	97 086	50 093	72 724	65 032	76 409	97 858	226 381	1 094 795	1 167 574	1 251 724
Vote 4 - Community and Protection Services		16 104	29 566	32 198	24 617	31 793	31 858	16 437	23 864	21 340	25 073	32 111	74 285	359 246	376 880	399 676
Vote 5 - Corporate Services		8 133	14 932	16 261	12 432	16 056	16 089	8 301	12 052	10 777	12 662	16 217	37 516	181 429	193 737	206 407
Vote 6 - Financial Services		4 957	9 101	9 911	7 578	9 787	9 807	5 060	7 346	6 569	7 718	9 885	22 866	110 584	116 685	124 537
Total Expenditure by Vote		**85 150**	**156 327**	**170 240**	**130 161**	**168 102**	**168 444**	**86 911**	**126 176**	**112 830**	**132 569**	**169 784**	**392 769**	**1 899 463**	**2 014 434**	**2 153 680**
Surplus/(Deficit) before assoc.		**271 602**	**(8 093)**	**(11 036)**	**10 730**	**(27 647)**	**27 985**	**49 514**	**(739)**	**181 848**	**(23 105)**	**(67 705)**	**(283 397)**	**119 956**	**105 930**	**119 530**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**271 602**	**(8 093)**	**(11 036)**	**10 730**	**(27 647)**	**27 985**	**49 514**	**(739)**	**181 848**	**(23 105)**	**(67 705)**	**(283 397)**	**119 956**	**105 930**	**119 530**

References

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

WC024 Stellenbosch - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional																
Governance and administration		**87 492**	**36 354**	**39 044**	**34 553**	**34 446**	**48 173**	**33 458**	**30 763**	**72 269**	**26 846**	**25 034**	**26 823**	**495 254**	**523 139**	**551 781**
Executive and council		125	52	56	49	49	69	48	44	103	38	36	38	706	749	794
Finance and administration		87 367	36 302	38 988	34 504	34 397	48 105	33 410	30 719	72 166	26 807	24 999	26 785	494 548	522 390	550 987
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**45 268**	**18 810**	**20 201**	**17 878**	**17 822**	**24 925**	**17 311**	**15 917**	**37 392**	**13 890**	**12 953**	**13 878**	**256 245**	**265 106**	**273 605**
Community and social services		2 982	1 239	1 331	1 178	1 174	1 642	1 140	1 049	2 463	915	853	914	16 882	17 361	18 332
Sport and recreation		1 575	654	703	622	620	867	602	554	1 301	483	451	483	8 915	8 748	794
Public safety		29 281	12 167	13 067	11 564	11 528	16 122	11 197	10 295	24 186	8 984	8 378	8 977	165 747	175 343	186 027
Housing		11 430	4 749	5 101	4 514	4 500	6 293	4 371	4 019	9 441	3 507	3 271	3 504	64 701	63 654	68 452
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**5 545**	**2 304**	**2 474**	**2 190**	**2 183**	**3 053**	**2 120**	**1 950**	**4 580**	**1 701**	**1 586**	**1 700**	**31 385**	**18 562**	**19 190**
Planning and development		4 026	1 673	1 797	1 590	1 585	2 217	1 540	1 416	3 326	1 235	1 152	1 234	22 790	10 403	8 963
Road transport		1 495	621	667	591	589	823	572	526	1 235	459	428	458	8 465	8 021	10 080
Environmental protection		23	10	10	9	9	13	9	8	19	7	7	7	131	139	147
Trading services		**218 428**	**90 759**	**97 475**	**86 263**	**85 996**	**120 268**	**83 529**	**76 801**	**180 423**	**67 021**	**62 500**	**66 965**	**1 236 429**	**1 313 444**	**1 428 516**
Energy sources		133 776	55 585	59 699	52 832	52 668	73 658	51 157	47 036	110 499	41 047	38 278	41 013	757 248	802 603	863 220
Water management		33 849	14 065	15 105	13 368	13 326	18 637	12 944	11 901	27 959	10 386	9 685	10 377	191 604	216 164	239 663
Waste water management		31 324	13 016	13 979	12 371	12 333	17 247	11 979	11 014	25 874	9 611	8 963	9 603	177 313	167 542	183 518
Waste management		19 479	8 094	8 693	7 693	7 669	10 725	7 449	6 849	16 090	5 977	5 574	5 972	110 265	127 135	142 116
Other		19	8	8	7	7	10	7	7	16	6	5	**6**	**107**	**113**	**120**
Total Revenue - Functional		**356 752**	**148 234**	**159 204**	**140 891**	**140 455**	**196 430**	**136 425**	**125 436**	**294 678**	**109 464**	**102 079**	**109 372**	**2 019 420**	**2 120 364**	**2 273 211**
Expenditure - Functional																
Governance and administration		**14 753**	**27 086**	**29 497**	**22 552**	**29 126**	**29 185**	**15 059**	**21 862**	**19 549**	**22 970**	**29 418**	**68 053**	**329 110**	**349 849**	**373 164**
Executive and council		2 518	4 622	5 033	3 848	4 970	4 980	2 570	3 731	3 336	3 920	5 020	11 613	56 162	59 639	63 686
Finance and administration		11 582	21 263	23 155	17 704	22 864	22 911	11 821	17 162	15 346	18 031	23 093	53 422	258 354	274 705	292 998
Internal audit		654	1 201	1 308	1 000	1 292	1 294	668	969	867	1 019	1 305	3 018	14 595	15 505	16 480
Community and public safety		**18 225**	**33 459**	**36 437**	**27 859**	**35 979**	**36 053**	**18 602**	**27 006**	**24 149**	**28 374**	**36 339**	**84 065**	**406 547**	**426 830**	**451 535**
Community and social services		1 772	3 253	3 543	2 709	3 499	3 506	1 809	2 626	2 348	2 759	3 534	8 174	39 532	40 927	43 459
Sport and recreation		2 199	4 037	4 396	3 361	4 341	4 350	2 244	3 258	2 914	3 423	4 384	10 142	49 049	51 007	54 188
Public safety		12 600	23 133	25 192	19 261	24 875	24 926	12 861	18 671	16 696	19 617	25 124	58 121	281 078	295 426	311 647
Housing		1 654	3 036	3 306	2 528	3 265	3 271	1 688	2 450	2 191	2 575	3 297	7 628	36 888	39 470	42 241
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**9 655**	**17 726**	**19 304**	**14 759**	**19 061**	**19 100**	**9 855**	**14 307**	**12 794**	**15 032**	**19 252**	**44 536**	**215 381**	**216 315**	**231 158**
Planning and development		4 010	7 362	8 017	6 130	7 916	7 933	4 093	5 942	5 314	6 243	7 996	18 497	89 452	83 303	89 752
Road transport		4 377	8 035	8 751	6 690	8 641	8 658	4 467	6 486	5 800	6 814	8 727	20 189	97 635	103 360	109 446
Environmental protection		1 268	2 329	2 536	1 939	2 504	2 509	1 295	1 879	1 681	1 975	2 529	5 851	28 294	29 651	31 959
Trading services		**42 511**	**78 046**	**84 992**	**64 982**	**83 925**	**84 095**	**43 390**	**62 993**	**56 330**	**66 185**	**84 764**	**196 089**	**948 301**	**1 021 314**	**1 097 692**
Energy sources		24 085	44 218	48 153	36 817	47 548	47 645	24 583	35 689	31 915	37 498	48 024	111 097	537 272	573 869	613 819
Water management		6 429	11 804	12 854	9 828	12 693	12 719	6 562	9 527	8 519	10 010	12 820	29 656	143 421	156 468	172 407
Waste water management		7 289	13 382	14 573	11 142	14 390	14 419	7 440	10 801	9 658	11 348	14 534	33 621	162 596	180 162	194 286
Waste management		4 708	8 643	9 412	7 196	9 294	9 313	4 805	6 976	6 238	7 329	9 387	21 714	105 013	110 815	117 180
Other		6	10	11	9	11	11	6	8	7	9	11	**26**	**124**	**126**	**132**
Total Expenditure - Functional		**85 150**	**156 327**	**170 240**	**130 161**	**168 102**	**168 444**	**86 911**	**126 176**	**112 830**	**132 569**	**169 784**	**392 769**	**1 899 463**	**2 014 434**	**2 153 680**
Surplus/(Deficit) before assoc.		**271 602**	**(8 093)**	**(11 036)**	**10 730**	**(27 647)**	**27 985**	**49 514**	**(739)**	**181 848**	**(23 105)**	**(67 705)**	**(283 397)**	**119 956**	**105 930**	**119 530**
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**271 602**	**(8 093)**	**(11 036)**	**10 730**	**(27 647)**	**27 985**	**49 514**	**(739)**	**181 848**	**(23 105)**	**(67 705)**	**(283 397)**	**119 956**	**105 930**	**119 530**

References

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

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

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Planning and Development Services		–	25	315	478	525	631	284	479	1 058	1 016	1 596	2 052	8 459	6 200	6 500
Vote 3 - Infrastructure Services		–	1 091	13 774	20 891	22 961	27 591	12 428	20 958	46 242	44 411	69 758	89 730	369 835	267 280	327 839
Vote 4 - Community and Protection Services		–	52	652	989	1 086	1 306	588	992	2 188	2 101	3 301	4 246	17 500	21 000	17 600
Vote 5 - Corporate Services		–	73	916	1 390	1 527	1 835	827	1 394	3 076	2 954	4 640	5 969	24 600	37 600	2 500
Vote 6 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**–**	**1 240**	**15 656**	**23 747**	**26 100**	**31 363**	**14 127**	**23 823**	**52 564**	**50 482**	**79 294**	**101 997**	**420 394**	**332 080**	**354 439**
Single-year expenditure *to be appropriated*																
Vote 1 - Office of the Municipal Manager		–	0	1	2	2	3	1	2	5	5	8	10	40	44	49
Vote 2 - Planning and Development Services		–	2	20	30	33	40	18	30	66	64	100	129	532	219	65
Vote 3 - Infrastructure Services		–	103	1 299	1 970	2 166	2 602	1 172	1 977	4 361	4 189	6 579	8 463	34 881	39 082	43 105
Vote 4 - Community and Protection Services		–	93	1 175	1 782	1 958	2 353	1 060	1 787	3 944	3 787	5 949	7 652	31 539	21 730	27 500
Vote 5 - Corporate Services		–	44	553	839	922	1 108	499	842	1 857	1 783	2 801	3 603	14 850	10 450	7 850
Vote 6 - Financial Services		–	3	32	48	53	63	29	48	106	102	160	206	850	200	200
Capital single-year expenditure sub-total	2	**–**	**244**	**3 080**	**4 671**	**5 134**	**6 169**	**2 779**	**4 686**	**10 339**	**9 930**	**15 597**	**20 063**	**82 692**	**71 725**	**78 769**
Total Capital Expenditure	2	**–**	**1 483**	**18 736**	**28 418**	**31 233**	**37 532**	**16 906**	**28 509**	**62 904**	**60 412**	**94 892**	**122 060**	**503 086**	**403 805**	**433 208**

References

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

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

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

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional	1															
Governance and administration		–	119	1 502	2 279	2 504	3 010	1 356	2 286	5 044	4 844	7 609	9 787	40 340	48 294	10 599
Executive and council		–	0	1	2	2	3	1	2	5	5	8	10	40	44	49
Finance and administration		–	119	1 501	2 276	2 502	3 007	1 354	2 284	5 039	4 839	7 601	9 778	40 300	48 250	10 550
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		–	135	1 705	2 586	2 842	3 415	1 538	2 594	5 724	5 497	8 634	11 106	45 776	39 304	73 685
Community and social services		–	16	201	305	336	403	182	306	676	649	1 019	1 311	5 405	10 570	13 225
Sport and recreation		–	52	652	989	1 087	1 306	588	992	2 189	2 103	3 303	4 248	17 510	15 330	8 780
Public safety		–	48	608	922	1 013	1 218	548	925	2 041	1 960	3 078	3 960	16 320	10 310	15 615
Housing		–	19	244	369	406	488	220	371	818	785	1 234	1 587	6 541	3 094	36 065
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		–	376	4 743	7 194	7 907	9 501	4 280	7 217	15 924	15 293	24 022	30 899	127 355	62 218	56 955
Planning and development		–	147	1 857	2 816	3 095	3 719	1 675	2 825	6 233	5 986	9 403	12 095	49 851	13 398	14 575
Road transport		–	200	2 521	3 824	4 203	5 051	2 275	3 836	8 465	8 130	12 770	16 426	67 700	42 300	34 900
Environmental protection		–	29	365	554	609	731	329	556	1 226	1 177	1 849	2 379	9 804	6 520	7 480
Trading services		–	854	10 786	16 360	17 980	21 607	9 732	16 412	36 212	34 778	54 627	70 267	289 615	253 989	291 969
Energy sources		–	206	2 603	3 949	4 340	5 215	2 349	3 961	8 740	8 394	13 184	16 959	69 900	57 857	128 806
Water management		–	288	3 642	5 525	6 072	7 296	3 287	5 542	12 228	11 744	18 447	23 728	97 800	86 572	67 018
Waste water management		–	329	4 159	6 308	6 933	8 331	3 753	6 328	13 963	13 410	21 063	27 094	111 670	86 815	51 900
Waste management		–	30	382	579	636	764	344	581	1 281	1 230	1 932	2 486	10 245	22 745	44 245
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	–	1 483	18 736	28 418	31 233	37 532	16 906	28 509	62 904	60 412	94 892	122 060	503 086	403 805	433 208
Funded by:																
National Government		–	188	2 372	3 598	3 954	4 752	2 140	3 609	7 964	7 648	12 013	15 453	63 690	43 675	46 102
Provincial Government		–	166	2 102	3 188	3 504	4 210	1 897	3 198	7 056	6 777	10 645	13 693	56 436	51 620	54 600
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		–	354	4 474	6 786	7 458	8 962	4 037	6 807	15 020	14 425	22 658	29 145	120 126	95 295	100 702
Borrowing		–	472	5 959	9 038	9 933	11 937	5 377	9 067	20 006	19 213	30 179	38 820	160 000	120 000	120 000
Internally generated funds		–	657	8 304	12 595	13 842	16 634	7 493	12 635	27 878	26 774	42 054	54 095	222 960	188 510	212 506
Total Capital Funding		–	1 483	18 736	28 418	31 233	37 532	16 906	28 509	62 904	60 412	94 892	122 060	503 086	403 805	433 208

References

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

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

check

WC024 Stellenbosch - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source													1		
Property rates	66 521	27 640	29 686	26 271	26 190	36 627	25 438	23 389	54 947	20 411	19 034	20 394	376 549	401 026	427 093
Service charges - electricity revenue	119 978	49 852	53 541	47 383	47 236	66 060	45 881	42 185	99 102	36 813	34 330	36 783	679 144	730 080	784 836
Service charges - water revenue	28 614	11 889	12 769	11 300	11 265	15 755	10 942	10 061	23 635	8 780	8 187	8 772	161 971	174 119	187 178
Service charges - sanitation revenue	20 065	8 337	8 954	7 924	7 900	11 048	7 673	7 055	16 574	6 157	5 741	6 151	113 579	121 530	130 037
Service charges - refuse revenue	13 280	5 518	5 926	5 245	5 228	7 312	5 078	4 669	10 969	4 075	3 800	4 071	75 173	87 576	102 027
Rental of facilities and equipment	2 590	1 076	1 156	1 023	1 020	1 426	991	911	2 140	795	741	794	14 663	15 543	16 476
Interest earned - external investments	6 690	2 780	2 986	2 642	2 634	3 684	2 558	2 352	5 526	2 053	1 914	2 051	37 870	34 522	29 358
Interest earned - outstanding debtors	2 252	936	1 005	890	887	1 240	861	792	1 861	691	644	691	12 750	13 643	14 598
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	8 459	3 515	3 775	3 341	3 330	4 657	3 235	2 974	6 987	2 595	2 420	2 593	47 881	56 335	65 297
Licences and permits	972	404	434	384	383	535	372	342	803	298	278	298	5 503	5 834	6 184
Agency services	518	215	231	204	204	285	198	182	428	159	148	159	2 931	3 107	3 293
Transfers and Subsidies - Operational	31 464	13 074	14 041	12 426	12 388	17 325	12 032	11 063	25 990	9 654	9 003	9 646	178 107	181 180	197 574
Other revenue	6 962	2 893	3 107	2 749	2 741	3 833	2 662	2 448	5 751	2 136	1 992	2 134	39 408	42 181	45 152
Cash Receipts by Source	**308 366**	**128 130**	**137 611**	**121 782**	**121 406**	**169 788**	**117 922**	**108 424**	**254 712**	**94 618**	**88 234**	**94 538**	**1 745 530**	**1 866 676**	**2 009 104**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	21 222	8 818	9 471	8 381	8 355	11 685	8 115	7 462	17 530	6 512	6 072	6 506	120 129	95 295	100 702
Short term loans												–			
Borrowing long term/refinancing								160 000				–	160 000	120 000	120 000
Total Cash Receipts by Source	**329 588**	**136 948**	**147 082**	**130 163**	**129 761**	**181 473**	**126 037**	**275 886**	**272 241**	**101 129**	**94 306**	**101 045**	**2 025 659**	**2 081 971**	**2 229 806**
Cash Payments by Type															
Employee related costs	24 625	45 208	49 232	37 641	48 614	48 713	25 134	36 489	32 629	38 338	49 100	113 585	549 308	591 252	642 226
Remuneration of councillors	947	1 739	1 894	1 448	1 870	1 874	967	1 404	1 255	1 475	1 889	4 370	21 133	22 401	23 745
Finance charges	2 302	4 226	4 602	3 519	4 544	4 554	2 349	3 411	3 050	3 584	4 590	10 618	51 349	64 710	77 154
Bulk purchases - Electricity	20 408	37 468	40 802	31 196	40 290	40 372	20 830	30 241	27 043	31 773	40 693	94 137	455 254	487 122	521 220
Bulk purchases - Water & Sewer	1 208	2 217	2 415	1 846	2 384	2 389	1 233	1 790	1 600	1 880	2 408	5 571	26 942	29 030	31 281
Other materials	1 870	3 432	3 738	2 858	3 691	3 699	1 908	2 770	2 477	2 911	3 728	8 624	41 706	44 101	46 229
Contracted services	11 004	20 203	22 001	16 821	21 725	21 769	11 232	16 306	14 582	17 133	21 942	50 760	245 478	244 744	255 781
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–			
Transfers and grants - other	451	829	902	690	891	893	461	669	598	703	900	2 082	10 069	10 600	11 200
Other expenditure	6 362	11 680	12 719	9 725	12 559	12 585	6 493	9 427	8 430	9 905	12 685	29 345	141 913	148 705	156 896
Cash Payments by Type	**69 177**	**127 002**	**138 305**	**105 745**	**136 569**	**136 847**	**70 608**	**102 507**	**91 665**	**107 701**	**137 935**	**319 091**	**1 543 151**	**1 642 664**	**1 765 731**
Other Cash Flows/Payments by Type															
Capital assets	–	1 528	19 296	29 268	32 167	38 654	17 411	29 361	64 783	62 217	97 727	125 707	503 086	403 805	433 208
Repayment of borrowing						12 500						13 811	26 311	31 078	38 078
Total Cash Payments by Type	**69 177**	**128 530**	**157 601**	**135 012**	**168 736**	**188 001**	**88 019**	**131 868**	**156 448**	**169 918**	**235 662**	**458 610**	**2 072 548**	**2 077 546**	**2 237 017**
NET INCREASE/(DECREASE) IN CASH HELD	**260 411**	**8 417**	**(10 520)**	**(4 849)**	**(38 975)**	**(6 527)**	**38 018**	**144 018**	**115 793**	**(68 789)**	**(141 356)**	**(357 565)**	**(46 890)**	**4 425**	**(7 210)**
Cash/cash equivalents at the month/year begin:	408 228	668 640	677 057	666 537	661 688	622 714	616 186	654 204	798 222	914 015	845 226	703 870	408 228	361 339	365 764
Cash/cash equivalents at the month/year end:	668 640	677 057	666 537	661 688	622 714	616 186	654 204	798 222	914 015	845 226	703 870	346 305	361 339	365 764	358 553

References

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

WC024 Stellenbosch - NOT REQUIRED - municipality does not have entities

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R million		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates										
Service charges										
Investment revenue										
Transfers recognised - operational										
Other own revenue										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers										
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	–	–
Employee costs										
Remuneration of Board Members										
Depreciation & asset impairment										
Finance charges										
Materials and bulk purchases										
Transfers and grants										
Other expenditure										
Total Expenditure		–	–	–	–	–	–	–	–	–
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - operational										
Borrowing										
Internally generated funds										
Total sources		–	–	–	–	–	–	–	–	–
Financial position										
Total current assets										
Total non current assets										
Total current liabilities										
Total non current liabilities										
Equity										
Cash flows										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
Cash/cash equivalents at the year end										

WC024 Stellenbosch - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
DBSA	15 Yr	Ongoing	Financial of approved Capital Projects by means of and e	31 December 2020	6 915
DBSA	15 Yr	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2025	19 309
DBSA	15 Yr	Ongoing	Financial of approved Capital Projects by means of and e	30 June 2026	54 076
DBSA	15 Yr	Ongoing	Financial of approved Capital Projects by means of and e	18 February 2030	85 965
NEDBANK	Yrs	Ongoing	Financial of approved Capital Projects by means of and e	29 June 2029	160 000
NEDBANK	Mths	Ongoing	Provisioning of banking services.	30 June 2020	Rates approved

References

1. Total agreement period from commencement until end

2. Annual value

WC024 Stellenbosch - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework			Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
HCB Valuers		–	1 000	1 701	425	271	279	279						3 954
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	1 000	1 701	425	271	279	279	–	–	–	–	–	3 954
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		–	1 000	1 701	425	271	279	279	–	–	–	–	–	3 954
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**188 905**	**106 734**	**–**	**181 642**	**213 097**	**213 097**	**196 896**	**139 322**	**241 048**
Roads Infrastructure		13 949	32 742	–	40 950	48 270	48 270	45 221	23 250	26 750
Roads		13 949	15 910		23 350	26 255	26 255	45 221	23 250	26 750
Road Structures		–	15 265		14 700	18 464	18 464			
Road Furniture		–	1 567		2 900	3 550	3 550			
Capital Spares		–	–		–	–	–			
Storm water Infrastructure		–	–	–	–	–	–	3 000	–	–
Drainage Collection		–	–		–	–	–			
Storm water Conveyance		–	–		–	–	–	3 000	–	–
Attenuation		–	–		–	–	–			
Electrical Infrastructure		8 102	6 209	–	8 380	19 223	19 223	38 950	38 672	99 998
Power Plants		–	–		–	10 355	10 355	38 950	38 672	99 998
HV Substations		–	–		1 100	1 100	1 100			
HV Switching Station		–	–		–	–	–			
HV Transmission Conductors		8 102	–		–	–	–			
MV Substations		–	–		–	–	–			
MV Switching Stations		–	297		–	–	–			
MV Networks		–	2 005		4 480	4 968	4 968			
LV Networks		–	3 218		2 000	2 000	2 000			
Capital Spares		–	689		800	800	800			
Water Supply Infrastructure		35 063	32 855	–	43 202	40 052	40 052	71 375	48 831	68 100
Dams and Weirs		–	–		–	–	–			
Boreholes		–	–		–	–	–			
Reservoirs		599	19 088		21 500	18 600	18 600	71 375	48 831	68 100
Pump Stations		–	–		–	–	–			
Water Treatment Works		–	–		400	–	–			
Bulk Mains		–	–		10 000	10 000	10 000			
Distribution		34 463	13 767		11 302	11 452	11 452			
Distribution Points		–	–		–	–	–			
PRV Stations		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Sanitation Infrastructure		130 181	33 368	–	61 700	73 627	73 627	31 700	9 400	2 900
Pump Station		–	–		–	–	–			
Reticulation		130 181	2 127		8 500	8 018	8 018			
Waste Water Treatment Works		–	–		1 200	354	354			
Outfall Sewers		–	31 242		52 000	65 255	65 255	31 700	9 400	2 900
Toilet Facilities		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Solid Waste Infrastructure		1 611	1 559	–	26 800	31 243	31 243	6 000	18 500	42 500
Landfill Sites		–	723		24 000	28 669	28 669	6 000	18 500	42 500
Waste Transfer Stations		1 611	503		1 000	1 116	1 116			
Waste Processing Facilities		–	–		–	–	–			
Waste Drop-off Points		–	–		300	300	300			
Waste Separation Facilities		–	333		1 000	658	658			
Electricity Generation Facilities		–	–		500	500	500			
Capital Spares		–	–		–	–	–			
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–		–	–	–			
Rail Structures		–	–		–	–	–			
Rail Furniture		–	–		–	–	–			
Drainage Collection		–	–		–	–	–			
Storm water Conveyance		–	–		–	–	–			
Attenuation		–	–		–	–	–			
MV Substations		–	–		–	–	–			

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
LV Networks		–	–		–	–	–			
Capital Spares		–	–		–	–	–			

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–		–	–	–			
Piers		–	–		–	–	–			
Revetments		–	–		–	–	–			
Promenades		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Information and Communication Infrastructure		–	–	–	610	683	683	650	670	800
Data Centres		–	–		–	–	–			
Core Layers		–	–		–	–	–			
Distribution Layers		–	–		–	–	–			
Capital Spares		–	–		610	683	683	650	670	800
Community Assets		**17 110**	**14 850**	**–**	**20 310**	**21 915**	**21 915**	**26 445**	**15 270**	**6 000**
Community Facilities		13 898	14 769	–	15 310	16 489	16 489	–	–	–
Halls		9 565	8 468		1 000	1 000	1 000			
Centres		–	596		–	–	–			
Crèches		–	–		–	–	–			
Clinics/Care Centres		–	–		–	–	–			
Fire/Ambulance Stations		311	–		–	–	–			
Testing Stations		–	–		–	–	–			
Museums		–	–		–	–	–			
Galleries		–	–		–	–	–			
Theatres		–	–		4 000	1 329	1 329			
Libraries		1 237	–		475	475	475			
Cemeteries/Crematoria		767	664		–	–	–			
Police		379	–		–	–	–			
Parks		1 638	–		–	–	–			
Public Open Space		–	1 851		2 500	2 527	2 527			
Nature Reserves		–	–		–	260	260			
Public Ablution Facilities		–	–		–	–	–			
Markets		–	–		–	330	330			
Stalls		–	3 158		4 500	7 265	7 265			
Abattoirs		–	–		–	–	–			
Airports		–	–		–	–	–			
Taxi Ranks/Bus Terminals		–	–		–	–	–			
Capital Spares		–	32		2 835	3 302	3 302			
Sport and Recreation Facilities		3 212	82	–	5 000	5 426	5 426	26 445	15 270	6 000
Indoor Facilities		1 155	–		–	–	–			
Outdoor Facilities		1 925	82		5 000	5 426	5 426	26 445	15 270	6 000
Capital Spares		132	–		–	–	–			
Heritage assets		–	1 337	–	2 000	2 039	2 039	–	–	–
Monuments		–	–		–	–	–			
Historic Buildings		–	–		–	–	–			
Works of Art		–	–		–	–	–			
Conservation Areas		–	1 337		2 000	2 039	2 039			
Other Heritage		–	–		–	–	–			
Investment properties		**–**	**904**	**–**	**4 300**	**3 800**	**3 800**	**4 200**	**5 000**	**2 000**
Revenue Generating		–	–	–	4 300	3 800	3 800	4 200	5 000	2 000
Improved Property		–	–		4 300	3 800	3 800	4 200	5 000	2 000
Unimproved Property		–	–		–	–	–			
Non-revenue Generating		–	904	–	–	–	–	–	–	–
Improved Property		–	904		–	–	–			
Unimproved Property		–	–		–	–	–			
Other assets		**21 875**	**1 219**	**–**	**39 247**	**28 632**	**28 632**	**5 959**	**4 000**	**5 500**
Operational Buildings		16 097	139	–	35 487	26 692	26 692	5 959	4 000	5 500
Municipal Offices		8 827	139		500	–	–			
Pay/Enquiry Points		–	–		–	–	–			

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Building Plan Offices		–	–		–	–	–			
Workshops		–	–		–	–	–			
Yards		–	–		–	–	–			
Stores		219	–		–	–	–			
Laboratories		–	–		–	–	–			
Training Centres		–	–		34 987	26 692	26 692	5 959	4 000	5 500
Manufacturing Plant		–	–		–	–	–			
Depots		6 656	–		–	–	–			
Capital Spares		395	–		–	–	–			
Housing		5 777	1 080	–	3 760	1 940	1 940	–	–	–
Staff Housing		–	–		–	–	–			
Social Housing		5 783	1 080		3 760	1 940	1 940			
Capital Spares		(6)	–		–	–	–			
Biological or Cultivated Assets		–	120	–	–	–	–	1 000	–	250
Biological or Cultivated Assets		–	120		–	–	–	1 000	–	250
Intangible Assets		2 650	50	–	–	–	–	300	–	200
Servitudes		–	–		–	–	–			
Licences and Rights		2 650	50	–	–	–	–	300	–	200
Water Rights		–	–		–	–	–			
Effluent Licenses		–	–		–	–	–			
Solid Waste Licenses		–	–		–	–	–			
Computer Software and Applications		2 650	50		–	–	–	300	–	200
Load Settlement Software Applications		–	–		–	–	–			
Unspecified		–	–		–	–	–			
Computer Equipment		1 800	2 184	–	77 550	112 925	112 925	100	50	50
Computer Equipment		1 800	2 184		77 550	112 925	112 925	100	50	50
Furniture and Office Equipment		5 170	3 620	–	2 545	3 226	3 226	3 247	2 616	3 174
Furniture and Office Equipment		5 170	3 620		2 545	3 226	3 226	3 247	2 616	3 174
Machinery and Equipment		–	6 560	–	21 480	29 227	29 227	12 880	8 431	8 530
Machinery and Equipment		–	6 560		21 480	29 227	29 227	12 880	8 431	8 530
Transport Assets		9 437	17 045	–	16 830	25 222	25 222	18 450	18 325	28 800
Transport Assets		9 437	17 045		16 830	25 222	25 222	18 450	18 325	28 800
Land		–	4 221	–	–	–	–	–	–	–
Land		–	4 221		–	–	–			
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–		–	–	–			
Total Capital Expenditure on new assets	1	**246 945**	**158 843**	**–**	**365 903**	**440 083**	**440 083**	**269 476**	**193 014**	**295 552**

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**58 637**	**27 782**	**–**	**29 500**	**28 440**	**28 440**	**37 800**	**27 059**	**38 791**
Roads Infrastructure		12 196	18 935	–	8 000	11 303	11 303	9 650	5 250	5 000
Roads		12 196	18 935		8 000	11 303	11 303	9 650	5 250	5 000
Road Structures		–	–		–	–	–			
Road Furniture		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–		–	–	–			
Storm water Conveyance		–	–		–	–	–			
Attenuation		–	–		–	–	–			
Electrical Infrastructure		19 428	3 887	–	4 500	5 137	5 137	5 150	4 809	19 791
Power Plants		–	–		–	–	–			
HV Substations		–	–		500	500	500	600	250	1 950
HV Switching Station		–	–		–	–	–			
HV Transmission Conductors		19 428	361		–	–	–			
MV Substations		–	–		–	–	–	3 000	3 000	16 272
MV Switching Stations		–	–		–	–	–			
MV Networks		–	3 526		3 000	3 637	3 637	1 550	1 559	1 569
LV Networks		–	–		–	–	–			
Capital Spares		–	–		1 000	1 000	1 000			
Water Supply Infrastructure		3 543	2 694	–	5 000	3 000	3 000	8 000	7 000	10 000
Dams and Weirs		–	–		–	–	–			
Boreholes		–	–		–	–	–			
Reservoirs		–	–		–	–	–			
Pump Stations		–	–		–	–	–			
Water Treatment Works		–	–		–	–	–			
Bulk Mains		–	–		–	–	–			
Distribution		3 543	2 694		5 000	3 000	3 000	8 000	7 000	10 000
Distribution Points		–	–		–	–	–			
PRV Stations		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Sanitation Infrastructure		22 297	2 266	–	12 000	9 000	9 000	15 000	10 000	4 000
Pump Station		–	–		–	–	–			
Reticulation		22 297	–		9 000	6 000	6 000	12 000	6 000	–
Waste Water Treatment Works		–	–		–	–	–	3 000	4 000	4 000
Outfall Sewers		–	2 266		3 000	3 000	3 000			
Toilet Facilities		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Solid Waste Infrastructure		1 173	–	–	–	–	–	–	–	–
Landfill Sites		–	–		–	–	–			
Waste Transfer Stations		1 173	–		–	–	–			
Waste Processing Facilities		–	–		–	–	–			
Waste Drop-off Points		–	–		–	–	–			
Waste Separation Facilities		–	–		–	–	–			
Electricity Generation Facilities		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–		–	–	–			
Rail Structures		–	–		–	–	–			
Rail Furniture		–	–		–	–	–			
Drainage Collection		–	–		–	–	–			
Storm water Conveyance		–	–		–	–	–			
Attenuation		–	–		–	–	–			
MV Substations		–	–		–	–	–			
LV Networks		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–		–	–	–			
Piers		–	–		–	–	–			
Revetments		–	–		–	–	–			
Promenades		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Data Centres		–	–		–	–	–			
Core Layers		–	–		–	–	–			
Distribution Layers		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Community Assets		**882**	**373**	**–**	**–**	**–**	**–**	**–**	**–**	**550**
Community Facilities		882	10	–	–	–	–	–	–	–
Halls		–	–		–	–	–			
Centres		–	–		–	–	–			
Crèches		–	–		–	–	–			
Clinics/Care Centres		–	–		–	–	–			
Fire/Ambulance Stations		91	–		–	–	–			
Testing Stations		–	–		–	–	–			
Museums		–	–		–	–	–			
Galleries		–	–		–	–	–			
Theatres		–	–		–	–	–			
Libraries		–	–		–	–	–			
Cemeteries/Crematoria		–	10		–	–	–			
Police		–	–		–	–	–			
Parks		136	–		–	–	–			
Public Open Space		–	–		–	–	–			
Nature Reserves		–	–		–	–	–			
Public Ablution Facilities		–	–		–	–	–			
Markets		–	–		–	–	–			
Stalls		–	–		–	–	–			
Abattoirs		–	–		–	–	–			
Airports		–	–		–	–	–			
Taxi Ranks/Bus Terminals		–	–		–	–	–			
Capital Spares		654	–		–	–	–			
Sport and Recreation Facilities		–	363	–	–	–	–	–	–	550
Indoor Facilities		–	–		–	–	–			
Outdoor Facilities		–	363		–	–	–	–	–	550
Capital Spares		–	–		–	–	–			
Heritage assets		1 219	–	–	–	–	–	–	–	–
Monuments		–	–		–	–	–			
Historic Buildings		1 219	–		–	–	–			
Works of Art		–	–		–	–	–			
Conservation Areas		–	–		–	–	–			
Other Heritage		–	–		–	–	–			
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–		–	–	–			
Unimproved Property		–	–		–	–	–			
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–		–	–	–			
Unimproved Property		–	–		–	–	–			
Other assets		**95 479**	**449**	**–**	**100**	**100**	**100**	**500**	**575**	**661**
Operational Buildings		95 479	449	–	100	100	100	500	575	661
Municipal Offices		–	449		100	100	100	500	575	661
Pay/Enquiry Points		–	–		–	–	–			
Building Plan Offices		–	–		–	–	–			
Workshops		–	–		–	–	–			
Yards		–	–		–	–	–			
Stores		–	–		–	–	–			
Laboratories		–	–		–	–	–			
Training Centres		–	–		–	–	–			
Manufacturing Plant		–	–		–	–	–			
Depots		475	–		–	–	–			
Capital Spares		95 004	–		–	–	–			
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–		–	–	–			
Social Housing		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–		–	–	–			
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–		–	–	–			

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–		–	–	–			
Effluent Licenses		–	–		–	–	–			
Solid Waste Licenses		–	–		–	–	–			
Computer Software and Applications		–	–		–	–	–			
Load Settlement Software Applications		–	–		–	–	–			
Unspecified		–	–		–	–	–			
Computer Equipment		6 747	–	–	–	–	–	–	–	–
Computer Equipment		6 747	–		–	–	–			
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–		–	–	–			
Machinery and Equipment		–	493	–	–	–	–	–	–	–
Machinery and Equipment		–	493		–	–	–			
Transport Assets		294	–	–	–	–	–	–	–	–
Transport Assets		294	–		–	–	–			
Land		–	–	–	–	–	–	–	–	–
Land		–	–		–	–	–			
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–		–	–	–			
Total Capital Expenditure on renewal of existing assets	1	**163 258**	**29 097**	**–**	**29 600**	**28 540**	**28 540**	**38 300**	**27 634**	**40 002**
Renewal of Existing Assets as % of total capex								*7.4%*	*6.8%*	*8.8%*
Renewal of Existing Assets as % of deprecn"								*18.6%*	*12.9%*	*17.8%*

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**50 647**	**21 383**	**28 080**	**25 749**	**20 389**	**20 389**	**25 749**	**26 566**	**31 684**
Roads Infrastructure		5 596	5 510	3 862	–	–	–	–	–	–
Roads		5 596	5 510	3 862	–	–	–	–	–	–
Road Structures		–			–	–	–	–	–	–
Road Furniture		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Storm water Infrastructure		–	161	4 621	14 746	11 343	11 343	14 746	19 436	22 294
Drainage Collection		–			–	–	–	–	–	–
Storm water Conveyance		–	161	4 621	230	230	230	230	244	258
Attenuation		–			14 516	11 113	11 113	14 516	19 192	22 036
Electrical Infrastructure		11 876	7 510	7 790	2 328	2 328	2 328	2 328	740	2 616
Power Plants		–			–	–	–	–	–	–
HV Substations		–			–	–	–	–	–	–
HV Switching Station		–			–	–	–	–	–	–
HV Transmission Conductors		11 876	7 510	7 790	–	–	–	–	–	–
MV Substations		–			2 328	2 328	2 328	2 328	740	2 616
MV Switching Stations		–			–	–	–	–	–	–
MV Networks		–			–	–	–	–	–	–
LV Networks		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Water Supply Infrastructure		5 493	1 215	6 090	1 162	1 112	1 112	1 162	1 231	1 305
Dams and Weirs		–			–	–	–	–	–	–
Boreholes		–			–	–	–	–	–	–
Reservoirs		–			851	851	851	851	902	957
Pump Stations		–			–	–	–	–	–	–
Water Treatment Works		–			–	–	–	–	–	–
Bulk Mains		–			–	–	–	–	–	–
Distribution		5 493	1 215	6 090	310	260	260	310	329	349
Distribution Points		–			–	–	–	–	–	–
PRV Stations		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Sanitation Infrastructure		16 031	6 220	5 187	7 414	5 514	5 514	7 414	5 051	5 354
Pump Station		–			–	–	–	–	–	–
Reticulation		16 031	6 220	5 187	–	–	–	–	–	–
Waste Water Treatment Works		–			–	–	–	–	–	–
Outfall Sewers		–			7 414	5 514	5 514	7 414	5 051	5 354
Toilet Facilities		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Solid Waste Infrastructure		11 651	767	530	–	–	–	–	–	–
Landfill Sites		–			–	–	–	–	–	–
Waste Transfer Stations		11 651	767	530	–	–	–	–	–	–
Waste Processing Facilities		–			–	–	–	–	–	–
Waste Drop-off Points		–			–	–	–	–	–	–
Waste Separation Facilities		–			–	–	–	–	–	–
Electricity Generation Facilities		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–			–	–	–	–	–	–
Rail Structures		–			–	–	–	–	–	–
Rail Furniture		–			–	–	–	–	–	–
Drainage Collection		–			–	–	–	–	–	–
Storm water Conveyance		–			–	–	–	–	–	–
Attenuation		–			–	–	–	–	–	–
MV Substations		–			–	–	–	–	–	–
LV Networks		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–			–	–	–	–	–	–

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Piers		–			–	–	–	–	–	–
Revetments		–			–	–	–	–	–	–
Promenades		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	99	93	93	99	109	115
Data Centres		–			–	–	–	–	–	–
Core Layers		–			99	93	93	99	109	115
Distribution Layers		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Community Assets		**6 909**	**48**	**6 409**	**6 013**	**5 012**	**5 012**	**6 013**	**6 785**	**7 191**
Community Facilities		6 909	48	6 409	6 013	5 012	5 012	6 013	6 785	7 191
Halls		–			–	–	–	–	–	–
Centres		–			–	–	–	–	–	–
Crèches		–			–	–	–	–	–	–
Clinics/Care Centres		–			–	–	–	–	–	–
Fire/Ambulance Stations		–			–	–	–	–	–	–
Testing Stations		–			–	–	–	–	–	–
Museums		–			–	–	–	–	–	–
Galleries		–			–	–	–	–	–	–
Theatres		–			–	–	–	–	–	–
Libraries		–			39	39	39	39	41	44
Cemeteries/Crematoria		–			–	–	–	–	–	–
Police		–			–	–	–	–	–	–
Parks		–			–	–	–	–	–	–
Public Open Space		6 909	48	6 409	–	–	–	–	–	–
Nature Reserves		–			–	–	–	–	–	–
Public Ablution Facilities		–			–	–	–	–	–	–
Markets		–			–	–	–	–	–	–
Stalls		–			–	–	–	–	–	–
Abattoirs		–			–	–	–	–	–	–
Airports		–			–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–			–	–	–	–	–	–
Capital Spares		–			5 974	4 973	4 973	5 974	6 743	7 148
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–			–	–	–	–	–	–
Outdoor Facilities		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–			–	–	–	–	–	–
Historic Buildings		–			–	–	–	–	–	–
Works of Art		–			–	–	–	–	–	–
Conservation Areas		–			–	–	–	–	–	–
Other Heritage		–			–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–			–	–	–	–	–	–
Unimproved Property		–			–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–			–	–	–	–	–	–
Unimproved Property		–			–	–	–	–	–	–
Other assets		**858**	**9 705**	**6 737**	**31**	**31**	**31**	**31**	**622**	**659**
Operational Buildings		858	9 705	6 737	31	31	31	31	622	659
Municipal Offices		–			31	31	31	31	622	659
Pay/Enquiry Points		–			–	–	–	–	–	–
Building Plan Offices		–			–	–	–	–	–	–
Workshops		–			–	–	–	–	–	–
Yards		–			–	–	–	–	–	–
Stores		–			–	–	–	–	–	–
Laboratories		–			–	–	–	–	–	–
Training Centres		–			–	–	–	–	–	–
Manufacturing Plant		–			–	–	–	–	–	–

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Depots		–			–	–	–	–	–	–
Capital Spares		858	9 705	6 737	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–			–	–	–	–	–	–
Social Housing		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Biological or Cultivated Assets		–	21	14	42	42	42	42	45	48
Biological or Cultivated Assets		–	21	14	42	42	42	42	45	48
Intangible Assets		725	151	317	–	–	–	–	–	–
Servitudes		–			–	–	–	–	–	–
Licences and Rights		725	151	317	–	–	–	–	–	–
Water Rights		–			–	–	–	–	–	–
Effluent Licenses		–			–	–	–	–	–	–
Solid Waste Licenses		–			–	–	–	–	–	–
Computer Software and Applications		725	151	317	–	–	–	–	–	–
Load Settlement Software Applications		–			–	–	–	–	–	–
Unspecified		–			–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–			–	–	–	–	–	–
Furniture and Office Equipment		–	5 038	10 066	52 078	26 233	26 233	27 505	26 838	27 883
Furniture and Office Equipment		–	5 038	10 066	52 078	26 233	26 233	27 505	26 838	27 883
Machinery and Equipment		–	–	–	–	–	–	24 157	26 743	24 001
Machinery and Equipment		–			–	–	–	24 157	26 743	24 001
Transport Assets		–	6 883	9 630	7 326	39 531	39 531	7 326	7 574	8 003
Transport Assets		–	6 883	9 630	7 326	39 531	39 531	7 326	7 574	8 003
Land		–	–	–	–	–	–	–	–	–
Land		–			–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–			–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**59 139**	**43 227**	**61 255**	**91 240**	**91 240**	**91 240**	**90 823**	**95 172**	**99 469**
R&M as a % of PPE		*1.3%*	*0.9%*	*1.2%*	*1.7%*	*1.7%*	*1.7%*	*0.0%*	*1.6%*	*1.7%*
R&M as % Operating Expenditure		*4.5%*	*3.2%*	*4.1%*	*5.0%*	*5.0%*	*5.0%*	*817.9%*	*5.0%*	*4.9%*

WC024 Stellenbosch - Supporting Table SA34d Depreciation by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Depreciation by Asset Class/Sub-class										
Infrastructure		**119 246**	**124 340**	**132 727**	**155 265**	**157 442**	**157 442**	**155 265**	**161 476**	**167 935**
Roads Infrastructure		47 049	50 627	43 966	63 815	61 942	61 942	63 815	66 367	69 022
Roads		47 049	50 627	43 966	62 789	60 917	60 917	62 789	65 301	67 913
Road Structures		–			6	6	6	6	6	7
Road Furniture		–			1 019	1 019	1 019	1 019	1 060	1 102
Capital Spares		–			–	–	–	–	–	–
Storm water Infrastructure		–	1 210	1 193	1 619	1 619	1 619	1 619	1 684	1 751
Drainage Collection		–	1 210	1 193	1 494	1 494	1 494	1 494	1 554	1 616
Storm water Conveyance		–			125	125	125	125	130	135
Attenuation		–			–	–	–	–	–	–
Electrical Infrastructure		21 780	21 161	34 937	28 531	32 580	32 580	28 531	29 672	30 859
Power Plants		–			856	1 405	1 405	856	890	926
HV Substations		–			27 675	31 175	31 175	27 675	28 782	29 933
HV Switching Station		–			–	–	–	–	–	–
HV Transmission Conductors		14 890	21 161	34 937	–	–	–	–	–	–
MV Substations		–			–	–	–	–	–	–
MV Switching Stations		–			–	–	–	–	–	–
MV Networks		6 890			–	–	–	–	–	–
LV Networks		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Water Supply Infrastructure		34 723	35 198	37 690	43 560	43 560	43 560	43 560	45 303	47 115
Dams and Weirs		–			–	–	–	–	–	–
Boreholes		–			–	–	–	–	–	–
Reservoirs		–			24 998	24 998	24 998	24 998	25 997	27 037
Pump Stations		–			7	7	7	7	7	8
Water Treatment Works		–			18 465	18 465	18 465	18 465	19 204	19 972
Bulk Mains		–			–	–	–	–	–	–
Distribution		34 723	35 198	37 690	91	91	91	91	94	98
Distribution Points		–			–	–	–	–	–	–
PRV Stations		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Sanitation Infrastructure		15 694	12 121	12 130	15 170	15 170	15 170	15 170	15 776	16 408
Pump Station		–			–	–	–	–	–	–
Reticulation		15 694	12 121	12 130	–	–	–	–	–	–
Waste Water Treatment Works		–			4 739	4 739	4 739	4 739	4 929	5 126
Outfall Sewers		–			10 430	10 430	10 430	10 430	10 847	11 281
Toilet Facilities		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Solid Waste Infrastructure		–	4 022	2 547	2 571	2 571	2 571	2 571	2 674	2 780
Landfill Sites		–	3 008	571	–	–	–	–	–	–
Waste Transfer Stations		–			16	16	16	16	16	17
Waste Processing Facilities		–			1 319	1 319	1 319	1 319	1 372	1 427
Waste Drop-off Points		–			–	–	–	–	–	–
Waste Separation Facilities		–			–	–	–	–	–	–
Electricity Generation Facilities		–			–	–	–	–	–	–
Capital Spares		–	1 014	1 976	1 236	1 236	1 236	1 236	1 285	1 337
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–			–	–	–	–	–	–
Rail Structures		–			–	–	–	–	–	–
Rail Furniture		–			–	–	–	–	–	–
Drainage Collection		–			–	–	–	–	–	–
Storm water Conveyance		–			–	–	–	–	–	–
Attenuation		–			–	–	–	–	–	–
MV Substations		–			–	–	–	–	–	–
LV Networks		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–			–	–	–	–	–	–

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Piers		–			–	–	–	–	–	–
Revetments		–			–	–	–	–	–	–
Promenades		–			–	–	–	–	–	–
Capital Spares		–			–	–	–	–	–	–
Information and Communication Infrastructure		–	–	264	–	–	–	–	–	–
Data Centres		–			–	–	–	–	–	–
Core Layers		–			–	–	–	–	–	–
Distribution Layers		–			–	–	–	–	–	–
Capital Spares		–		264	–	–	–	–	–	–
Community Assets		**2 946**	**10 920**	**2 504**	**10 390**	**10 390**	**10 390**	**10 390**	**10 805**	**11 238**
Community Facilities		1 027	10 920	2 504	7 327	7 327	7 327	7 327	7 620	7 925
Halls		4			210	210	210	210	219	228
Centres		–			–	–	–	–	–	–
Crèches		–			–	–	–	–	–	–
Clinics/Care Centres		–			–	–	–	–	–	–
Fire/Ambulance Stations		–			126	126	126	126	131	136
Testing Stations		–			–	–	–	–	–	–
Museums		–			–	–	–	–	–	–
Galleries		–			–	–	–	–	–	–
Theatres		–			–	–	–	–	–	–
Libraries		7			228	228	228	228	237	247
Cemeteries/Crematoria		–			540	540	540	540	562	584
Police		–			1 686	1 686	1 686	1 686	1 754	1 824
Parks		–			–	–	–	–	–	–
Public Open Space		95			1 645	1 645	1 645	1 645	1 711	1 780
Nature Reserves		–			187	187	187	187	195	202
Public Ablution Facilities		–			757	757	757	757	788	819
Markets		–			–	–	–	–	–	–
Stalls		–			–	–	–	–	–	–
Abattoirs		–			–	–	–	–	–	–
Airports		–			–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–			–	–	–	–	–	–
Capital Spares		921	10 920	2 504	1 947	1 947	1 947	1 947	2 024	2 105
Sport and Recreation Facilities		1 919	–	–	3 063	3 063	3 063	3 063	3 185	3 312
Indoor Facilities		36			–	–	–	–	–	–
Outdoor Facilities		1 884			3 063	3 063	3 063	3 063	3 185	3 312
Capital Spares		–			–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–			–	–	–	–	–	–
Historic Buildings		–			–	–	–	–	–	–
Works of Art		–			–	–	–	–	–	–
Conservation Areas		–			–	–	–	–	–	–
Other Heritage		–			–	–	–	–	–	–
Investment properties		**–**	**371**	**371**	**452**	**452**	**452**	**452**	**470**	**489**
Revenue Generating		–	371	371	452	452	452	452	470	489
Improved Property		–	371	371	452	452	452	452	470	489
Unimproved Property		–			–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–			–	–	–	–	–	–
Unimproved Property		–			–	–	–	–	–	–
Other assets		**18 229**	**3 748**	**10 636**	**16 168**	**16 168**	**16 168**	**16 168**	**17 011**	**17 899**
Operational Buildings		17 605	3 748	10 636	13 053	13 053	13 053	13 053	13 771	14 529
Municipal Offices		6 225			3 239	3 239	3 239	3 239	3 368	3 503
Pay/Enquiry Points		–			–	–	–	–	–	–
Building Plan Offices		–			–	–	–	–	–	–
Workshops		–			42	42	42	42	43	45
Yards		–			–	–	–	–	–	–
Stores		–			–	–	–	–	–	–
Laboratories		–			–	–	–	–	–	–
Training Centres		–			–	–	–	–	–	–
Manufacturing Plant		–			–	–	–	–	–	–

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Depots		–			–	–	–	–	–	–
Capital Spares		11 380	3 748	10 636	9 772	9 772	9 772	9 772	10 359	10 981
Housing		624	–	–	3 116	3 116	3 116	3 116	3 240	3 370
Staff Housing		–			–	–	–	–	–	–
Social Housing		347			–	–	–	–	–	–
Capital Spares		277			3 116	3 116	3 116	3 116	3 240	3 370
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–			–	–	–	–	–	–
Intangible Assets		–	1 731	1 852	2 383	2 383	2 383	2 383	2 478	2 577
Servitudes		–			–	–	–	–	–	–
Licences and Rights		–	1 731	1 852	2 383	2 383	2 383	2 383	2 478	2 577
Water Rights		–			20	20	20	20	20	21
Effluent Licenses		–			–	–	–	–	–	–
Solid Waste Licenses		–			–	–	–	–	–	–
Computer Software and Applications		–	1 731	1 852	2 363	2 363	2 363	2 363	2 458	2 556
Load Settlement Software Applications		–			–	–	–	–	–	–
Unspecified		–			–	–	–	–	–	–
Computer Equipment		4 835	4 231	7 122	5 589	3 412	3 412	5 589	5 813	6 045
Computer Equipment		4 835	4 231	7 122	5 589	3 412	3 412	5 589	5 813	6 045
Furniture and Office Equipment		2 887	2 013	4 460	3 017	3 017	3 017	3 017	3 138	3 263
Furniture and Office Equipment		2 887	2 013	4 460	3 017	3 017	3 017	3 017	3 138	3 263
Machinery and Equipment		997	2 536	7 732	4 844	4 844	4 844	4 844	5 037	5 239
Machinery and Equipment		997	2 536	7 732	4 844	4 844	4 844	4 844	5 037	5 239
Transport Assets		–	7 661	9 260	8 849	8 849	8 849	7 520	8 653	9 866
Transport Assets		–	7 661	9 260	8 849	8 849	8 849	7 520	8 653	9 866
Land		–	–	–	–	–	–	–	–	–
Land		–			–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–			–	–	–	–	–	–
Total Depreciation	1	**149 139**	**157 550**	**176 665**	**206 956**	**206 956**	**206 956**	**205 628**	**214 881**	**224 550**

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

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**–**	**225 365**	**354 602**	**119 073**	**101 070**	**101 070**	**160 139**	**126 443**	**88 505**
Roads Infrastructure		–	26 286	75 995	31 700	25 500	25 500	23 100	16 150	9 700
Roads		–	24 887	75 995	31 200	25 000	25 000	23 100	16 150	9 700
Road Structures		–	898		–	–	–			
Road Furniture		–	501		500	500	500			
Capital Spares		–	–		–	–	–			
Storm water Infrastructure		–	1 233	–	1 000	685	685	2 000	–	–
Drainage Collection		–	–		–	–	–			
Storm water Conveyance		–	1 233		1 000	685	685	2 000	–	–
Attenuation		–	–		–	–	–			
Electrical Infrastructure		–	38 974	86 468	26 210	27 299	27 299	24 800	14 321	10 187
Power Plants		–	–		–	–	–			
HV Substations		–	–		–	–	–			
HV Switching Station		–	–		–	–	–			
HV Transmission Conductors		–	–		–	–	–			
MV Substations		–	–		–	–	–			
MV Switching Stations		–	–		–	–	–			
MV Networks		–	29 443	86 468	23 460	24 549	24 549	24 800	14 321	10 187
LV Networks		–	7 672		2 500	2 500	2 500			
Capital Spares		–	1 858		250	250	250			
Water Supply Infrastructure		–	109 358	59 961	38 000	18 990	18 990	35 500	28 572	19 518
Dams and Weirs		–	–		–	634	634			
Boreholes		–	–		–	–	–			
Reservoirs		–	–		–	–	–			
Pump Stations		–	–		6 000	–	–			
Water Treatment Works		–	20 365		4 500	7 855	7 855	35 500	28 572	19 518
Bulk Mains		–	19 135		15 000	3 000	3 000			
Distribution		–	69 858	59 961	10 000	5 000	5 000			
Distribution Points		–	–		–	–	–			
PRV Stations		–	–		–	–	–			
Capital Spares		–	–		2 500	2 500	2 500			
Sanitation Infrastructure		–	47 300	119 401	19 663	26 597	26 597	70 739	66 400	47 500
Pump Station		–	8		1 000	170	170			
Reticulation		–	–		–	–	–			
Waste Water Treatment Works		–	47 204	119 401	18 163	23 757	23 757	70 739	66 400	47 500
Outfall Sewers		–	–		–	–	–			
Toilet Facilities		–	88		500	2 670	2 670			
Capital Spares		–	–		–	–	–			
Solid Waste Infrastructure		–	719	11 869	1 500	1 000	1 000	2 000	1 000	1 000
Landfill Sites		–	650		1 500	1 000	1 000	2 000	1 000	1 000
Waste Transfer Stations		–	–	11 869	–	–	–			
Waste Processing Facilities		–	–		–	–	–			
Waste Drop-off Points		–	69		–	–	–			
Waste Separation Facilities		–	–		–	–	–			
Electricity Generation Facilities		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–		–	–	–			
Rail Structures		–	–		–	–	–			
Rail Furniture		–	–		–	–	–			
Drainage Collection		–	–		–	–	–			
Storm water Conveyance		–	–		–	–	–			
Attenuation		–	–		–	–	–			
MV Substations		–	–		–	–	–			
LV Networks		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–		–	–	–			
Piers		–	–		–	–	–			
Revetments		–	–		–	–	–			
Promenades		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Information and Communication Infrastructure		–	1 494	908	1 000	1 000	1 000	2 000	–	600
Data Centres		–	1 494	908	1 000	1 000	1 000	2 000	–	600
Core Layers		–	–		–	–	–			

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Distribution Layers		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Community Assets		**–**	**13 487**	**11 646**	**18 500**	**19 869**	**19 869**	**19 304**	**23 750**	**15 230**
Community Facilities		–	4 275	–	12 000	14 766	14 766	–	–	–
Halls		–	1 437		4 550	5 902	5 902			
Centres		–	–		200	200	200			
Crèches		–	–		–	–	–			
Clinics/Care Centres		–	–		–	–	–			
Fire/Ambulance Stations		–	1 878		2 000	1 500	1 500			
Testing Stations		–	138		–	–	–			
Museums		–	–		–	–	–			
Galleries		–	–		–	–	–			
Theatres		–	–		–	–	–			
Libraries		–	201		1 000	2 357	2 357			
Cemeteries/Crematoria		–	621		1 500	2 171	2 171			
Police		–	–		–	–	–			
Parks		–	–		750	677	677			
Public Open Space		–	–		–	–	–			
Nature Reserves		–	–		1 500	719	719			
Public Ablution Facilities		–	–		500	1 039	1 039			
Markets		–	–		–	201	201			
Stalls		–	–		–	–	–			
Abattoirs		–	–		–	–	–			
Airports		–	–		–	–	–			
Taxi Ranks/Bus Terminals		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Sport and Recreation Facilities		–	9 213	11 646	6 500	5 103	5 103	19 304	23 750	15 230
Indoor Facilities		–	–		–	–	–			
Outdoor Facilities		–	9 213	11 646	6 500	5 103	5 103	19 304	23 750	15 230
Capital Spares		–	–		–	–	–			
Heritage assets		–	–	–	500	500	500	1 000	1 500	1 500
Monuments		–	–		–	–	–			
Historic Buildings		–	–		500	500	500	1 000	1 500	1 500
Works of Art		–	–		–	–	–			
Conservation Areas		–	–		–	–	–			
Other Heritage		–	–		–	–	–			
Investment properties		**–**	**296**	**87 218**	**14 000**	**11 335**	**11 335**	**19 600**	**17 000**	**4 050**
Revenue Generating		–	–	87 218	5 000	4 077	4 077	–	–	–
Improved Property		–	–	87 218	5 000	4 077	4 077			
Unimproved Property		–	–		–	–	–			
Non-revenue Generating		–	296	–	9 000	7 257	7 257	19 600	17 000	4 050
Improved Property		–	296		9 000	7 257	7 257	19 600	17 000	4 050
Unimproved Property		–	–		–	–	–			
Other assets		**–**	**1 039**	**–**	**5 200**	**1 271**	**1 271**	**2 300**	**9 000**	**1 000**
Operational Buildings		–	1 039	–	5 200	1 271	1 271	2 300	9 000	1 000
Municipal Offices		–	10		–	–	–			
Pay/Enquiry Points		–	–		–	–	–			
Building Plan Offices		–	–		–	–	–			
Workshops		–	–		–	–	–			
Yards		–	138		200	200	200			
Stores		–	125		–	–	–			
Laboratories		–	–		–	–	–			
Training Centres		–	–		–	–	–			
Manufacturing Plant		–	–		–	–	–			
Depots		–	766		5 000	1 071	1 071	2 300	9 000	1 000
Capital Spares		–	–		–	–	–			
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–		–	–	–			
Social Housing		–	–		–	–	–			
Capital Spares		–	–		–	–	–			
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	250
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	250
Intangible Assets		–	–	5 378	200	363	363	150	–	–
Servitudes		–	–		–	–	–			
Licences and Rights		–	–	5 378	200	363	363	150	–	–
Water Rights		–	–		–	–	–			
Effluent Licenses		–	–		–	–	–			
Solid Waste Licenses		–	–		–	–	–			

R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Computer Software and Applications		–	–	5 378	200	363	363	150	–	–
Load Settlement Software Applications		–	–		–	–	–			
Unspecified		–	–		–	–	–			
Computer Equipment		–	4 295	–	5 100	9 267	9 267	4 500	4 600	5 900
Computer Equipment		–	4 295		5 100	9 267	9 267	4 500	4 600	5 900
Furniture and Office Equipment		–	–	13 673	200	200	200	–	–	–
Furniture and Office Equipment		–	–	13 673	200	200	200			
Machinery and Equipment		–	1 260	9 172	–	–	–	3 350	4 150	1 700
Machinery and Equipment		–	1 260	9 172	–	–	–	3 350	4 150	1 700
Transport Assets		–	–	11 615	–	–	–	–	–	–
Transport Assets		–	–	11 615	–	–	–			
Land		–	–	–	–	–	–	–	–	–
Land		–	–		–	–	–			
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–		–	–	–			
Total Capital Expenditure on upgrading of existing assets	1	**–**	**245 742**	**493 304**	**162 773**	**143 875**	**143 875**	**210 344**	**186 443**	**118 135**
Upgrading of Existing Assets as % of total capex		*0.0%*	*56.7%*	*100.0%*	*29.2%*	*23.5%*	*23.5%*	*40.6%*	*45.8%*	*26.0%*
Upgrading of Existing Assets as % of deprecn"		*0.0%*	*156.0%*	*0.0%*	*78.7%*	*69.5%*	*69.5%*	*102.3%*	*86.8%*	*52.6%*

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

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
Capital expenditure	1							
Vote 1 - Office of the Municipal Manager		40	44	49				
Vote 2 - Planning and Development Services		8 991	6 419	6 565				
Vote 3 - Infrastructure Services		404 716	306 362	370 944				
Vote 4 - Community and Protection Services		49 039	42 730	45 100				
Vote 5 - Corporate Services		39 450	48 050	10 350				
Vote 6 - Financial Services		850	200	200				
Vote 7 - [NAME OF VOTE 7]		–	–	–				
Vote 8 - [NAME OF VOTE 8]		–	–	–				
Vote 9 - [NAME OF VOTE 9]		–	–	–				
Vote 10 - [NAME OF VOTE 10]		–	–	–				
Vote 11 - [NAME OF VOTE 11]		–	–	–				
Vote 12 - [NAME OF VOTE 12]		–	–	–				
Vote 13 - [NAME OF VOTE 13]		–	–	–				
Vote 14 - [NAME OF VOTE 14]		–	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**503 086**	**403 805**	**433 208**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Office of the Municipal Manager		47 884	49 452	53 040				
Vote 2 - Planning and Development Services		105 525	110 105	118 297				
Vote 3 - Infrastructure Services		1 094 795	1 167 574	1 251 724				
Vote 4 - Community and Protection Services		359 246	376 880	399 676				
Vote 5 - Corporate Services		181 429	193 737	206 407				
Vote 6 - Financial Services		110 584	116 685	124 537				
List entity summary if applicable								
Total future operational costs		1 899 463	2 014 434	2 153 680	–	–	–	–
Future revenue by source	3							
Property rates		–	–	–				
Service charges - electricity revenue		82 896	81 850	86 649				
Service charges - water revenue		1 251 716	1 320 672	1 437 756				
Service charges - sanitation revenue		192 545	202 513	206 277				
Service charges - refuse revenue		4 303	4 619	4 957				
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		1 531 460	1 609 654	1 735 639	–	–	–	–
Net Financial Implications		**871 089**	**808 585**	**851 249**	**–**	**–**	**–**	**–**

References

WC024 Stellenbosch - Supporting Table SA36 Detailed capital budget

R thousand				2020/21 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality: *List all capital projects grouped by Function*						
Municipal Manager	Furniture, Tools and Equipment	712972186	Good Governance and Compliance	40	44	49
Planning and Economic Development	Furniture tools and equipment	712973243	Good Governance and Compliance	35	–	–
Planning and Economic Development	Local Economic Development Hub Kayama	712976959	Valley of Possibility	–	–	4 500
Planning and Economic Development	Local Economic Development Hub Jamesto	712976959	Valley of Possibility	1 500	2 000	1 000
Planning and Economic Development	Upgrading of the Kayamandi Economic Tou	712973363	Valley of Possibility	250	–	–
Planning and Economic Development	Langrug UISP (1899)	712972269	Dignified Living	1 000	500	–
Planning and Economic Development	Furniture, Tools and Equipment	712972279	Good Governance and Compliance	52	59	25
Planning and Economic Development	Erf 7001 and other possible sites for mix-us	712972276	Dignified Living	500	1 000	–
Planning and Economic Development	Kylemore Erf 64	712975579	Dignified Living	500	–	–
Planning and Economic Development	Farm 82 Stellenbosh	New	Dignified Living	500	–	–
Planning and Economic Development	La Motte Old Forest Station (±430 services	712972274	Dignified Living	500	1 200	–
Planning and Economic Development	Kayamandi Town Centre: Planning (±700 u	712975696	Dignified Living	1 000	–	–
Planning and Economic Development	Northern Extension: Feasibility	712972277	Dignified Living	1 000	1 000	1 000
Planning and Economic Development	Jamestown: Housing (Phase 3 & 4)	712973470	Dignified Living	500	500	–
Planning and Economic Development	Enkanini Planning and Implementation (Roa	712973342	Dignified Living	1 459	–	–
Planning and Economic Development	Furniture, Tools and Equipment	NEW	Good Governance and Compliance	30	35	40
Planning and Economic Development	Furniture, Tools and Equipment	712972187	Good Governance and Compliance	35	–	–
Planning and Economic Development	Furniture, Tools & Equipment	712976909	Good Governance and Compliance	130	125	–
Infrastructure Services	Furniture, Tools & Equipment	712972378	Good Governance and Compliance	100	–	–
Infrastructure Services	Update of Engineering Infrastructure GIS Da	712972380	Good Governance and Compliance	300	–	–
Infrastructure Services	Ad-Hoc Provision of Street lighting and Ligh	712972284	Safe Valley	2 000	2 000	2 000
Infrastructure Services	Automatic Meter Reader	712972290	Green and Sustainable Valley	400	400	400
Infrastructure Services	Bien don 66/11kV substation new	712980416	Valley of Possibility	1 500	2 200	70 000
Infrastructure Services	Buildings & Facilities Electrical Supply - Stel	712972282	Valley of Possibility	500	575	661
Infrastructure Services	Cable replacement 66kV oil MN - US - MK	712980387	Valley of Possibility	–	–	480
Infrastructure Services	Data Network	712975577	Valley of Possibility	–	500	500
Infrastructure Services	DSM Geyser Control	712972309	Green and Sustainable Valley	200	100	100
Infrastructure Services	Electrical Equipment	712972283	Valley of Possibility	–	1 601	–
Infrastructure Services	Electricity Network: Pniel	712972310	Valley of Possibility	3 500	3 500	3 500

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Infrastructure Services	Energy Balancing Between Metering and M	712972288	Valley of Possibility	500	500	–
Infrastructure Services	Energy Efficiency and Demand Side Manag	712972302	Green and Sustainable Valley	1 000	1 000	1 000
Infrastructure Services	General System Improvements - Franschho	712972299	Valley of Possibility	2 000	2 000	2 000
Infrastructure Services	General Systems Improvements - Stellenbo	712972285	Valley of Possibility	3 000	3 000	3 000
Infrastructure Services	System Control Centre & Upgrade Telemetr	712972286	Good Governance and Compliance	1 550	1 559	1 569
Infrastructure Services	Infrastructure Improvement - Franschhoek	712972297	Valley of Possibility	1 500	1 500	1 500
Infrastructure Services	Integrated National Electrification Programm	712972312	Valley of Possibility	16 400	11 500	13 225
Infrastructure Services	Jan Marais Upgrade: Remove Existing and	712973160	Valley of Possibility	15 800	5 000	500
Infrastructure Services	Kwarentyn Sub cables: 11kV 3 core 185mm	712973165	Valley of Possibility	5 500	–	–
Infrastructure Services	Kayamandi Costa grounds substation 66/11	712973173	Valley of Possibility	–	–	300
Infrastructure Services	Laterra Substation	712980413	Valley of Possibility	8 000	372	427
Infrastructure Services	Main substation upgrade: Remove Existing	712973163	Valley of Possibility	–	–	7 571
Infrastructure Services	Substation 66kV equipment	712972306	Valley of Possibility	–	–	1 950
Infrastructure Services	Meter Panels	712972289	Green and Sustainable Valley	500	500	400
Infrastructure Services	Replace Ineffective Meters & Energy Balanc	712972301	Green and Sustainable Valley	600	250	–
Infrastructure Services	Network Cable Replace 11 Kv	712972287	Valley of Possibility	3 000	3 000	3 000
Infrastructure Services	Stellenbosch Switchgear (11kV)	712972314	Valley of Possibility	–	–	13 272
Infrastructure Services	Cloetesville - University New 66kV cable	712973458	Valley of Possibility	450	16 800	–
Infrastructure Services	University substation upgrade 66/11kV 20M	712980374	Valley of Possibility	–	–	450
Infrastructure Services	Specialized Vehicles	712972575	Good Governance and Compliance	1 600	–	–
Infrastructure Services	Vehicle Fleet	712972303	Good Governance and Compliance	–	–	1 000
Infrastructure Services	Computer - Hardware/Equipment: Human S	712972271	Good Governance and Compliance	100	50	50
Infrastructure Services	Furniture, Tools and Equipment: Human Se	712972569	Good Governance and Compliance	20	23	25
Infrastructure Services	Basic Improvements: Langrug	712972572	Dignified Living	2 721	–	–
Infrastructure Services	Idas Valley IRDP / FLISP	712972280	Dignified Living	1 000	–	–
Infrastructure Services	Kayamandi: Zone O (±711 services)	712972268	Dignified Living	10 680	–	9 000
Infrastructure Services	Klapmuts TRA (298 Nutec Structures)	New 3	Dignified Living	1 980	–	–
Infrastructure Services	Klapmuts: Erf 2181 (298 serviced sites)	712972270	Dignified Living	13 560	–	–
Infrastructure Services	Longlands, Vlottenburg (±144 Services and	712972266	Dignified Living	6 340	–	–
Infrastructure Services	Northern Extension: Feasibility	712972277	Dignified Living	–	–	35 000
Infrastructure Services	Smartie Town	New 2	Dignified Living	1 000	–	–
Infrastructure Services	Upgrading of The Steps/ Orlean Lounge	712980356	Dignified Living	5 000	5 000	–
Infrastructure Services	Watergang Farm Upgrading	New 1	Dignified Living	5 000	5 000	–
Infrastructure Services	Expansion of the landfill site (New cells)	712977010	Green and Sustainable Valley	2 000	7 000	20 000

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Infrastructure Services	Formalize skip areas in Franschhoek and K	712972582	Green and Sustainable Valley	–	–	500
Infrastructure Services	Skips (5,5Kl)	712972369	Green and Sustainable Valley	200	200	200
Infrastructure Services	Furniture, Tools and Equipment : Solid Was	712972370	Good Governance and Compliance	45	45	45
Infrastructure Services	Integrated Waste Management Plan	712973455	Green and Sustainable Valley	–	–	100
Infrastructure Services	Landfill Gas To Energy	712972377	Green and Sustainable Valley	500	2 000	8 000
Infrastructure Services	Mini Waste drop-off facilities at inf. Settleme	712973449	Green and Sustainable Valley	–	–	100
Infrastructure Services	Street Refuse Bins	712979098	Green and Sustainable Valley	1 000	1 000	1 000
Infrastructure Services	Transfer Station: Stellenbosch Planning and	712973451	Green and Sustainable Valley	2 000	8 000	9 000
Infrastructure Services	Upgrade Refuse disposal site (Existing Cell)	712972579	Green and Sustainable Valley	2 000	1 000	1 000
Infrastructure Services	Vehicles	712972375	Good Governance and Compliance	2 000	3 000	–
Infrastructure Services	Waste Biofuels	712972376	Green and Sustainable Valley	–	–	300
Infrastructure Services	Waste Management Software	712972383	Green and Sustainable Valley	–	–	200
Infrastructure Services	Waste Minimization Projects	712972367	Green and Sustainable Valley	500	500	500
Infrastructure Services	Waste to Energy - Implementation	712973452	Green and Sustainable Valley	–	–	3 000
Infrastructure Services	Waste to Energy - Planning	712973453	Green and Sustainable Valley	–	–	300
Infrastructure Services	Bulk water supply Klapmuts	712973356	Valley of Possibility	15 000	5 000	–
Infrastructure Services	Bulk water Supply Pipe : Cloetesville/ Idas V	712972596	Valley of Possibility	–	–	1 000
Infrastructure Services	Bulk water supply pipe and Reservoir: Kaya	712972594	Valley of Possibility	19 500	–	–
Infrastructure Services	Bulk water Supply Pipe Line & Pumpstation	712972595	Valley of Possibility	12 000	–	–
Infrastructure Services	Bulk Water Supply Pipe: Idas Valley/Papega	712972492	Valley of Possibility	–	–	1 000
Infrastructure Services	Bulk Water Supply Pipeline & Reservoir - Ja	712972478	Valley of Possibility	1 000	10 000	9 000
Infrastructure Services	Chlorination Installation: Upgrade	712972483	Valley of Possibility	500	500	500
Infrastructure Services	Dwarsriver Bulk Supply Augmentation and N	712980161	Valley of Possibility	1 000	5 822	7 518
Infrastructure Services	Furniture, Tools and Equipment : Reticulatio	712972490	Good Governance and Compliance	100	100	150
Infrastructure Services	New Developments Bulk Water Supply WC0	712972479	Valley of Possibility	1 000	2 000	2 000
Infrastructure Services	New Reservoir & Pipeline: Vlottenburg	712973442	Valley of Possibility	10 000	20 000	–
Infrastructure Services	New Reservoir Rosendal	712978028	Valley of Possibility	6 000	6 000	9 000
Infrastructure Services	Northern Extension: Phase 2 Water Infrastru	712973486	Valley of Possibility	1 300	2 000	9 000
Infrastructure Services	Reservoirs and Dam Safety	712972485	Valley of Possibility	1 500	1 500	1 500
Infrastructure Services	Specialized vehicle: Jet Machine	712979151	Valley of Possibility	–	–	3 850
Infrastructure Services	Update Water Masterplan and IMQS	712972496	Valley of Possibility	1 500	1 500	2 000
Infrastructure Services	Upgrade and Replace Water Meters	712972486	Valley of Possibility	2 500	3 000	1 500
Infrastructure Services	Upgrade of Franschhoek Reservoirs and Pi	712980154	Valley of Possibility	–	–	1 000
Infrastructure Services	Upgrading of Koelenhof Water Scheme	712976905	Valley of Possibility	–	–	500

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Infrastructure Services	Vehicles	712972495	Good Governance and Compliance	1 000	1 000	1 500
Infrastructure Services	Water Conservation & Demand Manageme	712972484	Valley of Possibility	5 000	5 000	5 000
Infrastructure Services	Water Telemetry Upgrade	712972476	Valley of Possibility	500	750	1 500
Infrastructure Services	Water Treatment Works: Idasvalley	712972497	Valley of Possibility	11 000	15 000	2 000
Infrastructure Services	Water Treatment Works: Paradyskloof and /	712972481	Valley of Possibility	–	–	500
Infrastructure Services	Waterpipe Replacement	712972477	Valley of Possibility	7 000	7 000	7 000
Infrastructure Services	WSDP (tri-annually)	712973530	Valley of Possibility	400	400	–
Infrastructure Services	Access to Basic Services	712972568	Dignified Living	1 465	281	300
Infrastructure Services	Bulk Sewer Outfall: Jamestown	712972494	Dignified Living	30 000	6 000	–
Infrastructure Services	Bulk Sewer Upgrade: Dwarsriver Area (Kyle	712979157	Dignified Living	–	5 000	26 000
Infrastructure Services	Cloetesville Bulk Sewer Upgrade	712979158	Dignified Living	–	–	1 000
Infrastructure Services	Effluent Recycling of Waste Water 10Ml per	712976911	Dignified Living	–	–	500
Infrastructure Services	Extention of WWTW Klapmuts & Reclamina	new	Valley of Possibility	–	1 000	5 000
Infrastructure Services	Franschhoek Sewer Network Upgrade	712979159	Dignified Living	5 000	–	–
Infrastructure Services	Furniture, Tools and Equipment : Sanitation	712973422	Good Governance and Compliance	200	200	400
Infrastructure Services	Industrial Effluent Monitoring	712976906	Dignified Living	750	1 000	–
Infrastructure Services	Kayamandi Bulk Sewer	712979155	Dignified Living	–	–	500
Infrastructure Services	Klapmuts Bulk Sewer Upgrade	712979156	Dignified Living	–	–	1 000
Infrastructure Services	New Development Bulk Sewer Supply WC0	712972704	Dignified Living	1 000	1 000	1 000
Infrastructure Services	Sewer Pumpstation & Telemetry Upgrade	712972488	Dignified Living	1 000	1 000	1 500
Infrastructure Services	Sewerpipe Replacement	712972489	Dignified Living	2 000	3 000	3 000
Infrastructure Services	Sewerpipe Replacement: Dorp Straat	712973372	Dignified Living	12 000	6 000	–
Infrastructure Services	Update Sewer Masterplan	712973448	Dignified Living	1 500	1 500	500
Infrastructure Services	Update Sewer Masterplan and IMQS	712973289	Dignified Living	–	–	–
Infrastructure Services	Upgrade Auto-Samplers	712972387	Dignified Living	100	150	200
Infrastructure Services	Upgrade of WWTW Wemmershoek	712972585	Dignified Living	15 000	–	–
Infrastructure Services	Upgrade of WWTW: Klapmuts	712972389	Dignified Living	1 655	6 000	10 000
Infrastructure Services	Upgrade of WWTW: Pniel & Decommissioni	712972388	Dignified Living	40 000	54 684	–
Infrastructure Services	Vehicles	712973447	Good Governance and Compliance	–	–	1 000
Infrastructure Services	Adhoc Reconstruction Of Roads (WC024)	712972391	Valley of Possibility	3 000	3 000	3 000
Infrastructure Services	Bridge Rehabilitation	New 9	Valley of Possibility	3 000	–	–
Infrastructure Services	Furniture, Tools and Equipment : Roads an	712972411	Good Governance and Compliance	500	500	500
Infrastructure Services	Parking area upgrades	New 13	Dignified Living	2 500	–	–
Infrastructure Services	Reseal Roads - Stellenbosch & Surrroundin	712972394	Valley of Possibility	5 000	5 000	5 500

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Infrastructure Services	Reseal Roads - Jamestown & Surrrounding	New 7	Valley of Possibility	1 500	1 500	1 500
Infrastructure Services	Reseal Roads - Kylemore & Surrounding	712973393	Valley of Possibility	–	1 500	1 000
Infrastructure Services	Reseal Roads - Klapmuts, Raithby, Meerlus	New 5	Valley of Possibility	–	1 000	1 000
Infrastructure Services	Reseal Roads - Franschhoek & Surrroundin	712972586	Valley of Possibility	2 500	1 000	1 000
Infrastructure Services	River Rehabilitation Implementation	712973424	Valley of Possibility	2 000	–	–
Infrastructure Services	Rivers Rehabilitation Planning & Design	712973423	Valley of Possibility	1 000	–	–
Infrastructure Services	Specialized Vehicles	712973440	Good Governance and Compliance	4 000	1 000	–
Infrastructure Services	Upgrade Stormwater Water Conveyance Sy	712972395	Valley of Possibility	2 000	–	–
Infrastructure Services	Upgrading of Laquedoc Access Road and E	712973432	Valley of Possibility	2 000	–	–
Infrastructure Services	Bicycle Lockup Facilities	712972422	Safe Valley	–	1 000	500
Infrastructure Services	Cycle Plan - Design & Implementation	712973534	Valley of Possibility	–	500	500
Infrastructure Services	Comprehensive Integrated Transport Plan	712972412	Green and Sustainable Valley	1 000	1 000	1 000
Infrastructure Services	Adam Tas Road	712975689	Valley of Possibility	–	–	750
Infrastructure Services	De Beer St	712976941	Valley of Possibility	–	100	100
Infrastructure Services	Joubert St	712975581	Valley of Possibility	–	1 500	–
Infrastructure Services	Eastern Link Road: Concept, Feasibility, Pre	712973409	Valley of Possibility	–	–	–
Infrastructure Services	Freight Strategy for Stellenbosch & Fransch	712979136	Valley of Possibility	–	–	200
Infrastructure Services	Jamestown South Transport Network	712980353	Green and Sustainable Valley	2 000	3 000	4 000
Infrastructure Services	Pedestrian and Cycle paths Design and Ph	712973411	Valley of Possibility	–	2 000	–
Infrastructure Services	Khayamandi Pedestrian Crossing (R304, Ri	712972431	Valley of Possibility	2 500	–	–
Infrastructure Services	Non-Motorised Transport Implementation	712977014	Good Governance and Compliance	2 000	–	–
Infrastructure Services	Stellenbosch NMT: Jamestown - new sidew	712973405	Good Governance and Compliance	1 000	–	2 000
Infrastructure Services	Parking Development	712973413	Valley of Possibility	1 000	–	–
Infrastructure Services	Public Transport Facilities	712979137	Valley of Possibility	–	–	2 000
Infrastructure Services	Public Transport Infrastructure (Public Tran	712972417	Valley of Possibility	350	400	500
Infrastructure Services	Re-design of Bergzicht Public Transport Fac	712980230	Valley of Possibility	1 000	3 000	3 000
Infrastructure Services	Taxi Rank: Franschhoek	712972415	Valley of Possibility	5 000	–	1 500
Infrastructure Services	Taxi Rank: Kayamandi	712972414	Valley of Possibility	3 500	–	–
Infrastructure Services	Taxi Rank: Klapmuts	712980354	Valley of Possibility	2 000	250	250
Infrastructure Services	Tour Bus Parking	712972438	Valley of Possibility	500	–	400
Infrastructure Services	Update Roads Master Plan for WC024	712973412	Valley of Possibility	–	–	1 000
Infrastructure Services	Directional Information Signage	712972392	Valley of Possibility	200	–	–
Infrastructure Services	Furniture, Tools and Equipment : Traffic Eng	712972456	Good Governance and Compliance	100	–	–
Infrastructure Services	Main Road Intersection Improvements: Fran	712972472	Valley of Possibility	1 700	–	–

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Infrastructure Services	Main road intersection improvements: Helsh	712973391	Valley of Possibility	2 400	–	700
Infrastructure Services	Main road intersection improvements: R44 /	712973389	Valley of Possibility	2 000	100	100
Infrastructure Services	Main Road Intersection Improvements: R44	712972453	Valley of Possibility	2 000	100	100
Infrastructure Services	Main Road Intersection Improvements: Stra	712972452	Valley of Possibility	4 000	1 700	–
Infrastructure Services	Main Road Intersection Improvements:Pniel	712972454	Valley of Possibility	–	4 000	–
Infrastructure Services	Pedestrian Crossing Implementation	712973398	Safe Valley	100	2 000	–
Infrastructure Services	Road Traffic Management System	712976948	Safe Valley	1 500	2 000	–
Infrastructure Services	Road Transport Safety Master Plan - WC02	712972448	Safe Valley	–	500	–
Infrastructure Services	Signalisation implementation	712973397	Good Governance and Compliance	250	3 000	–
Infrastructure Services	Traffic Calming Projects: Implementation	712972433	Safe Valley	1 000	100	100
Infrastructure Services	Traffic Management Improvement Programı	712972460	Safe Valley	1 000	250	–
Infrastructure Services	Traffic Signal Control: Installation and Upgra	712972393	Safe Valley	500	500	–
Infrastructure Services	Universal Access Implementation	712973403	Valley of Possibility	100	300	–
Infrastructure Services	Specialized Vehicle	712972435	Good Governance and Compliance	–	500	2 400
Infrastructure Services	Vehicles	712973395	Good Governance and Compliance	–	–	300
Corporate Services	Public WI-FI Network	712973438	Valley of Possibility	600	600	700
Corporate Services	Purchase and Replacement of Computer/sc	712975599	Good Governance and Compliance	500	600	600
Corporate Services	Upgrade and Expansion of IT Infrastructure	712972509	Good Governance and Compliance	4 000	4 000	4 000
Corporate Services	Flats: Interior Upgrading: Cloetesville - Klo	712973320	Dignified Living	1 500	–	–
Corporate Services	Furniture Tools and Equipment: Property M	712973285	Good Governance and Compliance	350	250	550
Corporate Services	Kaymandi: Upgrading of Makapula Hall	712980152	Dignified Living	1 000	1 000	–
Corporate Services	Kleine Libertas Precinct	712972365	Dignified Living	10 000	12 000	–
Corporate Services	La Motte Clubhouse	712972361	Dignified Living	800	–	–
Corporate Services	Structural Improvement: General	712972195	Valley of Possibility	3 400	5 000	2 000
Corporate Services	Structural improvements at the Van der Stel	712976939	Valley of Possibility	1 000	1 000	–
Corporate Services	Structural Upgrade: Heritage Building	712972357	Valley of Possibility	1 000	1 500	1 500
Corporate Services	Structural Upgrading: Community Hall Lamc	712972198	Valley of Possibility	300	–	–
Corporate Services	Upgrading Fencing	712972363	Safe Valley	300	300	500
Corporate Services	Upgrading of Community Facilities: Jonkers	712976940	Valley of Possibility	200	1 800	–
Corporate Services	Upgrading of Eike Town Town Hall	712977021	Valley of Possibility	2 000	–	–
Corporate Services	Upgrading of Library in Kayamandi	712976929	Valley of Possibility	200	1 000	500
Corporate Services	Upgrading of New Office Space: Ryneveld	712980409	Valley of Possibility	1 800	9 000	–
Corporate Services	Upgrading of Stellenbosch Town Hall	712977020	Valley of Possibility	2 500	–	–
Corporate Services	Upgrading of Traffic Offices: Stellenbosch	712977017	Valley of Possibility	8 000	10 000	–

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Community and Protection Services	Artificial grass on parks and gardens	712980262	Green and Sustainable Valley	–	–	300
Community and Protection Services	Extension of Cemetery Infrastructure	712972247	Dignified Living	1 500	8 000	8 000
Community and Protection Services	Facilities upgrade- Nursery	712980380	Green and Sustainable Valley	100	–	50
Community and Protection Services	Furniture Tools and Equipment	712972188	Good Governance and Compliance	85	100	60
Community and Protection Services	Vehicle	712973218	Good Governance and Compliance	–	–	500
Community and Protection Services	Upgrading of swimming pool	712973304	Valley of Possibility	500	–	–
Community and Protection Services	Franschhoek: Furniture, Tools and Equipme	712972264	Good Governance and Compliance	65	–	–
Community and Protection Services	Groendal: Furniture, Tools and Equipment	712977003	Good Governance and Compliance	75	–	–
Community and Protection Services	Idas Valley: Furniture, Tools and Equipment	712972258	Good Governance and Compliance	55	–	–
Community and Protection Services	Pniel: Furniture, Tools and Equipment	712972262	Good Governance and Compliance	–	–	35
Community and Protection Services	Cloetesville: Furniture, Tools and Equipmen	712972260	Good Governance and Compliance	50	–	–
Community and Protection Services	Upgrading: Cloetesville Library	712972259	Valley of Possibility	1 000	700	–
Community and Protection Services	Libraries: CCTV	712972255	safe Valley	300	–	–
Community and Protection Services	Libraries: Small Capital	712972256	Valley of Possibility	85	–	–
Community and Protection Services	Library Books	712972250	Valley of Possibility	160	170	180
Community and Protection Services	Replacement of geysers	712980206	Good Governance and Compliance	–	–	100
Community and Protection Services	Vehicles	712975677	Good Governance and Compliance	–	–	300
Community and Protection Services	Specialized Vehicles: Incident command vel	712980200	Good Governance and Compliance	–	–	1 500
Community and Protection Services	Vehicle Fleet	712972324	Good Governance and Compliance	800	–	–
Community and Protection Services	Botmaskop: Security Fencing	712975732	Safe Valley	1 500	2 000	–
Community and Protection Services	Hiking Trails in Nature Areas	712973508	Green and Sustainable Valley	–	–	2 000
Community and Protection Services	Jan Marais Nature Reserve: Upgrading and	712975733	Green and Sustainable Valley	2 000	1 000	–
Community and Protection Services	Mont Rochelle Nature Reserve: Upgrade of	712975734	Green and Sustainable Valley	1 504	–	–
Community and Protection Services	Papegaaiberg Nature Reserve	712973490	Green and Sustainable Valley	1 000	–	–
Community and Protection Services	Upgrade office space: Simonsberg Road	712980391	Valley of Possibility	2 000	600	–
Community and Protection Services	Nature Conservation: Vehicle Fleet	712975735	Good Governance and Compliance	–	–	1 000
Community and Protection Services	Furniture, Tools and Equipment	712978091	Good Governance and Compliance	50	70	100
Community and Protection Services	Workshop: Furniture, Tools and Equipment	712979091	Good Governance and Compliance	100	100	–
Community and Protection Services	Workshop: Community Services Tractors	712979096	Good Governance and Compliance	–	–	800
Community and Protection Services	Workshop: Specialized equipment	712980385	Good Governance and Compliance	500	1 000	1 500
Community and Protection Services	Design and implement electronic Urban For	712980392	Green and Sustainable Valley	–	–	250
Community and Protection Services	Irrigation Systems	712973239	Green and Sustainable Valley	–	–	100
Community and Protection Services	Storage Containers: Fertilisers & Pesticides	712975725	Green and Sustainable Valley	–	–	30
Community and Protection Services	Urban Forestry: Furniture, Tools and Equipr	712980276	Good Governance and Compliance	–	–	500

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Community and Protection Services	Urban Forestry Specialized equipment	712980393	Good Governance and Compliance	–	–	1 200
Community and Protection Services	Urban Forestry: Vehicle Fleet	712980390	Good Governance and Compliance	1 000	1 500	–
Community and Protection Services	Urban Greening: Beautification: Main Route	712972217	Green and Sustainable Valley	150	250	–
Community and Protection Services	Furniture Tools and Equipment	712973297	Good Governance and Compliance	400	–	400
Community and Protection Services	Major Fire Pumper	712973307	Safe Valley	5 000	–	–
Community and Protection Services	Rapid Response Vehicle	712973298	Safe Valley	–	–	2 500
Community and Protection Services	Vehicle Fleet	712980204	Good Governance and Compliance	1 000	1 000	–
Community and Protection Services	Rescue equipment	712973300	Safe Valley	300	–	300
Community and Protection Services	Borehole: Rural Sportsgrounds	712972221	Green and Sustainable Valley	550	550	–
Community and Protection Services	Fencing: Sport Grounds (WC024)	712979104	Safe Valley	1 000	1 000	1 500
Community and Protection Services	Furniture Tools and Equipment	712972338	Good Governance and Compliance	300	300	200
Community and Protection Services	Install and Upgrade CCTV/ LPR Cameras Ir	712972316	Safe Valley	2 000	2 000	2 000
Community and Protection Services	Install Computerized Access Security Syste	712972335	Safe Valley	950	950	500
Community and Protection Services	Law Enforcement Tools and Equipment	712972336	Safe Valley	750	750	750
Community and Protection Services	Law Enforcement: Vehicle Fleet	712972344	Good Governance and Compliance	2 500	2 500	2 500
Community and Protection Services	Neighbourhood Watch Safety equipment	712980423	Safe Valley	1 500	800	500
Community and Protection Services	Office accommodation	712972346	Valley of Possibility	–	–	1 000
Community and Protection Services	Fencing on Various Parks and Gardens	712980253	Safe Valley	–	–	200
Community and Protection Services	Pathways on Parks & gardens	712980256	Green and Sustainable Valley	100	100	200
Community and Protection Services	Upgrading of Parks	712975618	Green and Sustainable Valley	1 500	1 500	1 700
Community and Protection Services	Integrated and Spray Parks	712978093	Green and Sustainable Valley	5 000	3 000	3 000
Community and Protection Services	Landscaping of Circles in Stellenbosch	712979095	Green and Sustainable Valley	150	–	–
Community and Protection Services	Furniture, Tools and Equipment	712972210	Good Governance and Compliance	50	50	200
Community and Protection Services	Horticulture Furniture, Tools and Equipment	712980381	Good Governance and Compliance	80	–	30
Community and Protection Services	Purchase of Equipment	712979094	Good Governance and Compliance	30	–	–
Community and Protection Services	River development	712980244	Green and Sustainable Valley	–	–	250
Community and Protection Services	Specialized Vehicle	712972208	Good Governance and Compliance	1 000	–	–
Community and Protection Services	Vehicle Fleet	712973420	Good Governance and Compliance	–	1 000	–
Community and Protection Services	Furniture, Tools & Equipment	712979123	Good Governance and Compliance	450	400	300
Community and Protection Services	Recreational Equipment Sport	712972241	Valley of Possibility	80	80	100
Community and Protection Services	Re-Surface of Netball/Tennis Courts	712972223	Valley of Possibility	–	–	550
Community and Protection Services	Sight Screens/Pitch Covers Sports Grounds	712972224	Valley of Possibility	250	250	250
Community and Protection Services	Sport: Community Services Special Equipm	712972205	Valley of Possibility	300	300	300
Community and Protection Services	Upgrade of Irrigation System	712972225	Green and Sustainable Valley	–	–	200

Function	Project Description	Project Number	Own Strategic Objectives	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Community and Protection Services	Upgrade of Sport Facilities	712972227	Valley of Possibility	7 000	8 000	–
Community and Protection Services	Upgrading of Halls	712979115	Valley of Possibility	–	–	250
Community and Protection Services	Vehicle Fleet	712972242	Good Governance and Compliance	600	600	950
Community and Protection Services	Furniture, Tools & Equipment	712972325	Good Governance and Compliance	220	585	965
Community and Protection Services	Mobile Radios	712972330	Safe Valley	200	200	–
Community and Protection Services	Construction A Grade Driving testing station	712979119	Valley of Possibility	–	100	1 000
Community and Protection Services	Replacement of Patrol Vehicles	712972327	Safe Valley	1 200	1 225	2 800
Community and Protection Services	Specialized Vehicle	712980429	Good Governance and Compliance	–	–	1 200
Financial Services	Furniture, Tools & Equipment	712972505	Good Governance and Compliance	600	200	200
Financial Services	Vehicle Fleet	NEW	Good Governance and Compliance	250	–	–
Parent Capital expenditure				**503 086**	**403 805**	**433 208**
Entities: *List all capital projects grouped by Entity*						
Entity A Water project A						
Entity B Electricity project B						
Entity Capital expenditure				**–**	**–**	**–**
Total Capital expenditure				**503 086**	**403 805**	**433 208**

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

R thousand			Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Original Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality:							
List all capital projects grouped by Function							
Core Function: Solid Waste Removal	Upgrade Refuse disposal site (Existing Cell)- Rehab	712 972 579	1 500	1 000	2 000	1 000	1 000
Core Function: Solid Waste Removal	Waste Minimization Projects	712 972 367	1 000	658	500	500	500
Core Function: project Management Unit	Basic Services Improvements: Langrug	712 972 572	4 300	1 579	2 721	–	–
Core Function: Waste Water Treatment	Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek	712 972 388	40 000	31 751	44 684	50 000	–
Core Function: Water Distribution	Bulk water supply pipe and Reservoir: Kayamandi	712 972 594	15 000	3 000	19 500	–	–
Core Function: Water Distribution	Water Conservation & Demand Management	712 972 484	10 000	5 000	10 000	5 000	5 000
Core Function: Water Distribution	Waterpipe Replacement	712 972 477	5 000	3 000	8 000	7 000	10 000
Core Function: Roads	Khayamandi Pedestrian Crossing (R304, River and Railway Line)	712 972 431	2 000	500	2 500	–	–
Core Function: Property Services	La Motte Clubhouse	712 972 361	3 700	3 200	800	–	–
Core Function: Property Services	Upgrading of Traffic Offices: Stellenbosch	712 977 017	2 000	257	8 000	10 000	–
Core Function: Community Parks (including Nurseries)	Spray/Water Parks	712 978 093	1 000	500	5 000	3 000	3 000
Core Function: Community Parks (including Nurseries)	Mont Rochelle Nature Reserve: Upgrade of Facilities.	712 975 734	1 500	719	1 504	–	–
Entities:							
List all capital projects grouped by Entity							
Entity Name							
Project name							

WC024 Stellenbosch - Supporting Table SA38 Consolidated detailed operational projects

R thousand			2020/21 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality:					
List all operational projects grouped by Function					
Community and Social Services	Maintenance: Infrastructure: Corrective Maintenance: Emergency: Storm water Infrastructure	92bfe8a0-f895-4d47-8d70-d59270fb93ff	–	–	–
Community and Social Services	Maintenance: Non-infrastructure: Corrective Maintenance: Planned: Other Assets	2220cc33-9051-4177-a3f1-d4c1c7281c1c	30	31	32
Community and Social Services	Maintenance: Non-infrastructure: Corrective Maintenance: Emergency: Community Assets	f8ccab35-2089-4573-9e7b-e54aedaccf1b	7	7	7
Community and Social Services	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	33 814	35 906	38 203
Community and Social Services	Typical Work Streams: Community Development: Community Initiatives: Cancer: Zoo's, Marine and Non-biological Animals	7246b5db-afb4-4cfb-a2ed-3307dfb8580d	53	63	65
Community and Social Services	Typical Work Streams: Community Development: Community Development Initiatives: Cancer: Zoo's, Marine and Non-biological Animals	06ebea2b-55a1-4f32-be06-81d13400a81d	288	300	312
Community and Social Services	Typical Work Streams: Community Development: Youth Projects: Youth Advisory Centre: Zoo's, Marine and Non-biological Animals	66a3ad51-3ae0-4c27-9704-54e8252813d2	82	87	91
Community and Social Services	Typical Work Streams: Emergency and Disaster Management: Disaster Relief: Youth Development: Zoo's, Marine and Non-biological Animals	2439be63-3bf3-4368-a097-3da413371f44	2 700	2 819	2 949
Community and Social Services	Typical Work Streams: Expanded Public Works Programme: Project: Youth Development: Zoo's, Marine and Non-biological Animals	d7388c2f-addc-484c-b71f-228e0f6dd3d6	1 338	424	449
Community and Social Services	Typical Work Streams: Functions and Events: Special Events and Functions: Youth Development: Zoo's, Marine and Non-biological Animals	a3729daa-fddb-416e-9d01-8c2772cee312	1 219	1 291	1 349
Energy Sources	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	537 272	573 869	613 819
Environmental Protection	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	27 419	29 406	31 692
Environmental Protection	Typical Work Streams: Environmental: Environmental Health : Youth Development: Zoo's, Marine and Non-biological Animals	c8f0b217-b56d-4504-8e8f-76f3b593df7a	3	3	4
Environmental Protection	Typical Work Streams: Environmental: Biodiversity and Climate Change: Youth Development: Zoo's, Marine and Non-biological Animals	bab4e7bc-5cd5-4735-8366-2baf4e001ad2	222	242	264
Environmental Protection	Typical Work Streams: Expanded Public Works Programme: Project: Youth Development: Zoo's, Marine and Non-biological Animals	d7388c2f-addc-484c-b71f-228e0f6dd3d6	650	–	–
Executive and Council	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	55 365	59 117	63 141
Executive and Council	Typical Work Streams: Expanded Public Works Programme: Project: Youth Development: Zoo's, Marine and Non-biological Animals	d7388c2f-addc-484c-b71f-228e0f6dd3d6	300	–	–
Executive and Council	Typical Work Streams: Functions and Events: Special Events and Functions: Youth Development: Zoo's, Marine and Non-biological Animals	a3729daa-fddb-416e-9d01-8c2772cee312	381	399	417
Executive and Council	Typical Work Streams: Human Resources: Human Resource Management: Youth Development: Zoo's, Marine and Non-biological Animals	fe839289-5ff6-40aa-83b2-f5e5c0c66f2a	115	122	128
Finance and Administration	Maintenance: Infrastructure: Corrective Maintenance: Emergency: Storm water Infrastructure	92bfe8a0-f895-4d47-8d70-d59270fb93ff	366	383	400
Finance and Administration	Maintenance: Non-infrastructure: Corrective Maintenance: Planned: Other Assets	2220cc33-9051-4177-a3f1-d4c1c7281c1c	7 208	7 532	7 871
Finance and Administration	Maintenance: Non-infrastructure: Corrective Maintenance: Emergency: Community Assets	f8ccab35-2089-4573-9e7b-e54aedaccf1b	43	44	47
Finance and Administration	Maintenance: Non-infrastructure: Corrective Maintenance: Emergency: Furniture and Office Equipment	cd143464-c4da-448d-9302-e7663bb655e8	1 298	1 338	1 380
Finance and Administration	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	241 532	257 042	274 402
Finance and Administration	Typical Work Streams: Functions and Events: Special Events and Functions: Youth Development: Zoo's, Marine and Non-biological Animals	a3729daa-fddb-416e-9d01-8c2772cee312	40	41	43
Finance and Administration	Typical Work Streams: Human Resources: Human Resource Management: Youth Development: Zoo's, Marine and Non-biological Animals	fe839289-5ff6-40aa-83b2-f5e5c0c66f2a	359	375	392
Finance and Administration	Typical Work Streams: Property Rates Act Implementation: Special Rating Areas: Youth Development: Zoo's, Marine and Non-biological Animals	bfb124b8-8206-4bde-a03c-8949ebd3132d	7 509	7 950	8 462
Housing	Maintenance: Infrastructure: Corrective Maintenance: Emergency: Storm water Infrastructure	92bfe8a0-f895-4d47-8d70-d59270fb93ff	18	19	20
Housing	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	36 865	39 445	42 215
Housing	Typical Work Streams: City Cleanliness and Clean-up: Clean-up Actions: Cancer: Zoo's, Marine and Non-biological Animals	115ceba4-e7e1-472f-98ee-bf4cab5ac6da	5	5	5
Internal Audit	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	14 583	15 494	16 468
Internal Audit	Typical Work Streams: Functions and Events: Special Events and Functions: Youth Development: Zoo's, Marine and Non-biological Animals	a3729daa-fddb-416e-9d01-8c2772cee312	11	12	12
Planning and Development	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	85 567	81 803	88 245

R thousand			2020/21 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Planning and Development	Typical Work Streams: Capacity Building Training and Development: Capacity Building Councillors: Cancer: Zoo's, Marine and Non-biological Animals	26e33d60-7181-431a-9cbf-02f3f6d27377	200	250	200
Planning and Development	Typical Work Streams: City Cleanliness and Clean-up: Clean-up Actions: Cancer: Zoo's, Marine and Non-biological Animals	115ceba4-e7e1-472f-98ee-bf4cab5ac6da	14	14	14
Planning and Development	Typical Work Streams: Expanded Public Works Programme: Project: Youth Development: Zoo's, Marine and Non-biological Animals	d7388c2f-addc-484c-b71f-228e0f6dd3d6	926	–	–
Planning and Development	Typical Work Streams: Functions and Events: Special Events and Functions: Youth Development: Zoo's, Marine and Non-biological Animals	a3729daa-fddb-416e-9d01-8c2772cee312	436	397	415
Planning and Development	Typical Work Streams: Strategic Management and Governance: IDP Planning and Revision: Youth Development: Zoo's, Marine and Non-biological Animals	c8ea2bdf-0f79-4253-9553-0694a446bb4c	2 309	839	877
Public Safety	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	280 378	295 426	311 647
Public Safety	Typical Work Streams: Expanded Public Works Programme: Project: Youth Development: Zoo's, Marine and Non-biological Animals	d7388c2f-addc-484c-b71f-228e0f6dd3d6	700	–	–
Road Transport	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	97 635	103 360	109 446
Sport and Recreation	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	45 782	48 726	51 802
Sport and Recreation	Typical Work Streams: City Cleanliness and Clean-up: Clean-up Actions: Cancer: Zoo's, Marine and Non-biological Animals	115ceba4-e7e1-472f-98ee-bf4cab5ac6da	297	310	324
Sport and Recreation	Typical Work Streams: Expanded Public Works Programme: Project: Youth Development: Zoo's, Marine and Non-biological Animals	d7388c2f-addc-484c-b71f-228e0f6dd3d6	1 097	–	–
Sport and Recreation	Typical Work Streams: Functions and Events: Special Events and Functions: Youth Development: Zoo's, Marine and Non-biological Animals	a3729daa-fddb-416e-9d01-8c2772cee312	1 303	1 375	1 439
Sport and Recreation	Typical Work Streams: NERSA: Customer Service and Informational Expenses: Informational and Instructional Advertising Expenses: Youth Development:	14f61e3b-23f9-49c3-88e2-02893d72085e	522	546	570
Sport and Recreation	Typical Work Streams: Parks Programme: Specified Customer Service and Informational Expenses: Youth Development: Zoo's, Marine and Non-biological A	e2a4b3b5-23d7-4589-9cd9-9ac839992839	48	50	52
Waste Management	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	66 496	70 753	75 316
Waste Management	Typical Work Streams: City Cleanliness and Clean-up: Clean-up Actions: Cancer: Zoo's, Marine and Non-biological Animals	115ceba4-e7e1-472f-98ee-bf4cab5ac6da	38 517	40 061	41 864
Waste Water Management	Maintenance: Non-infrastructure: Corrective Maintenance: Planned: Other Assets	2220cc33-9051-4177-a3f1-d4c1c7281c1c	269	269	281
Waste Water Management	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	157 261	174 143	187 997
Waste Water Management	Typical Work Streams: City Cleanliness and Clean-up: Clean-up Actions: Cancer: Zoo's, Marine and Non-biological Animals	115ceba4-e7e1-472f-98ee-bf4cab5ac6da	5 060	5 744	6 002
Waste Water Management	Typical Work Streams: Expanded Public Works Programme: Project: Youth Development: Zoo's, Marine and Non-biological Animals	d7388c2f-addc-484c-b71f-228e0f6dd3d6	6	6	6
Water Management	Maintenance: Non-infrastructure: Corrective Maintenance: Planned: Other Assets	2220cc33-9051-4177-a3f1-d4c1c7281c1c	2 850	2 978	3 113
Water Management	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	140 110	153 008	168 790
Water Management	Typical Work Streams: City Cleanliness and Clean-up: Clean-up Actions: Cancer: Zoo's, Marine and Non-biological Animals	115ceba4-e7e1-472f-98ee-bf4cab5ac6da	450	470	491
Water Management	Typical Work Streams: Community Development: Community Development Initiatives: Cancer: Zoo's, Marine and Non-biological Animals	06ebea2b-55a1-4f32-be06-81d13400a81d	11	13	13
other	Municipal Running Cost: Non-infrastructure: Corrective Maintenance: Emergency: Zoo's, Marine and Non-biological Animals	53d432c7-5d06-4d53-a785-f29995840060	124	126	132
Parent Operational expenditure			**1 899 463**	**2 014 434**	**2 153 680**

Q: QUALITY CERTIFICATE

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

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality

Signature_____

Date 23-03-2020

APPENDIX 2

STELLENBOSCH MUNICIPALITY

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS

2020/2021

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS BY MEANS OF RANDOM SAMPLE

Account numbers use as basis

SMALL HOUSEHOLD (NON- INDIGENT) 600202000 **Erf 36**

Stand - sq.m	416
Buildings - sq.m	57
Elec. - Kwh/pm **(Dom2)**	**237**
Electricity-Basic	**Dom 2** Pre-paid**
Water - Kl./pm - 10%	**12**
Water-Basic	Domestic
Valuation	180 000
Free Water	0
Free Elec.	0

Monthly Account	**2019/2020**	**2020/2021**
Property Rates	-	-
Electricity - Units	300.26	320.03
Electricity - Basic	-	-
Water	90.36	95.82
Water Basic	65.89	69.84
Sewerage	152.66	162.59
Refuse Removal	176.06	205.11
A/c Excluding VAT	**785.23**	**853.39**
% Increase		**8.68%**
Effect on Municipal account		**68.16**

SMALL HOUSEHOLD (NON- INDIGENT) 600202000 **Erf 36**

Stand - sq.m	416
Buildings - sq.m	57
Elec. - Kwh/pm (Dom 4)	**237**
Electricity-Basic	**Dom 4** Credit meter**
Water - Kl./pm - 10%	**18**
Water-Basic	**Domestic**
Valuation	180 000
Free Water	0
Free Elec.	0

Monthly Account	**2019/2020**	**2020/2021**
Property Rates	-	-
Electricity - Units	299.70	319.42
Electricity - Basic	174.89	186.40
Water	233.70	222.00
Water Basic	65.89	69.84
Sewerage	152.66	162.59
Refuse Removal	176.06	205.11
A/c Excluding VAT	**1 102.90**	**1 165.36**
% Increase		**5.66%**
Effect on Municipal account		**62.46**

MEDIUM HOUSEHOLD

	373420016
Stand - sq.m	626
Buildings - sq.m (Dom 2)	189
Elec. - Kwh/pm	**598**
Electricity-Basic	**Dom 2 - No Basic Fee**
Water - Kl./pm - 10%	**25**
Water-Basic	Domestic
Valuation	864 000.00
Free Water	0
Free Elec.	0

Erf 7018

Monthly Account	**2019/2020**	**2020/2021**
Property Rates	281.09	299.35
Electricity - Units	**941.53**	**1 003.46**
Water	399.62	431.74
Water Basic	65.89	69.84
Sewerage	190.90	203.32
Refuse Removal	176.06	205.11
A/c Excluding VAT	**2 055.09**	**2 212.82**
% Increase		**7.68%**
Effect on Municipal account		**157.73**

LARGE HOUSEHOLD

	70270004
Stand - sq.m	1255
Buildings - sq.m	293
Elec. - Kwh/pm	**791**
Electricity-Basic	**Dom 4** Credit meter**
Water - Kl./pm - 10%	**70**
Water-Basic	Domestic
Valuation	5 635 000.00
Free Water	0
Free Elec.	0

Erf 1480

Monthly Account	**2019/2020**	**2020/2021**
Property Rates	2 379.13	2 533.68
Electricity - Basic	174.89	186.40
Electricity - Units	1 365.33	1 455.19
Electricity Demand Levy	-	-
Water	2 936.12	3 334.69
Water Basic	65.89	69.84
Sewerage	271.98	289.67
Refuse Removal	176.06	205.11
A/c Excluding VAT	**7 369.40**	**8 074.58**
% Increase		**9.57%**
Effect on Municipal account		**705.18**

SMALL BUSINESS 441930003 **Erf 8721**

Stand - sq.m	500
Buildings - sq.m	411
Elec. - Kwh/pm	**783**
Electricity-Basic	**Regular PP Com 3**
Water - Kl./pm - 10%	**9**
Water-Basic	Other
Valuation	1 877 000.00
Free Water	0
Free Elec.	0

Monthly Account	**2019/2020**	**2020/2021**
Property Rates	1 747.95	1 861.51
Electricity - Basic	300.10	319.85
Electricity - Units	1 670.14	1 780.07
Electricity Demand Levy	-	-
Water	249.75	264.69
Water Basic	75.48	80.00
Sewerage -500+ADD17-3	690.52	748.77
Refuse Removal	624.70	727.78
A/c Excluding VAT	**5 358.64**	**5 782.67**
% Increase		**7.91%**
Effect on Municipal account		**424.03**

INDUSTRIAL IND 2 341000004/107 **Erf 6284**

Stand - sq.m	252 740
Buildings - sq.m	76 054
Elec. - Kwh/pm	**664319**
Electricity-Basic	**IND 2 /2581/2581**
Water - Kl./pm	**12453**
Water-Basic	Other
Valuation	180 821 000.00
Free Water	0
Free Elec.	0

Monthly Account	**2019/2020**	**2020/2021**
Property Rates	168 389.55	179 329.23
Electricity - Basic	3 475.65	3 704.35
Electricity - Units	640 669.24	682 853.50
Electricity Demand Levy	750 090.22	799 464.75
Water	345 570.75	366 242.73
Water Basic	75.48	80.00
Sewerage	35 379.56	38 541.31
Refuse Removal	3 123.50	3 638.90
A/c Excluding VAT	**1 946 773.95**	**2 073 854.77**
% Increase		**6.53%**
Effect on Municipal account		**127 080.82**

Time of Use (Medium Voltage)TOU2 341000004/107 **Erf 6284**

Stand - sq.m	252 740
Buildings - sq.m	76 054
Peak	187842
Standard	502191
Off-Peak	438833
Demand	3001
Access	3500
Electricity-Basic	
Water - Kl./pm	12453
Water-Basic	Other
Valuation	180 821 000.00
Free Water	0
Free Elec.	0

Monthly Account	**2019/2020**	**2020/2021**
Property Rates	168 389.55	179 329.23
Electricity Units	275 413.94	297 673.22
Electricity Units	**481 651.39**	**520 571.19**
Electricity Units	315 433.16	340 929.36
Electricity Demand Max	140 956.97	152 360.77
Electricity Demand Access	156 380.00	169 015.00
Electricity - Basic	6 453.73	6 975.19
Water	345 570.75	366 242.73
Water Basic	75.48	80.00
Sewerage-20+A2,A17,A20	35 379.56	38 541.31
Refuse Removal	3 123.50	3 638.90
A/c Excluding VAT	**1 928 828.03**	**2 075 356.90**
% Increase		**7.60%**
Effect on Municipal account		**146 528.87**

STELLENBOSCH MUNICIPALITY

TARIFFS

2020/2021

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STELLENBOSCH MUNICIPALITY

PROPERTY TAX RATES FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021

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

PROPERTY RATES:

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

Category of Property		Tariff
Residential	R	0.005410
Industrial	R	0.011901
Business and Commercial	R	0.011901
Agricultural	R	0.001354
Mining	R	0.011901
Public Service Purposes	R	0.011901
Public Service Infrastructure	R	0.001354
Public Benefit Organisation	R	0.001354
Heritage	R	0.011901
Vacant Residential	R	0.010820
Vacant Other (not Residential nor Agricultural)	R	0.021641
Multiple Use Purpose (Each Component is categorised and rated as per above)		Multi Tariff

SPECIAL RATING AREAS (SRA):

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

Special Rating Area		Tariff (Excl VAT)		Tariff (Incl VAT)
Jonkershoek	R	0.001046	R	0.001203
Technopark	R	0.001873	R	0.002154

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

RELIEF MEASURES:

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

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

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

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

2. Municipal Valuation Threshold

On qualifying residential properties, up to a maximum valuation of R200 000,
which amount includes the R15 000 as per Section 17(1)(h) of the MPRA and
the R185 000 Reduction granted as per paragraph 8.2.1(ii) of the approved Rates Policy.

3. Stellenbosch Special Rebates

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

STELLENBOSCH MUNICIPALITY

ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021

Applicable to services rendered from 1 July 2020

	Approved 2019/2020	Application 2020/2021
1. Domestic		
Domestic: Life Line PP - 0 to 60amp single phase only (For qualifying indigent customers and receiving the first 100 units free per month) (DOM1)		
Fixed Charge per month	-	**-**
Domestic PP Lifeline DOM1 (c/kWh) (<= 50 kWh)	103.39	**110.19**
Domestic PP Lifeline DOM1 (c/kWh) (51 – 300 kWh)	129.37	**137.88**
Domestic PP Lifeline DOM1 (c/kWh) (300 – 600 kWh)	192.83	**205.52**
Domestic PP Lifeline DOM1 (c/kWh) (> 600 kWh)	222.05	**236.66**
Domestic PP Lifeline DOM1 BSST	-	**-**
Domestic: Regular PP meters- (0 to 60amp single and three phase AND Less than 600kWh per month average consumption during the previous financial year and for generation for own use) (DOM2)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh) (<= 50kWh)	103.39	**110.19**
Energy Rate (c/kWh) (51 - 300kWh)	132.92	**141.67**
Energy Rate (c/kWh) (301 - 600kWh)	187.08	**199.39**
Energy Rate (c/kWh) (> 600kWh)	220.31	**234.81**
Domestic: Regular PP meters- (0 to 60 Amp single and three phase using more than 600 kWh per month average consumption during the previous financial year and for generation for own use) (DOM3)		
Fixed Charge per month	141.78	**151.11**
Energy Rate (c/kWh) (<= 50kWh)	103.39	**110.19**
Energy Rate (c/kWh) (51 - 300kWh)	132.62	**141.35**
Energy Rate (c/kWh) (301 - 600kWh)	187.09	**199.40**
Energy Rate (c/kWh) (> 600kWh)	220.32	**234.82**
Domestic: Regular (Using Credit Meters 60 Ampere single and three phase maximum and for generation for own use) (DOM4)		
Fixed Charge per month	174.89	**186.40**
Energy Rate (c/kWh) (<= 50kWh)	103.39	**110.19**
Energy Rate (c/kWh) (51 - 300kWh)	132.62	**141.35**
Energy Rate (c/kWh) (301 - 600kWh)	187.09	**199.40**
Energy Rate (c/kWh) (> 600kWh)	220.32	**234.82**
Domestic: Renewable Energy (DOM5) Generation for own use and export		
Reading cost R/pm	79.15	**84.36**
Basic Charge	174.89	**186.40**
Import		
Energy Rate (c/kWh) (<= 50kWh)	103.39	**110.19**
Energy Rate (c/kWh) (51 - 300kWh)	132.62	**141.35**
Energy Rate (c/kWh) (301 - 600kWh)	187.09	**199.40**
Energy Rate (c/kWh) (> 600kWh)	220.32	**234.82**
Reactive Energy Rate (c/kVArh)	20.32	**21.66**
Export		
Low Season		
Peak c/kWh	100.07	**106.65**
Standard c/kWh	68.86	**73.39**
Off Peak c/kWh	43.69	**46.56**

	Approved 2019/2020	Application 2020/2021
High Season		
Peak c/kWh	306.80	**326.99**
Standard c/kWh	92.94	**99.06**
Off Peak c/kWh	50.47	**53.79**
2. Commercial		
Commercial: Life Line (<20Ampere maximum, Single & three phase Pre Paid Only for micro entrepreneurial businesses) (COM1)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh)	223.88	**238.61**
Commercial: Low (40Ampere maximum, Pre Paid single & three phase only and for generation for own use) (COM2)		
Fixed Charge per month	175.26	**186.79**
Energy Rate (c/kWh)	179.78	**191.61**
Commercial: Regular PP only (80Ampere, single and three phase and for generation for own use) (COM3)		
Fixed Charge per month	300.10	**319.85**
Energy Rate (c/kWh)	213.30	**227.34**
Commercial: Credit meters (80Ampere, single and three phase and for generation for own use) (COM4)		
Fixed Charge per month	325.56	**346.98**
Energy Rate (c/kWh)	198.78	**211.86**
Commercial: Renewable Energy (COM 5) Generation for own use and export		
Reading cost R/pm	79.15	**84.36**
Basic Charge	325.56	**346.98**
Import		
Energy Rate (c/kWh)	198.78	**211.86**
Reactive Energy Rate (c/kVArh)	20.32	**21.66**
Export		
Low Season		
Peak c/kWh	100.07	**106.65**
Standard c/kWh	68.86	**73.39**
Off Peak c/kWh	43.69	**46.56**
High Season		
Peak c/kWh	306.80	**326.99**
Standard c/kWh	92.94	**99.06**
Off Peak c/kWh	50.47	**53.79**
3. Agricultural		
Agricultural: Regular (Prepaid and Credit meters maximum 80Amp 3 phase and for generation for own use) (AGR1)		
Fixed Charge per month	353.02	**376.25**
Energy Rate (c/kWh)	214.83	**228.97**
AGRICULTURAL: Renewable Energy (AGRI 1.1) Generation for own use and export		
Tariff similar as AGRI 1		
Reading cost R/pm	79.15	**84.36**
Fixed Charge per month R/pm	353.02	**376.25**
Import		
Energy Rate (c/kWh)	214.83	**228.97**
Reactive Energy Rate (c/kVArh)	20.32	**21.66**

	Approved 2019/2020	Application 2020/2021
Export		
Low Season		
Peak c/kWh	100.07	**106.65**
Standard c/kWh	68.86	**73.39**
Off Peak c/kWh	43.69	**46.56**
High Season		
Peak c/kWh	306.80	**326.99**
Standard c/kWh	92.64	**98.74**
Off Peak c/kWh	50.47	**53.79**
4. Industrial		
Industrial: Low Voltage > 80 Amp and for generation for own use (IND1)		
Fixed Charge per month	1 833.10	**1 953.72**
Energy Rate (c/kWh)	97.76	**104.19**
Notified Demand (R/kVA)	44.74	**47.68**
Maximum Demand Charge (R/kVA)	248.43	**264.78**
Industrial (IND 1.1): Low Voltage>80 Amp: Renewable Energy- Generation for own use and export		
Fixed Charge per month	1 833.10	**1 953.72**
Reading cost R/pm	79.15	**84.36**
Import		
Energy Rate (c/kWh)	97.76	**104.19**
Notified Demand (R/kVA)	44.74	**47.68**
Maximum Demand Charge (R/kVA)	248.43	**264.78**
Reactive Energy Rate (c/kVArh)	20.32	**21.66**
Export		
Low Season		
Peak c/kWh	100.07	**106.65**
Standard c/kWh	68.86	**73.39**
Off Peak c/kWh	43.69	**46.56**
High Season		
Peak c/kWh	306.80	**326.99**
Standard c/kWh	92.94	**99.06**
Off Peak c/kWh	50.47	**53.79**
Industrial: Medium Voltage and for generation for own use (IND2)		
Fixed Charge per month	3 475.65	**3 704.35**
Energy Rate (c/kWh)	96.44	**102.79**
Notified Demand (R/kVA)	44.03	**46.93**
Maximum Demand Charge (R/kVA)	246.59	**262.82**
Industrial Medium Voltage (IND 2.1): Renewable Energy - Generation for own use and export		
Tariff similar as IND2		
Fixed Charge per month	3 475.65	**3 704.35**
Reading cost R/pm	79.15	**84.36**
Import		
Energy Rate (c/kWh)	96.44	**102.79**
Notified Demand (R/kVA)	44.03	**46.93**
Maximum Demand Charge (R/kVA)	246.59	**262.82**
Reactive Energy Rate (c/kVArh)	20.32	**21.66**
Export		
Low Season		
Peak c/kWh	100.07	**106.65**
Standard c/kWh	68.86	**73.39**
Off Peak c/kWh	43.69	**46.56**
High Season		
Peak c/kWh	306.80	**326.99**
Standard c/kWh	92.94	**99.06**
Off Peak c/kWh	50.47	**53.79**

	Approved 2019/2020	Application 2020/2021
PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.		
5. Municipal		
Municipal: Street and Traffic lights (MUN1)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh)	223.28	**237.97**
Municipal: Low Voltage <80 Amp (MUN2)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh)	202.96	**216.31**
Municipal: Low Voltage >80 Amp (MUN3)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh)	93.02	**99.14**
Maximum Demand Charge (R/kVA)	275.39	**293.51**
Municipal: Medium Voltage (MUN4)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh)	83.30	**88.78**
Maximum Demand Charge (R/kVA)	267.98	**285.61**
6. Non Profit Organisations		
Non Profit Organisations : Single Phase 20 Amp Prepaid (NPO1)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh)	223.88	**238.61**
Non Profit Organisations : Low Voltage Max 60 Amp Prepaid SARS Approved (NPO2)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh)	214.79	**228.92**
7. Sport		
Sport: Low All Consumers (<80A) and Prepaid (SPO1)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh)	190.29	**202.81**
Sport: High Consumers (>80A) Maximum Demand (SPO2)		
Fixed Charge per month	-	**-**
Energy Rate (c/kWh)	87.08	**92.81**
Notified Demand	-	**-**
Maximum Demand Charge (R/kVA)	274.47	**292.53**
8. Time-of-Use		
Time of Use (Low Voltage>80Amp and for generation for own use) TOU1		
Fixed Charge per month	3 502.91	**3 733.40**
SUMMER: Demand Charge (R/kVA)	47.49	**50.61**
Access Charge (R/kVA)	47.49	**50.61**
Peak Energy (c/kWh)	155.36	**165.58**
Standard Energy (c/kWh)	102.37	**109.11**
Off-peak Energy (c/kWh)	76.77	**81.82**
Reactive Energy (c/kVArh)	-	**-**
WINTER: Demand Charge (R/kVA)	47.49	**50.61**
Access Charge (R/kVA)	47.49	**50.61**
Peak Energy (c/kWh)	487.18	**519.24**
Standard Energy (c/kWh)	146.22	**155.84**
Off-peak Energy (c/kWh)	85.91	**91.56**
Reactive Energy (c/kVArh)	20.32	**21.66**

	Approved 2019/2020	Application 2020/2021
Time of Use Low Voltage (TOU 1.1): Renewable Energy - Generation for own use and export		
Reading Cost R/pm	79.15	**84.36**
Fixed Charge per month	3 502.91	**3 733.40**
Import		
SUMMER: Demand Charge (R/kVA)	47.49	**50.61**
Access Charge (R/kVA)	47.49	**50.61**
Peak Energy (c/kWh)	155.36	**165.58**
Standard Energy (c/kWh)	102.37	**109.11**
Off-peak Energy (c/kWh)	76.77	**81.82**
Reactive Energy (c/kVArh)	20.32	**21.66**
WINTER: Demand Charge (R/kVA)	47.49	**50.61**
Access Charge (R/kVA)	47.49	**50.61**
Peak Energy (c/kWh)	487.18	**519.24**
Standard Energy (c/kWh)	146.22	**155.84**
Off-peak Energy (c/kWh)	85.91	**91.56**
Reactive Energy (c/kVArh)	20.32	**21.66**
Export		
Low Season		
Peak c/kWh	100.07	**106.65**
Standard c/kWh	68.86	**73.39**
Off Peak c/kWh	43.69	**46.56**
High Season		
Peak c/kWh	306.80	**326.99**
Standard c/kWh	92.94	**99.06**
Off Peak c/kWh	50.47	**53.79**
Time of Use (Medium Voltage and for generation for own use) TOU2		
Fixed Charge per month	6 453.73	**6 975.19**
SUMMER: Demand Charge (R/kVA)	46.97	**50.77**
Access Charge (R/kVA)	44.68	**48.29**
Peak Energy (c/kWh)	146.62	**158.47**
Standard Energy (c/kWh)	95.91	**103.66**
Off-peak Energy (c/kWh)	71.88	**77.69**
Reactive Energy (c/kVArh)	-	**-**
WINTER: Demand Charge (R/kVA)	46.97	**50.77**
Access Charge (R/kVA)	44.68	**48.29**
Peak Energy (c/kWh)	484.33	**523.46**
Standard Energy (c/kWh)	137.58	**148.70**
Off-peak Energy (c/kWh)	80.87	**87.40**
Reactive Energy (c/kVArh)	20.78	**22.46**
Time of Use Medium Voltage (TOU 2.1): Renewable Energy - Generation for own use and export		
Fixed Charge per month	6 453.73	**6 975.19**
Reading Cost R/pm	80.20	**86.69**
Import		
SUMMER: Demand Charge (R/kVA)	46.97	**50.77**
Access Charge (R/kVA)	44.68	**48.29**
Peak Energy (c/kWh)	146.62	**158.47**
Standard Energy (c/kWh)	95.91	**103.66**
Off-peak Energy (c/kWh)	71.88	**77.69**
Reactive Energy (c/kVArh)	20.78	**22.46**
WINTER: Demand Charge (R/kVA)	46.97	**50.77**
Access Charge (R/kVA)	44.68	**48.29**
Peak Energy (c/kWh)	484.33	**523.46**
Standard Energy (c/kWh)	137.58	**148.70**
Off-peak Energy (c/kWh)	80.87	**87.40**
Reactive Energy (c/kVArh)	20.78	**22.46**
Export		
Low Season		
Peak c/kWh	100.07	**108.16**

	Approved 2019/2020	Application 2020/2021
Standard c/kWh	68.86	**74.42**
Off Peak c/kWh	43.69	**47.22**
High Season		
Peak c/kWh	306.80	**331.59**
Standard c/kWh	92.94	**100.45**
Off Peak c/kWh	50.47	**54.55**

PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.

9. External Wheeling

Customer received power at low voltage (<400V) in c/kWh	21.65	**23.07**
Customer received power at medium voltage (>400V) in c/kWh	18.76	**19.99**

10. Pilot Internal Wheeling Tariffs

Low Voltage to Low Voltage	29.51	**31.45**
Low Voltage to Medium Voltage	26.68	**28.44**
Medium Voltage to Low Voltage	26.68	**28.44**
Medium Voltage to Medium Voltage	22.33	**23.80**

11. Generation for Own Use

Customers that want to connect an Own Generation for Own Use only system to the municipal electrical grid without being compensated for reverse power flow can remain on their current tariff and continue to use their current meter.

12. Generation for Own Use and Export

Customers that want to connect an Own Generation for Own Use and Export system to the municipal electrical grid and who want to be reimbursed will have to do the following:

1 The Municipality shall provide and install the requisite meters at the customer's cost.
2 The customer will stay on the existing purchase tariff.
3 For reimbursement the basic charge will be increased to include the automated meter reading cost.
4 The reimbursement will only be for the export energy.
5 Customer not allowed to generate more than his total consumption per financial year.

13.Availability Fees (Per Annum)

Availability	**3372.27**	**3 510.53**

14. Time of use periods

1. Low Demand -Summer	**2. High Demand- Winter**
September to May	**June to August**
Monday to Friday	**Monday to Friday**
00:00 - 06:00 Off Peak	**00:00 - 06:00 Off Peak**
06:00 - 07:00 Standard	**06:00 - 09:00 Peak**
07:00 - 10:00 Peak	**09:00 - 17:00 Standard**
10:00 - 18:00 Standard	**17:00 - 19:00 Peak**
18:00 - 20:00 Peak	**19:00 - 22:00 Standard**
20:00 - 22:00 Standard	**22:00 - 24:00 Off Peak**
22:00 - 24:00 Off Peak	
Saturday	**Saturday**
00:00 - 07:00 Off Peak	**00:00 - 07:00 Off Peak**
07:00 - 12:00 Standard	**07:00 - 12:00 Standard**
12:00 - 18:00 Off Peak	**12:00 - 18:00 Off Peak**
18:00 - 20:00 Standard	**18:00 - 20:00 Standard**
20:00 - 24:00 Off Peak	**20:00 - 24:00 Off Peak**
Sunday	**Sunday**
00:00 - 24:00 Off Peak	**00:00 - 24:00 Off Peak**

All tariffs exclusive of VAT

STELLENBOSCH MUNICIPALITY

WATER TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

Monthly consumption	2019/2020										2020/2021									
	Normal consumption periods		10% Water restriction periods		20% Water restriction periods		30% Water restriction periods		40% Water restriction periods		Normal consumption periods		10% Water restriction periods		20% Water restriction periods		30% Water restriction periods		40% Water restriction periods	
	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT	Amount Excl. VAT	UNIT
DOMESTIC																				
Includes single residential erven as well as single residential erven managed by body corporates.																				
0 kilolitres to 6 kiloliters	R 5.71	per kl.	R 5.71	per kl.	R 5.71	per kl.	R 5.71	per kl.	R 6.09	per kl.	**R 6.06**	**per kl.**	**R 6.06**	**per kl.**	**R 6.06**	**per kl.**	**R 6.06**	**per kl.**	**R 6.45**	**per kl.**
> 6 kilolitres to 12 kiloliters	R 8.65	per kl.	R 9.35	per kl.	R 9.49	per kl.	R 10.34	per kl.	R 11.18	per kl.	**R 9.17**	**per kl.**	**R 9.91**	**per kl.**	**R 10.06**	**per kl.**	**R 10.96**	**per kl.**	**R 11.85**	**per kl.**
> 12 kilolitres to 18 kiloliters	R 14.63	per kl.	R 17.64	per kl.	R 19.70	per kl.	R 23.92	per kl.	R 33.21	per kl.										
> 12 kilolitres to 20 kiloliters											**R 15.51**	**per kl.**	**R 18.70**	**per kl.**	**R 20.88**	**per kl.**	**R 25.36**	**per kl.**	**R 35.20**	**per kl.**
> 18 kilolitres to 25 kiloliters	R 25.07	per kl.	R 29.06	per kl.	R 31.42	per kl.	R 41.57	per kl.	R 58.05	per kl.										
> 20 kilolitres to 25 kiloliters											**R 27.58**	**per kl.**	**R 31.96**	**per kl.**	**R 34.56**	**per kl.**	**R 45.72**	**per kl.**	**R 63.86**	**per kl.**
> 25 kilolitres to 40 kiloliters	R 34.07	per kl.	R 37.84	per kl.	R 39.41	per kl.	R 57.06	per kl.	R 80.05	per kl.	**R 38.33**	**per kl.**	**R 42.57**	**per kl.**	**R 44.33**	**per kl.**	**R 64.20**	**per kl.**	**R 90.05**	**per kl.**
> 40 kilolitres to 70 kiloliters	R 53.25	per kl.	R 65.63	per kl.	R 74.55	per kl.	R 115.37	per kl.	R 177.50	per kl.	**R 61.24**	**per kl.**	**R 75.48**	**per kl.**	**R 85.73**	**per kl.**	**R 132.68**	**per kl.**	**R 204.13**	**per kl.**
70 kilolitres and above	R 79.88	per kl.	R 125.07	per kl.	R 165.08	per kl.	R 250.28	per kl.	R 335.48	per kl.	**R 95.85**	**per kl.**	**R 150.09**	**per kl.**	**R 198.09**	**per kl.**	**R 300.33**	**per kl.**	**R 402.57**	**per kl.**
DOMESTIC CLUSTER																				
Refers to a cluster (block of flats) served by a single water connections																				
0 kilolitres to 6 kiloliters	R 5.71	per kl.	R 5.90	per kl.	R 5.71	per kl.	R 5.71	per kl.	R 5.71	per kl.	**R 6.06**	**per kl.**	**R 6.25**	**per kl.**	**R 6.06**	**per kl.**	**R 6.06**	**per kl.**	**R 6.06**	**per kl.**
> 6 kilolitres to 12 kiloliters	R 8.65	per kl.	R 9.35	per kl.	R 9.49	per kl.	R 10.34	per kl.	R 11.18	per kl.	**R 9.17**	**per kl.**	**R 9.91**	**per kl.**	**R 10.06**	**per kl.**	**R 10.96**	**per kl.**	**R 11.85**	**per kl.**
> 12 kilolitres to 18 kiloliters	R 14.63	per kl.	R 17.64	per kl.	R 19.70	per kl.	R 23.92	per kl.	R 33.21	per kl.	**R 15.51**	**per kl.**	**R 18.70**	**per kl.**	**R 20.88**	**per kl.**	**R 25.36**	**per kl.**	**R 35.20**	**per kl.**
> 18 kilolitres to 25 kiloliters	R 25.07	per kl.	R 29.06	per kl.	R 31.42	per kl.	R 41.57	per kl.	R 58.05	per kl.	**R 27.58**	**per kl.**	**R 31.96**	**per kl.**	**R 34.56**	**per kl.**	**R 45.72**	**per kl.**	**R 63.86**	**per kl.**
Above 25 kiloliters	R 34.07	per kl.	R 37.84	per kl.	R 39.41	per kl.	R 57.06	per kl.	R 80.05	per kl.	**R 38.33**	**per kl.**	**R 42.57**	**per kl.**	**R 44.33**	**per kl.**	**R 64.20**	**per kl.**	**R 90.05**	**per kl.**
BUSINESS, COMMERCIAL AND INDUSTRIAL (Include University)	R 20.82	per kl.	R 27.75	per kl.	R 33.32	per kl.	R 45.81	per kl.	R 58.31	per kl.	**R 22.07**	**per kl.**	**R 29.41**	**per kl.**	**R 35.32**	**per kl.**	**R 48.56**	**per kl.**	**R 61.81**	**per kl.**
MUNICIPAL TARIFF FOR MUNICIPAL BUILDINGS AND ALL LEAKAGES																				
0 kilolitres to 20 kiloliters	R 9.14	per kl.	R 10.83	per kl.	R 11.92	per kl.	R 14.71	per kl.	R 17.49	per kl.	**R 9.69**	**per kl.**	**R 11.48**	**per kl.**	**R 12.64**	**per kl.**	**R 15.59**	**per kl.**	**R 18.54**	**per kl.**
> 21 kilolitres to 50 kiloliters	R 9.60	per kl.	R 11.22	per kl.	R 12.23	per kl.	R 14.86	per kl.	R 17.49	per kl.	**R 10.17**	**per kl.**	**R 11.90**	**per kl.**	**R 12.96**	**per kl.**	**R 15.75**	**per kl.**	**R 18.54**	**per kl.**
Above 50 kiloliters	R 10.43	per kl.	R 11.95	per kl.	R 12.78	per kl.	R 15.14	per kl.	R 17.49	per kl.	**R 11.06**	**per kl.**	**R 12.66**	**per kl.**	**R 13.55**	**per kl.**	**R 16.05**	**per kl.**	**R 18.54**	**per kl.**
MISCELLANEOUS AND ALL OTHER USERS (Schools, Sportbodies, Churces and Charity Organisations)	R 19.53	per kl.	R 20.55	per kl.	R 21.57	per kl.	R 23.61	per kl.	R 25.66	per kl.	**R 20.70**	**per kl.**	**R 21.79**	**per kl.**	**R 22.87**	**per kl.**	**R 25.03**	**per kl.**	**R 27.20**	**per kl.**
BASIC CHARGE																				
Domestic (per erven)	R 65.89				n/a		n/a		n/a		**R 69.84**		**n/a**		**n/a**		**n/a**		**n/a**	
Domestic cluster (per flat)	R 8.01				n/a		n/a		n/a		**R 8.49**		**n/a**		**n/a**		**n/a**		**n/a**	
All other (per erven)	R 75.48				n/a		n/a		n/a		**R 80.00**		**n/a**		**n/a**		**n/a**		**n/a**	
MASO																				
0 kilolitres to 24 kilolitres per household	R 1.29	per kl.	R 4.04	per kl.	R 6.69	per kl.	R 12.09	per kl	R 17.49	per kl	**R 1.37**	**per kl.**	**R 4.28**	**per kl.**	**R 7.09**	**per kl.**	**R 12.82**	**per kl**	**R 18.54**	**per kl**
25 kilolitres to 40 kilolitres per household	R 17.81	per kl.	R 23.19	per kl.	R 27.42	per kl.	R 37.03	per kl	R 46.65	per kl	**R 18.88**	**per kl.**	**R 24.58**	**per kl.**	**R 29.07**	**per kl.**	**R 39.26**	**per kl**	**R 49.45**	**per kl**
Above 40 kilolitres per household	R 19.35	per kl.	R 30.75	per kl.	R 40.89	per kl.	R 62.43	per kl	R 83.96	per kl	**R 20.51**	**per kl.**	**R 32.59**	**per kl.**	**R 43.34**	**per kl.**	**R 66.17**	**per kl**	**R 89.00**	**per kl**
TREATED EFFLUENT WATER																				
Infrastructure provided by Council:																				
Irrigation	R 0.10	per kl.		n/a		n/a		n/a		n/a	**R 0.11**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
Commercial / Industrial users / Domestic	R 4.26	per kl.		n/a		n/a		n/a		n/a	**R 4.52**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
Schools	R 4.79	per kl.		n/a		n/a		n/a		n/a	**R 5.08**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
Departmental	R 4.26	per kl.		n/a		n/a		n/a		n/a	**R 4.52**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
Golf Clubs	R 4.26	per kl.		n/a		n/a		n/a		n/a	**R 4.52**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
	R 4.26	per kl.		n/a		n/a		n/a		n/a	**R 4.52**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**

STELLENBOSCH MUNICIPALITY

WATER TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

Infrastructure provided by User:																				
Irrigation	R 0.05	per kl.		n/a		n/a		n/a		n/a	**R 0.05**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
Commercial / Industrial users / Domestic	R 1.17	per kl.		n/a		n/a		n/a		n/a	**R 1.24**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
Schools	R 1.60	per kl.		n/a		n/a		n/a		n/a	**R 1.69**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
Departmental	R 1.17	per kl.		n/a		n/a		n/a		n/a	**R 1.24**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
Golf Clubs	R 1.17	per kl.		n/a		n/a		n/a		n/a	**R 1.24**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
	R 1.17	per kl.		n/a		n/a		n/a		n/a	**R 1.24**	**per kl.**		**n/a**		**n/a**		**n/a**		**n/a**
Current Agreements:																				
Special Users	As per agreement		As per agreement		As per agreement		As per agreement		As per agreement		**As per agreement**		**As per agreement**		**As per agreement**		**As per agreement**		**As per agreement**	
BULK USERS Water consumption for irrigation of sportsgrounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds by Council's Departments. of Parks and Recreation:																				
To 2000 kilolitres	R 11.07	per kl	R 19.30	per kl	R 26.81	per kl	R 42.56	per kl	R 58.04	per kl	**R 11.73**	**per kl**	**R 20.46**	**per kl**	**R 28.42**	**per kl**	**R 45.12**	**per kl**	**R 61.52**	**per kl**
Above 2000 kilolitres	R 14.42	per kl	R 31.92	per kl	R 48.48	per kl	R 82.55	per kl	R 116.07	per kl	**R 15.28**	**per kl**	**R 33.83**	**per kl**	**R 51.39**	**per kl**	**R 87.50**	**per kl**	**R 123.03**	**per kl**
WATER AVAILABILITY FEE	R 1 420.89	per annum									**R 1 506.15**	**per annum**								

STELLENBOSCH MUNICIPALITY

SOLID WASTE TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021

Applicable to services rendered from 1 July 2020 **16.50%**

	SERVICES RENDERED	UNIT	COMMENTS	Tariff 2019/2020 (VAT Excl.)	Tariff 2020/2021 (VAT Excl.)
Residential Waste Collection (Households, Flats, Hostels, Retirement homes, Churches, Schools, Welfare Organisations, etc.)					
	Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags				
	Indigent subsidy: A monthly subsidy (to be determined by Council) to be credited to a registered indigent consumer's account				
	Black bags (only were wheelie bins have not been introduced and/or stolen or lost)				
	Single residential properties for indigent households.	per month	Account payable by property owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 135.99	**R 205.11**
	Basic residential collection based on 3 standard refuse bags once per week - 1st refuse unit - One dwelling on erf	per month	Account payable by property owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 176.06	**R 205.11**
	Basic residential collection based on 3 standard refuse bags per dwelling (1 refuse unit) for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. Max 3 additional closed bags. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued. At cluster housing, flats, etc. 1 refuse unit to be charged for every living unit (per month)	R 176.06	**R 205.11**
	Additional collection based on an additional 3 standard refuse bags once per week - 2nd refuse unit or more	per month	Account payable by property owner. Max 3 additional closed bags. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 176.06	**R 205.11**
	Mobile bins (240ℓ Wheelie bin)				
	Black Bin (Black lid Black bin)				
	Basic residential collection based on 1 X 240ℓ per week - 1st bin - one dwelling per erf	per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. (units to be charged per quantity of bins used. Only WC024 bins will be collected	R 176.06	**R 205.11**
	Basic residential collection based on 1 X 240ℓ per week for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used. Only WC024 bins will be collected.	R 176.06	**R 205.11**
	Basic residential collection based on 1 X 240ℓ bin per week for additional dwellings	per refuse unit per month	Account payable by property owner. No extras beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used. Only WC024 bins will be collected.	R 176.06	**R 205.11**
	Blue Bin (Blue lid Black bin)				
	Three times per week removal with a blue lid 240ℓ refuse bin (sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages - NOT HOUSEHOLDS)	Per add 240ℓ bin per month	Account payable by property owner. No extras beside bin. (Sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages).(Businesses to be charged per quantity of bins)	R 624.70	**R 727.78**

	SERVICES RENDERED	UNIT	COMMENTS	Tariff 2019/2020 (VAT Excl.)	Tariff 2020/2021 (VAT Excl.)
Non Residential Waste Collections (Business and Commercial)					
	Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags				
Black bags (Only were Wheelie bins have not been introduced)					
	Collection based on three (3) standard refuse bags once (x1) per week	per month	Account payable by business owner. Max 3 closed bags. No other extras. `Black BAG Service will cancel when 240ℓ bin is issued.	R 208.23	**R 242.59**
	Collection based on 3 standard refuse bags 3 x per week - three refuse units per month	per month	Account payable by business owner. Max 3 closed bags. No other extras. Service will cancel when 240ℓ bin is issued.	R 624.70	**R 727.78**
	Additional collection based on additional refuse bags, once (x1) per week - measured in the number of additional refuse units ((3) standard refuse bags) per week	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 208.23	**R 242.59**
	Additional collection based on an additional refuse bags, 3 x per week - measured in the number of additional refuse units (3 standard refuse bags) per week	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 624.70	**R 727.78**
Mobile bins (240ℓ Wheelie bin)					
	Blue Bin (Blue lid Black bin)				
	Collection based on 1 X 240ℓ once (x1) per week measured as one blue bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 208.23	**R 242.59**
	Additional 240ℓ removal/s once per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 208.23	**R 242.59**
	Collection based on 1 X 240ℓ three times per week measured as one blue bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 624.70	**R 727.78**
	Additional 240ℓ removals three times per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 624.70	**R 727.78**
Mobile bins (240ℓ Wheelie bin)					
	Red Bin (Red lid Black Bin)				
	Collection based on 1 X 240ℓ five times per week measured as one red bin.	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 1 041.15	**R 1 212.94**
	Additional 240ℓ removals five times per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extras. Per fixed arrangement - not variable.	R 1 041.15	**R 1 212.94**
Charges and Levies					
	Solid Waste availability charge	per annum	Vacant erven and to all households, businesses, flats, developments not making use of municipal collection services	R 1 104.54	**R 1 286.79**
Collection of food waste					
	Restaurant Food Waste only Collection based on 1 X 240ℓ five times per week measured as one white bin	per month	Limited amount of restaurants within the WCO24 will be allowed for the pilot project (5 days/ week)	R 512.13	**R 596.63**

STELLENBOSCH MUNICIPALITY

SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

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

Size of erf in m²			Sewerage levy (Per annum) 2019/20 (Excl VAT)	Sewerage levy (Per annum) 2020/21 (Excl VAT)
0	-	250	R 1 427.87	**R 1 520.68**
251	-	500	R 1 831.99	**R 1 951.06**
501	-	600	R 2 063.78	**R 2 197.92**
601	-	700	R 2 290.90	**R 2 439.81**
701	-	800	R 2 520.32	**R 2 684.14**
801	-	900	R 2 749.54	**R 2 928.26**
901	-	1 000	R 2 976.98	**R 3 170.48**
Above	-	1 000	R 2 976.98	**R 3 170.48**
for each additional 500m² or part thereof			R 286.90	**R 305.55**

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

B. ALL VACANT ERVEN : (Availability Tariff)

Size of erf in m²			Sewerage availability levy (Per annum) 2019/20 (Excl VAT)	Sewerage availability levy (Per annum) 2020/21 (Excl VAT)
To	-	1 000	R 1 785.67	**R 1 901.74**
Above	-	1 000	R 2 310.33	**R 2 460.50**

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

Size of erf in m²			Sewerage levy (Per annum) 2019/20 (Excl VAT)	Sewerage levy (Per annum) 2020/21 (Excl VAT)
0	-	500	R 1 866.43	**R 1 987.75**
501		1 000	R 2 159.27	**R 2 299.62**
1 001	-	1 500	R 2 414.81	**R 2 571.77**
1 501	-	2 000	R 2 961.71	**R 3 154.22**
2 001	-	3 000	R 3 840.82	**R 4 090.48**
3 001	-	4 000	R 4 608.51	**R 4 908.06**
4 001	-	5 000	R 5 157.96	**R 5 493.23**
5 001	-	7 500	R 6 311.31	**R 6 721.55**
7 501	-	10 000	R 7 353.09	**R 7 831.04**
10 001	-	15 000	R 9 051.14	**R 9 639.47**
15 001	-	20 000	R 10 423.56	**R 11 101.09**
Above	-	20 000	R 11 955.84	**R 12 732.97**

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SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
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In addition to the above charges, the following fees, based on the area and usage of the buildings are payable

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

DESCRIPTION	AREA	SEWERAGE TARIFFS				REMARKS
			2019/2020	2020/2021		
Use of buildings	**Intervals (m²)**	**Code**	**per m²**	**Amount Excl VAT**	**UNIT**	
a) Offices, Consulting rooms, Power-station, Ambulance station, Fire-station	To - 2 500	ADD02	R 14.92	**R 15.89**	per m²	
	2 501 - 5 000		R 14.79	**R 15.75**	per m²	
	Above 5 000		R 14.65	**R 15.60**	per m²	
b) Halls for the purposes of letting, Cinemas, Theatres, Venues for Meetings	To - 2 500	ADD03	R 14.92	**R 15.89**	per m²	
	2 501 - 5 000		R 14.79	**R 15.75**	per m²	
	5 001 - 10 000		R 14.65	**R 15.60**	per m²	
	Above 10 000		R 14.52	**R 15.46**	per m²	
c) Shops not included under (d)		ADD04	R 14.79	**R 15.75**	per m²	
d) Fish shops, Greengrocer shops, Butcheries		ADD06	R 37.56	**R 40.00**	per m²	Only applicable in absence of industrial effluent agreement.
e) Cafe's, Restaurants		ADD05	R 14.79	**R 15.75**	per m²	Only applicable in absence of industrial effluent agreement.
f) Educational & Research buildings,		ADD07	R 14.79	**R 15.75**	per m²	
g) Private hostels, Boarding homes, Hostels		ADD08	R 24.28	**R 25.86**	per m²	
h) Licenced hotels, Guest-houses		ADD10	R 18.73	**R 19.94**	per m²	
i) Hospitals, Prisons, Clinics, Old age and other homes, Hospices, Shelters		ADD09	R 24.28	**R 25.86**	per m²	
j) Religious institutions, Sports clubs, Youth organisations,Libraries, Museums, Halls not for letting, Physical fitness centres, Health centres, Messes, Under cover parking		ADD12	R 666.81	**R 710.15**	per unit	Per water closet, or per urinal, or 0.5m of urinal wall or part thereof, whichever is the greatest.
		ADD11	R 366.31	**R 390.11**	per unit	
k) Garages, Dry cleaners, Laundries, Workshops,		ADD18	R 1 072.30	**R 1 142.00**	per unit	Only applicable in absence of industrial effluent agreement.
l) Factories, Warehouses,		ADD17	R 2 139.91	**R 2 279.01**	per unit	Per water closet, or per urinal, or 0.5m of urinal wall or part thereof, whichever is the greatest. Only applicable in absence of industrial effluent agreement.
m) Dwelling units that are part of buildings described under (a) to (l)		ADD20	R 2 081.90	**R 2 217.23**	per unit	
n) Rooms used for dwelling purposes, forming part of buildings under (a) to (l)		ADD13	R 366.31	**R 390.11**	per m²	

STELLENBOSCH MUNICIPALITY

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DIREKTORAAT: FINANSIëLE DIENSTE
DIRECTORATE: FINANCIAL SERVICES

	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
ALGEMEEN/GENERAL				
Belastinguitklaringsfooi(waardasieserfikaat ingesluit) / Rates clearance fee(valuation certificate included)	R 210.00	R 191.30	R 28.70	**R 220.00**
Not rated clearance (Sectional title units)	R 210.00	R 191.30	R 28.70	**R 220.00**
Administrasiekoste Onteerde betaling/Admin Fee for dishounered payment	R 210.00	R 191.30	R 28.70	**R 220.00**
Spesiale meterlesings per verbruikersrekening (per geleentheid) / occasion	R 135.00	R 126.09	R 18.91	**R 145.00**
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non-payments: Conventional meters	R 380.00	R 347.83	R 52.17	**R 400.00**
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non-payments: Pre-paid meters	R 170.00	R 156.52	R 23.48	**R 180.00**
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non-payments: Bulk meters	R 2 300.00	R 2 130.43	R 319.57	**R 2 450.00**
Ongeidentifiseerde/foutiewe deposito's op bankstaat / Unidentified/incorrect deposits on bank statement	R 115.00	R 108.70	R 16.30	**R 125.00**
Administatiewe fooi vir Aanmanings SMS'e en Kennisgewings / Administration fee for "Reminder" SMS's and Notices	R 20.00	R 19.13	R 2.87	**R 22.00**
Heruitreiking Belastinguitklarings sertifikaat / Re-issue Rates clearance certificate	R 85.00	R 78.26	R 11.74	**R 90.00**
VERSKAFFING VAN INLIGTING/PROVISION OF INFORMATION				
Uitreik van waardasiesertfikaat / Issue of valuation certificate	R 105.00	R 95.65	R 14.35	**R 110.00**
Uittreksels uit rekeninge - per maandstaat	R 50.00	R 47.83	R 7.17	**R 55.00**
Extracts from accounts - per monthly statement				
Extracts from records : rate per hour or part thereof	R 150.00	R 139.13	R 20.87	**R 160.00**
Fotostate / Copies : per A4 - bladsy / page	R 3.00	R 2.61	R 0.39	**R 3.00**
Fotostate / Copies : per A3 - bladsy / page	R 15.00	R 13.04	R 1.96	**R 15.00**
Waardasie Inligting / Valuation Information	R 25.00	R 23.48	R 3.52	**R 27.00**
Waardasie Inligting / Valuation Information - Sea-Info	R 10.00	R 9.57	R 1.43	**R 11.00**
DEPOSITO'S VIR DIENSTE/DEPOSIT FOR SERVICES				
Water/Water	R 800.00	R -	N/A	**R 800.00**
Elektrisiteit (huishoudelik) / Electricity (domestic)	R 1 600.00	R -	N/A	**R 1 600.00**
Elektrisiteit (ander): Grootmaat verbruikers bereken met minimum van/ Electricity (other): Bulk users calculate with a minimum of	R 8 500.00	R -	N/A	**R 9 000.00**
Indigent Household/Low cost Housing Deernis Huishouding/Lae Koste Behuising	R 300.00	R -	N/A	**R 300.00**
Electricity (other) excluding Bulkusers Elektrisiteit (ander) uitgesluit Grootmaatverbuikers	R 4 500.00	R -	N/A	**R 5 000.00**
Aanpassing van deposito's as gevolg van wanbetaling : Ingevolge Kredietbeheer Beleid	** 2 times and more on cut-off list; deposit may be adjusted to minimum deposit,			
Adjustment of deposits due to non-payment : In terms of Credit Control and Debt Collection Policy	*** 3 times and more on cut-off list, deposit may be adjusted to cover increased risk.			
Objection fee (Refer to Section 53(2) of the Municipal Property Rates Act	R 350.00	R 321.74	R 48.26	**R 370.00**
TENDER DEPOSITO'S / TENDER DEPOSIT (COMPUTER PRINTS BLACK & WHITE)				
Fotostate / Copies : per A4 - bladsy / page	R -	R 2.61	R 0.39	**R 3.00**
Fotostate / Copies : per A3 - bladsy / page	R -	R 13.04	R 1.96	**R 15.00**
Fotostate / Copies : per A2 - bladsy / page	R -	R 52.17	R 7.83	**R 60.00**
Fotostate / Copies : per A1 - bladsy / page	R -	R 69.57	R 10.43	**R 80.00**
Fotostate / Copies : per A0 - bladsy / page	R -	R 82.61	R 12.39	**R 95.00**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
Director: Community and Protection Services has the delegation to authorise tariff discounts on any park or public open spaces for events, to the maximum of 30% off the firm tariff after receiving a recommendation from the Manager: Community Services.				
TOEGANGSGELDE / ENTRANCE FEES:				
JONKERSHOEK PIEKNIEKTERREIN / PICNIC SITE				
Persone / Persons	27.56	25.40	3.81	**29.21**
Voertuie / Vehicles	22.26	20.52	3.08	**23.60**
Kinders onder 5 jaar oud/ Children below 5 years of age	Free	Free	Free	**Free**
Official year end function for Council employees (by prior arrangement only)	Free	Free	Free	**Free**
Pensioners (It is a person who, in the case of a male, is 65 years of age and older and, in the case of a female, is 60 years of age or older.)	20.14	18.56	2.78	**21.35**
CLOETESVILLE SWEMBAD / SWIMMING POOL				
Kinders onder die ouderdom van 5 jaar vergesel deur volwassenes.	**Gratis/**			**Gratis/**
Children under the age of 5 years accompanied by adults.	**Free**			**Free**
Kinders 6 tot 17 jaar / Children 6-17 years	5.83	5.37	0.81	**6.18**
Volwassenes / Adults	11.13	10.26	1.54	**11.80**
Pensioners (It is a person who, in the case of a male, is 65 years of age and older and, in the case of a female, is 60 years of age or older.)	7.95	7.33	1.10	**8.43**
Group bookings must be pre-arranged at (021) 808 8295				
30 - 40 persons	381.60	351.74	52.76	**404.50**
41 - 60 persons	506.68	467.03	70.05	**537.08**
61 - 80 persons	755.78	696.63	104.49	**801.13**
81 - maximum 100	1 012.30	933.08	139.96	**1 073.04**
Group bookings only within official hours.				
Braai facility coupon	41.34	38.10	5.72	**43.82**
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: WC024				
Waar 'n familie as behoeftige geregistreer is by die Munisipaliteit, kan die familie (slegs naaste familie) kwalifiseer vir 50% afslag, na goedkeuring van die relevante Direkteur, op die tarief vir 'n grafperseel. Die familie of delegasie moet skriftelik aansoek doen en rig aan die betrokke Direkteur.				
Hierdie vergunning is slegs van toepassing Maandae tot Saterdae- Vakansiedae uitgesluit. Plaaswerkers: brief ter bevestiging van plaaseienaar.				
When a family has been registered as an indigent beneficiary at the Municipality, the members of the family (not including extended members) qualifies for 50% discount, after approval by the relevant Director, on the tariff of a gravesite. The family or a delegate must apply in writing to the relevant Director. This concession is only applicable Mondays to Saterdays, excluding Public Holidays. Farm workers: must provide written confirmation from the farm owner.				
1. Grafperseel : kinders onder 12 jaar oud / Grave site children under the age of 12 years	731.40	674.16	101.12	**775.28**
2. Grafperseel : persone 12 jaar en ouer / Grave site persons 12 years and older	901.00	830.49	124.57	**955.06**
3. Teraardebestelling : kinders onder 12 / Burial : children under 12 years	381.60	351.74	52.76	**404.50**
4. Teraardebestelling : persone bo 12 jaar en ouer / Burial : Persons 12 years and older	784.40	723.01	108.45	**831.46**
5. Ekstra grafwydte per 100mm of gedeelte daarvan: tot maks 2.4m (standaardwydte = 550mm onder 12 jaar / 750mm bo 12 jaar) **Additional excavation of grave width per 100mm or part thereof: to a max. of 2.4m** Standard width = 550mm under 12 years / 750mm over 12 years)	136.74	126.04	18.91	**144.94**
6. Opgrawings / Disinterments (Exhumation)	1 012.30	933.08	139.96	**1 073.04**
7. Begrawe van veraste oorblyfsels in bestaande grafte / Burial of ashes in existing grave	125.08	115.29	17.29	**132.58**
8. Herbevestiging van grafpersele / Reconfirmation of grave site (Papegaaiberg)	202.46	186.62	27.99	**214.61**
9. Wysiging of oordrag van eienaarskap van grafperseel / Change in ownership of gravesite	65.72	60.58	9.09	**69.66**
10. Addisionele heffing vir dienste aangevra vir Sondae / Additional levy for services on Sundays:				
10a.Groepe vrygestel deur Munisipale Verordening/Groups exempted by Municipal By-Law	0.00	0.00	0.00	
10b. Groepe nie vrygestel deur Munisipale Verordening / Groups not exempted by Municipal By-Law	4 526.20	4 171.98	625.80	**4 797.77**
11. Addisionele heffing vir dienste aangevra vir Saterdae / Additional levy for services on Saterdays: (weekly tariff to apply if no municipal services are rendered)	1 452.20	1 338.55	200.78	**1 539.33**
12. Nisse/ Niches				
12a. Verkoop van losstaande nisse / Sale of free- standing niches	2 586.40	2 383.99	357.60	**2 741.58**
12b. Ingeboude nisse / Built-in niches	630.70	581.34	87.20	**668.54**
13. Nuwe Grafsteenpermit (Messelwerk) / New Permit for gravestone (Masonry)	265.00	244.26	36.64	**280.90**
Admin cost for record enquiries	540.60	0.00	0.00	**0.00**
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: OUTSIDE WC024				
Tariewe vir persone wat buite die munisipale grense gewoon het met sterfte datum = 4 maal die tariewe hierbo, behalwe die verkoop van nisse, waarop 'n 50% belading geld. Indien sulke persone reeds 'n graf besit, geld hierdie belading steeds op die maak van grafte. / Tariffs for persons residing outside of the municipal area at the time of death = 4 times the tariffs above, with the exception of the sale of niches, to which a 50% surcharge applies. Should such a person already possess a grave site, the excess still applies to the digging of the grave and other related charges.				
Normale tariewe geld ten opsigte van begrafnisse op Sondae en Openbare Vakansiedae vir geloofsgroepe soos vervat in die Verordening/ Normal tariffs will apply for burials on Sundays and public holidays for certain religious groups as determined by the By-Law.				

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

TARIFFS FOR ANY PARK OR PUBLIC OPEN SPACE FOR EVENTS:				
Birthday parties, creches & school events, religious events, festivals, markets, cycling events				
Event = one (1)day or if otherwise stated. All applications in writing.				
Lessees are not entitled to exclusive rights of the venue at a time				
TARIFFS FOR THE BRAAK				
Tariff for non-profitable organisations per day.	757.90	698.59	104.79	**803.37**
Tariff for religious events per day (maximum of 7 days) (Include set up and breakdown per day)	715.50	659.50	98.93	**758.43**
Tariff for profitable organisations within WC024 per day	3 540.40	3 263.33	489.50	**3 752.82**
Tariff for profitable organisations outside WC024 per day	7 579.00	6 985.86	1 047.88	**8 033.74**
TARIFFS FOR ALL OTHER PUBLIC OPEN SPACES/ GARDENS/ NATURE RESERVES/ PLANTATIONS/ DEVELOPED PARKS				
Tariff for non-profitable organisations -religious events per day and maximum 7 days (Include set up and breakdown per day)	328.60	302.88	45.43	**348.32**
Tariff for birthday parties and picnics (PARKS AND PUBLIC OPEN SPACES ONLY)	0.00	302.89	45.43	**348.32**
Tariff for birthday parties and picnics INSIDE WC024 (JMNR ONLY)	328.60	302.88	45.43	**348.32**
Tariff for birthday parties and picnics OUTSIDE WC024 (JMNR ONLY)	657.20	605.77	90.87	**696.63**
Tariff for profitable organisations WITHIN WC024 per day	3 540.40	3 263.33	489.50	**3 752.82**
Tariff for profitable organisations OUTSIDE WC024 per day	7 569.46	6 977.07	1 046.56	**8 023.63**
Weddings with a maximum of 200 pax INSIDE WC024	1 452.20	1 338.55	200.78	**1 539.33**
Weddings with a maximum of 200 pax OUTSIDE WC024	2 904.40	2 677.10	401.56	**3 078.66**
TARIFFS FOR PARADYSKLOOF CLUBHOUSE				
Tariff for profitable organisations WITHIN WC024 per day (for example: seminars, workshops, strategic sessions, year-end funtions, parties)	1 080.00	995.48	149.32	**1 144.80**
Tariff for profitable organisations OUTSIDE WC024 per day (for example: seminars, workshops, strategic sessions, year-end funtions, parties)	0.00	302.88	45.43	**2 289.60**
Tariff for non profitable organisations WITHIN WC024 per day (seminars, workshops, strategic sessions, year-end funtions, parties, weddings)	216.00	199.10	29.86	**228.96**
Tariff for non profitable organisations OUTSIDE WC024 per day (seminars, workshops, strategic sessions, year-end funtions, parties, weddings)	0.00	398.19	59.73	**457.92**
Weddings with a maximum of 100 pax WITHIN WC024 per day	0.00	4 015.65	602.35	**4 618.00**
Weddings a maximum of 100 pax OUTSIDE WC024 per day	0.00	8 031.30	1 204.70	**9 236.00**
Initiations in plantations (tariff as per Council decision) PER CALENDER MONTH	2 018.24	1 860.29	279.04	**2 139.33**
Rastafarian	2 018.24	1 860.29	279.04	**2 139.33**
Eco Centre Rental - per day (max 25 people)	714.44	658.53	98.78	**757.31**
Eco Centre Rental - per day- (max 25 people) per hour R150.00	0.00	130.43	19.57	**150.00**
REMOVAL OF DEAD AND DANGEROUS TREES				
Removal of trees on private property and land that pose risk to property and possible loss of life. Only applicable to registered indigent households. (WORK WILL BE SUBCONTRACTED)				
STILL/ FILM SHOOTS				
Event= Per day. Includes all parks, public open spaces, sportsgrounds, nature reserves/ plantations and gardens.				
Non-commercial shoots	842.70	776.75	116.51	**893.26**
Commercial	7 575.31	6 982.46	1 047.37	**8 029.83**
Other				
Admin Fee	212.00	195.41	29.31	**224.72**
Base camp parking only (when using an area for parking of vehicles but no filming.	3 202.26	2 951.65	442.75	**3 394.40**
Helipad Parking per day	3 202.26	2 951.65	442.75	**3 394.40**
Access through Forestry or Conservation Areas for when filming at a nearby farms: plus permit fee (passing through our Nature Reserve)	960.36	885.20	132.78	**1 017.98**
Stellenbosch Municipality ECO OFFICER per hour	960.36	885.20	132.78	**1 017.98**
FORESTRY PRODUCTS				
All wattles/ tonne (per bakkie load)				
Eucalyptus Species/ tonne INSIDE WC024 (per bakkie load)	386.90	356.62	53.49	**410.11**
Eucalyptus Species/ tonne OUTSIDE WC024 (per bakkie load)	424.00	390.82	58.62	**449.44**
Fire Wood per tonne Self cut/ tonne INSIDE WC024 (per bakkie load)	318.00	293.11	43.97	**337.08**
Fire Wood per tonne Self cut/ tonne OUTSIDE WC024 (per bakkie load)	371.00	341.97	51.29	**393.26**
Fire Wood per tonne cut by municipality/ tonne INSIDE WC024 (per bakkie load)	318.00	293.11	43.97	**337.08**
Fire Wood per tonne cut by municipality/ tonne OUTSIDE WC024 (per bakkie load)	371.00	341.97	51.29	**393.26**
Latte for screens/ tonne self-cut INSIDE WC024 (per a bakkie load)	424.00	390.82	58.62	**449.44**
Latte for screens/ tonne self-cut OUTSIDE WC024 (per a bakkie load)	477.00	439.67	65.95	**505.62**
Mushrooms per 5 litre container.	56.18	51.78	7.77	**59.55**
Medicinal herbs or plant material per 5 litre container.	56.18	51.78	7.77	**59.55**
Protea flowers per head.	11.66	10.75	1.61	**12.36**
Softwood Sawlogs				
Poplars poles 80mm- 100mm diamtre at thin end/ tonne INSIDE WC024(per bakkie load)	265.00	244.26	36.64	**280.90**
Poplars poles 80mm- 100mm diamtre at thin end/ tonne OUTSIDE WC024(per bakkie load)	318.00	293.11	43.97	**337.08**
INDUSTRIAL ROUNDWOOD				
includes all commercial wood in situ small volumes up to R200 000.00 (pine sawlogs, woodchips, and wood residues.)				
Class A= 13,5cm-17cm diametre at thin end/ m3 INSIDE WC024	349.80	322.42	48.36	**370.79**
Class A= 13,5cm-17cm diametre at thin end/ m3 OUTSIDE WC024	371.00	341.97	51.29	**393.26**
Class B= 19cm-25cm diametre at thin end/ m3 INSIDE WC024	477.00	439.67	65.95	**505.62**
Class B= 19cm-25cm diametre at thin end/ m3 OUTSIDE WC024	530.00	488.52	73.28	**561.80**
Class C= 27cm-33cm diametre at thin end/m3 INSIDE WC024	667.80	615.54	92.33	**707.87**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
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DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

Class C= 27cm-33cm diametre at thin end/m3 OUTSIDE WC024	742.00	683.93	102.59	**786.52**
Class D= 35cm> diametre at thin end/m3 INSIDE WC024	720.80	664.39	99.66	**764.05**
Class D= 35cm> diametre at thin end/m3 OUTSIDE WC024	795.00	732.78	109.92	**842.70**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
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DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
LIBRARY SERVICES				
Printing Services				
Printing fee for a A4 black and white page	1.10	1.01	0.15	**1.17**
Faxes				
Fee for receiving a fax - per page	2.30	2.12	0.32	**2.44**
Scan and email				
Scan and email per page	0.00	2.12	0.32	**2.44**
LIBRARY HALL RENTALS				
CONDITIONS FOR USAGE OF A LIBRARY HALL				
Not available for the following: weddings, birthdays, christening and parties				
Library halls only available during library hours				
No equipment and catering supplies are available at the halls				
Plein Street, Idas Valley & Cloetesville Library Hall				
Rental charged - per session	4.50	414.78	62.22	**477.00**
Rental charged for a Non Profitable Organisation - per session	4.50	414.78	62.22	**477.00**
Rental of kitchen facility per session	76.50	70.51	10.58	**81.09**
Kayamandi Library Hall				
Rental charged - per session	4.50	414.78	62.22	**477.00**
Rental charged for a Non Profitable Organisation - per session	4.50	414.78	62.22	**477.00**
Rental of kitchen facility per session	76.50	70.51	10.58	**81.09**
Groendal Library Hall				
Rental charged - per session	0.00	414.78	62.22	**477.00**
Rental charged for a Non Profitable Organisation - per session	0.00	414.78	62.22	**477.00**
Rental of kitchen facility per session	0.00	70.51	10.58	**81.09**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

	Full Tariff 2019/2020			Full Tariff 2020/2021			Discounted Tariff 2020/21			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
Town Halls											
Stellenbosch				Foyer not available on its own							
Hall and Foyer	R 2 770.00	R 4 633.00	R 5 692.00	**R 2 936.20**	**R 4 910.98**	**R 6 033.52**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Kitchen (including all appliances), Bar	R 1 816.00	R 1 387.00	R 1 855.00	**R 1 924.96**	**R 1 470.22**	**R 1 966.30**					
Franschhoek				Foyer not available on its own							
Hall	R 2 907.00	R 3 097.00	R 3 975.00	**R 3 081.42**	**R 3 282.82**	**R 4 213.50**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Facilities: Kitchen (including all appliances)	R 910.00	R 1 011.00	R 1 611.00	**R 964.60**	**R 1 071.66**	**R 1 707.66**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, Kylemore											
Hall	R 417.00	R 417.00	R 596.00	**R 442.02**	**R 442.02**	**R 631.76**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Eikestad Hall, Cloetesville											
Hall	R 417.00	R 417.00	R 596.00	**R 442.02**	**R 442.02**	**R 631.76**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Admin Hall, Kayamandi											
Hall (As per Council Decision)	R 119.00	R 119.00	R 119.00	**R 126.14**	**R 126.14**	**R 126.14**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, Kayamandi											
Hall (As per Council Decision)	R 119.00	R 119.00	R 119.00	**R 126.14**	**R 126.14**	**R 126.14**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Pniel Banquet Hall											
Hall	R 417.00	R 417.00	R 596.00	**R 442.02**	**R 442.02**	**R 631.76**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, La Motte											
Hall	R 238.50	R 238.50	R 357.20	**R 252.81**	**R 252.81**	**R 378.63**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Community Hall, Wemmershoek											
Hall	R 239.00	R 239.00	R 357.00	**R 253.34**	**R 253.34**	**R 378.42**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application

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DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

	Full Tariff 2019/2020			Full Tariff 2020/2021			Discounted Tariff 2020/21			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
Community Hall, Groendal											
Hall	R 417.00	R 417.00	R 454.00	**R 442.02**	**R 442.02**	**R 481.24**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Klapmuts Multi-purpose centre											
Hall	R 417.00	R 417.00	R 454.00	**R 442.02**	**R 442.02**	**R 481.24**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Hall kitchen rental	R 117.00	R 117.00	R 117.00	**R 124.02**	**R 124.02**	**R 124.02**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Outside braai area with kitchen	R 201.00	R 201.00	R 201.00	**R 213.06**	**R 213.06**	**R 213.06**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Outside braai kitchen rental	R 117.00	R 117.00	R 117.00	**R 124.02**	**R 124.02**	**R 124.02**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Boardroom	R 201.00	R 201.00	R 201.00	**R 213.06**	**R 213.06**	**R 213.06**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Kitchen rental	R 117.00	R 117.00	R 117.00	**R 124.02**	**R 124.02**	**R 124.02**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Pniel Millinium Hall											
Hall	R 417.00	R 417.00	R 596.00	**R 442.02**	**R 442.02**	**R 631.76**	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Other facilities											
Old Age Facility Kayamandi	Free of charge		Free of charge	**Free of charge**		**Free of charge**	Free of charge	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application
Banquet Hall, Cloetesville	R169/per day		R169/per day	**R169/per day**		**R169/per day**		Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application	Discount percentage to be determined by application

The following groups have been identified for the discounted tariffs:

(i) Schools located within the WC024 for an official school function: discounted tariff of 30% on the rental of a hall for the function to a maximum of one (1) function per financial year. Deposit fees must be paid in full.

(ii) Churches located within WC024 for an official church function: discounted tariff of 30% on the rental of a hall for the function to a maximum of one (1) function per financial year. Depost fees must be paid in full. Proof of location/residence will be required.

(iii) Churches using a hall on a regular basis:

a Sermons are limited to 2 (two) hours per Sunday to accommodate other denominations/religious groups at the venue.

b The two Town Halls (Stellenbosch and Franschhoek), are excluded.

c The grant is subject to availability of the hall.

d A formal agreement will be entered into between the parties.

e A once-off deposit fee per financial year applies as per the approved tariffs. If forfeited due to damage, etc, this will have to be repaid before access for the next event/ service will be granted. In addition, a rental fee equivalent to the tariff for 1 day applies as a monthly fee. The fee specific to the specific hall will apply.

f To accommodate churches during the week, the halls may be used for a maximum of two (2) additional bookings during the week over and above the Sunday sermon. This will be at no additional charge (included in e) above).

g Furniture will be free of charge, but must be arranged and put back after the sermon by the hirer.

h Due to the constraints on municipal overtime, no municipal officials will be available on weekdays or weekends to perform any supervisory functions or assistance.

(iv) Non-Governmental Organisations: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge.

(v) Government Departments in other spheres of Government: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge.

(vi) The six recognised vulnerable groups namely Aged, Disabled, Children, Youth, Women and People living on the Streets: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge. This discount is not available to individuals but is focused on interest groups representing the vulnerable groups.

(vii) Individual families registered as indigent at the Municipality will be entitled to a 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full): Furniture, kitchen and utensils are free of charge. This rebate is for a maximum of one (1) booking per financial year per indigient family and the two Town Halls (Stellenbosch and Franschhoek are excluded).

(viii) Organisations promoting the Greater Stellenbosch: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge. The following are examples of rebates that will be approved:

Van Der Stel Festival
Wine Festival (Previously Food and Wine Festival)
Flower Show (Stellenbosch and Pniel)
Stellenbosch Festival
Bastille Festival
CANSA sub-organizations within the WC024.

(ix) Free access to municipal halls for youth activities. Provided that prior arrangement is made with the relevant staff.

(x) Free access to municipal halls for Ward Councillors fro functions such as: Meetings, Workshops or any other Ward-related activities. This access will only be granted to a maximum of 2 (two) events per month. This is not transferable for any other festivals, parties, dances, fund raisers, etc.

(xi) The rebates mentioned in paragraphs i), ii), iv), v), vi) and vii) will only be considered for weekdays. All applications must be in writing and submitted to the Director: Community and Protection Services.

(xii) The Director: Community and Protection Services may consider motivated applications for discount in line with the abovementioned and approve rebates.

STELLENBOSCH MUNICIPALITY

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Applicable to service rendered from 1 July 2020

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

	2019/20			Rental of Facilities 2020/21			Additional levy: consumers outside WC024; Sports Unions and Private Companies.		
Sports Fields	**Deposit**	**Week**	**Weekend**	**Deposit**	**Week**	**Weekend**	**Deposit**	**Week**	**Weekend**
Category A Van der Stel	**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**			**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**			**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**		
Category B Kylemore, Pniel, Idas Valley, Raithby, Klapmuts, Jamestown and Cloetesville	**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**			**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**			**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**		
Category C Wemmershoek Groendal Kayamandi	**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**			**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**			**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**		
Category D La Motte Jonkershoek Papplaas Lanquedoc	**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**			**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**			**As yet to be determine by Sport Councils. After tariff structure formation by Sport Councils, advertisement will take place for public comment.**		

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 - 30 JUNE 2021
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DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
Verkeersbystanddienste / Traffic Assistance at special occasions/events				
Uitreiking van Permit / Issue of Permit	232.88	220.00	33.00	**253.00**
Uurtarief : Maandag - Saterdag / Hourly tariff : Monday - Saturday	339.30	320.00	48.00	**368.00**
Uurtarief: Sondae en openbare vakansiedae/Hourly tariff: Sunday and public holidays	563.50	518.00	77.70	**595.70**
Spesiale verkeersbystanddienste / Special Traffic Assistance at funeral procession				
Per funeral - R48 p/h, per officer, per intersection	55.20	320.00	48.00	**368.00**
Verfilming of video- advertensies / Filming or video- commercials (public roads)				
Uitreiking van Permit / Issue of Permit	232.88	214.00	32.10	**246.10**
Uitreiking van Permit / Issue of Permit - Stillshoot	1 483.50	1 367.00	205.05	**1 572.05**
Minimum: Residential / Industrial up to 3 hours	3 179.75	2 930.90	439.64	**3 370.54**
Maximum: Residential / industrial more than 3 hours	11 925.50	10 970.00	1 645.50	**12 615.50**
Minimum:Rural up to 3 hours	3 698.41	3 408.00	511.20	**3 919.20**
Maximum:Rural more than 3 hours	12 190.00	14 606.96	2 191.04	**16 798.00**
Minimum High Risk Areas (eg, Franschhoek Pass + CBD areas) up to 3 hours	12 719.90	15 242.61	2 286.39	**17 529.00**
Maximum High Risk Areas (eg, Franschhoek Pass + CBD areas) more than 3 hours	21 792.50	20 080.00	3 012.00	**23 092.00**
Die Direkteur: Gemeenskaps en Beskermingsdienste mag gemotiveerde aansoeke vir afslag tot 50% oorweeg vir die verfilming van video-advertensies (publieke paaie). The Director: Community and Protection Services may consider motivated applications for a discount up to 50% for filming or video-commercials (public roads).				
Verwydering van verlate voertuie : Insleepgelde **Removal of abandoned vehicles : Tow-in charges**				
Binne Stellenbosch / In Stellenbosch	1 460.50	1 589.57	238.43	**1 828.00**
Buite Stellenbosch / Outside Stellenbosch	1 690.50	1 589.57	238.43	**1 828.00**
Skutgeld per dag / Impoundment fee per day	132.25	130.43	19.57	**150.00**
Die Direkteur: Gemmenskaps en Beskermingsdienste mag gemotiveerde aansoeke vir die afslag van 50% oorweeg vir skutkoste. The Director Community and Protection Services may consider motivated applications for a discount up to 50% for impoundment costs.				
Wiel vasklem / Wheel clamping				
Vrylatingsfooi / Release fee	220.80	205.00	30.75	**235.75**
Algemeen / General				
Voertuigongeluk inligting / Vehicle accident information (i.t.o. PN5867/10-5-2002)	158.70	143.48	21.52	**165.00**
Gestremde parkeer disket/ Disabled Parking Disc	69.00	65.22	9.78	**75.00**

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

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DIRECTORATE: COMMUNITY SERVICES

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
Parking Areas Zone 1 (CBD):				
Tol Parking area				
Stelmark Parking area 1 & 2				
Midmar Parking area				
Operating hours: 07:00 - 19:00 (Mon - Fri) ; 07:00 - 14:00 (Sat) & Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	**0.00**
31- 59 min	10.00	8.70	1.30	**10.00**
1-2 hours	20.00	17.39	2.61	**20.00**
2-3 hours	25.00	21.74	3.26	**25.00**
3-4 hours	35.00	30.43	4.57	**35.00**
4-5 hours	45.00	39.13	5.87	**45.00**
5-6 hours	55.00	47.83	7.17	**55.00**
6-7 hours	65.00	56.52	8.48	**65.00**
7-8 hours	80.00	69.57	10.43	**80.00**
8-9 hours	85.00	73.91	11.09	**85.00**
9-12 hours	110.00	95.65	14.35	**110.00**
12-24 hours	150.00	130.43	19.57	**150.00**
Lost Ticket	150.00	130.43	19.57	**150.00**
Maandelikse permit / Month permit	1 000.00	869.57	130.43	**1 000.00**
Parking Areas Zone 2 (Adjacent to CBD):				
Checkers Parking area				
Stelkor				
Operating hours: 07:00 - 19:00 (Mon - Fri); 07:00 - 14:00 (Sat) & Sunday/Public Holiday - Free				
0-30min	0.00	0.00	0.00	0.00
31- 59 min	10.00	8.70	1.30	10.00
1-2 hours	20.00	17.39	2.61	20.00
2-3 hours	25.00	21.74	3.26	25.00
3-4 hours	35.00	30.43	4.57	35.00
4-5 hours	45.00	39.13	5.87	45.00
5-6 hours	55.00	47.83	7.17	55.00
6-7 hours	65.00	56.52	8.48	65.00
7-8 hours	80.00	69.57	10.43	80.00
8-9 hours	85.00	73.91	11.09	85.00
9-12 hours	110.00	95.65	14.35	110.00
12-24 hours	150.00	130.43	19.57	150.00
Lost Ticket	150.00	130.43	19.57	150.00
Maandelikse permit / Month permit	1 000.00	869.57	130.43	1 000.00

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DIRECTORATE: COMMUNITY SERVICES

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
On Street Parking (Handheld meter / parking meter) per hour Operating hours: 07:00 - 19:00 (Mon.- Fri.) and 07:00 - 14:00 (Sat.) - Sunday/Public Holidays - Free				
Kerk Street/Church Street	10.00	8.70	1.30	10.00
Plein Street	10.00	8.70	1.30	10.00
Blom Street	10.00	8.70	1.30	10.00
Bird Street (Braak)	10.00	8.70	1.30	10.00
Ryneveldt Street	10.00	8.70	1.30	10.00
Andringa	10.00	8.70	1.30	10.00
Bird	10.00	8.70	1.30	10.00
Alexander Dienspad	10.00	8.70	1.30	10.00
Alexander Street	10.00	8.70	1.30	10.00
Meul (Dorp/Plein)	10.00	8.70	1.30	10.00
Dorp Street (West)	10.00	8.70	1.30	10.00
Crozier Street	10.00	8.70	1.30	10.00
Piet Retief	10.00	8.70	1.30	10.00
Banghoek (Andringa/Bird)	10.00	8.70	1.30	10.00
Bloemhof Parking Area (Coupon system) Operating hours: 07:00 - 19:00 (Mon.- Fri.) and 07:00 - 14:00 (Sat.), Sunday/Public Holidays - Free				
Daaglikse permit / Day permit	45.00	39.13	5.87	45.00
Maandelikse permit / Month permit	530.00	460.87	69.13	530.00
Algemeen / General				
Huur van parkeervakke per dag / Hiring of Parking Bays per day	220.00	191.30	28.70	220.00
Parking Disc - Medical Practitioners per year	210.00	182.61	27.39	210.00
Resident Parking Permit per year	220.00	191.30	28.70	220.00
Temporary Parking Permit per application	165.00	143.48	21.52	165.00
Work Zone Permit per application	220.00	191.30	28.70	220.00
Taxi rank permit (WCO24 area) per jaar/year	385.00	334.78	50.22	385.00

Be mindful that the tariffs were adjusted taking into consideration the current inflation rate also to ensure that the service provider that will manage the parking on behalf of the municipality does not run at a lost but at a profit which will be beneficial to both entities. Please provide comments on the 0-30 mins. period will this remain free or will this be charged this is only applicable to the off-street parking facilities.

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DIRECTORATE: COMMUNITY SERVICES

BRANDWEER DIENSTE / FIRE SERVICES	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
Brandweerwaens / Fire Engine				
Per uur of gedeelte daarvan / Per hour or part thereof	920.00	852.17	127.83	**980.00**
Hidroliese Platform / Hydraulic Platforms				
Per uur of gedeelte daarvan / Per hour or part thereof	2280.00	2 104.35	315.65	**2420.00**
Reddingsvoertuig / Emergency Vehicle (excluding Accidents/Rescue)				
Per uur of gedeelte daarvan / Per hour or part thereof	745.00	695.65	104.35	**800.00**
Diensvoertuie / Service Vehicle				
Per uur of gedeelte daarvan / Per hour or part thereof	560.00	521.74	78.26	**600.00**
Draagbare Pompe & Kragopwekker / Portable pumps & Generators				
Per uur of gedeelte daarvan / Per hour or part thereof	450.00	417.39	62.61	**480.00**
Sleepwaens / Trailers				
Per uur of gedeelte daarvan / Per hour or part thereof	650.00	608.70	91.30	**700.00**
Bergingseile / Storage Covers				
Per uur of gedeelte daarvan / Per hour or part thereof	250.00	234.78	35.22	**270.00**
Bos , veld , rommel (Boseenhede) / Bush , field , rubble (Bush units)				
Per uur of gedeelte daarvan / Per hour or part thereof	620.00	573.91	86.09	**660.00**
Personeel / Personnel				
Per uur of gedeelte daarvan / Per hour or part thereof	380.00	356.52	53.48	**410.00**
Instandhouding en Brandslangherstel / Maintenance & Fire-Hose Repair				
Skrop , toets & droog / Scrub , test & dry	200.00	191.30	28.70	**220.00**
Herstel / Repair	100.00	95.65	14.35	**110.00**
Koppelingbinding : Brandslang / Linkage : Fire-Hose	100.00	95.65	14.35	**110.00**
Koppelingbinding : Suigslang / Linkage : Suction hose	200.00	186.96	28.04	**215.00**
Koppelingbinding : Hoë druk / Linkage : High Pressure				
Brandvoorkomingsinspeksies / Fire prevention inspection				
Tenkinstallasies -Per tenk / Tank installation	400.00	391.30	58.70	**450.00**
VP Gas -Per installasie / Per installation	400.00	391.30	58.70	**450.00**
Sprinklaar ens : per jaar / Sprinkler ect per annum	400.00	391.30	58.70	**450.00**
Fire prevention inspections relating to events applications	400.00	391.30	58.70	**450.00**
Patrolliedienste & Ander / Patrol Services & Other				
Nie Operasionele dienste/ Non Operational Services				
Per Brandbestryder / Per Firefighter	380.00	356.52	53.48	**410.00**
Per Offisier / Per Officer	380.00	356.52	53.48	**410.00**
Kinder partytjies / Kiddies parties	1500.00	1 391.30	208.70	**1600.00**
Fire and life safety education programs (Educational visits to and from schools)				
Planne of Ontwikkeling Konsultasiefooie (per uur) / Plans or	500.00	478.26	71.74	**550.00**

STELLENBOSCH MUNICIPALITY

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

BRANDWEERDIENSTE/ FIRE SERVICES

BY LAW	OFFENCE	FINE 2019/2020	FINE Excl. VAT 2020/2021	No VAT applicable	FINE 2020/2021
Failure to comply with provisions					
6(1) read with 62(1)	Failure to comply with written notice	R1 600.00	R0.00		**R 1 600.00**
Reporting a fire hazard and other threatening danger					
10 read with 62(1)	Failure to report a fire hazard or other threatening danger	R1 600.00	R0.00		**R 1 600.00**
Access for emergency vehicles					
12(1)(a) read with 62(1)	Failure to provide emergency vehicle access where premises are not readily accessible from public roads	R1 100.00	R0.00		**R 1 100.00**
Division and occupancy separating elements					
13 read with 62(1)	Altering a division or occupancy separating element in such a way that it renders less effective or allow to flame, heat or combustion products from penetrating into adjacent compartment or structure	R1 600.00	R0.00		**R 1 600.00**
Fire doors and assemblies					
14(1) read with 62(1)	Failure to maintain a fire door in a manner that it will retain integrity, insulation and stability in the event of a fire	R1 600.00	R0.00		**R 1 600.00**
14(2) read with 62(1)	Keeping a fire door open other than with an automatic releasing hold-open device	R1 600.00	R0.00		**R 1 600.00**
14(3) read with 62(1)	Rendering a fire door an assembly less effective	R1 600.00	R0.00		**R 1 600.00**
Escape Routes					
15(1) read with 62(1)	Obstruction of or rendering component of escape route less effective	R1 600.00	R0.00		**R 1 600.00**
15(2) read with 62(1)	Non approved locking device fitted to access door	R1 600.00	R0.00		**R 1 600.00**
15(3) read with 62(1)	Failure to required signage on an escape route	R1 600.00	R0.00		**R 1 600.00**
Tents					
16(1)(a)	Failure to submit an application for the erection and usage of a tent in terms of the National Building Regulations to the Municipality for approval	R1 600.00	R0.00		**R 1 600.00**
16(1)(b) read with 62(1)	Failure to submit an application for temporary population certificate prior to erection and usage of a tent	R1 100.00	R0.00		**R 1 100.00**
16(1)	Erecting a tent without first obtaining a temporary Population certificate	R1 100.00	R0.00		**R 1 100.00**
16(2)(a) read with 62(1)	Failure to maintain/provide sufficient safety distances between a tent, and any building or boundary	R1 600.00	R0.00		**R 1 600.00**
16(2)(b) read with 62(1)	Failure to erect a tent 4,5m from any combustible material or dangerous goods	R1 600.00	R0.00		**R 1 600.00**
16(2)(d) read with 62(1)	Failure to comply with the National Building Regulations where the population exceeds 25 people, occupied during night time, seating arrangements, aisle widths or fire extinguishers	R1 100.00	R0.00		**R 1 100.00**
16(2)(d) read with 62(1)	Exceeding allowable population density	R1 100.00	R0.00		**R 1 100.00**
16(2)(e) read with 62(1)	Cooking inside a tent occupied by the public	R1 600.00	R0.00		**R 1 600.00**
16(2)(f) read with 62(1)	Allowing an open fire in a tent/failure to obtain permission for flame emitting devices	R1 600.00	R0.00		**R 1 600.00**
16(2)(g) read with 62(1)	Making an open fire within 5 metres of a tent, stake or guideline	R1 600.00	R0.00		**R 1 600.00**
16(2)(c) read with 62(1)	Smoking in a tent/failure to display “No Smoking” sign	R1 600.00	R0.00		**R 1 600.00**
16(2)(i) read with 62(1)	Lighting and wring not complying with SABS 0142	R1 600.00	R0.00		**R 1 600.00**
16(3) read with 62(1)	Failure to comply with additional requirements as per controlling authority	R1 600.00	R0.00		**R 1 600.00**
Fire Extinguishers					
17(1) read with 62(1)4	Failure to provide and/or install required fire extinguishers	R1 100.00	R0.00		**R 1 100.00**
17(2) read with 62(1)	Failure to maintain fire extinguishers in accordance with requirements	R1 100.00	R0.00		**R 1 100.00**
17(3) read with 62(1)	Filling, recharging, reconditioning, modifying, repairing, inspecting or testing a fire extinguisher without the necessary permit	R1 100.00	R0.00		**R 1 100.00**
17(4) read with 62(1)	Owner or person in charge of premises permitting filling, recharging, reconditioning, modifying, repairing, inspecting or testing a fire extinguisher by a person not in possession of the necessary permit	R1 100.00	R0.00		**R 1 100.00**
17(7) read with 62(1)	Removal of fire extinguisher from premises for filling etc. without replacing it without temporarily replacing it with a similar device in good working order	R1 100.00	R0.00		**R 1 100.00**
17(8) read with 62(1)	Installation, dismantling, recharging, disconnection, servicing, modifying, repair or testing of a fire extinguisher in area where such action would create danger/hazard	R1 100.00	R0.00		**R 1 100.00**
Testing and maintenance of fire protection systems					
18(1) read with 62(1)	Failure to test and maintain fire protection system on a regular basis	R1 100.00	R0.00		**R 1 100.00**
18(1) read with 62(1)	Failure to keep detailed record of test and maintenance of fire protection system	R1 100.00	R0.00		**R 1 100.00**
18(2) read with 62(1)	Failure to notify occupants of premises and/or monitoring parties of the fire protection system test	R1 100.00	R0.00		**R 1 100.00**
18(3) read with 62(1)	Failure to maintain fire protection system	R1 100.00	R0.00		**R 1 100.00**
18(4) read with 62(1)	Installing, dismantling, recharging, disconnecting, servicing, repairing or testing a fire protection system in areas where such an action would create a danger or hazard	R1 100.00	R0.00		**R 1 100.00**
18(5) read with 62(1)	Failure to notify controlling authority where fire protection system or component thereof is inoperable or taken out of service	R1 100.00	R0.00		**R 1 100.00**
18(7) read with 62(1)	Failure by owner/person in charge to take all the steps necessary to provide alternative equipment	R1 100.00	R0.00		**R 1 100.00**
19 read with 62(1)	Render less effective, inoperative, inaccessible, or tamper or interfere with a fire protection system except as necessary in emergency/maintenance/drills or prescribed testing	R1 600.00	R0.00		**R 1 600.00**
Fire alarms and fire hydrants					
20(4) read with 62(1)	Unauthorised person remove, defacing, altering, tampering or damaging a fire alarm, transmission instrument, boar, decal, metal plate or painted market	R1 600.00	R0.00		**R 1 600.00**
20(5) read with 62(1)	Rendering less effective, inoperative, inaccessible, or tampering or interfere with a fire hydrant	R1 600.00	R0.00		**R 1 600.00**

STELLENBOSCH MUNICIPALITY

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

BRANDWEERDIENSTE/ FIRE SERVICES

BY LAW	OFFENCE	FINE 2019/2020	FINE Excl. VAT 2020/2021	No VAT applicable	FINE 2020/2021
Prevention and control of overcrowding					
21(1) read with 62(1)	Failure to apply for population certificate prior to usage of premises for entertainment or public assembly (owner/person in charge)	R1 600.00	R0.00		**R 1 600.00**
21(1) read with 62(1)	Utilization of premises for which a population certificate is required and a population certificate has not been issued by the Controlling Authority	R1 600.00	R0.00		**R 1 600.00**
21(3) read with 62(1)	Failure to comply with instruction to apply for temporary/permanent population certificate (owner/person in charge)	R1 600.00	R0.00		**R 1 600.00**
21(7) read with 62(1)	Failure to apply for occupation certificate when change of occupancy or alterations to the premises for which the population certificate exists	R1 600.00	R0.00		**R 1 600.00**
21(8) read with 62(1)	Failure to display population certificate in clearly visible position in or on premises for which it was issued.	R1 600.00	R0.00		**R 1 600.00**
21(9) read with 62(1)	Failure to limit maximum population to that specified on population certificate	R1 600.00	R0.00		**R 1 600.00**
21(10)	Failure to vacate overcrowded premises when instructed to do so by the controlling authority	R1 600.00	R0.00		**R 1 600.00**
Formulation of an emergency evacuation plan					
23(1) read with 62(1)	Failure by owner/person in charge of school/hospital/residential institution/guest house/hotel or similar occupancy with population in excess of 25 persons to formulate emergency evacuation plan	R1 100.00	R0.00		**R 1 100.00**
23(2) read with 62(1)	Failure to comply with an order to formulate an emergency evacuation plan (premises other than listed in 23(1)	R1 100.00	R0.00		**R 1 100.00**
23(3) read with 62(1)	Failure to revise emergency evacuation plan when aspect no longer applicable or building changed	R1 100.00	R0.00		**R 1 100.00**
23(4) read with 62(1)	Failure to test emergency evacuation plan six monthly/upon revisions	R1 100.00	R0.00		**R 1 100.00**
23(6) read with 62(1)	Failure to keep register of testing and emergency evacuation plan available on the premises for inspection	R1 100.00	R0.00		**R 1 100.00**
Displaying of escape route plans					
24(1) read with 62(1)	Failure to display emergency evacuation plan in room designed for sleeping purposes in following hospitals, residential institutions, hotels or similar occupancy designed for use by patients, residents or transient persons (irrespective of population)	R1 600.00	R0.00		**R 1 600.00**
Barricading of vacant buildings					
25 read with 62(1)	Failure by owner/person in charge to of building or portion thereof which is vacant to remove all combustible waste or refuse therefrom and lock/barricade/secure to satisfaction of municipality	R1 600.00	R0.00		**R 1 600.00**
CHAPTER 6: HOUSEKEEPING					
Combustible waste and refuse					
26(1) read with 62(1)	Allowing accumulation of waste or refuse in any area or any manner so as to create a fire hazard or any other threatening danger	R1 600.00	R0.00		**R 1 600.00**
26(2) read with 62(1)	Failure to store combustible waste and refuse in manner determined by controlling authority	R1 600.00	R0.00		**R 1 600.00**
27 read with 62(1)	Allowing accumulation of dust in quantities sufficient to create a fire or threatening danger	R1 600.00	R0.00		**R 1 600.00**
Accumulations in chimneys, flues and ducts					
29 read with 62(1)	Allowing soot or other combustible substance to accumulate in a chimney, flue or duct in quantities/manner as to constitute a fire hazard or threatening danger	R1 600.00	R0.00		**R 1 600.00**
Sources of ignition					
30(1) read with 62(1)	Smoking/carrying of matches/use of flame emitting devices or spark producing equipment in area containing combustible or flammable substances	R1 100.00	R0.00		**R 1 100.00**
30(2) read with 62(1)	Failure to place hot ashes, cinders or smouldering coals in a non-combustible container	R1 100.00	R0.00		**R 1 100.00**
30(3) read with 62(1)	Failure to ensure adequate distance between combustible substances and or flammable substances	R1 100.00	R0.00		**R 1 100.00**
30(4) read with 62(1)	Use of portable heaters where prohibited by the controlling authority	R1 600.00	R0.00		**R 1 600.00**
Smoking					
31(1) read with 62(1)	Failure to display a No Smoking sign/s as directed by the controlling authority	R1 600.00	R0.00		**R 1 600.00**
31(2 read with 62(1))	Removal of a No Smoking sign	R1 600.00	R0.00		**R 1 600.00**
31(3) read with 62(1)	Light of smoke of a cigar, cigarette, pipe, tobacco or other substance or ignite or set fire to hold, possess, throw or deposit any lighted or smouldering substance in any place where expressively prohibited	R1 600.00	R0.00		**R 1 600.00**
31(3A) read with 62(1)	Owner or person in charge allow or permit lighting or smoke a cigar, cigarette, pipe, tobacco or other substance or ignite or set fire to other material in any place where expressly prohibited.	R1 600.00	R0.00		**R 1 600.00**
31(4) read with 62(1)	Failure to provide for safe disposal of smoking materials where smoking is allowed.	R1 600.00	R0.00		**R 1 600.00**
31(5) read with 62(1)	Throwing/dropping/putting down burning match/cigarette/material/or material capable of spontaneous combustion or self-ignition in a road or other place.	R1 600.00	R0.00		**R 1 600.00**
Electrical fittings, equipment and appliances					
32(1) read with 62(1)	Cause or permit an electrical supply outlet to be overloaded.	R1 600.00	R0.00		**R 1 600.00**
32(2) read with 62(1)	Cause or permit electrical appliance or extension lead to be used in manner likely to create a fire hazard or other threatening danger	R1 600.00	R0.00		**R 1 600.00**
Flame-emitting device					
33 read with 62(1)	Cause or permit flame-emitting device (eg candle/lantern/torch/etc.) to be used in a manner likely to create a fire hazard or other threatening danger	R1 600.00	R0.00		**R 1 600.00**

STELLENBOSCH MUNICIPALITY

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

BRANDWEERDIENSTE/ FIRE SERVICES

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CHAPTER 7:					
Combustible Material					
34(1) read with 62(1)	Storage/transport/use/display or permission thereof inside or outside any premises of combustible material or flammable substances in quantities or positions or manner likely to cause a fire hazard or other threatening danger.	R1 600.00	R0.00		**R 1 600.00**
34(2) read with 62(1)	Permit vegetation to grow/accumulate or other combustible material to accumulate on a premise in a manner likely to cause fire hazard or other threatening danger (owner/person in charge).	R1 600.00	R0.00		**R 1 600.00**
Lighting of fires and burning of combustible material					
35(1) read with 62(1)	Lighting of fires/disposal of combustible material by burning.	R1 600.00	R0.00		**R 1 600.00**
35(3) read with 62(1)	Failure to ensure that a cooking fire or flame-emitting device is placed in designated areas in places of entertainment/public assembly so as to prevent a fire hazard or other threatening danger by the owner/person in charge	R1 600.00	R0.00		**R 1 600.00**
35(4) read with 62(1)	Allowing burning to take place on state land, a farm, a small holding, or land within a proclaimed township that is not utilised for residential purposes, provided that the prior approval is obtained from the controlling authority by the owner/person in charge	R1 600.00	R0.00		**R 1 600.00**
35(5) read with 62(1)	Entering a municipal nature reserve area, whilst in possession of any flammable substances, fireworks, lighters or matches	R1 600.00	R0.00		**R 1 600.00**
Dealing in Fireworks					
38(1)(a) read with 62(1)	Dealing in fireworks without possessing the required fireworks license and written authority from the South African Police Services and the Chief Fire Officer.	R1 600.00	R0.00		**R 1 600.00**
Approval of Fireworks Displays					
40(a) read with 62(1)	Presenting any fireworks display without written authorisation from the Fire Chief	R1 600.00	R0.00		**R 1 600.00**
40(c) read with 62(1)	Presenting any fireworks display without supervision and control of person in charge at all times	R1 600.00	R0.00		**R 1 600.00**
40(d) read with 62(1)	Presenting any fireworks display without attendance of suitably qualified explosives expert from the South African Police Services during its entire duration	R1 600.00	R0.00		**R 1 600.00**
40(e) read with 62(1)	Presenting a fireworks out of a clearly demarcated area of a of at least 50 metres radius for the launching of fireworks, measures been taken to prevent any person not involved in the presentation of the display from entering such launching area and the presence of a pyro technician at all times and is responsible for the discharge of fireworks at such display.	R1 600.00	R0.00		**R 1 600.00**
CHAPTER 9: FIRE SUBSTANCES					
Storage and use of a flammable substance					
44(1) read with 62(1)	Failure of the owner or person in charge to submit a building plan in accordance with the National Building Regulations to the municipality, prior to the construction of a new installation/alteration of an existing installation either temporary or permanent for the storage of a flammable substance	R1 600.00	R0.00		**R 1 600.00**
44(1)A read with 62(1)	Failure of the owner or person in charge of an installation for the storage of a flammable substance to produce a copy of the municipal approved plan available at the site where the installation is being constructed	R1 600.00	R0.00		**R 1 600.00**
44(3) read with 62(1)	Failure to pressure test storage tank/liquid petroleum gas installations/ associated pipework on request from the municipality prior to commissioning (owner/person in charge).	R1 600.00	R0.00		**R 1 600.00**
44(5) read with 62(1)	Failure to notify controlling authority of alteration that impacts on fire safety of storage tank installation.	R1 600.00	R0.00		**R 1 600.00**
44(6)(i)	Storage/use of flammable gas in excess of 19kg flammable gas of a danger group without obtaining flammable substance certificate.	R1 600.00	R0.00		**R 1 600.00**
Flammable substance certificate					
45(1) read with 62(1)	Failure to submit application for flammable substance certificate	R1 600.00	R0.00		**R 1 600.00**
45(4) read with 62(1)	Failure to renew flammable substance certificate (annual/quantity or class of substance changed)	R1 600.00	R0.00		**R 1 600.00**
45(7) read with 62(1)	Supply of flammable substance in respect of premises which is not in possession of a valid flammable substance certificate	R1 600.00	R0.00		**R 1 600.00**
45(9) read with 62(1)	Failure to have flammable substance certificate available on premises for inspection.	R1 600.00	R0.00		**R 1 600.00**
Permanent or temporary above ground storage tank for a flammable liquid					
46(2)(a) read with 62(1)	Temporary above ground storage tank in excess of 9000 litres/ on premises for period exceeding 6 months/without submitting necessary written application.	R1 600.00	R0.00		**R 1 600.00**
46(3) read with 62(1)	Failure to submit rational design for above ground storage tank in excess of 9000 litres	R1 600.00	R0.00		**R 1 600.00**
46(5) read with 62(1)	Permanent/temporary tank with insufficient ullage to permit expansion by reason of temperature rise during storage.	R1 600.00	R0.00		**R 1 600.00**
46(6) read with 62(1)	Erection of permanent/temporary tank less than 3,5 metres from boundaries/buildings/other flammable substances/combustible materials.	R1 600.00	R0.00		**R 1 600.00**
46(7) read with 62(1)	Permanent/temporary tank not located on firm ground level/ground not adequate strength to support mass of tank and contents	R1 600.00	R0.00		**R 1 600.00**
46(8) read with 62(1)	No bund wall or permanent/temporary tank.	R1 600.00	R0.00		**R 1 600.00**
46(9) read with 62(1)	Inadequate precautions to prevent spillage during filling of tank.	R1 600.00	R0.00		**R 1 600.00**
46(10 read with 62(1))	Failure to provide sufficient fire extinguishers in weather proof boxes	R1 600.00	R0.00		**R 1 600.00**
46(11) read with 62(1)	Failure to provide necessary symbolic safety (above ground tanks)	R1 600.00	R0.00		**R 1 600.00**
46(12) read with 62(1)	Failure to clearly identify flammable liquid contents with Hazchem placards (above ground tanks).	R1 600.00	R0.00		**R 1 600.00**

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46(13) read with 62(1)	Electrical/internal combustion-driven pump not equipped/positioned to eliminate danger of flammable liquid igniting	R1 600.00	R0.00		**R 1 600.00**
46(14) read with 62(1)	Electrical installation associated with the above ground storage tank not complying with SABS 0108 and SABS 089: Part 2.	R1 600.00	R0.00		**R 1 600.00**
Underground Storage Tank					
47 read with 62(1)	Installation does not comply with NBR, SABS 089: Part 3, SABS 0131: Part 3.	R1 600.00	R0.00		**R 1 600.00**
Bulk storage depot for flammable substances					
48 read with 62(1)	The handling, storage and distribution of flammable substances at bulk depot fails to comply with NBR, SABS 089: Part 1.	R1 600.00	R0.00		**R 1 600.00**
Small installations for liquefied petroleum gas					
49 read with 62(1)	Liquefied petroleum gas installations involving gas storage combined capacity not exceeding 3 000 litres per installation not installed in accordance with SABS 087: Part 1.	R1 600.00	R0.00		**R 1 600.00**
Liquid petroleum gas installation in mobile units and small non-permanent buildings					
50 read with 62(1)	Liquid petroleum gas installation in mobile unit/small non-permanent building not in accordance with SABS 087: Part 2.	R1 600.00	R0.00		**R 1 600.00**
The fuelling of forklift trucks and other LP gas operated vehicles					
51 read with 62(1)	The fuelling of forklift trucks and other LP gas operated vehicles not in accordance with SABS 087: Part 8	R1 600.00	R0.00		**R 1 600.00**
The storage and filling of refillable liquid petroleum gas containers					
52 read with 62(1)	Storage and filling site for refillable liquid petroleum gas containers of capacity not exceeding 9kg not in accordance with SABS 10087 Part 8	R1 600.00	R0.00		**R 1 600.00**
Bulk storage vessel for liquid petroleum gas					
53 read with 62(1)	The layout, design and operation of installations for the storage of a bulk liquid petroleum vessel and allied facilities not in accordance with the National Building Regulations (T1), read in conjunction with SABS 087: Part 3.	R1 600.00	R0.00		**R 1 600.00**
Termination of the storage and use of flammable substances					
54(1) read with 62(1)	Failure to take prescribed steps when above ground or underground tank installation, liquid petroleum gas installation or associated pipework no longer required.	R1 600.00	R0.00		**R 1 600.00**
54(2) read with 62(1)	Failure to apply in writing to fill unstable installation with liquid cement slurry.	R1 600.00	R0.00		**R 1 600.00**
Reporting accidents					
55 read with 62(1)	Failure to notify controlling authority of accident involving flammable substance.	R1 600.00	R0.00		**R 1 600.00**
Flammable stores					
56 read with 62(1)	Flammable store not conforming to requirements (specify exactly).	R1 600.00	R0.00		**R 1 600.00**
Container handling and storage					
57(1) read with 62(1)	Failure to keep flammable substance closed when not in use. 1500 1,590 0 1,590	R1 600.00	R0.00		**R 1 600.00**
57(2) read with 62(1)	Extracting flammable liquids from container exceeding 20 litre capacity which does not have adequately sealed pump/ tap.	R1 600.00	R0.00		**R 1 600.00**
57(3) read with 62(1)	Failure to label flammable liquid containers properly.	R1 600.00	R0.00		**R 1 600.00**
57(5) read with 62(1)	Inadequate manufacture/maintenance of flammable substance containers allowing leakage of flammable substances or vapours.	R1 600.00	R0.00		**R 1 600.00**
57(6) read with 62(1)	Failure to place empty flammable liquid container in a flammable store. 1500 1,590 0 1,590	R1 600.00	R0.00		**R 1 600.00**
57(8) read with 62(1)	Failure to securely close empty flammable liquid container	R1 600.00	R0.00		**R 1 600.00**
Spray rooms and booths					
58 read with 62(1)	A spray room, booth or area designated for the application of a flammable liquid not constructed compliance with the General Safety Regulations promulgated in terms of the Occupational Health and Safety Act.	R1 600.00	R0.00		**R 1 600.00**
Liquid petroleum gas containers					
59(1) read with 62(1)	Manufacture/maintenance/testing of liquid petroleum gas container not in accordance with SABS 087: Part 1 and SABS 019.	R1 600.00	R0.00		**R 1 600.00**
59(2) read with 62(1)	Liquid petroleum gas container used/stored in such a manner that damage or leakage of liquid or vapour is possible.	R1 600.00	R0.00		**R 1 600.00**
59(3) read with 62(1)	Filling of liquid petroleum gas container not exceeding 9 kilograms not in accordance with SABS 087: Part 7. 1500	R1 600.00	R0.00		**R 1 600.00**
CHAPTER 10: TRANSPORTATION OF DANGEROUS GOODS					
Dangerous goods certificate					
60(1) read with 62(1)	Operation of vehicle designated for the transportation of flammable material without a dangerous goods certificate. 1500 1,590 0 1,590	R1 600.00	R0.00		**R 1 600.00**
60(2) read with 62(1)	Failure to submit it application for dangerous goods certificate in prescribed form to controlling authority.	R1 100.00	R0.00		**R 1 100.00**
60(5) read with 62(1)	Failure to renew dangerous goods certificate annually/when major maintenance or repairs made on vehicle.	R1 100.00	R0.00		**R 1 100.00**
60(10) read with 62(1)	Failure to keep dangerous goods certificate available in vehicle for inspection.	R1 100.00	R0.00		**R 1 100.00**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

LAW ENFORCEMENT/ WETSTOEPASSING	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
Skut van goedere gekonfiskeer / Impoundment of goods confiscated	800.00	737.39	110.61	**848.00**
Provision of CCTV video footage information/ Voorsiening van CCTV video inligting				
Aansoekfooi/ Application Fee	190.00	175.13	26.27	**201.40**
Beeldmateriaal opsporingsfooi / Video footage tracing fee	250.00	230.43	34.57	**265.00**
Voorsiening van bewysmateriaal (CCTV video) per CD/ Provision of evidentiary evidence (CCTV video footage) per CD	400.00	368.70	55.30	**424.00**
Animal Impoundment costs:				
Impoundment of animals				
Horses, cattle and pigs (per head)	250.00	230.43	34.57	**265.00**
Goats and Sheep (per head)	150.00	138.26	20.74	**159.00**
Pound Fees (includes sustenance)				
Horses, cattle and pigs (per head per day)	150.00	138.26	20.74	**159.00**
Goats and Sheep (per head per day)	150.00	138.26	20.74	**159.00**
Fees for animals to be separately herded				
For every stallion and bull (per head per day)	250.00	230.43	34.57	**265.00**
For every Sheep ram, goat ram or other separate animal (per head per day)	150.00	138.26	20.74	**159.00**
Transport costs				
All animals delivered to the pound per km per single trip (No sharing of costs for multiple owners)	20.00	19.13	2.87	**22.00**
Transport of animals to another municipality's pound per km per single trip (New)	33.00	30.43	4.57	**35.00**
EVENTS				
Events Application Fee: Non-refundable				
Youth Development	110.00	101.74	15.26	**117.00**
Schools and educational institutions	110.00	101.74	15.26	**117.00**
Welfare Organizations	110.00	101.74	15.26	**117.00**
Churches	110.00	101.74	15.26	**117.00**
Elderly	110.00	101.74	15.26	**117.00**
Inter-Governmental departments	110.00	101.74	15.26	**117.00**
All other applications:	845.00	778.26	116.74	**895.00**

STELLENBOSCH MUNICIPALITY

MISCELLANEOUS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

MISCELLANEOUS	Unit	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
Special meter reading					
Office hours (till 15:00)	per occasion	R 233.99	R 211.81	R 31.77	**R 243.58**
After Hours (After15:00)	per occasion	R 357.31	R 323.44	R 48.52	**R 371.96**
Sunday and Public Holidays	per occasion	R 725.15	R 656.42	R 98.46	**R 754.88**
Disconnection or Reconnection of Low Voltage supply:					
Office hours (till 15:00)	per occasion	R 233.99	R 211.81	R 31.77	**R 243.58**
After Hours (After15:00)	per occasion	R 357.31	R 323.44	R 48.52	**R 371.96**
Sunday and Public Holidays	per occasion	R 725.15	R 656.42	R 98.46	**R 754.88**
1st Call to fault on consumer's installation :					
Office hours (till 15:00)	per occasion	R 368.90	R 333.93	R 50.09	**R 384.02**
After Hours (after 15:00)	per occasion	R 647.16	R 585.82	R 87.87	**R 673.69**
Sunday's and Public Holidays	per occasion	R 748.34	R 677.41	R 101.61	**R 779.02**
2nd Call to fault on consumer's installation :					
Office hours (till 15:00)	per visit	R 513.30	R 464.65	R 69.70	**R 534.35**
After Hours (after 15:00)	per visit	R 687.21	R 622.07	R 93.31	**R 715.39**
Sunday's and Public Holidays	per visit	R 1 038.19	R 939.79	R 140.97	**R 1 080.76**
Service not ready for connection	per visit	R 691.42	R 625.89	R 93.88	**R 719.77**
Temporary supply at public venue:					
Existing kiosk with single phase plug point (where available)	per day	R 690.37	R 624.93	R 93.74	**R 718.68**
Existing kiosk with three phase plug point (where available)	per day	R 970.73	R 878.72	R 131.81	**R 1 010.53**
Supply temporary kiosk with single/three phase plug points where supply in close vicinity (Plus day tariff)	per occasion	R 3 648.95	R 3 303.09	R 495.46	**R 3 798.56**
Temporary supply at public venue: (Non-profit organisations only)					
Existing kiosk with single phase plug point (where available)	per day	R 157.05	R 142.16	R 21.32	**R 163.49**
Existing kiosk with three phase plug point (where available)	per day	R 258.23	R 233.75	R 35.06	**R 268.82**
Supply temporary kiosk with single/three phase plug points where supply in close vicinity (Plus day tariff)	per occasion	R 2 786.78	R 2 522.64	R 378.40	**R 2 901.04**
MV switching on Council's equipment :					
Office hours	per occasion	R 3 105.08	R 2 810.77	R 421.62	**R 3 232.39**
After Hours	per occasion	R 4 359.34	R 3 946.15	R 591.92	**R 4 538.07**
Sundays & Public Holidays	per occasion	R 6 486.32	R 5 871.53	R 880.73	**R 6 752.26**
Installation of banners	per banner	R 3 316.94	R 3 002.55	R 450.38	**R 3 452.93**
Load control equipment:					
Shifting of existing load control equipment(office hours 8:00 till 15:00)	each	R 554.58	R 0.00	N/A	**R 594.00**
Shifting of existing load control equipment[after hours(after15:00) including weekends)	each	R 720.96	R 0.00	N/A	**R 794.00**
NEW SUPPLIES WHERE MUNICIPAL CABLE IS AT ERF BOUNDARY (INCLUDES ENERGY DISPENSER AND EXCLUDE CABLE JOINT ON PROPERTY BOUNDARY)					
60 A single phase energy dispenser	each	R 2 754.15	R 2 493.10	R 373.97	**R 2 867.07**
Three phase energy dispenser	each	R 4 602.15	R 4 165.95	R 624.89	**R 4 790.84**
User interface Unit (wired)	each	R 497.70	R 450.53	R 67.58	**R 518.11**
User interface Unit (wireless)	each	R 667.80	R 604.50	R 90.68	**R 695.18**
Single Phase Connection Informal Settlement (Energy Dispenser + Ready Board + Cable - max distance 30meter)	each	R 4 554.90	R 4 123.17	R 618.48	**R 4 741.65**
60 A single phase service connection installed to Non-Serviced Property from overhead line to erf boundary with a 60 A single phase energy dispenser distribution board	each	R 6 672.75	R 6 040.29	R 906.04	**R 6 946.33**
All other new installations or upgrades as per quotation supplied by the Electrical Engineering Services Directorate		Quotation			**Quotation**

DIREKTORAAT: INFRASTRUKTUUR DIENSTE DIRECTORATE: INFRASTRUCTURE SERVICES					
MISCELLANEOUS	**Unit**	**Tariff 2019/20 (Incl. VAT)**	**Excl. VAT 2020/21**	**VAT 15%**	**Tariff 2020/21 (Incl. VAT)**
INSTALLATION OF ENERGY DISPENSERS					
Replacement of existing single phase credit meter with single phase energy dispenser	each	No Cost			**No Cost**
Replacement of existing three phase credit meter with a three phase electricity dispenser	each	No Cost			**No Cost**
Testing of single phase meter (on site verification	each	R 762.30	R 690.05	R 103.51	**R 793.55**
Testing of three phase meters (on site verification)	each	R 1 366.05	R 1 236.57	R 185.49	**R 1 422.06**
Testing of three phase bulk meters (New Audit)	each	R 2 860.20	R 2 589.10	R 388.37	**R 2 977.47**
Tariff investigation - based on existing consumption data	each	R 1 769.25	R 1 601.56	R 240.23	**R 1 841.79**
Tariff or load profile investigation - requiring equipment and personnel/site visit's	each	R 3 426.15	R 3 101.41	R 465.21	**R 3 566.62**
Quality of supply investigation - requiring equipment and personnel/site visit's	each	R 4 046.70	R 3 663.14	R 549.47	**R 4 212.61**
Bulk metering (Ct's, Test Block, Fuses Complete and Modem) and site certification	each	R 14 642.10	R 12 986.91	R 1 948.04	**R 14 934.94**
Single phase AMI meter (including GPRS Modem)	each	R 5 175.00	R 4 500.00	R 675.00	**R 5 175.00**
Three phase AMI meter Max 120A (Including GPRS Modem)	each	R 7 877.50	R 6 850.00	R 1 027.50	**R 7 877.50**
Smart Metering Single phase when available max 80A	each	R 4 400.55	R 3 983.45	R 597.52	**R 4 580.97**
Smart Metering Three phase when available max 80A	each	R 5 931.45	R 5 369.25	R 805.39	**R 6 174.64**
DEVELOPMENT BULK LEVY CONTRIBUTIONS *Please Note: Any additional costs to make the supply available to the users are for the developers account*					
Developer Provides Minisub					
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 8 052.54	R 0.00	N/A	**R 8 382.69**
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 10 731.57	R 0.00	N/A	**R 11 171.56**
Luxury Class Homes >250m² (Airconditioning, underfloor heating, more than one electrical hot water cylinder etc)max 60Amp Single Phase	6 kVA	R 16 097.87	R 0.00	N/A	**R 16 757.88**
Non Residential	per kVA	R 2 240.25	R 0.00	N/A	**R 2 332.10**
Residential > 60Amp Single Phase to max 60 Amp Three Phase	per kVA	R 2 240.25	R 0.00	N/A	**R 2 332.10**
Existing Municipal Minisub or Transformer					
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 10 322.66	R 0.00	N/A	**R 10 745.89**
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 13 772.13	R 0.00	N/A	**R 14 336.79**
Luxury Class Homes >250m² (Airconditioning, underfloor heating, more than one electrical hot water cylinder etc)max 60Amp Single Phase	6 kVA	R 20 277.61	R 0.00	N/A	**R 21 108.99**
Non Residential per kVA	per kVA	R 2 989.06	R 0.00	N/A	**R 3 111.61**
Residential > 60Amp Single Phase to max 60 Amp Three Phase	per kVA	R 2 989.06	R 0.00	N/A	**R 3 111.61**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

Water Services	Tarief/ Tariff 2019/20 (Incl. VAT)	Tarief/ Tariff Excl. VAT 2020/21	BTW/ VAT 15%	Tarief/ Tariff 2020/21 (Incl. VAT)
DIVERSE DIENSTE / SUNDRY SERVICES				
Water connections complete				
Contractor provided leading				
22 mm Water connections (coupling and meter only)	4 019.48	3 704.92	555.74	**4 260.65**
Complete connection :				
15mm complete (stopcock + watermeter + box)	5 784.66	5 331.95	799.79	**6 131.74**
20mm complete (stopcock + watermeter + box)	6 023.76	5 552.33	832.85	**6 385.18**
25mm complete (stopcock + watermeter + box)	8 703.87	8 022.70	1 203.40	**9 226.10**
40mm complete (stopcock + watermeter + box)	16 055.86	14 799.31	2 219.90	**17 019.21**
Complete connection : Including road crossing				
15mm complete (stopcock + watermeter + box)	21 667.54	19 971.82	2 995.77	**22 967.59**
20mm complete (stopcock + watermeter + box)	21 926.89	20 210.87	3 031.63	**23 242.50**
25mm complete (stopcock + watermeter + box)	24 319.98	22 416.68	3 362.50	**25 779.18**
40mm complete (stopcock + watermeter + box)	30 930.05	28 509.43	4 276.42	**32 785.85**
Inspection fee on all connections done by Private Contractors (excluding water deposit)	2 037.44	1 877.99	281.70	**2 159.68**
Water Management Device				
22 mm Water connection (stopcock + watermeter + box)	5 023.06	4 629.95	694.49	**5 324.44**
Water miscelaneous tarrifs				
Moving of watermeter sizes up to 25mm diam. Max distance 2m.	1 674.99	1 543.90	231.59	**1 775.49**
Moving of watermeter size 40mm diam. Max distance 2m.	4 208.21	3 878.87	581.83	**4 460.70**
(Does not include reinstatement of paved areas - reinstatement of paved areas actual cost)				
Test of all water meters. Actual cost.				Actual cost
Hydrants Standpipes				
15mm-50mm hydrants standpipes rental/month or part of month	1 047.68	965.69	144.85	**1 110.54**
Refundable deposit per hydrant standpipe	11 997.51	11 058.58	1 658.79	**12 717.36**
Reconnection after disconnection due to non-payment:				
Normal hours	418.66	385.89	57.88	**443.78**
After hours	642.59	592.30	88.85	**681.15**
Replacement of damaged water meters:				
20 mm.	3 910.06	3 604.05	540.61	**4 144.66**
> 20 mm.				Actual cost
Sewer Connections(Installed by Developer as development requirement)				
Applicant connects to existing connection.				
100mm connection by Developer (first connection)	1 577.63	1 454.16	218.12	**1 672.29**
150mm connection by Developer (first connection)	1 891.35	1 743.33	261.50	**2 004.83**
All new sewer connections (due to subdivision/developments)				Actual cost
Clearing of block sewer:				
Owner responsible to clear private blockage by making use of private contractor				
Blockage teams only responsible for clearing municipal main sewer blockages				
Private blockages only to be cleared if health hazard occurs and clear instruction is given by Management				
Normal hours	666.85	614.67	92.20	**706.87**
After hours	924.70	852.33	127.85	**980.18**
Deliberate call out to private blockage (call out fee only)	862.32	794.84	119.23	**914.06**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
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DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

SERVICES RENDERED	UNIT	COMMENTS	2019/20	2020/21
Solid Waste Management Services			**R VAT excl**	
Stellenbosch Landfill Site (Devon Valley Site)(General Waste only - NO Medical or Hazardous Waste)				
Residents or Garden Services working within WC024				
Disposal of clean garden waste (grass cuttings, leaves etc.) NO OTHER WASTE * contaminated garden waste will be classified as general waste	Per metric ton or part thereof	Must show the latest account that reflects WC024 residency or proof of where in WC024 work is being done	Free	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood). Vehicles with a carrying capacity of 1.5 tons and less	Free	Free
Disposal of clean builder's rubble * contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	No material other than clean builder's rubble may form part of the load (eg. plastic, iron, wood). Vehicles with a carrying capacity of more than 1.5 tons	Free	17.39
Disposal of bulky domestic waste	Per metric ton or part thereof	These are limited to items that cannot fit into a 240ℓ wheelie bin. Proof of the latest account that reflects payment for refuse removal needs to be shown. Limited to one load per month.	Free	Free
Contractors within WC024				
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 547.82	**R 652.18**
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 273.91	**R 326.09**
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 136.96	**R 163.05**
Disposal of soil	Per metric ton or part thereof	Only soil from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 547.82	**R 652.18**
Disposal of soil	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 273.91	**R 326.09**
Disposal of soil	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 136.96	**R 163.05**
Interdepartmental Municipal Charges				
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per metric ton or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	R 526.32	**R 626.58**
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 500 kg or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	R 263.16	**R 313.29**
Disposal of general waste based on actual mass * contaminated garden waste or contaminated builder's rubble will be classified as general waste	Per 250 kg or part thereof	All Departments within Stellenbosch Municipality must pay for the disposal of refuse.	R 131.58	**R 156.65**
Klapmuts Transfer Station				
Disposal of general waste	Per metric ton or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 547.82	**R 652.02**
Disposal of general waste	Per 500 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 273.91	**R 326.01**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
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DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

SERVICES RENDERED	UNIT	COMMENTS	2019/20	2020/21
Solid Waste Management Services			**R VAT excl**	
Disposal of general waste	Per 250 kg or part thereof	Only waste from within WC024 allowed. Proof of origin of waste to be declared by user at disposal facility (written proof if requested)	R 136.96	**R 163.01**
Franschhoek Drop-off				
Residential properties ONLY				
Disposal of bulky domestic waste	Car, trailer, LDV	These are limited to items that cannot fit into a 240ℓ wheelie bin. Proof of the latest account that reflects payment for refuse removal needs to be shown.	Free	**Free**
Disposal of small quantities of clean builder's rubble *no contaminated builder's rubble will be allowed	Car, trailer, LDV	Only waste from within Franschhoek boundaries allowed. Proof of origin of waste to be declared by user at drop-off facility (written proof if requested).	Free	**Free**
Disposal of clean garden waste (Grass cuttings, leaves, etc.) *no contaminated garden waste will be allowed	Car, trailer, LDV	Only waste from within Franschhoek boundaries allowed. Proof of origin of waste to be declared by user at drop-off facility (written proof if requested).	Free	**Free**
WASTE IN EXCESS OF 1 TON AND ALL OTHER WASTE MUST BE DISPOSED OF AT THE SETTLENBOSCH LANDFILL SITE				
Replacement of bin or lid or wheel or axel				
For bin age up to 5 years		For malicious damage where there is negligence on the part of the owner.		
For the replacement of a complete bin	Replacement	Applicable to malicious damage Lost or stolen bin must be reported to the nearest Police Station and a case number be presented to Council before replacement commences. The replacement due to theft on refuse removal day will be excluded from this arrangement. Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect. Maximum of twice per year.	Cost + 15% applicable to malicious damage, lost or theft. Must be reported to the SAPS and a case number and payment to be presented to Council before replacement. The replacement due to theft on refuse removal day will be excluded from this arrangement (Maximum two replacement allowed during the finacial year, thereafter payment to be presented before replacement). Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect.	**Cost + 15% applicable to malicious damage, lost or theft. Must be reported to the SAPS and a case number and payment to be presented to Council before replacement. The replacement due to theft on refuse removal day will be excluded from this arrangement (Maximum two replacement allowed during the finacial year, thereafter payment to be presented before replacement). Client still to obtain a case number from the SAPS and present it to Council before replacement will take effect.**
Hiring and servicing of 240ℓ bins				
Hiring of 240ℓ wheelie bin	Per bin per day	For the hiring of 240ℓ bins to a third party within WC024 (includes delivery, collection and servicing of the bin). Subject to prior approval and availability.	R 52.18	**R 54.52**
Hiring of 240ℓ wheelie bins: Basic charge for collection and/or delivery on Saturday	Once-off per event	Compulsory fee to be paid when hiring muncipal wheelie bins for events taking place over a weekend in WC024	R 2 640.00	**R 2 758.80**
Hiring of 240ℓ wheelie bins: Basic charge for collection and/or delivery on Sunday	Once-off per event	Compulsory fee to be paid when hiring muncipal wheelie bins for events taking place over a weekend in WC024	R 3 480.00	**R 3 636.60**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

	Tarief/ Tariff 2019/20 (Incl. VAT)	Tarief/ Tariff Excl. VAT 2020/21	BTW/ VAT 15%	Tarief/ Tariff 2020/21 (Incl. VAT)
***Industrial Effluent Treatment Basic Tariff (T): R/kl effluent discharge excluding penalties and contract arrangements.**	R 13.41	R 12.42	R 1.86	**R 14.28**
***Industrial Effluent Conveyancy Basic Tariff (C): R/kl effluent discharge excluding penalties and contract arrangements.**	R 6.10	R 5.64	R 0.85	**R 6.49**
Clearance of septic tanks: per 5 000 litre of part thereof	R 1 702.00	R 1 576.20	R 236.43	**R 1 812.63**
Waste Water disposal at designated facility per kl	R 107.27	R 99.34	R 14.90	**R 114.24**
Chemical toilet disposal at designated facility per toilet	R 104.83	R 97.09	R 14.56	**R 111.65**
Special agreements when industry do pre-treatment	N/A	N/A	N/A	**N/A**

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

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

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

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

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

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

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

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021
Applicable to services rendered from 1 July 2020

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

SCIENTIFIC SERVICES/WETENSKAPLIKE DIENSTE	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
PARAMETERS				
PHYSICAL ANALYSIS				
Temperature	42.67	39.33	5.90	**45.22**
Ph @ 25°C	42.67	39.33	5.90	**45.22**
Electrical conductivity @ 25°Cms-¹	42.67	39.33	5.90	**45.22**
Turbidity (NTU)	42.67	39.33	5.90	**45.22**
Total suspended solids (TSS) 105°C mg/1	109.71	101.12	15.17	**116.29**
Total dissolved solids (TDS-gravimetric) mg/1	109.71	101.12	15.17	**116.29**
Inorganic dissolved solids (VSS) @600°Cmg/1	170.66	157.30	23.60	**180.90**
Settle able solids@ 30min in ml	109.71	101.12	15.17	**116.29**
Volatile organic matter percentage (%)	170.66	157.30	23.60	**180.90**
CHEMICAL ANAYLSIS				
NITRATE (NO^{-3}) mg/1	140.19	129.21	19.38	**148.60**
NITRITE (NO^{-2}) mg/1	140.19	129.21	19.38	**148.60**
ORTHO PHOSPHATE ($PO^{-3}4$) mg/1	80.45	74.16	11.12	**85.28**
TOTAL PHOSPHATE ($PO^{-3}4$) mg/1	316.94	292.14	43.82	**335.96**
AMMONIA as N (NH3) mg/1	80.45	74.16	11.12	**85.28**
SULPHIDES (S) mg/1	207.23	191.01	28.65	**219.66**
SULPHATE ($SO^{-2}4$) (total) mg/1	85.33	78.65	11.80	**90.45**
FREE & TOTAL residual chlorine (CL^{-2})	60.95	56.18	8.43	**64.61**
CHLORIDE as C1 mg/1	85.33	78.65	11.80	**90.45**
PHENOLIS (C6H5OH)	402.27	370.79	55.62	**426.41**
COD unfiltered mg/1	170.66	157.30	23.60	**180.90**
COD filtered mg/1	195.04	179.78	26.97	**206.74**
COD dilution (included in unfiltered) mg/1	170.66	157.30	23.60	**180.90**
PHENOLIS C6H5OH (total) mg/1	402.27	370.79	55.62	**426.41**
CHROMATE TEST (CHROMIUM cr6+) as Cr mg/1	486.38	448.32	67.25	**515.56**
CYANIDE as CN	402.27	370.79	55.62	**426.41**
SULPHIDES ($SO^{-2}3$) mg/1	402.27	370.79	55.62	**426.41**
MICROBIOLOGICAL & BACTERIOLOGICAL ANALYSIS				
FAECAL COLIFOMS COUNT/100ml	299.87	276.41	41.46	**317.87**
E.COLI COUNT/100ml	299.87	276.41	41.46	**317.87**

STELLENBOSCH MUNICIPALITY

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Applicable to services rendered from 1 July 2020

DIREKTORAAT: INFRASTRUKTUUR DIENSTE
DIRECTORATE: INFRASTRUCTURE SERVICES

	Tariff 2019/20 (Excl. VAT)	2019/20 VAT 15%	Tariff 2019/20 (Incl. VAT)	Tariff 2020/21 (Excl. VAT)	2020/21 VAT 15%	Tariff 2020/21 (Incl. VAT)
ROADS & STORMWATER						
Versak randsteen (plat en skuins) per randsteen / Lowering of kerbs	566.72	85.01	651.72	595.05	89.26	**684.31**
Inspeksiefooi vir die oprigting van fasiliteit tekens / Inspection fee for the construction of facility signs	265.65	39.85	305.50	278.93	41.84	**320.77**
Oprigting van fasiliteit tekens / Construction of facility signs	944.53	141.68	1086.21	991.76	148.76	**1140.52**
Konstruksie van bruggies oor leiwater/stormwater kanale Construction of vehicle access over stormwater/irrigation channels	Actual Cost/Werklike koste + 10%			Actual Cost/Werklike koste + 10%		
Padsluitings/Road closures(Fee applicable when the closure is not advertised or advertised in the electronic media)	118.07	17.71	135.78	123.97	18.60	**142.57**
	Actual cost/Werklike koste +10%			Actual cost/Werklike koste +10%		
Padsluitings/Road closures(Fee applicable when the closure is advertised in the printed media / electronic media)	Actual cost /plus 10%			Actual cost /plus 10%		
Development Charge (DC) - Parking Per parking bay	157 419.54	23 612.93	181 032.47	158 647.41	23 797.11	**182 444.52**

DC per land-use: Stellenbosch Town 2020.21

	Usage Codes														Total (excl Vat)
	Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities		
			kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost	
			factor	**R26 376**	factor	**R25 297**	factor	**R99 324**	factor	**R51 622**					
Residential											factor	**R6 356**	factor	**R3 260**	
	Single Residential >1000m2	dwelling unit	1.200	R31 651	0.700	R17 708	0.048	R4 768	0.040	R2 065	4.00	R25 423	4.0	R13 039	R 94 653
	Single Residential >500m2	**dwelling unit**	**0.800**	**R21 101**	**0.650**	**R16 443**	**0.028**	**R2 781**	**0.040**	**R2 065**	**4.00**	**R25 423**	**4.0**	**R13 039**	**R 80 852**
	Single Residential >250m2	dwelling unit	0.700	R18 463	0.600	R15 178	0.023	R2 284	0.040	R2 065	4.00	R25 423	4.0	R13 039	R 76 453
	Single Residential <250m2	dwelling unit	0.600	R15 826	0.500	R12 649	0.018	R1 788	0.040	R2 065	4.00	R25 423	4.0	R13 039	R 70 789
	Less Formal Residential >250m2	dwelling unit	0.600	R15 826	0.500	R12 649	0.023	R2 284	0.040	R2 065	0.75	R4 767	4.0	R13 039	R 50 629
	Less Formal Residential <250m2	dwelling unit	0.450	R11 869	0.400	R10 119	0.018	R1 788	0.040	R2 065	0.75	R4 767	4.0	R13 039	R 43 646
	Group Residential >250m2	dwelling unit	0.700	R18 463	0.600	R15 178	0.023	R2 284	0.040	R2 065	3.75	R23 834	4.0	R13 039	R 74 864
	Group Residential <250m2	**dwelling unit**	**0.600**	**R15 826**	**0.500**	**R12 649**	**0.018**	**R1 788**	**0.040**	**R2 065**	**3.25**	**R20 656**	**4.0**	**R13 039**	**R 66 022**
	Medium Density Residential >250m2	dwelling unit	0.700	R18 463	0.600	R15 178	0.023	R2 284	0.040	R2 065	2.75	R17 478	4.0	R13 039	R 68 508
	Medium Density Residential <250m2	dwelling unit	0.600	R15 826	0.500	R12 649	0.018	R1 788	0.040	R2 065	3.25	R20 656	4.0	R13 039	R 66 022
	High Density Residential - flats	**dwelling unit**	**0.450**	**R11 869**	**0.400**	**R10 119**	**0.008**	**R795**	**0.040**	**R2 065**	**2.75**	**R17 478**	**4.0**	**R13 039**	**R 55 365**
	High Density Residential - student rooms	dwelling unit	0.180	R4 748	0.150	R3 795	0.004	R397	0.015	R774	1.25	R7 945	1.0	R3 260	R 20 918
Commercial											factor	**R7 062**	factor	**R1 449**	
	Local Business - office	100m2 GLA	0.400	R10 550	0.350	R8 854	0.008	R795	0.040	R2 065	9.00	R63 558	1.0	R1 449	R 87 270
	Local Business - retail	100m2 GLA	0.400	R10 550	0.350	R8 854	0.008	R795	0.040	R2 065	9.00	R63 558	1.0	R1 449	R 87 270
	General Business - office	**100m2 GLA**	**0.400**	**R10 550**	**0.350**	**R8 854**	**0.008**	**R795**	**0.040**	**R2 065**	**9.00**	**R63 558**	**1.0**	**R1 449**	**R 87 270**
	General Business - retail	**100m2 GLA**	**0.400**	**R10 550**	**0.350**	**R8 854**	**0.008**	**R795**	**0.040**	**R2 065**	**9.00**	**R63 558**	**1.0**	**R1 449**	**R 87 270**
	Community	100m2 GLA	0.400	R10 550	0.350	R8 854	0.008	R795	0.040	R2 065	9.00	R63 558	1.0	R1 449	R 87 270
	Education	100m2 GLA	0.400	R10 550	0.350	R8 854	0.008	R795	0.040	R2 065	9.00	R63 558	1.0	R1 449	R 87 270
Industrial											factor	R9 181	factor	R1 449	
	Light Industrial	100m2 GLA	0.400	R10 550	0.350	R8 854	0.015	R1 490	0.040	R2 065	6.00	R55 083	1.0	R1 449	R 79 491
	General Industrial - light	**100m2 GLA**	**0.400**	**R10 550**	**0.350**	**R8 854**	**0.015**	**R1 490**	**0.040**	**R2 065**	**6.00**	**R55 083**	**1.0**	**R1 449**	**R 79 491**
	General Industrial - heavy	100m2 GLA	0.400	R10 550	0.350	R8 854	0.015	R1 490	0.040	R2 065	2.00	R18 361	1.0	R1 449	R 42 769
	Noxious Industrial - heavy	100m2 GLA	0.400	R10 550	0.350	R8 854	0.015	R1 490	0.040	R2 065	2.00	R18 361	1.0	R1 449	R 42 769
Other											factor	R7 062	factor	R1 449	
	Resort	100m2 GLA	0.400	R10 550	0.350	R8 854	0.008	R795	0.040	R2 065	9.00	R63 558	1.0	R1 449	R 87 270
	Public Open Space	ha		R -		R -	0.200	R19 865		R0		R -		R -	R 19 865
	Private Open Space	ha		R -		R -	0.200	R19 865		R0		R -		R -	R 19 865
	Natural Environment	ha		R -		R -	0.200	R19 865		R0		R -		R -	R 19 865
	Utility Services	100m2 GLA	0.400	R10 550	0.350	R8 854	0.008	R795	0.040	R2 065	9.00	R63 558	1.0	R1 449	R 87 270
	Public Roads and Parking	ha		R -		R -	0.700	R69 527		R0		R -		R -	R 69 527
	Transport Facility	ha		R -		R -	0.700	R69 527		R0		R -		R -	R 69 527
	Limited Use			R -		R -		R0		R0		R -		R -	R -
Special															
	To be calculated														
	based on equivalent demands														

DC per land-use: Dwars River 2020.21

	Usage Codes															
	Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities		Total (excl Vat)	
			kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost		
			factor	**R20 674**	factor	**R29 471**	factor	**R94 772**	factor	**R44 647**						
Residential											factor	**R3 583**	factor	**R3 260**		
	Single Residential >1000m2	dwelling unit	1.200	R24 809	0.700	R20 630	0.048	R4 549	0.040	R1 786	4.00	R14 331	4.0	R13 039	R 79 144	
	Single Residential >500m2	**dwelling unit**	**0.800**	**R16 540**	**0.650**	**R19 156**	**0.028**	**R2 654**	**0.040**	**R1 786**	**4.00**	**R14 331**	**4.0**	**R13 039**	**R 67 505**	
	Single Residential >250m2	dwelling unit	0.700	R14 472	0.600	R17 683	0.023	R2 180	0.040	R1 786	4.00	R14 331	4.0	R13 039	R 63 490	
	Single Residential <250m2	dwelling unit	0.600	R12 405	0.500	R14 736	0.018	R1 706	0.040	R1 786	4.00	R14 331	4.0	R13 039	R 58 001	
	Less Formal Residential >250m2	dwelling unit	0.600	R12 405	0.500	R14 736	0.023	R2 180	0.040	R1 786	0.75	R2 687	4.0	R13 039	R 46 832	
	Less Formal Residential <250m2	dwelling unit	0.450	R9 304	0.400	R11 789	0.018	R1 706	0.040	R1 786	0.75	R2 687	4.0	R13 039	R 40 309	
	Group Residential >250m2	dwelling unit	0.700	R14 472	0.600	R17 683	0.023	R2 180	0.040	R1 786	3.75	R13 435	4.0	R13 039	R 62 594	
	Group Residential <250m2	**dwelling unit**	**0.600**	**R12 405**	**0.500**	**R14 736**	**0.018**	**R1 706**	**0.040**	**R1 786**	**3.25**	**R11 644**	**4.0**	**R13 039**	**R 55 314**	
	Medium Density Residential >250m2	dwelling unit	0.700	R14 472	0.600	R17 683	0.023	R2 180	0.040	R1 786	2.75	R9 852	4.0	R13 039	R 59 012	
	Medium Density Residential <250m2	dwelling unit	0.600	R12 405	0.500	R14 736	0.018	R1 706	0.040	R1 786	3.25	R11 644	4.0	R13 039	R 55 314	
	High Density Residential - flats	**dwelling unit**	**0.450**	**R9 304**	**0.400**	**R11 789**	**0.008**	**R758**	**0.040**	**R1 786**	**2.75**	**R9 852**	**4.0**	**R13 039**	**R 46 527**	
	High Density Residential - student rooms	dwelling unit	0.180	R3 721	0.150	R4 421	0.004	R379	0.015	R670	1.25	R4 478	1.0	R3 260	R 16 929	
Commercial											factor	**R3 981**	factor	**R1 449**		
	Local Business - office	100m2 GLA	0.400	R8 270	0.350	R10 315	0.008	R758	0.040	R1 786	9.00	R35 827	1.0	R1 449	R 58 404	
	Local Business - retail	100m2 GLA	0.400	R8 270	0.350	R10 315	0.008	R758	0.040	R1 786	9.00	R35 827	1.0	R1 449	R 58 404	
	General Business - office	**100m2 GLA**	**0.400**	**R8 270**	**0.350**	**R10 315**	**0.008**	**R758**	**0.040**	**R1 786**	**9.00**	**R35 827**	**1.0**	**R1 449**	**R 58 404**	
	General Business - retail	**100m2 GLA**	**0.400**	**R8 270**	**0.350**	**R10 315**	**0.008**	**R758**	**0.040**	**R1 786**	**9.00**	**R35 827**	**1.0**	**R1 449**	**R 58 404**	
	Community	100m2 GLA	0.400	R8 270	0.350	R10 315	0.008	R758	0.040	R1 786	9.00	R35 827	1.0	R1 449	R 58 404	
	Education	100m2 GLA	0.400	R8 270	0.350	R10 315	0.008	R758	0.040	R1 786	9.00	R35 827	1.0	R1 449	R 58 404	
Industrial											factor	R5 175	factor	R1 449		
	Light Industrial	100m2 GLA	0.400	R8 270	0.350	R10 315	0.015	R1 422	0.040	R1 786	6.00	R31 050	1.0	R1 449	R 54 291	
	General Industrial - light	**100m2 GLA**	**0.400**	**R8 270**	**0.350**	**R10 315**	**0.015**	**R1 422**	**0.040**	**R1 786**	**6.00**	**R31 050**	**1.0**	**R1 449**	**R 54 291**	
	General Industrial - heavy	100m2 GLA	0.400	R8 270	0.350	R10 315	0.015	R1 422	0.040	R1 786	2.00	R10 350	1.0	R1 449	R 33 591	
	Noxious Industrial - heavy	100m2 GLA	0.400	R8 270	0.350	R10 315	0.015	R1 422	0.040	R1 786	2.00	R10 350	1.0	R1 449	R 33 591	
Other											factor	R3 981	factor	R1 449		
	Resort	100m2 GLA	0.400	R8 270	0.350	R10 315	0.008	R758	0.040	R1 786	9.00	R35 827	1.0	R1 449	R 58 404	
	Public Open Space	ha		R -		R -	0.200	R18 954		R0		R -		R -	R 18 954	
	Private Open Space	ha		R -		R -	0.200	R18 954		R0		R -		R -	R 18 954	
	Natural Environment	ha		R -		R -	0.200	R18 954		R0		R -		R -	R 18 954	
	Utility Services	100m2 GLA	0.400	R8 270	0.350	R10 315	0.008	R758	0.040	R1 786	9.00	R35 827	1.0	R1 449	R 58 404	
	Public Roads and Parking	ha		R -		R -	0.700	R66 340		R0		R -		R -	R 66 340	
	Transport Facility	ha		R -		R -	0.700	R66 340		R0		R -		R -	R 66 340	
	Limited Use			R -		R -		R0		R0		R -		R -	R -	
Special																
	To be calculated															
	based on equivalent demands															

DC per land-use: Franschhoek 2020.21

	Usage Codes														Total (excl Vat)
	Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities		
			kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost	
			factor	**R24 574**	factor	**R16 266**	factor	**R69 958**	factor	**R55 904**					
											factor	**R6 505**	factor	**R3 260**	
Residential	Single Residential >1000m2	dwelling unit	1.200	R29 489	0.700	R11 386	0.048	R3 358	0.040	R2 236	4.00	R26 018	4.0	R13 039	R 85 527
	Single Residential >500m2	**dwelling unit**	**0.800**	**R19 660**	**0.650**	**R10 573**	**0.028**	**R1 959**	**0.040**	**R2 236**	**4.00**	**R26 018**	**4.0**	**R13 039**	**R 73 484**
	Single Residential >250m2	dwelling unit	0.700	R17 202	0.600	R9 760	0.023	R1 609	0.040	R2 236	4.00	R26 018	4.0	R13 039	R 69 864
	Single Residential <250m2	dwelling unit	0.600	R14 745	0.500	R8 133	0.018	R1 259	0.040	R2 236	4.00	R26 018	4.0	R13 039	R 65 430
	Less Formal Residential >250m2	dwelling unit	0.600	R14 745	0.500	R8 133	0.023	R1 609	0.040	R2 236	0.75	R4 878	4.0	R13 039	R 44 640
	Less Formal Residential <250m2	dwelling unit	0.450	R11 059	0.400	R6 506	0.018	R1 259	0.040	R2 236	0.75	R4 878	4.0	R13 039	R 38 977
	Group Residential >250m2	dwelling unit	0.700	R17 202	0.600	R9 760	0.023	R1 609	0.040	R2 236	3.75	R24 392	4.0	R13 039	R 68 238
	Group Residential <250m2	**dwelling unit**	**0.600**	**R14 745**	**0.500**	**R8 133**	**0.018**	**R1 259**	**0.040**	**R2 236**	**3.25**	**R21 140**	**4.0**	**R13 039**	**R 60 552**
	Medium Density Residential >250m2	dwelling unit	0.700	R17 202	0.600	R9 760	0.023	R1 609	0.040	R2 236	2.75	R17 888	4.0	R13 039	R 61 733
	Medium Density Residential <250m2	dwelling unit	0.600	R14 745	0.500	R8 133	0.018	R1 259	0.040	R2 236	3.25	R21 140	4.0	R13 039	R 60 552
	High Density Residential - flats	**dwelling unit**	**0.450**	**R11 059**	**0.400**	**R6 506**	**0.008**	**R560**	**0.040**	**R2 236**	**2.75**	**R17 888**	**4.0**	**R13 039**	**R 51 287**
	High Density Residential - student rooms	dwelling unit	0.180	R4 423	0.150	R2 440	0.004	R280	0.015	R839	1.25	R8 131	1.0	R3 260	R 19 372
											factor	**R7 227**	factor	**R1 449**	
Commercial	Local Business - office	100m2 GLA	0.400	R9 830	0.350	R5 693	0.008	R560	0.040	R2 236	9.00	R65 046	1.0	R1 449	R 84 813
	Local Business - retail	100m2 GLA	0.400	R9 830	0.350	R5 693	0.008	R560	0.040	R2 236	9.00	R65 046	1.0	R1 449	R 84 813
	General Business - office	**100m2 GLA**	**0.400**	**R9 830**	**0.350**	**R5 693**	**0.008**	**R560**	**0.040**	**R2 236**	**9.00**	**R65 046**	**1.0**	**R1 449**	**R 84 813**
	General Business - retail	**100m2 GLA**	**0.400**	**R9 830**	**0.350**	**R5 693**	**0.008**	**R560**	**0.040**	**R2 236**	**9.00**	**R65 046**	**1.0**	**R1 449**	**R 84 813**
	Community	100m2 GLA	0.400	R9 830	0.350	R5 693	0.008	R560	0.040	R2 236	9.00	R65 046	1.0	R1 449	R 84 813
	Education	100m2 GLA	0.400	R9 830	0.350	R5 693	0.008	R560	0.040	R2 236	9.00	R65 046	1.0	R1 449	R 84 813
											factor	R9 395	factor	R1 449	
Industrial	Light Industrial	100m2 GLA	0.400	R9 830	0.350	R5 693	0.015	R1 049	0.040	R2 236	6.00	R56 373	1.0	R1 449	R 76 630
	General Industrial - light	**100m2 GLA**	**0.400**	**R9 830**	**0.350**	**R5 693**	**0.015**	**R1 049**	**0.040**	**R2 236**	**6.00**	**R56 373**	**1.0**	**R1 449**	**R 76 630**
	General Industrial - heavy	100m2 GLA	0.400	R9 830	0.350	R5 693	0.015	R1 049	0.040	R2 236	2.00	R18 791	1.0	R1 449	R 39 048
	Noxious Industrial - heavy	100m2 GLA	0.400	R9 830	0.350	R5 693	0.015	R1 049	0.040	R2 236	2.00	R18 791	1.0	R1 449	R 39 048
											factor	R7 227	factor	R1 449	
Other	Resort	100m2 GLA	0.400	R9 830	0.350	R5 693	0.008	R560	0.040	R2 236	9.00	R65 046	1.0	R1 449	R 84 813
	Public Open Space	ha		R -		R -	0.200	R13 992		R0		R -		R -	R 13 992
	Private Open Space	ha		R -		R -	0.200	R13 992		R0		R -		R -	R 13 992
	Natural Environment	ha		R -		R -	0.200	R13 992		R0		R -		R -	R 13 992
	Utility Services	100m2 GLA	0.400	R9 830	0.350	R5 693	0.008	R560	0.040	R2 236	9.00	R65 046	1.0	R1 449	R 84 813
	Public Roads and Parking	ha		R -		R -	0.700	R48 970		R0		R -		R -	R 48 970
	Transport Facility	ha		R -		R -	0.700	R48 970		R0		R -		R -	R 48 970
	Limited Use			R -		R -		R0		R0		R -		R -	R -
Special	To be calculated														
	based on equivalent demands														

DC per land-use: Klapmuts 2020.21

	Usage Codes														Total (excl Vat)
	Land Use	Unit	Water		Sewer		Stormwater		Solid Waste		Roads		Community Facilities		
			kl/day	Cost	kl/day	Cost	ha*C	Cost	t/week	Cost	trips/day	Cost	person	Cost	
			factor	**R10 791**	factor	**R21 668**	factor	**R131 064**	factor	**R65 836**					
Residential											factor	**R7 505**	factor	**R3 260**	
	Single Residential >1000m2	dwelling unit	1.200	R12 949	0.700	R15 167	0.048	R6 291	0.040	R2 633	4.00	R30 020	4.0	R13 039	R 80 100
	Single Residential >500m2	**dwelling unit**	**0.800**	**R8 633**	**0.650**	**R14 084**	**0.028**	**R3 670**	**0.040**	**R2 633**	**4.00**	**R30 020**	**4.0**	**R13 039**	**R 72 079**
	Single Residential >250m2	dwelling unit	0.700	R7 554	0.600	R13 001	0.023	R3 014	0.040	R2 633	4.00	R30 020	4.0	R13 039	R 69 261
	Single Residential <250m2	dwelling unit	0.600	R6 475	0.500	R10 834	0.018	R2 359	0.040	R2 633	4.00	R30 020	4.0	R13 039	R 65 360
	Less Formal Residential >250m2	dwelling unit	0.600	R6 475	0.500	R10 834	0.023	R3 014	0.040	R2 633	0.75	R5 629	4.0	R13 039	R 41 624
	Less Formal Residential <250m2	dwelling unit	0.450	R4 856	0.400	R8 667	0.018	R2 359	0.040	R2 633	0.75	R5 629	4.0	R13 039	R 37 183
	Group Residential >250m2	dwelling unit	0.700	R7 554	0.600	R13 001	0.023	R3 014	0.040	R2 633	3.75	R28 144	4.0	R13 039	R 67 385
	Group Residential <250m2	**dwelling unit**	**0.600**	**R6 475**	**0.500**	**R10 834**	**0.018**	**R2 359**	**0.040**	**R2 633**	**3.25**	**R24 391**	**4.0**	**R13 039**	**R 59 731**
	Medium Density Residential >250m2	dwelling unit	0.700	R7 554	0.600	R13 001	0.023	R3 014	0.040	R2 633	2.75	R20 639	4.0	R13 039	R 59 880
	Medium Density Residential <250m2	dwelling unit	0.600	R6 475	0.500	R10 834	0.018	R2 359	0.040	R2 633	3.25	R24 391	4.0	R13 039	R 59 731
	High Density Residential - flats	**dwelling unit**	**0.450**	**R4 856**	**0.400**	**R8 667**	**0.008**	**R1 049**	**0.040**	**R2 633**	**2.75**	**R20 639**	**4.0**	**R13 039**	**R 50 882**
	High Density Residential - student rooms	dwelling unit	0.180	R1 942	0.150	R3 250	0.004	R524	0.015	R988	1.25	R9 381	1.0	R3 260	R 19 345
Commercial											factor	**R8 339**	factor	**R1 449**	
	Local Business - office	100m2 GLA	0.400	R4 316	0.350	R7 584	0.008	R1 049	0.040	R2 633	9.00	R75 049	1.0	R1 449	R 92 080
	Local Business - retail	100m2 GLA	0.400	R4 316	0.350	R7 584	0.008	R1 049	0.040	R2 633	9.00	R75 049	1.0	R1 449	R 92 080
	General Business - office	**100m2 GLA**	**0.400**	**R4 316**	**0.350**	**R7 584**	**0.008**	**R1 049**	**0.040**	**R2 633**	**9.00**	**R75 049**	**1.0**	**R1 449**	**R 92 080**
	General Business - retail	**100m2 GLA**	**0.400**	**R4 316**	**0.350**	**R7 584**	**0.008**	**R1 049**	**0.040**	**R2 633**	**9.00**	**R75 049**	**1.0**	**R1 449**	**R 92 080**
	Community	100m2 GLA	0.400	R4 316	0.350	R7 584	0.008	R1 049	0.040	R2 633	9.00	R75 049	1.0	R1 449	R 92 080
	Education	100m2 GLA	0.400	R4 316	0.350	R7 584	0.008	R1 049	0.040	R2 633	9.00	R75 049	1.0	R1 449	R 92 080
Industrial											factor	R10 840	factor	R1 449	
	Light Industrial	100m2 GLA	0.400	R4 316	0.350	R7 584	0.015	R1 966	0.040	R2 633	6.00	R65 043	1.0	R1 449	R 82 991
	General Industrial - light	**100m2 GLA**	**0.400**	**R4 316**	**0.350**	**R7 584**	**0.015**	**R1 966**	**0.040**	**R2 633**	**6.00**	**R65 043**	**1.0**	**R1 449**	**R 82 991**
	General Industrial - heavy	100m2 GLA	0.400	R4 316	0.350	R7 584	0.015	R1 966	0.040	R2 633	2.00	R21 681	1.0	R1 449	R 39 629
	Noxious Industrial - heavy	100m2 GLA	0.400	R4 316	0.350	R7 584	0.015	R1 966	0.040	R2 633	2.00	R21 681	1.0	R1 449	R 39 629
Other											factor	R8 339	factor	R1 449	
	Resort	100m2 GLA	0.400	R4 316	0.350	R7 584	0.008	R1 049	0.040	R2 633	9.00	R75 049	1.0	R1 449	R 92 080
	Public Open Space	ha		R -		R -	0.200	R26 213		R0		R -		R -	R 26 213
	Private Open Space	ha		R -		R -	0.200	R26 213		R0		R -		R -	R 26 213
	Natural Environment	ha		R -		R -	0.200	R26 213		R0		R -		R -	R 26 213
	Utility Services	100m2 GLA	0.400	R4 316	0.350	R7 584	0.008	R1 049	0.040	R2 633	9.00	R75 049	1.0	R1 449	R 92 080
	Public Roads and Parking	ha		R -		R -	0.700	R91 745		R0		R -		R -	R 91 745
	Transport Facility	ha		R -		R -	0.700	R91 745		R0		R -		R -	R 91 745
	Limited Use			R -		R -		R0		R0		R -		R -	R -
Special															
	To be calculated														
	based on equivalent demands														

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DIRECTORATE: PLANNING AND DEVELOPMENT SERVICES

SERVICES RENDERED		TYPE	INTERVAL m2	R/M2	TOTAL PER MONTH	TOTAL PER DAY	TOTAL PER WEEK	TOTAL PER YEAR	DEPOSIT REQUIRED
Rentals : Kayamandi Economic Corridor									
	Formal Kiosks	30% discount for Non-Profitable Organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%	10	R 40	R 400	R 0	R 0	R 0	R 400
			12	R 40	R 480	R 0	R 0	R 0	R 480
			12.5	R 40	R 500	R 0	R 0	R 0	R 500
			13	R 40	R 520	R 0	R 0	R 0	R 520
			13.5	R 40	R 540	R 0	R 0	R 0	R 540
			14	R 40	R 560	R 0	R 0	R 0	R 560
			14.5	R 40	R 580	R 0	R 0	R 0	R 580
			15	R 40	R 600	R 0	R 0	R 0	R 600
			15.5	R 40	R 620	R 0	R 0	R 0	R 620
	Internet Café		16	R 40	R 640	R 0	R 0	R 0	R 640
	Restaurant		17.3	R 40	R 692	R 0	R 0	R 0	R 692
			22	R 40	R 880	R 0	R 0	R 0	R 880
	ATM"s	As per negotiated agreement							
	Informal Kiosks		10	R 0	R 0	R 30	R 0	R 0	R 0
	Conference facility	30% discount for Non-Profitable organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%	per day	R 0	R 0	R 10 000	R 0	R 0	R 0
	Amphi Threatre	30% discount for Non-Profitable organisations. In the case of meritorious cases, the Accounting Officer may grant discounts larger than 30%	per day	R 0	R 0	R 1 000	R 0	R 0	R 0
Rentals: Local Economic Development Hubs									
	Erf 2235 Mooiwater Homestead	Businee Support Incubator/centre	235	R 45	R 10 575	N/A	N/A	R 126 900	R 31 725
	Erven 2751& 6314 Old Agricultural Hall	Incubator and affordable rentals for Arts,crafts and tourism activities	400	R 45	R 18 000	R 0	R 0	R 18 000	R 18 000
	Erven 288, Franschhoek Triangle Site	Affordable space rentals for shops and tourism activities	210	R 45	R 9 450	R 0	R 0	R 9 450	R 9 450
	Old Clinic building Stellenbosch	Business Development, , incubator and rental space (arts, crafts, shops, offices, tourism activities	293	R 45	R 13 185	R 0	R 0	R 13 185	R 13 185
Rentals:Informal Trading sites									
Stellenbosch Town									
	Open Kiosks		per kiosk		R 216	R 30	R 72	R 1 500	0
Idas Valley									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	0
Cloetesville									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	0
Kayamandi									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	0
Klapmuts									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	0
Franschhoek Town									
	Open Kiosks		per kiosk		R 216	R 30	R 72	R 1 500	0
Groendal & Langrug									
	Open Kiosks		per kiosk		R 90	R 15	R 36	R 750	0
Foodtrucks									
	Mobile		per mobile			R 60	R 180	R 1 500	0

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SERVICES RENDERED	UNIT	REMARKS	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
LAND USE MANAGEMENT FEES						
REZONING & DETERMINATION OF A ZONING						
Rezoning, inclusive of a determination of a zoning	Per application per property		R 10 000.00	R 8 695.65	R 1 304.35	**R 10 000.00**
PERMANENT DEPARTURE						
Departure & applications for second dwelling units	Erven under 250 m² (subsidized housing/municipal rental)	Residential erven 250 m² or less for subsidized housing schemes or municipal rental	Zero	Zero		**Zero**
	Erven which are 251m² and larger for building lines and/or coverage	Per property	R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
	Erven which are 251m² and larger for height and/or bulk	Per property	R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
	Erven which are 251m² and larger for parking and/or second dwellings	Per property	R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
TEMPORARY DEPARTURE / PERMISSION IN TERMS OF ZONING SCHEME (SPECIAL DEVELOPMENT/TECHNICAL APPROVAL) / PERMISSION IN TERMS OF CONDITION IN THE TITLE DEED / OCCASIONAL USE OF LAND / CONSENT USE IN TERMS OF THE ZONING SCHEME						
Submitted in urban and rural areas	Per application per property		R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
House shops/Early Childhood Development Centres (ECD's)/ Occasional Use of Land	Per application per property (per use)		R 200.00	R 173.91	R 26.09	**R 200.00**
SUBDIVISION & CONSOLIDATION (AMENDMENT/CANCELLATION OF SUBDIVISIONAL PLAN/GENERAL PLAN/DIAGRAM)						
Subdivision/Consolidation/amendment/cancellation of an approved subdivision plan (or part thereof), including a general plan or diagram	Per application		R 5 000.00	R 4 347.83	R 652.17	**R 5 000.00**
EXEMPTION CERTIFICATES (SUBDIVISION/CONSOLIDATION) ADMINISTRATIVE FEE						
Exemption certificates for Subdivision or Consolidation	Per request		R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
REMOVAL, RELAXATION, SUSPENSION OR AMENDMENT OF RESTRICTIVE TITLE DEED CONDITIONS						
Removal, relaxation, suspension or amendment	Per application		R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
AMENDMENT, DELETION OR IMPOSITION OF CONDITIONS IN RESPECT OF AN EXISTING APPROVAL						
Amendment of conditions of approval (by the deletion, imposition or amendment of conditions)	Per application	Per application	R 5 000.00	R 4 347.83	R 652.17	**R 5 000.00**
EXTENSION OF VALIDITY OF APPROVAL						
Extension of validity period of an approval	Per application	Per application	50% of current application fee inclusive of VAT	50% of current application fee inclusive of VAT		**50% of current application fee inclusive of VAT**
PERMISSION IN TERMS OF CONDITION OF APPROVAL						
New/Amendment of Site Development Plans New/Amendment of HOA Constitutions & Design Manuals	Per application	Per application	R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
CLOSURE OF PUBLIC PLACE OR PART THEREOF						
Closure of Public Place / Roads or Part thereof	Per application	Per application	R 5 000.00	R 4 347.83	R 652.17	**R 5 000.00**
DISESTABLISHMENT OF HOME OWNERS ASSOCIATION						
Disestablishment of HOA	Per application	Per application	R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
RECTIFY A FAILURE OF A HOME OWNERS ASSOCIATION TO MEET ITS OBLIGATIONS						
Rectification	Per application	Per application	R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
PERMISSION FOR RECONSTRUCTION OF EXISTING BUILDING CONSTITUTING A NON-CONFORMING USE						
Permission for reconstruction of existing building constituting a non-conforming use	Per application	A permission required for the reconstruction of an existing building that constitutes a non-conforming use that is destroyed or damaged to the extent that it is necessary to demolish a substantial part of the building	R 5 000.00	R 4 347.83	R 652.17	**R 5 000.00**
NAMING AND NUMBERING OF STREETS AND PUBLIC PLACES/BUILDINGS						
Naming and numbering of streets, Places and Buildings	Per application	Per application	R 0.00	R 2 173.91	R 326.09	**R 2 500.00**
Renaming of Streets, Places and Buildings	Per application	Per application	R 0.00	R 4 347.83	R 652.17	**R 5 000.00**
ADVERTISING FEES						
Advertisements in the press (**All advertisements**) Local weekly newspaper (per placement)	Basic per placement	This is a basic advertising fee. Should the actual costs be more, the applicant is liable for such extra costs upon receipt of a quote.	R 14 000.00	R 12 173.91	R 1 826.09	**R 14 000.00**
Advertisements in the press(All other advertisements) Daily newspaper (per placement)	Per Quotation		per quotation	per quotation		**R 0.00**
Serving of notices	For every 10 letters or part thereof		R 750.00	R 652.17	R 97.83	**R 750.00**
OTHER						
Deviation from Council Policies & By-laws	Per application per property	Per application per property	R 5 000.00	R 4 347.83	R 652.17	**R 5 000.00**
Submit a building plan and build on an unregistered	Per unregistered property applied	Per unregistered property	R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
Appeals	Administration cost per appeal		R 2 500.00	R 2 173.91	R 326.09	**R 2 500.00**
Intervener Status	Per application	Refundable on obtaining intervener status	R 5 000.00	R 4 347.83	R 652.17	**R 5 000.00**
Transfer Clearance fee	Per transferable erf		R 400.00	R 347.83	R 52.17	**R 400.00**
Zoning Certificate	Per erf		R 400.00	R 347.83	R 52.17	**R 400.00**
Business Licence	Per application		R 25.00	R 21.74	R 3.26	**R 25.00**

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SERVICES RENDERED	UNIT	REMARKS	Tariff 2019/20 (Incl. VAT)	Excl. VAT 2020/21	VAT 15%	Tariff 2020/21 (Incl. VAT)
CONTRAVENTION PENALTY						
Contravention penalty is applied in accordance with a Council Policy, By-law and/or any such enabling planning legislation and associated provisions	Per application (refer to tariff rules **5.1- 5.4.12**)	*Formula for Contravention Penalty:* ***((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m²*** *The area of the construction activity (actual area per square meter x penalty rate A) and/or land area (indirect area per square meter x penalty rate B) that is unlawfully utilised in terms of the relevant zoning of the property) multiplied by (the municipal value per square meter (m²) of the land and/or building as stipulated in the current valuation roll of the municipality as on the date that is indicated on the contravention notice)*	((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m²	(area/m²) x (valuation/m²) = R/m²		**((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m²**
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Mono (back and white)						
A4	per copy		R 5.00	R 4.35	R 0.65	**R 5.00**
A3	per copy		R 13.00	R 11.30	R 1.70	**R 13.00**
A2	per copy		R 60.00	R 52.17	R 7.83	**R 60.00**
A1	per copy		R 80.00	R 69.57	R 10.43	**R 80.00**
A0	per copy		R 95.00	R 82.61	R 12.39	**R 95.00**
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Colour line prints						
A4	per copy		R 8.00	R 6.96	R 1.04	**R 8.00**
A3	per copy		R 14.00	R 12.17	R 1.83	**R 14.00**
A2	per copy		R 80.00	R 69.57	R 10.43	**R 80.00**
A1	per copy		R 100.00	R 86.96	R 13.04	**R 100.00**
A0	per copy		R 180.00	R 156.52	R 23.48	**R 180.00**
PRINTING FEES : PHOTOCOPIES / COMPUTER PRINTS - Full colour prints (photo)						
A4	per copy		R 9.00	R 7.83	R 1.17	**R 9.00**
A3	per copy		R 16.00	R 13.91	R 2.09	**R 16.00**
A2	per copy		R 180.00	R 156.52	R 23.48	**R 180.00**
A1	per copy		R 230.00	R 200.00	R 30.00	**R 230.00**
A0	per copy		R 400.00	R 347.83	R 52.17	**R 400.00**
Electronic information	per document		R 110.00	R 95.65	R 14.35	**R 110.00**
Search Fees	per 30 minutes		R 106.00	R 92.17	R 13.83	**R 106.00**
HERITAGE RESOURCE MANAGEMENT FEES						
ADVISORY COMMITTEE SCRUTINY FEE						
	Minor alterations to existing buildings and/or demolitions < 500m²	Building plans for buildings older than 60 years or situated in the historical core Per Application	R 500.00	R 869.57	R 130.43	**R 1 000.00**
	Major alterations to existing buildings and or demolitions >500m² and new developments	Building plans for buildings older than 60 years or situated in the historical core Per Application	R 770.00	R 1 304.35	R 195.65	**R 1 500.00**
SPATIAL PLANNING FEES						
COMPLEXITY FEES						
All Impact Assessments		Per study/assessment	R 4 300.00	R 3 739.13	R 560.87	**R 4 300.00**
APPLICATION FOR SIGNAGE (ALL ADVERTISING SIGNS ARE SUBJECT TO ADVERTISING AND SIGNAGE BY-LAW AS WELL AS FORMAL BUILDING PLAN APPROVAL)						
Signs < 1m² (minimum fee)	per sign		R 430.00	R 373.91	R 56.09	**R 430.00**
Signs > 1m² minimum fee plus additional fee/additional m²	minimum fee plus an additional fee per additional m²		R 1 100.00	R 956.52	R 143.48	**R 1 100.00**
Flag (<5 flags) (minimum fee)	Up to 5 Flags	All Advertising signs are subject to Outdoor Advertising Policy	R 1 100.00	R 956.52	R 143.48	**R 1 100.00**
Flag (>5 Flags)	More than 5 Flags	Minimum flag fee (R1 100.00) plus an additional fee per flag	R 150.00	R 130.43	R 19.57	**R 150.00**
BUILDING DEVELOPMENT FEES						
ALL BUILDING PLAN FEES	**■ Plan valid for 12 months** **■ Where covered areas such as carports, patios, entertainment areas etc. are enclosed to create additional floor area the fees are charged as for new floor area.**					
MINOR BUILDING WORKS (NATIONAL BUILDING REGULATIONS)						
Minor building works - Residential			R 500.00	R 452.17	R 67.83	**R 520.00**
Minor building works - Other than residential			R 650.00	R 591.30	R 88.70	**R 680.00**
CATEGORIES						
SINGLE RESIDENTIAL BUILDINGS		Includes Double Dwellings, Second Dwellings and Outbuildings and Additions thereto.				
0 - 25m²			R 500.00	R 452.17	R 67.83	**R 520.00**
> 25 - 70m²	R/m²	Calculate the total m² with the appropriate tariff	R 23.00/m²	R 20.87/m²	R 3.13	**R 24.00**
> 70 - 120m²			R 24.00/m²	R 21,74/m²	R 3.26	**R 25.00**
> 120 - 200m²			R 26.00/m²	R 23,48/m²	R 3.52	**R 27.00**
> 200m			R 29.00/m²	R 26,09/m²	R 3.91	**R 30.00**
OTHER RESIDENTIAL	Block of flats, Townhouses, Group housing, Single Title					
0 - 25m²	Minimum fee		R 650.00	R 591.30	R 88.70	**R 680.00**
>25m²	R/m²	Calculate the total m² with the appropriate tariff	R 38.00/m²	R 33.04/m²	R 5.09	**R 39.00**
OTHER RESIDENTIAL : ADDITIONS	Block of flats, Townhouses, Group housing, Single Title		0.00	R 0.00	R 0.00	**R 0.00**
NON RESIDENTIAL			R 650.00	R 591.30	R 88.70	**R 680.00**
NON RESIDENTIAL: COMMERCIAL	Includes shops, offices, service stations, hotels					
0 - 25m²	Minimum fee		R 650.00	R 591.30	R 88.70	**R 680.00**
>25m²	R/m²	Calculate the total m² with the appropriate tariff	R 38.00/m²	R 33.04/m²	R 5.09	**39.00**
NON RESIDENTIAL: OTHER	Schools, Churches, Place of Education (i.e. Daycares, technikons etc.)					
0 - 25m²	Minimum fee		R 650.00	R 591.30	R 88.70	**R 680.00**

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>25m²	R/m²	Calculate the total m² with the appropriate tariff	R 29.00/m²	R 25.22/m²	R 3.91	**30.00**
NON RESIDENTIAL: INDUSTRIAL	Includes Factories, Warehouses, Offices in Industrial Areas					
0 - 25m²	Minimum fee		R 650.00	R 591.30	R 88.70	**R 680.00**
>25m²	R/m²	Calculate the total m² with the appropriate tariff	R 29.00/m²	R 25.22/m²	R 3.91	**30.00**
NON RESIDENTIAL: RURAL BUILDINGS	Incl silos, barns, hangers, Cultivation tunnels etc. All farmhouses and labourers accommodation to be taken at residential rate.					
0 - 75m²	Minimum fee		R 650.00	R 591.30	R 88.70	**R 680.00**
> 75m²	R/m²	Calculate the total m² with the appropriate tariff	R 13.00/m²	R 11.30/m²	R 1.83	**14.00**
INTERNAL ALTERATIONS -- ALL CATEGORIES		To be calculated as estimated value of alteration (Qs/Architect Estimate) X 0.008	Estimated value x 0.008	Estimated value x 0.008	Estimated value x 0.008	**Estimated value x 0.008**
SKETCH PLAN FEE						
Single Residential	Per application	Fee not deductible from final plan fee.	R 650.00	R 591.30	R 88.70	**R 680.00**
All other categories	Per application	Fee not deductible from final plan fee.	R 650.00	R 591.30	R 88.70	**R 680.00**
INSTALLATIONS						
MAJOR HAZARD INSTALLATIONS	Per application	As prescribed by Building Development	R 650.00	R 591.30	R 88.70	**R 680.00**
LPG INSTALLATIONS (ALL INSTALLATIONS)	Per application	As prescribed by Building Development	R 650.00	R 591.30	R 88.70	**R 680.00**
MASTS						
Greenfield	Per application		R 860.00	R 782.61	R 117.39	**R 900.00**
Roof Top	Per application		R 860.00	R 782.61	R 117.39	**R 900.00**
Sports fields	Per application		R 860.00	R 782.61	R 117.39	**R 900.00**
OTHER						
PROVISIONAL AUTHORISATION	Per application	Application for provisional authorisation to commence work before approval has been granted in terms of Section 7(1) of the Act. Applications to be in writing. Conditions apply. Not Refundable	R 650.00	R 591.30	R 88.70	**R 680.00**
EXTENSION OF VALIDITY	Per application	For consideration of extending plan validity. Extensions must be applied for prior to lapse date of the plan.	R 650.00	R 591.30	R 88.70	**R 680.00**
REQUEST : OCCUPANCY CERTIFICATE		Where an application is received for the issuing of an occupancy certificate for an existing building where such certificate was not issued on completion of building work and prior to occupancy. Request for occupancy certificate for all buildings where the request is received more than 9 months after the buildings deemed completed by Council and/or occupied. An "As Built" plan is required in all circumstances together with required certificates.	R 650.00	R 591.30	R 88.70	**R 680.00**
SECTIONAL TITLE PRIOR TO 1964 SCRUTINY FEE	Per unit	For the consideration of plans for existing structures pre 1964 for Sectional Title purposes	R 650.00	R 591.30	R 88.70	**R 680.00**
SPECIAL EVENTS: TEMPORARY GRANDSTAND, EXHIBITIONS AND TENTS	Per application	One application per event. Maximum period of validity: 7 days.	R 650.00	R 591.30	R 88.70	**R 680.00**
DEMOLITIONS (ALL APPLICATIONS)	Per application		R 650.00	R 591.30	R 88.70	**R 680.00**

TARIFF RULES
BUILDING DEVELOPMENT MANAGEMENT TARIFF STRUCTURE FOR 2020/2021

1. EFFECTIVE DATE

1.1 Fees are effective from 1 July 2020.

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

2. METHOD OF PAYMENT

2.1 Fees can be paid in cash, by cheque or electronically.

2.2 Cheques and postal orders must be made payable to: Stellenbosch Municipality.

3. TIME OF PAYMENT

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

3.2 No processing of applications may commence until the fee/s is/are paid.

4. PROOF OF PAYMENT

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

5. REFUNDS

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

5.2 Applications are valid for 12 months from date of payment.

6. SUBJECT TO CHANGE

6.1 All fees and business rules are subject to change.

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

7. EXEMPTIONS

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

● Applications from Central or Provincial Government for work funded by the Government and for use by Government Departments.

● Building Plans for all buildings and structures erected for and by the Local Authority. (Plans must be submitted and approved prior to construction.)

● All applications required to address / give effect to successful resettlement claims in terms of the Restitution of Land Rights Act, as well as in cases where land has been allocated to a successful claimant, such claimant is allowed to submit only one application (building plan), for residential development only which application(s) will be exempted from building plan fees as per normal fees.

● Applications from Orphanages and Homes for the Aged registered under the National Welfare Act 79 of 1965.

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

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

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

8. OTHER FEES

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

8.2 Printing fees:

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

9. APPLICATION OF THE TARIFFS

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

- Each item charged for separately even if part of a full plan submission.
- Aviary
- Solid fuel store not exceeding 10m^2 in area and 2 m in height
- Tool shed not exceeding 10m^2 in area
- Child's playhouse not exceeding 5m^2 in area
- Cycle shed not exceeding 5m^2 in area
- Greenhouse not exceeding 15m^2 in area
- Open sided car, caravan or boat shelter or a carport where such shelter or carport does not exceed 40m^2 in area
- Any pergola
- Private swimming pool
- Change room, not exceeding 10m^2 in area, at a private swimming pool
- Lapas and gazebos (with any type of roof covering) under 40m^2 in area
- Any free-standing wall
- Permits valid for 6 months
- Reconstruction of fire and natural disaster damaged buildings at applicable rate as per single/other/non-residential categories

9.1.2 Any other structure, not being a Minor Building Work as per definition, are charge per meter square of the applicable category

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

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

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

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

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

TARIFF RULES
LAND USE MANAGEMENT & SPATIAL PLANNING, HERITAGE AND ENVIRONMENT
TARIFF STRUCTURE FOR 2020/2021

1 GENERAL

Period applicable

1.1 Fees effective from 1 July 2020.

1.2 The fees replace all previous fees charged by Council.

Method of payment

1.3 Fees can be paid in cash, by cheque, electronically or postal order.

1.4 Cheques and postal orders must be made payable to: Stellenbosch Municipality.

Time of payment

1.5 Applicants must pay the fee/s when application/s is/are submitted, except in the case of Impact statements and assessments, which become payable when the need for such an Impact statement / assessment becomes known to Council, if it is not evident when the application is submitted. The applicant must then be notified in writing of further payments and processing of the application may then only commence once payment is made which must be clearly stipulated in the notification.

1.6 No processing of applications may commence until the fee/s is/are paid.

1.7 All application fees are payable in the case of multiple applications.

Proof of payment

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

Refunds

1.9 All fees payable are set fees and not deposits, except in respect of applications for intervener status.

1.10 In the case of the withdrawal of applications, refunds will be paid as follows:

a) Before advertising takes place – the full advertising component/fee and 50% of the total of all the other application fees is refunded.

b) After advertising has taken place – no refund.

1.11 If an exemption or reduction of fees is granted in terms of the provisions of subsection 10, refunds will be given as per the decision.

Subject to change

1.12 All fees and business rules are subject to change.

1.13 The specific fee applicable at the time when the application is accepted by Council, is payable.

LAND USE MANAGEMENT

2 APPLICATION FEES

Description

2.1 Application fees are the minimum fee payable for submitted applications.

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

Rezoning & Determination of a zoning

2.3 Rezoning fee is payable per application.

2.3.1 Determination of a zoning is payable per application.

Permanent Departure (Regulations) fee

2.4 The departure fee must be charged per application per property (i.e. if a building departs from the street and lateral building lines, coverage as well as from height, then the applicable fee must be charged as a single fee per property). In the case of residential erven 250m^2 or less (excluding gated residential development), as well as subsidised housing schemes, no departure fee at all would be required.

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

2.5 Temporary departure, Permissions, Occasional use of land and Consent, etc. are charged separately per application per property and in addition to any departures (regulations) applied for.

2.5.1 A separate fee is applicable in respect of applications for temporary departure, consent use or special development in order to establish a house shop and/or early childhood development centres (ECD's) and all Occasional use of Land applications.

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

2.6 Application fee is payable per application submitted.

Exemption Certificates (subdivision/consolidation)

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

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

2.8 This fee is payable per application submitted.

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

2.9 This fee is payable per application submitted.

Extension of validity period of approval

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

Permission in terms of condition of approval (New or Amended Site development plan / New or Amended HOA Constitution & Design Manuals)

2.11 This fee is payable per application submitted.

Closure of Public Place / Roads or part thereof

2.12 This fee is payable per application submitted.

Disestablishment of Home Owners Association

2.13 This fee is payable per application.

Rectify failure of a Home Owners Association to meet its obligations

2.14 This fee is payable per application.

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

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

Naming and numbering of Streets, Places and Buildings

2.16 This fee is payable per application submitted.

Renaming of Streets, Places and Buildings

2.17 This fee is payable per application submitted.

3 ADVERTISING FEES

Advertising framework

3.1 Advertising: is required in terms of the relevant land use legislation.

3.2 Advertising will be done in accordance with the land use legislation and fees will be charged accordingly.

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

Advertising in the press

3.4 The fee for advertising in the press is applicable whenever press advertising is required in a local weekly newspaper or daily newspaper and/or Provincial Gazette. This fee is only payable when Council undertakes the advertising.

3.5 Advertising in the press is a basic advertising fee. Should the actual costs be more, the applicant is liable for such extra costs upon receipt of a quote.

3.6 Composite applications for the same property when advertised collectively in the press carry a single advertising fee.

Serving of notices

3.7 The fee for serving of notices is payable when Council conducts the serving of notices. This fee is not applicable when the applicant conducts the advertising.

3.8 The fee applicable for every 10 notices or part thereof to be served by Council is depicted in the schedule.

3.9 The 'serving of notices' fee is also applicable when notices are delivered by Council to interested and affected parties.

4 OTHER

Deviation from Council Policies and By-laws

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

Appeal

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

Intervener Status

4.3 This fee is payable per application submitted. The fee is refundable on obtaining intervener status.

Transfer clearance

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

Zoning Certificate

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

Business Licence

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

5 CONTRAVENTION PENALTY

5.1 Contravention penalty is applied in accordance with a Council Policy, By-law and/or any such enabling planning legislation and associated provisions.

5.2 A contravention penalty as stipulated in terms of section 88 (1) (g) of the Stellenbosch Municipal Land Use Planning By-Law, dated 20 October 2015, is payable within 30 days after approval of the utilization of the land and/or construction activity.

5.3 The Contravention penalty is payable within 30 days from date of approval of the land use application that was submitted as a result of a contravention notice that was served.

5.7 If the property is to be transferred, the Municipality will only issue a certificate in terms of section 28 of the Stellenbosch Municipal Land Use Planning By-Law dated 20 October 2015, upon proof of payment of the contravention penalty.

5.5 No occupancy certificate for the building construction will be issued unless proof of the payment of the contravention penalty is submitted by the applicant.

5.6 Formula for Contravention Penalty: **((actual area/m² multiply by penalty rate A) + (indirect area /m² multiply by penalty rate B)) x (valuation/m²) = R/m²**

The area of the construction activity (actual area per square meter x penalty rate A) and/or land area (indirect area per square meter x penalty rate B) that is unlawfully utilised in terms of the relevant zoning of the property) multiplied by (the municipal value per square meter (m²) of the land and/or building as stipulated in the current valuation roll of the municipality as on the date that is indicated on the contravention notice)

5.7 ***Definitions :***

5.7.1 *"Area"* refers to the utilisation of the land and/or work on the land and/or construction activity on the land and/or any building on the land and/or structure on the land that is being utilised in a manner other than permitted in the zoning scheme without the prior approval of the municipality.

5.7.2 "*Valuation"* refers to the municipal valuation of any land and/or building as indicated in the current Municipal Valuation Roll.

5.7.3 *"Date"* refers to the date as indicated on the contravention notice.

5.7.4 "*Property value"* refers to the Value of property as reflected in the most recent municipal valuation roll.

5.7.5 "*Valuation year*" refers to the year of the last municipal valuation.

5.7.6 "*Annual adjustment*" refers to the Value adjustment (if any) on house price index or any other approved by the municipality.

5.7.7 *"Size of property"* refers to the area in square meters of the property as indicated on the title deed.

5.7.8 *"Direct area of contravention"* refers to the area in which the contravention occurs, e.g. rooms, floor area, coverage, and contravention measured in square meters.

5.7.9 *"Indirect area of contravention"* refers to the area complementary to the contravention, e.g. area used for parking, storage, outdoor activities or purposes.

5.7.10 *"Penalty Rate A"* refers to the rate at which penalty amount will be calculated on area of contravention as approved annually by Council.

5.7.11 *"Penalty Rate B"* refers to the rate at which penalty amount will be calculated on indirect area of contravention as approved annually by Council.

5.7.12 *"Amount payable"* refers to the total amount payable as a contravention penalty in terms of the relevant bylaw.

6 PRINTING FEES

6.1 Printing fees are charged per page according to size and colour. The three types of copies/prints are mono (black & white), Colour line prints and Full Colour prints (photo). Copies will only be made in the sizes that are available at a particular office.

6.2 The fee charged for electronic information does not include the CD, which must be supplied by the applicant.

6.3 Search fees are charged per half hour when the requested information takes 30 minutes or more to find or produce. If information is specifically requested in terms of the Access of Information Act, the relevant fees as prescribed in terms of that Act applies.

SPATIAL PLANNING, HERITAGE AND ENVIRONMENT

7 PLANNING ADVISORY COMMITTEE SCRUTINY FEE

7.1 Planning Advisory Committee Scrutiny fees (Aesthetics Committee) are charged when a matter needs to be submitted to the Planning Advisory Committee (Heritage/Aesthetics Committee) for scrutiny, when buildings are older than 60 years or situated in the historical core. The fees are payable per application and are categorized as follows:

7.1.1 Minor alterations to existing buildings <500m²;

7.1.2 Major alterations to existing buildings >500m² and new developments.

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

Description

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

9 APPLICATION FOR SIGNAGE

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

10 EXEMPTIONS

10.1 All applications submitted by or on behalf of Council are exempt from all the application, advertising and other fees in the attached table. This exemption only applies to applications made by Council or where Council is the developer. All other government institutions must pay the normal fees.

10.2 Applications for the establishment of state, provincial and/or council subsidised housing schemes are exempt from all the application and other fees in the attached table. Advertising fees are payable in this regard. Application fees are, however applicable in subsidized housing areas after the establishment of the areas has been completed; subject to the conditions in the establishment of any of the less formal townships.

10.3 All applications required to address / give effect to successful resettlement claims in terms of the Restitution of Land Rights Act, as well as in cases where land has been allocated to a successful claimant, such claimant is allowed to submit only one application, for residential development only (but including subdivision, removal of restrictions, etc, related to such residential development), which application(s) are exempt from all the application and other fees in the attached table. Advertising fees are payable in this regard. If a successful land claimant submits a mixed use development application (which includes non-residential development) on land so obtained, such non-residential development gets charged the normal fees as specified for such application, including advertising and service of notice fees, as if the non-residential part of the application is a separate application from the residential part of the development. In cases where a successful land claimant submits a purely non-residential development application (which does not includes any residential development) on land so obtained, such non-residential development application is subject to all the fees applicable to any other similar application which wasn't obtained by way of the Restitution of Land Rights Act/Rural Act 9.

10.4 The above fees, if not specifically exempted, also applies to applications in the BCDA areas where Council is the commenting authority.

10.5 The Director : Planning & Economic Development may grant or refuse applications for the exemption of some or all the applicable fees of particular applications which are necessitated due to changes to the developments made at the request of the Environmental Management Services in the interest of environmental or heritage conservation.

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TARIFF STRUCTURE: PROPERTY MANAGEMENT: 2020/2021

	DESCRIPTION	APPLICATION FEE	RENTAL/TARIFF
1.	**Encroachment Agreements/Permits**		
1.1	For commercial purposes, other than outdoor dining and parking purposes	R2 500.00	To be determined by an independent valuer: on an *ad hoc* basis
1.2	For commercial parking purposes*	R1 200.00	
	(a) Stellenbosch CBD, Franschhoek CBD and Technopark		R295.00/parking bay/month
	(b) Other Areas		R195.00/parking bay/month
	*Up to 10 parking buys, thereafter 50% of the approved tariff		
1.3	For residential parking purposes*	R600.00	R150.00/parking bay/month
	*Up to 3 parking buys, thereafter 50% of the approved tariff		
1.4	Tertiary Institutions, schools and pre-schools	R1 200.00	R70.00/parking bay/month
1.5	For outdoor dining purposes*	R1 200.00	
	(a) Stellenbosch CBD and Franschhoek CBD		R105.00/m²/month
	(b) Other areas		R40.00/m²/month
	*Up to 50m², thereafter 50% of the approved tariff		
1.6	For non – commercial purposes (such as garden purposes, gates, ect.)*	R600.00	
	Up to 50m²		R60.00 per month
	51 m² to 100 m²		R80.00 per month
	More than 100 m²		R150.00 per month

	DESCRIPTION	APPLICATION FEE	RENTAL
1.7	Projections and projecting structures	R2 500. 00	
	(a) Onto street reserves/side walks		**Once of payment off**:
	Up to 50 m²		R400.00 per m²
	51 m² to 100 m²		R350.00 per m²
	More than 100 m²		R300.00 per m²
	(b) Onto other council – owned property, where such projection has an impact on development value of council – owned property	R3 000. 00	To be determined by an independent valuer (should the estimated value be more than R100 000.00, then the weighed average of 2 independent valuations must be obtained)
1.9	For temporary use of Council-owned property for construction work		
	(a) Stellenbosch CBD and Franschhoek CBD & Technopark	R3 000.00	
	Up to 20 m²		R500.00 per month
	20 m² - 100 m²		R1 000.00 per month
	101 m² – 1000 m²		R5 000.00 per month
	More than 1000 m²		R10 000.00 per month
	(b) Other areas	R 500.00	
	Up to 20 m²		R200.00 per month
	20 m² - 100 m²		R600.00 per month
	101 m² – 1000 m²		R3 000.00 per month
	More than 1000 m²		R7 000.00 per month
	Deposit:		An amount to be determined by MPM in relation to the potential risk to infrastructure/improvement with a minimum amount of R2 000.00

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

2. Lease Agreements*

2.1	Temporary use of Council-owned property to a maximum of 30 days	R600.00	
	Daily tariff:		
	a) Up to 100m²		R220.00 per day
	b) Between 100m² and 1000m²		R560.00 per day
	c) More than 1000m²		R2 300.00 per day
	Deposit:		To be determined by MPM, depending on the possible risk associated with the event.
2.2	Short term lease agreements (up to 10 years)		
	(a) monthly rental not exceeding R2 000.00		To be determined by CFO
	(b) monthly rental not exceeding R5 000.00		To be determined by an independent valuer
	(c) monthly rental in excess of R5 000.00		To be determined by two independent valuers (weighed average)
2.3	Long term lease agreements (longer than 10 years)		
	(a) monthly rental not exceeding R2 000.00		To be determined by CFO
	(b) monthly rental not exceeding R10 000.00		To be determined by an independent valuer
	(c) monthly rental in excess of R10 000.00		To be determined by two independent valuers (weighted average)
2.4	Long term lease agreements concluded before 2003 (pre-MFMA)		To be determined by Council from time to time as per individual contract(s).
2.5	Telecommunication structure		
	- Application/Power of Attorney	R2 000.00	
	(a) Antennae only (on existing structure)		R6 000.00/pm
	(b) Site for mast and antennae		
	-up to 100m²		R7 000.00/month
	-more than 100m²		R70.00/m²/month for each m² in excess of 100m²
	(c) Mobile antenna		R3150.00/pm
2.6	Temporary use of vacant Council-owned buildings*		

*Not covered by approved tariff structure

To be considered by:	MPM: To a maximum of 1 month D:CS: To a maximum of 3 months MM: To a maximum of 6 months EM: To a maximum of 12 months	
Tariff :		Per day: R10.00/m²/day

			Per week: R9.00/m²/day Per month: R8.00/m²/day
	NPO's and individuals, for non-commercial purposes		20% of approved tariff

*** Please Note: -**

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

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

*** Please note:**

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

4.	**Posters**	
4.1	Political parties	R5 000.00 (deposit)
	Up to 200 posters	R25.00 per poster
	201 to 500 posters	R30.00 per poster
	More than 500 posters	R50.00 per poster
4.2	For Commercial purposes	
	(a) Up to 30 posters	R50.00 per poster
	(b) Between 30 and 60 posters	R60.00 per additional poster
	(c) Between 60 and 100 posters	R80.00 per additional poster
	(d) More than 100 posters	R100.00 per additional poster
4.3	Non-commercial purposes	
	(a) Up to 30 posters	R20.00 per poster
	(b) Between 30 and60 posters	R30.00 per additional poster
	(c) Between 60 and 100 posters	R40.00 per additional poster
	(d) More than 100 posters	R50.00 per additional poster
4.4	Woordfees: Individual artists	
	(a) Per poster (to a maximum of 20 posters)	R55.00
4.5	Local Theaters	
	(a) Up to 500 posters for a season	R4 000.00
	(b) Up to 1000 posters for a season	R8 000.00
	(c) More than to 1000 posters for a season	R12 000.00

4.6 Newspapers

Local

a)	Up to 2400 posters per annum:	R10 000.00
b)	Up to 5000 posters per annum:	R25 000.00
c)	More than 5000 posters per annum:	An additional amount of R7.50 per poster

Other

a)	Up to 2400 posters per annum:	R12 000.00
b)	Up to 5000 posters per annum:	R30 000.00
c)	More than 5000 posters per annum:	An additional amount of R8.00 per poster

*__Note__: The term posters include flags.

Please note:-

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

b) All fees include VAT

STELLENBOSCH MUNICIPALITY

SUMMARY OF POLICIES

2020/2021

STELLENBOSCH MUNICIPALITY

SUMMARY OF POLICIES

Policy/ By-law	Summarized Nature of change
Rates Policy	Changes were made to the following sections within the policy **2. LEGISLATIVE CONTEXT** 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. 4. DEFINITIONS "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. **5. IMPOSITION OF RATES** 5.8. Valuation value constraints (a) For the purposes of valuing a property, no valuation value shall be less than R1 000 unless the valuer determines that said property's valuation value must be zero. (b) For administrative purposes all valuation values exceeding R1 000 will be rounded to the nearest R1 000 interval. For example, for values with an interval less than R1 500 will be rounded to a R1 000 interval whereas values with an interval not less than R1 500 will be rounded to a R2 000 interval. **8. RELIEF MEASURES** 8.2. Residential Property 8.2.1. The Municipality will not levy a rate on the initial portion of the valuation of a residential property being the sum of: (i) the first R15 000 exclusion on the basis set out in Section 17 (1) (h) of the MPRA; and (ii) on a further 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. 8.6. Stellenbosch Special Rebate The Municipality may, for the organisations not meeting all the public benefit organisations criteria as described in paragraph 8.7 below, nor the criteria for NPO organisations as described in paragraph 8.8 below, consider a rebate which shall be identified as "Stellenbosch Special Rebate" (SSR). The Municipal Council will annually during the budget processes approve this rebates' discount percentage. This rebate will only be applicable to said organisations that apply as per paragraph 14.1 of this Policy for such rebate.

Policy/ By-law	Summarized Nature of change
	8.8 Non-Profit Organisations 8.8.1 Prescribed not-for-gain organisations (a) Health and welfare institutions Privately owned properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the members or patients, laundry or cafeteria facilities. (f) Heritage properties 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. 8.11 Exceptional General Valuation Rates Increases: Phasing in The Municipality may consider a relief measure for owners of property adversely affected by exceptional rates increase of a new General Valuation (GV) cycle. This incentive will only be implemented as from the implementation date of a GV and on proviso that: (a) the rates for the financial year preceding the start of the GV cycle must be at greater than R1 000 per annum; **9. LIABILITY AND PAYMENT OF RATES** Liability for and payment of rates is governed by criteria in this Policy, by the MPRA, the Municipality's Credit Control and Debt Collection Policy, By-Laws and any other applicable legislation. Actions as per the applicable By-Laws and/or Policies shall be taken against defaulters. There are one of two methods of payment that the owner of the property must agree upon, namely (i) paying the rates on a monthly basis or (ii) paying the rates in one amount every annum. The paying of rates on a monthly basis will be the preferred method unless the owner has selected the annual method of payment via a written request before 31 May preceding a financial year. (i) When paying on a monthly basis the amount due shall be paid not later than the date as specified on the monthly accounts. The cycle of such payments will start on the first day of July (the start of a financial year) and extend to the 30th of June the following year. (ii) When paying a once-off amount (the full rates for that financial year), then that amount shall be paid in full not later than the date as specified on the account. Please note that additional annual payments may be triggered during a financial year by a supplementary valuation on said property. **12. CLEARANCE CERTIFICATES** All monies collected by the Municipality, specifically in respect of Special Rating Areas and any estimated amounts in terms of Section 118(1A) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (the Systems Act), or Section 89 of the Insolvency Act, 1936 (Act 24 of 1936), are for the purpose of Section

Policy/ By-law	Summarized Nature of change
	118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property: (i) All amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act; and (ii) No interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due. (iii) The Municipality will not be responsible for the apportionment of rates and/or services due or paid in respect of any rates clearances and registrations. (iv) The Municipality may issue only one clearance certificate for properties deemed to be in an adjoined state as per paragraph 7.9 of this Policy. **13. ADJUSTMENTS OF RATES PRIOR RO SUPPLEMENTARY VALUATION** 13.2 Any valuations performed in terms of paragraph 13 shall be included in the next supplementary valuation process as per the provisions in Sections 78 (1) to (5) of the MPRA. **14. GENERAL** 14.1 Applications for Relief Measures 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. **17. CATEGORY AND REBATE CODES** 17.1 Category Codes Residential RES RESIF Informal settlements, 100% exclusion will apply Vacant Other VACM Vacant Municipal properties 17.2 Rebate Codes NPO1 Non-Profit Organisation (20% rebate) Rates Policy paragraph 8.8
Tariff Policy	Changes were made to the following sections within the policy: 2. **LEGAL FRAMEWORK** The following legislation is applicable for the determination of tariffs for municipal services delivered or for the purchase of surplus energy: The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

Policy/ By-law	Summarized Nature of change
	Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) Water Services Act, 1997 (Act 108 of 1997) Electricity Regulation Act, 2006 (Act 4 of 2006) Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) **5. CALCULATION OF TARIFFS FOR MAJOR SERVICES** 5.1 Water Tariffs The first block rate for domestic consumers represents the Life Lline 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. The following table illustrates the principals for tariff charges applied to various consumers or the specialised water service charge types for water consumption in the Stellenbosch Municipal Area: (a) Domestic: Includes residential erven, Sectional Title Units, as well as residential erven managed by body legal entities, each being served by an individually metered water connection. (f) All other consumers and Miscellaneous cases: A single tariff for all other consumers and miscellaneous cases including schools, sportbodies, charity organizations and churches or any other user as determined by the relevant Director, will apply. 5.2 Electricity Tariffs (i)Electricity is primarily supplied by a sole supplier, Eskom, and distributed by the Municipality. Electricity is distributed by Stellenbosch Municipality in the areas of Stellenbosch, Johannesdal, Pniel and Franschhoek. Eskom distributes electricity in the areas of Jamestown, Raithby, Kylemore, Klapmuts and the rural areas. In these areas, the distribution is managed, operated and controlled by the applicable service provider. (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. (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.

Policy/ By-law	Summarized Nature of change
	(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. 5.3 Refuse (Solid Waste) Removal Tariffs (a) Residential properties: Residential refuse (solid waste) will be removed once a week. Households are allowed 3 bags or one "Otto"-type container per week. Refuse removal tariffs are based on a flat rate per household. A specific tariff for Indigent consumers in respect of single residential properties will apply as per the approved Solid Waste Tariff Schedule. (c) Availability Fee: An availability fee is charged to all vacant properties, businesses, flats, and developments not permanently using the municipal collection services. 5.4 Sewerage Tariffs (b) Business and industries: A tariff structure utilizing plot sizes, as well as floor areas per usage is applied to allocate the sewerage costs to a specific property. The removal of industrial effluent is charged at a cost as per the applicable tariffs. **6. CALCULATION OF OTHER TARIFFS** 6.2 Rates Tariffs The Stellenbosch Municipality's Rates Policy describes the process for imposing of property rates for the various categories of owners and properties. The tariff structures for the applicable categories, any other charges linked to the service and the applicable provisions for relief measures are reflected in the Property Rates Tariff Schedule and Rates Policy as approved by Council.
Indigent Policy	Changes were made to the following sections within the policy **Preamble** 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. **1.DEFINITIONS** In this Policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended. Implicit definitions as defined in various paragraphs of this Policy are set in addition to the explicit definitions as set below:

Policy/ By-law	Summarized Nature of change
	"Valuation Threshold" means that value of municipal valuation as set for residential properties in paragraph 8.2 of the Municipality's Rates Policy. **2.POLICY PRINCIPLES** (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. **5. QUALIFICATIONS AND SCOPE** 5.2 Household: (d) Child-headed households will only be approved based on the following criteria: 5.4 Liability for payment of municipal accounts: (a) Subsidies will only be granted to households liable for the payment of municipal service fees. (b) Subsidies will only be granted by means of a credit on municipal accounts and free basic electricity vouchers or in the form of subsidy paid directly to the authorised service providers of off-grid electricity as envisaged in paragraph 5.7.2(b) of this Policy. No subsidy will be paid directly to any Indigent consumer or household in the form of cash or any such disbursement. (c) Households are liable for the payment of fees, as stated on the monthly account, for any service in any given month that exceeds that service's subsidy. (d) Monthly accounts, as well as the instalments arranged in respect of the repayment of debt, must be paid punctually and in full. If required, and after reasonable alternatives have been exhausted, the process to recover debt from indigent consumers will be dealt with in terms of the Credit Control and Debt Collection Policy and procedures of the Municipality. (e) Prepaid electricity meters will be installed on all properties of formal households before receiving indigent subsidies to prevent escalation of debt. (f) Water management devices may be installed on properties of formal households before receiving indigent subsidies to prevent escalation of debt. 5.5 Qualifying income: 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. a) Gross household income is defined as the earnings of the head of the family, plus any other financial contribution towards the household income by any other dependant or occupant. Government grants as received by dependent minors will be ignored and not be added as a financial contribution towards the household income. (b) The maximum qualifying income level defined as the Indigent Income Threshold for a household as described in paragraph 5.2 of this Policy will be equal to or less than R 6 500 per month. Proof must be produced in the form of pay slips, unemployment certificates, income certificates or other acceptable proof of income. (c) Should proof of income not be available, income may be declared by means of a sworn statement. Such applications may be verified by means of a full investigation and a socio-economic survey. 5.6 Targeting mechanisms:

Policy/ By-law	Summarized Nature of change
	The following principles for the granting of free basic services apply: (a) Properties in respect of which property tax is levied on a municipal valuation amount will qualify as follows: (i) The municipal valuation of a property being less than or equal to the defined Valuation Threshold will be used as the guiding threshold. (b) Indigent subsidies will only be considered by the Municipality upon application on a prescribed form by households which consider themselves as being indigent. 5.7 Basic services 5.7.1 Formal Households Free basic services for Formal households will consist of the following: (a) 100 kWh electricity per household per month subject to it being supplied via a prepayment metering system as the qualifying criteria for a registered indigent household to be placed on the Lifeline Electricity Tariff. Free electricity units will not be applicable should the Indigent Household choose not to install a pre-paid meter; (b) a basic charge for water and a maximum of 6 kl water per household per month; (c) a service subsidy not exceeding the cost of one refuse unit in respect of a single residential 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. 5.8 Free bulk services Free Bulk Services shall be the provision of services (water standpipes, high mast lighting, ablution facilities and refuse removal) to informal settlements. **7. APPLICATION OF INDIGENT SUBSIDIES** (a) Applications (i.e. applications submitted by individuals) will be required by any household which considers themselves to be an indigent household. (b) Only applications lodged by means of the prescribed application form will be considered by the Municipality. (c) Such households may be visited by employees of the Municipality or approved service providers, where after a written recommendation would be considered. (d) The maximum subsidy may be granted to households with no income, even if the corresponding accounts are not paid in full. (e) Indigent assistance will be applicable for as long as an indigent household remains registered as such on the indigent data base or register and the Municipality continues to receive equitable share for this purpose. (f) The Municipality has the right to disclose a list of Indigent households for public inspection, which may include the publication thereof. (g) In a case of misrepresentation or any other transgression of the conditions for the provision of subsidies, the subsidy will be withdrawn with immediate effect and not be reconsidered for a period of at least 12 months. Legal actions may be instituted to recover subsidies obtained under false pretences.

Policy/ By-law	Summarized Nature of change
	(h) Indigent relief will not apply in respect of property owners with more than one property, whether such property is situated inside or outside the area of jurisdiction of the Municipality. (i) Subsidies will not be granted on a pro-rata basis and applications received after the twentieth day of a month will be granted in the following month. (j) The onus is on the recipient of indigent subsidy to inform the Municipality immediately of any changes in personal circumstances that may warrant a review of his/her indigent status. For example, the status of any change of employment or to the Gross Household income as per paragraph 5.5 above must be reported to the Municipality. (k) The municipality reserves the right to review and/or to conduct home visits on a random basis with the view of assessing whether a household would still qualify for receiving indigent assistance. Upon cancellation of indigent assistance normal credit control procedures will be applicable on arrear accounts of such cancelled applications. **9. INDIGENT REGISTER** (a) The Municipality shall draw up and maintain a register in respect of properties and households receiving indigent assistance. (b) The register will be open for inspection by the public during office hours. (c) The Municipality will at regular intervals review the register and apply randomly selected checks as to the status of an application. **10. CONTACT OF RESPONSIBLE OFFICE** The contact details for Indigent enquiries: E-mail Address: Indigent.office@stellenbosch.gov.za Telephone Numbers: 021 808 8501 021 808 8579 021 808 8597 021 808 8932 Postal Address: PO Box 17, Stellenbosch, 7601 Any Municipal Office in the jurisdiction of Stellenbosch Municipality
Special Ratings Area Policy	Changes were made to the following sections within the policy: **2. INTRODUCTION** 2.1 This policy for the establishing of special rating areas must be read together with the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) and the Municipality's Special Rating Area (SRA) By-law, as in force from time to time. 2.2 This policy is strictly applicable to Special Rating Areas that have been established in terms of sub-sections 22(1) to 22(4) of the Property Rates Act. Therefore, this policy does not deal or apply to internal municipal service districts as envisaged in section 85 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and in sub-section 22(5) of the Property Rates Act. 2.3 All words and phrases defined in the Property Rates Act and the By-Law have the same meaning in this Policy. 2.4 In the event of any conflict between the provisions of the By-Law and the provisions of this Policy, the By-Law prevails. 2.5 This Policy needs to be read together with the Municipality's Rates Policy. **13. DISSOLUTION**

Policy/ By-law	Summarized Nature of change
	The special rating area may be cancelled by resolution of the Council, subject to the provision of section 16 of the By-Law. **14. FINANCIAL CONTROL** 14.1 As stated in the By-Law, the amount of any additional rate levied in a special rating area is determined by the Council. The additional rate as imposed by the Council, is debt owing to Stellenbosch Municipality and is payable and collected in the same manner as other property rates imposed by the Council. **15. COMMENCEMENT AND IMPLEMENTATION** 15.1 Implementation of this Policy will commence on 01 July 2020.
Special Ratings By-law	Changes were made within the following sections of the policy: **1. DEFINITIONS** 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. "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; "implementation plan" means an Implementation Plan as contemplated in section 6 of this By-Law; "limited special rating area" means a limited special rating area approved by the Council in terms of section 9 of this By-Law; "majority" means the majority of propertiesy represented by the members of the local community in the proposed special rating area who will be liable for paying the additional rate; "management body" means the management body of a special rating area to be establishment established in accordance with the provision of section 10 of this By-Law; "motivation report" means a motivation report as contemplated in section 6 of this By-Law; "Policy" means the Policy for the determination of special rating areas named the Special Rating Area Policy of the Stellenbosch Municipality, ; **4. APPLICATION** (1) Any owner located within the area of jurisdiction of Stellenbosch Municipality and who owns property within the proposed special rating area, may lodge an application to the Stellenbosch Municipality for the determination of a special rating area. (3) Any application contemplated in subsection (1) above must – (a) be in writing and be in the form as the CFO may determine; (b) be submitted not more than nine months after the date on which the public meeting referred to in section 5 of this By-Law is held, or if a second public meeting is held as provided for in section 6(2) of this By-Law, nine months after the date of the second public meeting; (c) be accompanied by – (i) a motivation report and an implementation plan; (ii) the written consent submitted by 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

Policy/ By-law	Summarized Nature of change
	preformed 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; (iii) payment of such fee as the Council may determine. **5. PUBLIC MEETINGS** (1) An application for the determination of a special rating area must be preceded by the holding of a public meeting. (2) The purpose of the public meeting is to enable the applicant to consult with those owners within the proposed special rating area regarding the proposed boundaries of the area and the proposed improvement or upgrading of the area. (3) Prior to the holding of the public meeting, the applicant must – (a) give notice in a manner approved by the CFO in terms of this By-law owners of rateable property, who will be liable for payment of the additional rate, of the applicant's intention to apply for the determination of a special rating area (b) in the notice referred to in subsection (3)(a) above, give notice of a public meeting, which notice must – (i) state the purpose of such meeting; and (ii) contain details of the place, date and time when such meeting is to be held. (7) Any interested person must, at the public meeting, be – (a) Furnished with all relevant information relating to the proposed special rating area, including the information to be set out in the motivation report and implementation plan; and (b) given an opportunity to ask questions, express their views and make representations. **6. MOTIVATION REPORT AND IMPLEMENTATION PLAN** (1) Any application for the establishment of a special rating area must include a motivation report and an implementation plan covering a period commencing on 1 July of a year and ending on 30 June of the fifth year or covering such lesser period as may be determined by the CFO. (2) If the motivation report or the implementation plan are materially amended, as determined by the CFO, after the public meeting referred to in section 5 of this By-Law, the applicant must call a second public meeting for approval of the special rating area as amended. (3) The provision of section 5 of this By-Law applies with the necessary changes to the second public meeting. **7. ADVERTISING OF APPLICATION AND OBJECTIONS** (1) The applicant must within 14 days after the application is lodged in accordance with section 4 of this By-Law, or within such further period which the CFO may approve – (a) Cause a notice of the application to be published in a manner approved by the CFO; and (b)Either before or up to seven days after the date of publication of the notice, give written notice of the application to all owners within the proposed special rating area, who will be liable for payment of the additional rate., Such notice must be served by pre-paid registered post, hand delivery or in any other manner approved of in writing by the CFO. (2) Every notice contemplated in terms of subsection (1) above must state that written objections to the determination of a special rating area or the provisions of the motivation report and implementation plan may be lodged with the Stellenbosch Municipality by a date specified in the notice, which shall not be less than 30 days after the date of publication in terms of subsection (1)(a) above, and must state where the documentation specified in subsection (5) below will be available for inspection.

Policy/ By-law	Summarized Nature of change
	(3) Any owner of rateable property who will be liable for paying the additional rate may submit written objections to the determination of the special rating area, which objections must be received by the Stellenbosch Municipality not later than the date stipulated in the notice referred to in subsection (1) above. (4) Any objector to the application who owns property within the proposed special rating area may make oral representation to the CFO. (5) The application, including the motivation report and the implementation plan, and all objections must be available for inspection at the office of Stellenbosch Municipality and at a venue determined by the CFO within the proposed special rating area, for the period referred to in subsection (2) above. **8. DECISION** (1) After the provision of sections 4 and 7 of this By-Law have been complied with, the Council must, at a meeting of the Council held within 90 days after the last date for the submission of objections in accordance with section 7(2) of this By-Law, consider the application and – (a) determine a special rating area which must be implemented in accordance with the motivation report and implementation plan; (b) determine a special rating area with such amendments or conditions as the Council considers to be in public interest; (c) determine a special rating area in respect of a limited area in terms of section 9 of this By-Law; (d) refuse the application, in which event the Council must, within 30 days, furnish the applicant with written reasons for not approving the determination of a special rating area; or (e)refer the application back to the applicant for amendments in such manner as the Council may direct. (2) If an application is refused by the Council in accordance with the provisions of subsection (1)(d) above or referred back to the applicant in accordance with the provisions of subsection (1)(e) above, the applicant may, within six months of the Council's decision, re-apply to the Council for the determination of the special rating area, provided that such re-application has been appropriately amended in the light of the reasons for refusal or referral, as the case may be. (3) If the motivation report or implementation plan is amended in any material respect at any time before the determination, the Council may require that the amended application be re-, with advertised in accordance with the provision of section 7 of this By-law, with the necessary changes. **9. DETERMINATION OF A LIMITED SPECIAL RATING AREA** If an application in terms of section 4 of this By-Law is not accompanied by the majority of the members of the local community in the proposed special rating area required by section 4(3)(c) of this By-Law, but the applicant can demonstrate to the satisfaction of the Council, that – (a) there are such confirmations from owners of rateable properties in a limited geographical area within the proposed special rating area that would meet the requirements of section 4(3)(c) of this By-Law if they were to be applied to that area; and (b) the level of services to be provided will not be reduced and the budget will be reduced accordingly as a result of the provision of those services in the limited area alone, as compared to the provision of those services in the whole of the proposed special rating area, then the Council may, subject to the other provisions of this By-Law, determine a limited special rating area. **CHAPTER 2** **SPECIAL RATING AREAS – STRUCTURES AND FINANCES** **10. COMMENCEMENT OF THE IMPLEMENTATION PLAN** Once the Council has approved the establishment of the special rating area, the implementation plan may only be implemented after the management body has been established in accordance with section 11 of this By-Law.

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	11.ESTABLISHMENT, COMPOSITION, POWERS AND DUTIES OF MANAGEMENT BODY (1) The applicant must establish a management body for the purposes of implementing the provisions of the implementation plan. (2) The management body must be a company incorporated in accordance with the provisions of a Non-Profit company (company not for gain) as per the Companies Act, Act 71 of 2008 (as amended or replaced). (3) Stellenbosch Municipality shall monitor compliance by the management body with the applicable provisions of this By-Law, any guidelines or policies adopted by Stellenbosch Municipality and any agreements entered into with the management body and Stellenbosch Municipality. (4) The Council must nominate the relevant ward councillor and one other person, as representatives to attend and participate, but not vote, at the meetings of the management body. (5) Within two months after receipt of the first payment of the additional rate, the management body must begin carrying out the objectives of the implementation plan. (6) Within two months of the end of each financial year, the management body must provide the CFO with – (a)Its audited financial statements for the immediately preceding year; and (b)an annual report on its progress in carrying out the objectives of the implementation plan in the preceding year to improve and upgrade the special rating area. (7) Within two months after the Annual General Meeting, the management body must provide the Finance Portfolio Committee with – (c) Its audited financial statements for the immediately preceding year; and (d) An annual report on its progress in carrying out the objectives of the implementation plan in the preceding year to improve and upgrade the special rating area. **12. FINANCES** (1) The financial year of the management body must coincide with the financial year of the Stellenbosch Municipality. (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. (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. (6) The payment contemplated in subsection (5) above is conditional upon the conclusion of a finance agreement to be entered into between the Council and the relevant management body, and such agreement must regulate, among other things – (a) the mechanisms and manner of payment; and (b) terms on which payment to the relevant management body is to be made. (8) The Council, may for the purposes of this By-law, determine and impose on the management body and administrative charge. **13.THE ROLE OF THE CFO** (b) Monitor compliance with the applicable legislation, including this By-Law and the Policy, by – (i) receiving and considering the audited financial statements and reports regarding the carrying out of duties laid out in the implementation plan;

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	(ii) nominating, if he or she elects to do so, representatives to attend and participate but not vote at meetings of the management body. **CHAPTER 3** **AMENDMENT AND EXTENSION OF IMPLEMENTATION PLANS** **14.AMENDMENT TO IMPLEMENTATION PLANS** (1) An implementation plan, including the geographical boundaries of the special rating area, may be amended by the Council on written application by the management body at any time after the formation of the special rating area. (2) The council may approve an application for an amendment referred to in subsection (1) above where the Council considers it not likely to materially affect the rights or interests of any owner, provided that the Council may require the management body to cause a notice of the application for such amendments to be published as approved by the CFO. (3) The Council may only approve an amendment in terms of subsection (1) above, with the changes required by the context, in accordance with the provisions of Chapter 1 of this By-Law, which the Council considers is likely to – (a) materially affect the rights or interests of any person; (b) affect the approved budget for the special rating area; and (c) change the boundaries of the special rating area. (4) The Council may, for good reason, on written application by the management body, exempt the management body from complying with the provisions, or condone any non-compliance with any provisions, of Chapter 1 of this By-Law. **15.EXTENSION OF IMPLEMENTATION PLANS** A management body must, if it elects to extend the term of the implementation plan for a further period, on or before January in the year in which the implementation plan is due to terminate, submit an application to Stellenbosch Municipality for approval of extension of the term of the implementation plan, provided that – (a) the extension of the implementation plan may only be approved by the Council in accordance with the provisions of Chapter 1 of this By-Law, with the changes required by the context, and the Council may, for good reason, on written application by the management body, exempt the management body from complying, or condone any non-compliance, with any such provisions; (b) the provisions of section 14 of this By-Law shall apply to any amendment of an implementation plan which has been extended in terms of this section. **CHAPTER 4** **DISSOLUTION OF A SPECIAL RATING AREA** **16. DISSOLUTION** (1) The Council may terminate the municipality's business relationship (connection and commitment) to a management body of a specific special rating area – (a) Upon written application signed owners of the majority of properties within the boundaries of the special rating area who are liable for paying the additional rate; or (b) After prior consultation by the CFO with the management body or the community, whereupon for any good cause, he or she may cause the necessary steps or processes to terminate the business relationship with the management body. (c) Upon the decision by the CFO to terminate the business relationship to the specific special rating area, notices shall be forwarded to the management body and to all the property owners of the specific special rating area presenting the reasons for the proposed termination and any other pertinent details.

Policy/ By-law	Summarized Nature of change
	(2) Upon the approval by Council to terminate the business relationship with the management body the additional rates applicable to said special rating area will no longer be raised and the associated payments to the management body shall cease. **CHAPTER 5** **MISCELLANEOUS PROVISIONS** **17. REPEAL** The provisions of any By-laws relating to special rating areas by Stellenbosch Municipality are hereby repealed insofar as they relate to matters provided for in this By-law. **18. TITLE AND EFFECTIVE DATE** (1) This By-Law is called the: Special Rating Areas By-Law of Stellenbosch Municipality. (2) No new special rating area determined in terms of this By-Law may implement its implementation plan prior to 01 July 2020. G. Mettler Municipal Manager Plein Street, PO Box 17, Stellenbosch, 7599 Telephone Number 021 808 8025
Credit Control and Debt Collection Policy	Changes were made within the following sections of the policy: **PREAMBLE** In terms of Section 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) a Municipality shall- (a) collect all money due and payable to it, subject to the provisions of said Act and any other applicable legislation and By-laws; and (b) for this purpose, implement and maintain a credit control and debt collection system which is not in conflict with its Rates and Tariffs policies and which complies with the provisions of said Act. (c) In order to give effect to the afore going provisions of said Act, the Council of the Stellenbosch Municipality (WC024), herein after refer to as the Municipality, has adopted a policy relating to credit control and debt collection as set out hereinafter. **4. ADJUSTMENT OF DEPOSITS/BANK GUARANTEES** Deposits/Bank guarantees may be increased to cover the additional risk as regulated in terms of the Municipality's By-Laws. Increases in deposits/bank guarantees shall be utilised to cover the additional risk resulting from default payments. The latter deposits will be utilised only after closing of account by debtor or transfer of property. Should the account remain unpaid, such deposit will be utilised for the unpaid portion. Any credits will be refunded to the consumer. The Stellenbosch Municipality will not pay any interest on any deposits. **12.PAYMENT OF ACCOUNTS – GENERAL** 12.2The following facilities are presently available – with the office hours and modes of payment indicated. Facilities are extended on an on-going basis.

Policy/ By-law	Summarized Nature of change

Facility	*Hours*	*Payment methods accepted*
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

19.

INDIGENT CONSUMERS

19.1 The Stellenbosch Municipality supports the principle of providing support to indigent consumers by way of providing Free Basic Services in accordance with the provisions of the Municipality's Indigent Policy. All effort must be made to limit the re-occurrence or accumulation of indigent debt of such consumers.

Irrecoverable Debt Policy

Changes were made within the following sections of the policy:

2.Bad Debt Recovered

Bad debt recovered after having been written-off will be treated in terms of the Municipality's Accounting Policy.

The approval of Council for the write-off of any debt does not mean that actions to recover the debt will be terminated. Conditionally, further actions may be instituted, depending on the costs involved. Should the debt be recovered, it will accordingly be recorded in the financial records of Council.

5. Rescission of Judgments

Stellenbosch Municipality will consider applications for the consent to rescission of judgments, obtained by the Stellenbosch Municipality for the recovering of debt, provided that the following conditions are applicable:

5.1 All outstanding debt accrued on all accounts of the said property have been settled in full, and

5.2 A period of at least five years has lapsed since the date of the applicable judgment, in the case where the Stellenbosch Municipality has written off any debt.

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, therefor 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
	vi) Car Wash vii) Fire Arm Licencing g. Should there be any uncertainty, the relevant Director may exercise discretion and approve a requisition for Petty Cash, or in the case of an own Petty Cash Float, approve such expenditure provided that all such approvals remain within the confines of the Cost Containment Policy and –Regulations.. Other cash floats may also be established for the purpose of providing change, for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established. 5.5 Completing a Cash Purchase Claim Form c. The Cash Purchase Claim must be completed as follows: (i) description and cost of the goods/services purchased (ii) purchaser's signature (iii) vote number to be charged (iv) Signature of the Officer in Charge of Petty Cash. 5.6 Sub-Advances to staff members a. If it is necessary to make an initial sub-advance to a staff member for various needs, a receipt for cash advance must be completed. The receipt for Cash Advance Form must be completed as follows: (i) description and estimated cost of the goods/services purchased (ii) purchaser's signature (iii) vote number to be charged (iv) Signature of the Officer in Charge of Petty Cash. 5.8 Reimbursement of Petty Cash Floats a. A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement- (i) returns the cash level of the petty cash float to its original level and (ii) Charges the expenditure which has been made, to the correct expenditure vote.
Travel and Subsistence Policy	Changes were made within the following sections of the policy; **1. OBJECTIVE** In the event of any conflict between a provision of this policy and the Cost Containment Policy, the latter policy shall apply. **2. TRAVEL** 2.1 Responsibilities of Representatives who travel on Business of the Municipality a) Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.

Policy/ By-law	Summarized Nature of change
	b) Representatives who travel on the business of the municipality must take note that their actions, conduct and statements must be in the best interest of the municipality, and they must comply with any specific mandates they have been given. 2.2 Air Travel a) The Accounting Officer in respect of all officials or political office bearers and the Executive Mayor in respect of the Accounting Officer only approve the purchase of economy class tickets for air travel. b) All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by- (i) the executive committee, with regard to Holders of Public Office and the Municipal Manager, or (ii) The Municipal Manager, with regard to officials and applicants for interviews 2.3 International Travel a) International travel for any official or political office bearer can only be approved by the municipal council in a meeting open to the public with a supporting vote of the majority of the members of the municipal council present. b) The report to council for approval of international travel must include: (i) A motivation why the international travel is seen as critical and fully setting out the anticipated benefit that the municipality will derive from attending the event, meeting or function; (ii) If international travel to the destination or event was previously undertaken, state what benefits if any derived from the previous attendance; (iii) The full cost of the international travel including travel allowances and visas if applicable to be paid; and (iv) The proposed officials and political office bearers, not exceeding three, to travel and why they have been identified. c) The following events will not be considered critical to justify international travel whether the full cost of the travel is paid by another institution or not: (i) Attendance of international sporting events; (ii) Attendance of international social events; (iii) Attendance of international party-political events; (iv) The opening of another country's parliament or any other country's government's celebration events. d) The accounting officer or delegated official must ensure that requirements for international travel by officials or political office bearers are not inserted into bid documents, whether it is for inspection of products at source of construction/assembly or for any other reason.

Policy/ By-law	Summarized Nature of change
	2.4 Car Rental, Travel Costs and rates a) Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire any other category (for example, when the number of representatives involved could justify the hire of a micro-bus). b) Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst traveling on the business of the municipality without having received prior authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances. d) Parking and toll fee – actual cost will be reimbursed via Petty Cash after the submission of proof of expenditure. 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. i) Councillors: Will be reimbursed in terms of the Private Column of Department Transport monthly circulars pertaining to Tariffs for the Use of Motor Transport to a maximum of R4.50 per kilometer. ii) Officials with vehicle/car allowance: Will be reimbursed at a flat rate of R4.50 per kilometer where motor vehicles are used and R2.00 per kilometer where motor cycles are used. Where it is possible to fly to a destination, but the official prefers to drive with his own vehicle, the lower value between kilometer claim and a flight ticket will be used as basis for reimbursement. iii) Officials who are in receipt of an Essential User Transportation Allowance: Will be reimbursed according to the official Cost Tables contained in the "Essential User Scheme: Transport Allowance" circulars of the South African Local Government Bargaining Council – Western Cape Division applicable. 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) () (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. 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. 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. h) The Accounting Officer will when appropriate determine an hourly rate for the different committees serving Council. 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.

Policy/ By-law	Summarized Nature of change
	3. SUBSISTENCE 3.1 Subsistence Allowance a) A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed. b) In line with SARS guidelines on Subsistence Allowances and Advances, A daily subsistence allowance will only be applicable where- (i) The representative is obliged to spend at least one night away from his or her usual place of residence on business; R416 per day, or (ii) The representative will be on official business for a period exceeding 12 consecutive hours per day, without having to spend a night away from his or her usual place of residence; R128 per day. f) The subsistence allowance of international travel will be the lesser of: (i) an amount equivalent to the rates as determined by ,SARS, at the beginning of 1 July every year. **4. ACCOMMODATION** 4.1 Accommodation Costs a) Overnight accommodation may only be booked where the return trip exceeds 500 kilometres. b) Notwithstanding the provision in paragraph 4.1(a) overnight accommodation where the return trip is 500 kilometres or less, may be booked where in the view of the Accounting Officer or delegated official the limitation may be impractical and any of the following instances are present: (i) The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers; (ii) The trips are to be undertaken over a number of consecutive days provided that a return trip is in excess of 200 kilometres; (iii) The starting time of the meeting or event would require the official or councillor to leave his/her place of residence before 05h00 in order to be punctual. (iv) Should the circumstances as stated in paragraph 4.1 (b)(i) – (iii) not be applicable, but an official still prefers to sleep over and not travel every day, the relevant director may approve travelling and accommodation expenses to be paid in the following manner: -The cost of one return trip at the applicable rates stated in this policy to be claimed and reimbursed to the official, plus - The Daily Allowance referred to in paragraph 3.1 (b) (ii) of this policy for every night the official spends away from the work place to be claimed and paid to the official and - Accommodation paid directly to the relevant establishment equal to the monetary value of R4.50 per kilometer, the potential travel claim for every night that officials sleep over instead of travelling. In cases where more than one official was to travel together, the travel claim will be equally divided between the accommodation costs of the respective officials. Any excess accommodation costs must be borne by the official concerned.

Policy/ By-law	Summarized Nature of change
	c) Any request for overnight accommodation and/or travel must be motivated on a prescribed form and approved by the municipal manager or delegated official prior to the arrangement for overnight stay or travel. d) The actual cost of accommodation will be borne by the municipality, subject to a maximum of 3- to 4 star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable. e) If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager. f) If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance of R416.00 per day. g) The recoverable cost of accommodation for international travel may not exceed US$350 per day. h) The municipality will at all times firstly consider accommodation where the National Treasury has negotiated discounts for rates as per MFMA circular 97. In the absence of such accommodation or failure to secure space, only then will the municipality consider accommodation outside the "NT negotiated accommodation". i) Notwithstanding the provisions of 4 (1) (c), the procurement of all accommodation services will be subjected to the municipality's SCM policy and preferential procurement policy. The written approval in terms of paragraph 4.1(c) must be filed with the relevant supply chain documents for the accommodation booking. **5 CONFERENCES, MEETINGS AND STUDY TOURS** 5.1 Applications for conferences, meetings and conferences, both within or outside South African borders, must be done on the prescribed form. Applications for conferences, study tours and similar events must be accompanied by a motivation that takes the under mentioned aspects into account: a) The official's or political office bearer's roles and responsibilities and the anticipated benefits of the conference or event; b) Whether the conference or event addresses relevant concerns of the institution; c) The appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; d) The availability of funds to meet expenses related to the conference or event. 5.2 The accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and without the borders of South Africa. a) Such benchmark costs may not exceed an amount as determined from time to time by the National Treasury through a notice. b) The costs exclude costs related to travel, accommodation and related expenses, but include conference or event registration expenses and any other expenses in relation to the conference or event. c) When considering costs for conferences or events these may not include items such as laptops, tablets or other similar tokens that are built into the price of such conferences or events.

Policy/ By-law	Summarized Nature of change
	d) The accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor for attendance of conferences and events. 5.3 The accounting officer must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house. a) Municipal or provincial office facilities must be unitized for conference, meeting, strategic planning sessions, inter alia where an appropriate venue exists within the municipal jurisdiction. 5.4 The municipality must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance. **6. TRAVEL AND SUBSISTANCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS** (a) If an invited for an interview has to utilize his or her personal motor vehicle he or she will be reimbursed at the same rates as stipulated in paragraph 2.4 (d) of this policy. The actual cost of air travel will be reimbursed subject to the prior approval of the Municipal Manager or the Director Corporate Services. (b) Candidates residing outside the boundaries of Stellenbosch municipality will be reimbursed for reasonable costs of travelling as provided for in this policy. Where the distance to travel and interview circumstances is such that a candidate requires accommodation, suitable accommodation may be pre-authorized by the relevant director and the candidate may be reimbursed. (c) If a candidate is made an offer of appointment and declines the offer, no reimbursement of costs will be made. (d) Where necessary the User Department in consultation with Human Resources will make suitable travelling and accommodation arrangements and provide budget for the costs.
Cost Containment Policy	Changes were made within the following sections of the policy: **5. LEGISLATIVE FRAMEWORK** 5.1 This policy must be read in conjunction with the - 5.1.1 The Municipal Finance Management Act, 5.1.2 MFMA Circular 9782, published on 31 July 2019; 5.1.3 Municipal Cost Containment Regulations, 2019; and 5.1.4 Travelling and subsistence policy. **9. TRAVEL, SUBSISTENCE AND ACCOMMODATION** Domestic Accommodation 9.6 Overnight accommodation may only be booked where the return trip exceeds 500 kilometres. 9.7 Notwithstanding the provision in paragraph 9.6 overnight accommodation, where the return trip is 500 kilometres or less, may be booked where in the view of the accounting officer or delegated official the limitation may be impractical and any of the following instances are present:

Policy/ By-law	Summarized Nature of change
	9.7.1 The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers; 9.7.2 The trips are to be undertaken over a number of consecutive days provided that a return trip is in excess of 200 kilometres; 9.7.3 The starting time of the meeting or event would require the official or councillor to leave his/her place of residence before 05:00 in order to be punctual; and 9.7.4 Overnight accommodation is cheaper than the travelling expenses payable under council policy on travel and subsistence. 9.8 Any request for overnight accommodation in compliance with paragraph 9.6 or 9.7 must be motivated on a prescribed form and approved by the municipal manager or delegated official prior to the arrangement for overnight stay; 9.9 The written approval in terms of paragraph 9.8 must be filed with the relevant supply chain documents for the accommodation booking; and 9.10 A copy of such written approval in terms of paragraph 9.8 must also accompany the request for travel and subsistence.
Accounting Policy	Changes were made within the following sections of the policy: **1. Basis of Preparation** 1.3 Significant judgements and sources of estimation uncertainty In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below: **Useful lives of property, plant and equipment and intangible assets** 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. **Fair value estimation** The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price. The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the

future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Effective interest rate

The municipality 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:
  - receive cash or another financial asset from another municipality; or
  - exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed

or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or

- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - 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 serice awards is payable after 10 years of continious service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continious employement 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 emloyees.

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
	Assessing which entity benefits from the transactions with third parties When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions. The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present: • It does not have the power to determine the significant terms and conditions of the transaction. • It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit. • It is not exposed to variability in the results of the transaction. Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent. **Recognition** The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP. The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP. The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.
Cash Management and Investment Policy	Changes were made within the following sections of the policy: **5.5 Internal Controls Over Investments** 5.5.1 Delegations 5.5.1.1 In terms of Section 60(2) of the Local Government: Municipal Systems Act, (Act 32 of 2000) (the MSA), the Council may only delegate to the Municipal Manager (MM) the power to make decisions on investments on behalf of the Municipality. 5.5.1.2 In terms of section 79 of the Act, the Accounting Officer has delegated to the Chief Financial Officer (CFO), in writing, his duty under section 65(2) (h) to manage the Council's available working capital effectively and economically in terms of the prescribed cash management and investment framework. 5.5.2 Obtaining quotations and concluding deals Request are emailed to all approved institutions the day before, or the morning thereof a cut-off is requested to ensure timeous processing of transactions. Quotes are captured on the decision report rates are compared and chosen in terms of the policy. Writing mandates, signed by the CFO and MM,

Policy/ By-law	Summarized Nature of change
	shall be issued to all investees with whom the Council of Stellenbosch Municipality invests funds setting out the following: 5.5.2.1 Authorised dealers: name and particulars of the Council's officials who are authorised to transact investments deals with the investees; 5.5.2.2 Authorised signatories: name and particulars of the Council's officials who are authorised to sign written confirmations or any other correspondence in respect of investments transactions. 5.5.2.3 A dealing sheet, signed by an authorised dealer, shall be prepared in all instances for each individual investment, detailing the quotations received and the recommended investee. The CFO shall advice the MM to approve the transaction. A written confirmation of the terms of each investment transaction shall be prepared, and signed off by the CFO and MM. 5.5.3 A monthly investment register should be kept of all investments made. The following information must be recorded:- - name of institution; - capital invested; - date invested; - interest rate; - maturation date; - interest received; - Investment balance; - total withdrawal amount; - total interest earned. 5.5.3.1 The investment register and accounting records must be reconciled on a monthly basis.

Policy/ By-law	Summarized Nature of change
Supply Chain Management Policy	Changes were made within the following sections of the policy: **CHAPTER 2** **SUPPLY CHAIN MANAGEMENT SYSTEM** **9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM** (1) This Policy provides systems for – (i) Demand management; (ii) Acquisition management; (iii) Logistics management; (iv) Disposal management; (v) Risk management; and (vi) Performance management. **11. SYSTEM OF ACQUISITION MANAGEMENT** (1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure – (a) That goods and services are procured by Stellenbosch Municipality in accordance with authorised processes only; (b) That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act; (c) That the threshold values for the different procurement processes are complied with; (d) That bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and (e) That any Treasury guidelines on acquisition management are properly taken into account. (2) Unless otherwise indicated in the bid documents, the Municipality shall not be liable for any expenses incurred by prospective bidders in the preparation and / or submission of a bid or quotation. **22. PUBLIC INVITATION FOR COMPETITIVE BIDS** (1) The procedure for the invitation of competitive bids is as follows – (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in a newspaper commonly circulating locally, the website of the Stellenbosch Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and The information contained in a public advertisement, must at least include (i) The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in

any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy; and

(ii) A statement that bids may only be submitted on the bid documentation provided by the Stellenbosch Municipality

(iii) Contact details for further enquiries.

(2) The Accounting Officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

(3) Bids submitted must be sealed and must clearly indicate the bid number on the outside of the envelope for which the bid is being submitted.

(4) Where bids are requested by the Municipality in electronic format, such bids must be supplemented by sealed hard copies.

(5) The municipality may require bidders to submit section(s) of their bid in electronic format, but only after the bid closing date. If the electronic copy differs from the original hard copy, the original hard copy will be binding.

23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS AND FORMAL WRITTEN PRICE QUOTATIONS IN EXCESS OF R 30,000

(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
	(c) The remedy sought by the appellant. (3) No award, where a competitive bidding process was followed, shall be formally implemented until a ruling has been made on any appeal/s received. The Municipal Manager may however grant approval for the implementation of bid awards prior to the conclusion of the appeal process in respect of bids which in his / her opinion are deemed as urgent. (4) The Appeal Authority will provide the service provider with copies of the Bid Committee minutes applicable to the specific tender on request within the 21 days period, of the service provider to enable him/her to motivate his/her appeal. Should the service provider request other documentation a PAIA application should be submitted. (5) The appeal authority must consider the appeal and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.
Development Charges Policy	Changes were made within the following sections of the policy: **DEFINITIONS** 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; 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; 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, Franschhoek and Klapmuts **6. OBLIGATION TO IMPOSE A DEVELOPMENT CHARGE** 6.2 Development Charges will not apply to the following land use applications, which are deemed to have no significant impact on provision of bulk infrastructure, and which has a social and/or economic benefit to the municipality and/or the community: 6.2.1 Home early childhood development centres 6.2.2 Community based churches and places of religious worship (it must be clear that such development will not lead to a significant additional service usage that will have an increased demand on municipal services) 6.2.3 House shops up to the lesser of 30% of the floor area of the buildings on the site or 50m2 per erf. 6.2.4 Second dwellings – up to a total maximum of five bedrooms per erf will not trigger a Development Charges payment, any bedrooms in excess of five will be charged per bedroom at the usage rate of the "student room" category. 6.2.5 Accommodation establishments (bed and breakfast/guest rooms): up to the first five bedrooms of an existing dwelling – thereafter Development Charges will be charged per bedroom at the usage rate of the "student room" category. The assessment will be based on the total number of bedrooms in the house and not the number of bedrooms operating as guest rooms. Any additional land use that is not integral to the accommodation function

– (restaurant, spa, gym, office, and conference centre) must be added as GLA (General Business) and will be additional to the Development Charges calculated per room.

6.2.6 Breaking New Ground (BNG) housing projects implemented by the municipality. These projects are approved by council prior to implementation and such approval should include financial commitments regarding the provision of bulk services for these projects. It is thus not necessary for development charges since the provision of bulk services are to be funded by alternative funding sources.

6.2.7 Development Charges will also not apply to the following land use applications. This is in order to incentivise and support private landowners and/or emerging developers to supply affordable housing units for rental or purchase as government alone cannot keep up with this demand. This incentive will be granted at the discretion of the Director: Infrastructure Services and the Developer must provide proof that the development complies with the following criteria:

The further densification on a residential erf (excluding subdivision) that comply with the following criteria:

- the intention of the development should be to cater for the housing demand in the low and middle income bracket i.e. those who qualify for the Finance Linked Individual Subsidy Programme (FLISP). Currently this means households with a max gross income of R 22 000. The cost of these units may not exceed R 5 000 per month (rental) or R 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, Tthe 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 ofr 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 Klapmutsthose

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
	engineering services for an approved land development, is at least equal to the development charge calculated in accordance with Paragraph 13.4.1. 13.5 Any development for which exemption has been granted and is used for any purpose other than the purpose for which it was so granted an exemption, the payment of Development Charges will become applicable. **14. OTHER PRINCIPLES TO BE APPLIED** 14.1 Development Charges will be applied based on the impact on services by the increase in land use rights and/or intensification of land use leading to increased demand, irrespective of the geographical location of the development. For example, the traffic generated by a development located along a provincial road, will ultimately end up on the Municipality's road network that link to the provincial roads. The same applies to the additional stormwater run-off that ends up in downstream municipal networks and river courses, increase in demand and the bulk supply of water, and sewer and solid waste disposal. 14.2 Development Charges in rural areas/farms: Development Charges will be determined in terms of paragraph 9.1.3 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. 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. 14.4 GLA – Gross Leasable Area – where this is not known at the time of the Development Charges calculation being done, it will be deemed to be 15% less than the total bulk i.e. 85% of the total bulk. 14.5 Development Charges in lieu of Parking bays: If the development is located in an area where the lack of sufficient on-site parking is currently causing problems for the municipality and or the public, this option will not be considered. Some or all of the following Other criteria must be met before a Development Charges payment in lieu of parking will be favourably considered:

Policy/ By-law	Summarized Nature of change
	• If located in the historical CDB core where buildings were approved with limit parking provision • When a development is situated within a 500m radius of a public transport hub or facility • When a development is situated along a primary functional public transport route – provide that the necessary embayment is provided • When a development is situated along a primary NMT route (as defined by the NMT Masterplan) – provide that the necessary facilities is of good state • Where public parking garage has been constructed that can cater for shortfall in parking demand. 14.6 Provincial Roads – 20% of the value of upgrades on provincial roads have been allowed for in the determination of the Development Charges tariffs and therefore this percentage will be allowed to be offset from Development Charges. The offsetting of Development Charges against the full cost of provincial road upgrades would result in an under-recovery of Development Charges for municipal roads. Exception is upgrades to intersections between municipal and provincial roads, where the full amount can be offset from Development Charges. 14.7 The use of Development Charges on non-motorised transport (NMT) facilities will be allowed as a functional and safe non-motorised transport (NMT) and public transport network will reduce the dependence on private motor vehicles and therefore relieve road congestion and free up capacity on the roads and intersections. The non-motorised transport (NMT) master plan will be used as a guideline in determining which non-motorised transport (NMT) items this applies to. A further guiding principle is that the non-motorised transport (NMT) item must be for the benefit of multiple users/developments and/or the community as a whole and not just benefit an individual private development/small cluster of private developments.
Ward Allocation Policy	Changes were made within the following sections of the policy: **12. PROJECT SELECTION AND IMPLEMENTATION PROCESS** The different stages of selection and implementation are set out hereunder and are subject to the timelines set out in the IDP and Budget Preparation process approved by Council in August of each year. See Ward Allocation SOP for detail and roles and responsibilities. (ANNEXURE 1) Note) Note that the stages are completed in the preceding financial year to ensure implementation of projects within one financial year. Dates were changed on the Ward Allocation Annexure 2. No major changes

APPENDIX 5

STELLENBOSCH MUNICIPALITY

RATES POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

RATES POLICY

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1. BACKGROUND

In 2007, Stellenbosch Municipality initiated a process to prepare a General Valuation (GV) Roll of all property situated within the geographical boundaries of Stellenbosch Municipality (WC024) in terms of the requirements of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) including any subsequent amendments and consequential regulations (the MPRA) which became effective on 1 July 2009 at Stellenbosch Municipality. This Policy is formulated in terms of Section 3 of the MPRA.

2. LEGISLATIVE CONTEXT

2.1 In terms of Section 229 of the Constitution, 1996 (Act 108 of 1996), a municipality may impose rates on property.

2.2 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.

2.3 In terms of Section 2 (1) of the MPRA a metropolitan or Local municipality may levy a rate on property in its area in accordance with the provisions of the MPRA.

2.4 This Policy must be read together with, and is subject to the provisions of the MPRA.

2.5 In terms of Section 62 (1) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (the MFMA), a municipality must have and implement a rates policy as may be prescribed by any applicable national legislation.

2.6 In terms of Section 8(1) of the MPRA, ~~Stellenbosch~~ the Municipality will, as the primary instrument, levy rates on the use of property, but implemented as per paragraph 5.5 of this Policy.

2.7 All citations to applicable Acts as referenced in this Policy shall include all amendments and regulations to such as promulgated.

3. GUIDING PRINCIPLES

3.1 The rating of property will be implemented impartially, fairly, equitably and without bias, and these principles also apply to the setting of criteria for exemptions, reductions, and rebates contemplated in Section 15 of the MPRA.

3.2 The rating of property will be implemented in a way that:-

- is developmentally oriented;
- supports sustainable local government by providing a stable and buoyant revenue source within the legislative control of the Municipality;
- supports local and socio-economic development;
- promotes simplicity, uniformity, and certainty in the property rates assessment process;
- gives due consideration to the need for simple and practical process of billing and collection of property rates;
- promotes sustainable land management, especially that which reduces the risk from natural disasters;
- achieves national and local environmental management objectives; and
- balances the affordability to the public versus the financial sustainability of the Municipality.

3.3 Other principles that will steer the processes of this Policy:

- All ratepayers within a specific category will be treated equally and reasonably.
- The Municipality will, when levying property rates for each financial year, take cognizance of the aggregate burden of rates on property owners in the various categories of property ownership.
- Rates Increases/Decreases will be guided by the budget requirements of the Municipality, and by Section 20 of the MPRA.
- In dealing with the poor/indigent ratepayers the Municipality may provide relief measures through exemptions, reductions or rebates.

3.4 Further determinants that will guide the processes of this Policy:

- The Zoning Scheme of the Municipality determines, via the provisions therein, the zoning and thus the legally binding use of a given property.
- However, the rating of said property is governed by the MPRA which determines a collection of rules that by implication sets the conditions by which the use of a property is categorised. It is therefore possible that even though an owner is using a property within the set rules of the Zoning Scheme, said property would not be rated on the same basis due to the definitions and provisions as applied according to the MPRA and this Policy.
- Moreover, such categorisation instituted according to the MPRA or this Policy does not condone any unlawful use of a property regardless of circumstances.

4. DEFINITIONS

In this Policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended.

The following four definitions in the MPRA are merely shown for clarity:

"***Exclusion***", in relation to a municipality's rating power, means a restriction of that power.

"***Exemption***", in relation to the payment of a rate, means an exemption granted by a municipality.

"***Reduction***", in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount.

"***Rebate***", in relation to a rate payable on a property, means a discount granted on the amount of the rate payable on the property.

In addition to the definitions contained in the MPRA, the following definitions apply for the purpose of the application of this Rates Policy.

Furthermore, specific terms or phrases used, but not defined in the MPRA are defined herein to elucidate said term or phrase for a specific perspective of the MPRA by the Municipality: -

"**the Municipality**" means Stellenbosch Municipality (WC024).

"**MPRA**" refers to the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) including any subsequent amendments and consequential regulations.

"***Accommodation Establishment***" means a property used for the supply of overnight sleeping facilities to transient guests at a fee.

"***agricultural ~~Activities~~activities***" means the intensive cultivation of soils for purposes of planting or growing, and gathering of trees or crops in a managed and structured manner; the intensive rearing of livestock or aquaculture. In addition, all the provisions as detailed in the definition of "*Agricultural Property*" in the MPRA persist in this Policy.

"***agricultural purposes***" refers to the active pursuit by a *bona fide* farmer to derive the principle source of income, ~~and~~ which is commercially sustainable, from agricultural activities exclusively on Agricultural Properties.

"***bed & breakfast***" in relation to *Accommodation Establishment* means an enterprise operated on a property of which the residential character is maintained, where the owner or operator permanently resides in the same dwelling, where normally only breakfast is served and sleeping accommodation to transient guests is limited to no more than 3 guest bedrooms. Provided further, that the enterprise has not been registered as a Guesthouse. This property will be deemed to be a Residential Category.

"***bona fide farmer***" is a person or legal entity that is a legitimate farmer whose primary income originates from agricultural activities and the business of which must be registered with SARS.

"business and commercial property" means a property that is used for the purpose described as the activity of buying, selling or trade in goods, commodities or services and includes any office or other buildings on the same property, the use of which is incidental to such business. This definition excludes the business of mining and agriculture activities.

"***Chief Financial Officer (CFO)***" means a person designated in terms of Section 80(2) (a) of the Local government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

"***Conservation Area***" means:

- a Protected Area as defined in Section 1 of the MPRA and listed in the "Protected Areas Register" as stipulated in Section 10 of the Protected Areas Act defined in the MPRA as the National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003); nevertheless, specifically those parts of properties as described in Section 17 (1) (e) of the MPRA; or
- a mountain catchment area as described in Section 9 of the *Protected Areas Act* and declared in terms of the Mountain Catchment Areas Act, 1970 (Act 63 of 1970).

"***Guesthouse***" in relation to *Accommodation Establishment* means an enterprise that has either been registered as a Guesthouse; or an enterprise that is operated on a property of which the residential character is maintained and where the sleeping accommodation to transient guests exceeds 3 but limited to 16 guest bedrooms and/or if any services is offered beyond the limited breakfast only service of a Bed and Breakfast establishment. This property will be deemed to be a Business Category.

"industrial property" means a property that is used for the purpose described as the branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated parts, typically via a high-volume production process and on such large scale that capital and labour are significantly necessitated; and includes any office or other buildings on the same property, the use of which is incidental to such business.

"***Open Space***" means a property, but specifically land that is used as a park, garden, for passive leisure or maintained in its natural state and which is zoned as open space. These properties may either be publicly owned being commonly open to public access; or privately owned and used without financial gain.

"***SARS***" means the South African Revenue Service.

"***ratepayer***" means a person or legal entity that is liable in terms of the MPRA for the payment of rates on property levied by the Municipality. The term "Ratepayer" is herein considered to be synonymous with the MPRA definition of the term "owner".

"***residential* purposes**" in relation to the use of the property means improved property primarily intended for human habitation and inhabited as such; taking cognisance of paragraph 7.9 of this Policy and provided that:

- the following properties are specifically excluded from this definition: hostels, old age homes, guesthouses, and vacant land; and
- to qualify, the predominant use of a property with not more than two dwelling units on said property, must be 80% or more (based upon a percentage of the total area of buildings and structures) for this purpose; or
- to qualify, properties registered in terms of the Sectional Title Act, 1986 (Act 95 of 1986) must solely be used for this purpose; or
- to qualify, properties owned by a share-block company must solely be used for this purpose; or
- to qualify, a block of flats must solely be used for this purpose; or
- to qualify, a dwelling used for this purpose must be situated on property used for or related to educational purposes; or
- to qualify, the predominant use of a retirement scheme or life right scheme must be 60% or more for this purpose.

"***vacant land***" means a property without any buildings or structures, and where no immovable improvements have been erected.

"***valuation roll***" means a valuation roll drawn up in terms of Section 30 of the MPRA or a supplementary valuation roll drawn up in terms of Section 78 of the MPRA.

5. IMPOSITION OF RATES

5.1 The Municipality shall as part of the annual budgeting cycle, set for each category a rate, (being a cent amount in the Rand) that will be imposed, in accordance with the MPRA, on the market value of a property, for all rateable properties as recorded in the Municipality's valuation roll, drawn up in terms of the MPRA. The amount so determined together with any relief measures as described in this Policy shall be the Rates due and payable by the owner of said property.

The levying of rates forms part of the Municipality's annual budget process as set out in Chapter 4 of the MFMA.

Details of the resolution pertaining to the rate for each of the various property categories are to be published in the *Provincial Gazette* as set out in Section 14 of the MPRA.

5.2 The rates charged as a cent amount in the Rand for the residential property as per paragraph 6.1 (a) of this Policy is the base rate and the rate charged to all other categories of properties are reflected as a ratio to the residential rate if so prescribed by Regulations promulgated in accordance with the MPRA.

5.3 The Municipality will be guided by the definition of "ratio" in the MPRA and directed by Regulations pertaining to rate ratios as promulgated in terms of Section 19 of the MPRA and as applicable to the prescribed non-residential properties.

5.4 For properties used for multiple purposes, the Municipality may apply the category of multiple use. For such properties, the Municipal Valuer will apportion a value to each distinct use and apply the appropriate category for billing at the applicable rate.

5.5 For the purposes of determining a property's category, the Municipality will determine such as per Section 8 (1) of the MPRA. It should be noted that the Municipality considers permitted use

to be appropriate on vacant properties and that all other properties would be categorised according to the actual use of said property.

5.6 Building Clause references

Obligations pertaining to Building Clauses as per the development agreements or contracts will be dealt with according to the contract obligations.

Properties that have attached building clause obligations as per the development agreements or contracts will not be considered as being vacant.

5.7 Period for which rates are levied

The Valuation Roll will, according to Section 32(1) of the MPRA, remain valid for a General Valuation cycle of four years.

5.8 Valuation value constraints

(a) For the purposes of valuing a property, no valuation value shall be less than R1 000 unless the valuer determines that said property's valuation value must be zero.

(b) For administrative purposes all valuation values exceeding R1 000 will be rounded to the nearest R1 000 interval. For example, for values with an interval less than R1 500 will be rounded to a R1 000 interval whereas values with an interval not less than R1 500 will be rounded to a R2 000 interval.

6. CATEGORIES

6.1 Categories of Property

Property Categories, each of which correlates to a distinct use of a property, have been determined as described below.

The codes that have been associated with each property Category are listed in paragraph 17.1 of this Policy. In addition, paragraph 17.1 identifies the attributes and criteria that determines the basis for application.

The Municipality will apply the following property Categories:

Item	Category (of property)	Purpose/Use
(a)	Residential	Refer Section 1 (*"Definitions"*) in the MPRA and the defined term "*Residential Purposes*" as per paragraph 4 in this Policy.
(b)	Industrial	Refer the definitions as per paragraph 4 in this Policy.
(c)	Business (and commercial)	Refer the definitions as per paragraph 4 in this Policy.
(d)	Agricultural	Refer Section 1 (*"Definitions"*) in the MPRA and the defined term "*Agricultural Purposes*" as per paragraph 4 in this Policy.
(e)	Mining	Refer Section 1 (*"Definitions"*) in the MPRA.
(f)	Public Service Purposes	Refer Section 1 (*"Definitions"*) in the MPRA.
(g)	Public Service Infrastructure	Refer Sections 1 and Sub-sections 17(1)(a) and 17(1)(aA) in the MPRA.
(h)	Public Benefit Organisation	Used for a *"Specified public benefit activity"* as defined in Section 1 in the MPRA.
(i)	Multiple Use	Refer paragraph 7.2 in this Policy.
(j)	Heritage	Refer paragraph 8.9 in this Policy and Section 15(2A)(b) in the MPRA.
(k)	Vacant Residential	Vacant and Permitted use set for a Residential property.
(l)	Vacant Other	Vacant and Permitted use set for a property category other than Residential.

6.2 Categories for Relief Measures

The Municipality will consider relief measures on rates, being Exemptions, Rebates and/or Reductions on properties, according to various criteria as described in this Policy.

The codes (referred to as the Rebate Codes), associated with the specific relief measure, are listed in paragraph 17.2 of this Policy.

7. APPLICATION OF RATING

The Municipality will, in addition to the various criteria referenced above, apply the following criteria when rating a property:

7.1 Vacant Properties

Vacant residential property will be rated as per the Vacant Residential Category.

Vacant property other than residential property will be rated as per the Vacant Other Category.

Normally, Agricultural properties will not be considered as being vacant, however this consideration lapses if the ambit (scope) of either of the terms "*agricultural activities*" or "*bona fide farmer*" as defined in this Policy is not relevant or cannot be applied to said property.

The Category of Vacant properties will be determined according to the property's permitted use and these properties will not qualify for any relief measures.

7.2 Multiple use Properties

Properties with multiple uses as per Section 9 of the MPRA may be categorised for each distinct use as determined by the Municipality and which category will be applied for billing at the appropriate and applicable rate.

The different uses will be grouped into two or more components. The first component, which will be determined by the largest apportioned area of the property will be the primary component; the other components (sub-components) will be identified by their generalised functional name.

The category of the primary component of such a property will be directed in the first instance by the dominant use of the property, but at the sole discretion of the Municipality.

A multiple use property may only qualify for the valuation exclusion as per paragraph 8.2.1 (i) of this Policy, provided that at least one of the components has been categorised as residential.

7.3 Public Service Purposes Properties

Properties used for Public Service Purposes will be categorised as per paragraph 6.1 (f) of this Policy and will be rated at the applicable rate. The exclusions, exemptions, rebates and reductions relating to the usage of properties as detailed in this Policy and the MPRA, will apply if applicable.

7.4 Public Service Infrastructure properties (PSI)

The Municipality will apply the rate ratio as set out in the MPRA to public service infrastructure. Furthermore, the Municipality will grant 100% exclusion on all such properties.

7.5 Rural Properties

The categorizing and/or qualification of all rural properties will be dealt with at the sole discretion of the Municipality.

7.5.1 *Agricultural Use*

The Municipality will apply the rate ratio as set out in the MPRA to properties that are used for agricultural purposes by *bona fide* farmers. These properties will however not qualify for any relief measures.

The Municipality deems property with extent less than two hectares not to be agricultural property.

7.5.2 *Alternate Criteria and Use*

(a) Where a property in a rural area is being used for business, mining, or industrial purposes, such as truck depots, construction yards, restaurants, functioning venue, guesthouses, and/or factories, said property will be valued and rated according to the category for business, mining or industrial properties as applicable. The Municipality may however, consider valuating said property as a Multiple Use Property (refer to paragraph 7.2 of this Policy).

(b) Properties in rural areas that are primarily used for residential purposes will be valued and rated as residential properties and may thus qualify in terms of the definition of residential property for the applicable relief measures (refer to paragraph 8 of this Policy).

(c) Owners of a property in rural areas which is not categorised as agricultural, but which in the opinion of the owner should be agricultural, must apply (refer to paragraph 14.1 of this Policy) for a revaluation, submit documentation as required by the CFO and declare in an affidavit, that no contraventions of the criteria for agricultural activities are taking place on the property. The application will be dealt with according to the supplementary valuation process.

7.6 Municipal Properties

Municipal-owned properties which are leased in terms of a lease agreement or those properties which are allocated to beneficiaries but not yet transferred, will be rated as per the provisions of this Policy. The exclusions, exemptions, rebates, and reductions relating to the usage of properties as detailed in this Policy and the MPRA, will apply if applicable. The rates of said non-excluded property will be passed on to the lessee or the allocated beneficiary.

All other Municipal-owned properties as described in Section 7 (2) (a) (i) of the MPRA, will be excluded from paying property rates.

7.7 Special Rating Area (SRA)

The Municipality may consider the application for a Special Rating Area (SRA) provided that the owners of the predefined demarcated area have approved the budget and the specifics relating to such SRA. The process must adhere to Section 22 of the MPRA and to the Municipality's Special Rating Area Policy and By-Law.

The budget for such SRA will be raised via a pre-determined tariff applied on the municipal valuation of each property. This pre-determined tariff is linked to the annual budget proposal and would therefore be unique to a specific SRA and for a given financial year.

7.8 Land Reform Beneficiary properties

The Municipality will apply a category for a Land Reform Beneficiary Property that corresponds to the use of said property. The said category will be applied for billing at the appropriate and applicable rate. However, the Municipality will exclude such properties from rates for a period

of 10 years subject to Section 17(1)(g) and phase-in the rates as per Section 21(1)(b) of the MPRA.

7.9 Adjoining properties

The Municipality acknowledges that there are residential properties, registered in the name of the same owner which are used basically as if such properties were one property. Consequently, these properties will be regarded as one residential property for the application of relief measures.

Such grouping usually consists of adjoining properties but may include in the case of properties registered in terms of the Sectional Title Act, 1986 (Act 95 of 1986) any units such as a garage or domestic worker's quarters, in the same sectional title scheme registered in the name of the same owner.

Administratively a link between the adjoining property and its associated parent property must be set so as to facilitate tracking of such pairing.

8. RELIEF MEASURES

8.1 Applying relief measures on Rates

Notwithstanding that the Municipality is obligated as per the MPRA to exclude specific properties or parts thereof from rating, the Municipality will consider applying relief measures on property rates, being Exemptions, Rebates and/or Reductions as described in this Policy.

(a) The Municipality may grant exemptions, rebates and/or reductions to the categories of properties and/or categories of owners that meet the specified criteria as indicated in sub-paragraphs of paragraph (7) above or as indicated below.

(b) The Municipality will exclude specific properties or parts thereof as indicated in sub-paragraphs of paragraph (7) above or as indicated below.

(c) The Municipality will not grant relief in respect of payments for rates to any category of owners or properties other than that as provided for in this Policy, nor to owners of properties on an individual basis.

(d) Any application (when required or as requested) for a relief on rates must be submitted as per paragraph 14.1 of this Policy.

8.2 Residential Property

8.2.1 The Municipality will not levy a rate on the initial portion of the valuation of a residential property being the sum of:

(i) the first R15 000 exclusion on the basis set out in Section 17 (1) (h) of the MPRA; and

(ii) on a further 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.

The above where applicable, will be applied once only per property.

8.3 Senior Citizens and Disabled Persons

Designated owners being registered owners of properties or allocated beneficiaries as per paragraph 7.6 of this Policy who are senior citizens or who are disabled persons may qualify for a rebate according to their gross monthly household income.

To qualify for the rebate referred to above, the designated owner must be a natural person, registered as a South African citizen. If not a South African citizen, the designated owner must be the registered owner of the property within the jurisdiction of the Municipality and must submit proof of his/her permanent residency in South Africa. The property in question must satisfy the residential property requirements as per this Policy and in addition to the above-mentioned, the designated owner must also:

8.3.1 Occupy the property as his/her normal residence; and

(a) be at least 60 years of age, or in receipt of a disability grant; and

(b) be in receipt of a gross monthly income from all sources (including financial contributions of all members of the household permanently residing at that property) not exceeding the highest income amount as referenced in the table of paragraph 8.3.4 of this Policy; and

(c) when being the designated owner of more than one property, a rebate will be granted only on the occupied property; and

(d) where the designated owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement; and

(e) where the occupant of a residential property is a senior citizen or a disabled person and is the usufructuary of the property, he/she may satisfy the occupancy requirement.

8.3.2 Apply as per paragraph 14.1 of this Policy with proof of income, which may include proof of a SARS assessment or any other relevant document as requested.

8.3.3 If the property in question is alienated by the designated owner, then that owner would be liable for the *pro rata* rates, inclusive of the pension rebate. The new owner will be liable for the full *pro rata* portion of the rates excluding any pension rebates.

8.3.4 The percentage rebate granted to different monthly household income levels will be determined according to the schedule below. The income bands and rebates for the effective financial period of this Policy are as follows:

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

8.4 Conservation Area

The Municipality will exclude those portions of a property within the ambit of a conservative area as defined in this Policy.

The apportioned value of any portion of such property, utilized for any purpose other than that used for such conservation purposes, or developed and used for commercial, business, agricultural or residential purposes will be categorised accordingly and rated at the applicable rate as described in paragraph 7.2 of this Policy.

The Municipality will apply Section 17 (2) of the MPRA upon withdrawal of said property from the conservation agreements inferred in Section 17 (1) (e) of the MPRA.

8.5 Religious Organisations

In terms of Sections 1 and 17 (1) (i) of the MPRA, the Municipality will not levy a rate on a property used primarily as a place of public worship by a religious community, including the official residence which is occupied by the office bearer of that community who officiates at services at that place of worship.

The Municipality will apply Section 17 (5) of the MPRA if as per Section 17 (5) (a) of the MPRA said property is no longer used or has been disposed by the religious community.

8.6 Stellenbosch Special Rebate

The Municipality may, for the organisations not meeting all the public benefit organisations criteria as described in paragraph 8.7 below, nor the criteria for NPO organisations as described in paragraph 8.8 below, consider a rebate which shall be identified as "Stellenbosch Special Rebate" (SSR). The Municipal Council will annually during the budget processes approve this rebates' discount percentage.

This rebate will only be applicable to said organisations that apply as per paragraph 14.1 of this Policy for such rebate.

8.7 Public Benefit Organizations (PBO)

The Municipality will apply the rate ratio as set out in the MPRA to public benefit organisations.

As per the MPRA the specific public benefit activity listed in Item 1 (Welfare and Humanitarian), Item 2 (Health Care), and Item 4 (Education and Development) of Part I of the Ninth Schedule of the Income Tax Act will be applicable and must be conducted/executed on said property.

All Public Benefit Organisations must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

8.8 Non-Profit Organizations (NPO)

An organisation must be registered as a Non-Profit Organisation (NPO) under the Non-profit Organisations Act, 1997 (Act 71 of 1997) to be considered as a candidate for the relief measures described below.

Organizations listed in paragraph 8.8.1 below that are operated as not-for-gain (declared or registered by law) or organisations that execute activities as per Item 6 (Cultural), item 7 (Conservation, Environment and Animal Welfare) and Item 9 (Sport) of Part 1 of the Ninth Schedule to the Income Tax Act may receive a rebate. All abovementioned organisations being privately controlled must be the owner of said properties.

These rebates are not applicable to any vacant land irrespective of its zoning or intended usage unless stated otherwise in this Policy.

All NPO must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

Abovementioned organisations which have a total revenue/income not exceeding one million Rand per annum, will receive a 100% rebate. On the other hand, those organisations having a revenue/income exceeding one million Rand per annum will receive a rebate percentage of 20%.

8.8.1 Prescribed not-for-gain organisations

(a) *Health and welfare institutions*

Privately owned properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the ~~inmates~~members or patients, laundry or cafeteria facilities.

(b) *Charitable institutions*

Properties used solely for the performance of charitable work.

(c) *Agricultural societies*

Property owned by agricultural societies used for the purposes of the society.

(d) *Cemeteries and crematoria*

Privately owned properties used as cemeteries and crematoria.

(e) *War veterans*

Property registered in the name of a trustee or organisation in terms of the Social Assistance Act, 2004 (Act 13 of 2004), maintained for the welfare of war veterans and their families.

(f) Heritage properties

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.

8.9 Heritage Properties

The Municipality recognises properties as described in Section 15(2A)(b) of the MPRA and as per paragraph 6.1 (j) of this Policy as Heritage properties which will be rated at the applicable rate.

Owners of heritage properties must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

8.10 Properties affected by Disaster or adverse Economic Conditions

The Municipality may consider additional relief measures as envisaged in Section 15(2)(d) of the MPRA and as approved by Council.

8.11 Exceptional General Valuation Rates Increases: Phasing in

The Municipality may consider a relief measure for owners of property adversely affected by exceptional rates increase of a new General Valuation (GV) cycle. This incentive will only be implemented as from the implementation date of a GV and on proviso that:

(a) for a property to qualify, the Rates for the first financial year of the GV cycle for the property, as result of the property valuation of a GV cycle, must be at least four (4) times more than that of the rates for said property during the financial year preceding the start of the GV cycle.

(b) the rates for the financial year preceding the start of the GV cycle must be ~~at least~~greater than R1 000 per annum;

(c) the rebate granted would be phased-out over two financial years;

(d) the rebate for the first financial year will be 50% and during the second year it will be 25% rebate on the rates applicable for that year;

(e) this incentive will not be cumulative on any other rebate that may be granted to said owner;

(f) the most beneficial rebate between this incentive and any other rebate which said owner may receive in each financial year will prevail;

(g) improvements or errors of valuations to said property that could have influenced the GV valuation will be reviewed during the application approval;

(h) applications will only be considered until the end of the initial 6 months of a GV cycle; and

(i) owners of such property must apply as per paragraph 14.1 of this Policy.

9. LIABILITY FOR AND PAYMENT OF RATES

9.1 Liability for and payment of rates

Liability for and payment of rates is governed by criteria in this Policy, by the MPRA, the ~~Stellenbosch~~ Municipality's Credit Control and Debt Collection Policy, By-Laws and any other applicable legislation. Actions as per the applicable By-Laws and/or Policies shall be taken against defaulters.

There are one of two methods of payment that the owner of the property must agree upon, namely (i) paying the rates on a monthly basis or (ii) paying the rates in one amount every annum.

The paying of rates on a monthly basis will be the preferred method unless the owner has selected ~~(via a written request before 31 May preceding a financial year)~~ the annual method of payment via a written request before 31 May preceding a financial year.

(i) When paying on a monthly basis the amount due shall be paid not later than the date as specified on the monthly accounts. The cycle of such payments will start on the first day of July (the start of a financial year) and extend to the 30th of June the following year.

(ii) When paying a once-off amount (the full rates for that financial year), then that amount shall be paid in full not later than the date as specified on the account. Please note that additional annual payments may be triggered during a financial year by a supplementary valuation on said property.

Changes to the preferred method of payment must be exercised by the owner before 31 May of a financial year and once set the method of payment will not be changed during a current financial year.

9.2 Rates in arrears for longer than 90 days

When an owner's rates account is in arrears for longer than 90 (ninety) days, then the Municipality may initiate the proceedings as described in Sections 28 or 29 of the MPRA.

A notice to this effect will be forwarded to the tenant, occupier or agent providing the required legal information regarding their payments to the owner, which are to be redirected to the Municipality so as to cover the arrear rates account.

A notice will be forwarded to the owner in question to indicate the legal proceedings and the actions that the Municipality has initiated.

10. QUANTIFICATION OF COSTS TO MUNICIPALITY AND BENEFITS TO COMMUNITY

The cost to the Municipality and benefit to the local community in terms of exemptions, rebates, reductions and exclusions referred to in the MPRA and rates on properties that must be phased-in in terms of the MPRA will be reflected in the Municipality's budget.

11. OBJECTION AND APPEALS

(a) Any person may lodge an objection to a valuation subject to Section 50 of the MPRA but within the period stated in the notice referred to in Sections 49(1)(a) and 78(5)(b) of the MPRA.

(b) An appeal to an appeal board against a decision of a municipal valuer in terms of section 51 of the MPRA may be lodged in the prescribed manner subject to Section 54 of the MPRA. The appeal must be lodged (as a guideline), within a period of 30 days nonetheless, as set out in Section 54(2) of the MPRA.

(c) The administrative actions or processes as described in the MPRA for the handling of objections or appeals will be the basis that the Municipality will follow.

(d) The lodging of an objection or appeal: -

(i) In terms of Section 50 of the MPRA does not defer liability for the payment of rates in terms of this Policy; or

(ii) In terms of Section 54 of the MPRA does not defer liability for the payment of rates in terms of this Policy.

12 CLEARANCE CERTIFICATES

All monies collected by the Municipality, specifically in respect of Special Rating Areas and any estimated amounts in terms of Section 118(1A) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) (the Systems Act), or Section 89 of the Insolvency Act, 1936 (Act 24 of 1936), are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

(i) All amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act; and

(ii) No interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due.

(iii) The Municipality will not be responsible for the apportionment of rates and/or services due or paid in respect of any rates clearances and registrations.

(iv) The Municipality ~~will~~ may issue only one clearance certificate for properties deemed to be in an adjoined state as per paragraph 7.9 of this Policy.

13 ADJUSTMENTS OF RATES PRIOR TO SUPPLEMENTARY VALUATION

13.1 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided from the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), and if the Municipality has not yet included such valuation of the relevant property(ies) in a supplementary valuation:-

(a) the Municipal Valuer shall conduct a valuation of the relevant property(ies) for purposes of a supplementary valuation; and

(b) the valuation shall be submitted to the CFO for approval of the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office

13.2 Any valuations performed in terms of paragraph 13 shall be included in the next supplementary valuation process as per the provisions in Sections -78 (1) to (5) of the MPRA.

14. GENERAL

14.1 Applications for Relief Measures

(a) All applications, required in terms of this Policy for a specific relief measure must be submitted to the Municipality by 30 November of each year, which date precedes the financial year in which the rate is to be levied. If the relief measure applied for is granted, the relief measure will apply for the full financial year. All successful applicants are bound by all the criteria as per paragraph 14.1 of this Policy.

(b) Any applicant who, during a financial year, for the first time, meets all the criteria other than (a) above, may apply to receive the relief measure initiated from the month following the approval by the Municipality of said application for the remainder of that financial year, thereafter all the criteria as per paragraph (a) above will apply to applications for subsequent financial years.

(c) Late applications received after 30 November of a given year may be considered by the Municipality, in which case, if the relief measure applied for is granted, a *pro rata* rebate for the remainder of the next (new) financial year may be applicable.

(d) Persons who have submitted false information and/or false affidavits will have the relief measure withdrawn with effect from the commencement of the financial year in question.

(e) All applications for relief measures will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable arrangement with the Municipality as provided for in the ~~Stellenbosch~~ Municipality's Credit Control and Debt Collection By-Law and Policy.

(f) The Municipality reserves the right to request current and/or previous audited financial statements or to inspect all properties before or after implementing the applicable rate and to revoke or amend any decision made prior to such investigation or financial review.

(g) The Municipality reserves the right to recover any rates and/or relief measures from owners of properties after the status of said properties have changed.

(h) The Municipality reserves the right to request any additional information as may be deemed necessary.

14.2 Regular policy review processes

This Policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

14.3 Language Interpretation

The legal interpretation of the English version of this Policy only shall prevail above all other language translations of this Policy.

14.4 Severance

If any provision of this Policy is struck down as invalid by a court of law, such provision shall be severed from this Policy, and shall not affect the validity of the remaining provisions.

15 BY-LAWS

The principles contained in this Policy will be reflected in the By-Law as promulgated and adjusted by Council from time to time.

16. SHORT TITLE

This Policy is the Rates Policy of the Stellenbosch Municipality.

17. CATEGORY AND REBATE CODES

17.1 Category Codes

The Formulae Codes (Derived from the Categories listed in paragraph 6.1 of this Policy) as listed below will be used in the Valuation Roll and supporting letters or Notices to reflect by association the applicable Category (as indicated in the "Category (of property)" column).

Council shall on an annual basis during the budget approval cycle set the cent amount in the Rand values (being the Category Tariff) for each of the Categories in the table below.

Category (of property)	Category Code	Formulae Code	Supporting references
Residential	RES	RES	MPRA Sections 8(2)(*a*); 17(1)(*h*) and the Policy paragraph 8.2.1
	RES	RESA	Adjoining residential; the Policy paragraph 7.6
	RES	RESM	MPRA Section 17(1)(*h*) i.e. ONLY Policy paragraph 8.2.1 (i)
	RES	RESIF	Informal settlements, 100% exclusion will apply
	RES	RELI1	MPRA Section 17(1)(i) – the official residence; the Policy paragraph 8.5
	RES	MUNRR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	RES	MUNR	Municipal Owned: Section 8(2)(*h*) and the Policy paragraph 7.6
	RES	LRBR	Land Reform Beneficiary: MPRA Section 17(1)(g); the Policy paragraph 7.8
Industrial	IND	IND	MPRA Section 8(2)(*b*); Policy Definitions for "industrial"
Business	BUS	BUS	MPRA Section 8(2)(*c*); Policy Definitions for "business"
	BUS	RELIG	MPRA Section 17(1)(i) – the place of worship; the Policy paragraph 8.5
	BUS	MUNBR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	BUS	MUNB	Municipal Owned: Section 8(2)(*h*) and the Policy paragraph 7.6
	BUS	POS	Public Open Spaces
	BUS	PROS	Private Open Spaces
Agricultural	AGR	AGR	MPRA Section 8(2)(d); (Not considered to be a vacant property); the Policy paragraph 7.5
	AGR	PROT	Protected Areas: MPRA Section 17(1)(*e*); the Policy paragraph 8.4
	AGR	MUNAR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	AGR	MUNA	Municipal Owned: MPRA Section 8(2)(*h*) and the Policy paragraph 7.6
	AGR	LRBA	Land Reform Beneficiary: Section 17(1)(g); the Policy paragraph 7.8
Mining	MIN	MIN	MPRA Section 8(2)(e).
Public Service Purposes	PSP	PSP	MPRA Section 8(2)(*f*); the Policy paragraph 7.3
Public Service Infrastructure	PSI	PSI	MPRA Sections 8(2)(g); 17(1)(*a*) and the Policy paragraph 7.4
	PSI	PSIE	MPRA Sections 8(2)(g); 17(1)(*aA*) and the Policy paragraph 7.4
	PSI	MUNP	MPRA Sections 7(2)(*a*)(ii) and 8(2)(*h*); the Policy paragraph 7.6
Public Benefit Organisation	PBO	PBO	MPRA Section 8(2)(h) and the Policy paragraph 8.7
Multiple purposes	*Multi tariff*	MULTI	MPRA Sections 8(2)(i) and 9 and the Policy paragraph 7.2
Heritage	HER	HER	MPRA Section 15(2A)(b) and the Policy paragraph 7.9
Vacant Residential	VACR	VACR	the Policy paragraph 7.1
Vacant Other	VACO	VACO	NOT agricultural properties; the Policy paragraph 7.1
		VACM	Vacant Municipal propertiies

17.2 Rebate Codes

The Rebate Codes in the table below serves to indicate the rebate if any that could be applicable to a property.

Rebate Code	Purpose	Supporting references
NONE	No rebate is applicable	
INDP	Indigent and 100% Pension rebate	Rates Policy paragraphs 8.3 and the Indigent Policy
INDIG	Indigent only rebate	Indigent Policy
PENS	100% Pension rebate	Rates Policy paragraph 8.3
PENS1	75% Pension rebate	Rates Policy paragraph 8.3
PENS2	50% Pension rebate	Rates Policy paragraph 8.3
PENS3	25% Pension rebate	Rates Policy paragraph 8.3
NPO	Non-Profit Organisation (100% rebate)	Rates Policy paragraph 8.8
NPO1	Non-Profit Organisation (20% ~~R~~rebate ~~as per table~~)	Rates Policy paragraph 8.8
SSR	Stellenbosch Special Rebate	Rates Policy paragraph 8.6
EGVI	Exceptional General Valuation Rates Increases	Rates Policy paragraph 8.11

APPENDIX 6

STELLENBOSCH MUNICIPALITY

TARIFF POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

TARIFF POLICY

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PREAMBLE

In accordance with Section 74 of the Local Government Municipal Systems Act, Act 32 of 2000, Stellenbosch Municipal Council must adopt and implement a tariff policy on the levying of tariffs for municipal services which complies with the provisions of the Municipal Systems Act and with any other applicable legislation.

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided.

In furtherance of reusable energy, Council may consider tariffs pertinent to the purchase of surplus energy from consumers.

1. OBJECTIVE

The objective of this Tariff Policy is to ensure the following:

(a) Tariffs must conform to acceptable policy principles;

(b) Municipal services must be sustainable;

(c) Tariffs must comply with the applicable legislation; and

(d) Tariffs should take indigent consumers into consideration.

2. LEGAL FRAMEWORK

The following legislation is applicable for the determination of tariffs for municipal services delivered or for the purchase of surplus energy:

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Water Services Act, 1997 (Act 108 of 1997)

Electricity Regulation Act, 2006 (Act 4 of 2006)

Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)

3. TARIFF PRINCIPLES

The following principles will apply in the Stellenbosch Municipal Area of jurisdiction (WC024):

(a) Users of municipal services are treated equitably in the application of tariffs;

(b) The amount individual users pay for services are generally in proportion to their use of that service;

(c) Indigent households have access to basic services through:

(i) Special or life-line tariffs for low levels of use or consumption of services or for basic levels of service; or

(ii) Any other direct or indirect method of subsidisation of tariffs for poor households.

(d) Tariffs reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement costs and interest charges;

(e) Tariffs are set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned. A service is financially sustainable when it is provided in a manner that would ensure its financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing, and replacing the physical assets used in its provision;

(f) Provision is made in appropriate circumstances for a surcharge or a rebate on the tariff for a service;

(g) Provision is made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;

(h) The economical, efficient, and effective use of resources, the recycling of waste and other appropriate environmental objectives are encouraged;

(i) The extent of subsidisation of tariffs for poor households and other categories of users are fully disclosed; and

(j) The safeguarding of the integrity of the electrical distribution network and the continued economic viability for the purchasing of surplus energy from consumers.

It is further stated that tariffs, rates, and the employment of resources, in general, take into account the Council's Integrated Development Plan (IDP) principles and goals.

4. CLASSIFICATION OF SERVICES

Traditionally, municipal services have been classified into five groups based on how they are financed. The five groups are as follows:

(a)	Trading services	Water and Electricity Services These services must generate a surplus which will be used to subsidize community services other than economical services.
(b)	Economical services	Refuse Removal and Sewerage Services These services' charges must cover the cost of providing the services, i.e. it must at least break even. In the event of the latter not being possible within a period, the shortfall will be financed from the Municipal Property Rates revenue.
(c)	Rates Services	The revenue from Municipal Property Rates is utilized for Rates related services.
(d)	Housing Services	Housing Schemes These services are ring-fenced in the Housing Development Fund and the net operating balance is set off as a contribution to/from the Housing Development Fund.
(e)	Sundry Services	Various Services All Services not defined in paragraphs (a) to (d) above.

5. CALCULATION OF TARIFFS FOR MAJOR SERVICES

5.1 Water Tariffs

Although a fairly large proportion of the water needs is supplied from own sources, water is also purchased from external suppliers, such as the City of Cape Town. The increase in water tariffs are largely influenced by the changes in the Consumer Price Index (CPI),

the purchase price of water and the need for financing bulk water infrastructure expansion.

Water is bought at a one-part tariff expressed in Rand per kilolitre. For this reason, it is found that water tariff structures for end-users follow the same trend. In order to manage consumption, an inclining block rate tariff structure is applied in the Stellenbosch Municipal area of jurisdiction.

The first block rate for domestic consumers represents the Life~~ L~~line volume in kilolitres (kl) per month (considered to be the lowest sustainable water volume per household), which is supplied at a rate ~~well~~ targeted to be below cost. Losses incurred in this tariff category ~~are~~ may be recovered by contributions from the higher tariff categories, conforming to the principle of cross-subsidisation.

Tariff structures for water supply are applied in the form of a sliding scale or a flat tariff in the area of jurisdiction of Stellenbosch Municipality. This is reflected in the Tariff Schedule approved by Council.

The specific sliding scale(s) linked to each consumer group or the service charge types and the applicable tariffs, including any specific tariffs that would be applicable when Council adopts water restriction strategies, are reflected in the Water Tariff Schedule as approved by Council.

The following table illustrates the principals for tariff charges applied to various consumers or the specialised water service charge types for water consumption in the Stellenbosch Municipal Area:

(a) Domestic:

Includes residential erven, ~~and~~ Sectional Title Units, as well as residential erven managed by ~~body corporates~~legal entities, each being served by an individually metered water connection.

(b) Domestic Cluster:

Refers to a cluster (block of flats) served by a single water connection.

(c) MASO:

A MASO tariff for the affected parties will be applied.

(d) Bulk Users:

A sliding scale tariff will be applied on water consumption for irrigation of sports grounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds or properties serviced by Council's Parks and Recreation Department.

(e) Business, Commercial and Industrial:

A single tariff for all business, commercial and industrial consumers will apply.

(f) All other consumers and Miscellaneous cases:

A single tariff for all other consumers and miscellaneous cases including schools, sportbodies, charity organizations and churches or any other user as determined by the relevant Director, will apply.

(g) Leakages:

Different tariffs may apply to Municipal, Domestic, Business, Commercial or Industrial consumers.

(h) Basic Charge:

A Basic (a fixed monthly) charge will be applied to each domestic consumer, a domestic cluster consumer and all other non-domestic consumers, irrespective whether a gated/non-gated development is supplied via a bulk meter.

The Basic charge will be applied to Indigent Households as per the Indigent Policy of the Municipality.

(i) Availability Fee:

An availability fee is charged on properties not connected to the water network, should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties.

5.2 Electricity Tariffs

In addition to general cost factors, the following is taken into account when determining a tariff structure for electricity:

(i) Electricity is primarily supplied by ~~a sole supplier,~~ Eskom, and distributed by the Municipality.

(ii) Minimum standards for distribution are determined nationally and must be adhered to in order to conform to both safety and continuity of supply norms.

(iii) Due to the fact that a large part of the operating expenditure consists of bulk electricity purchases, tariff structures and levels are very sensitive to any change in the cost of supply by Eskom.

(iv) Electricity is supplied under a distribution license, granted by the National Electricity Regulator of South Africa (NERSA) for a specific area of jurisdiction. All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor on an annual basis.

Electricity is distributed by Stellenbosch Municipality in the ~~towns~~ areas of Stellenbosch, Johannesdal, Pniel and Franschhoek.

Eskom distributes electricity in the areas of Jamestown, Raithby, Kylemore, Klapmuts and the rural areas. ~~Drakenstein Municipality supplies electricity to Johannesdal and Pniel~~. In these areas, the distribution is managed, operated and controlled by the applicable service provider.

Export of surplus energy from an approved and certified consumer to the Municipality's distribution network shall be subject to special and specific agreements embracing in broad terms the operational and financial imperatives for a sustainable and economically viable alliance.

In order to manage consumption, inclining block rate tariff structures are applied in the Stellenbosch Municipal areas of distribution, or any part or area incorporated where due course was followed. In these areas, different tariff structures may be implemented for consumers using renewable energy for own use and/or where the export of surplus energy is approved under the proviso of specific conditions, limits on energy export and reimbursement of exported energy.

Additional fees may be levied on consumers for which maximum demand charges are in effect and who have exceeded specific limits.

The specific inclining block rate(s), any other charges linked to the tariff structure and the applicable tariffs are reflected in the Electricity Tariff Schedule as approved by Council.

The following table illustrates the principals for tariff charges applied to various consumers or the service charge types for electricity consumption or export in the Stellenbosch Municipal Area:

(a) Domestic Life ~~L~~line (PP):

Domestic Life ~~L~~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.

(b) Domestic Regular:

Domestic Regular tariffs will apply, in various service charge types, to other domestic consumers other than Indigent consumers on either conventional ~~and~~ or prepaid metering systems. A fixed monthly charge ~~is~~ may be applied to this category of consumers.

(c) Commercial Life ~~L~~line Low energy rate:

A Commercial Life ~~L~~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.

(d) Commercial Low energy rate:

Commercial Low energy rate tariffs will apply, in various service charge types, in respect of conventional and prepaid commercial low consumers. A fixed monthly charge will be applied to this category of consumers.

(e) Commercial Regular energy rate:

Commercial Regular energy rate tariffs will apply, in various service charge types, in respect of conventional and prepaid commercial regular consumers. A fixed monthly charge is applied to this category of consumers.

(f) Agricultural energy rate:

Agricultural energy rate tariffs will apply, in various service charge types, in respect of agricultural use. A fixed monthly charge is applied to this category of consumers.

(g) Industrial energy rate:

Industrial energy rate tariffs as well as various types of energy demand tariffs will apply, in various service charge types, in respect of Industrial use. A fixed monthly charge is applied to this category of consumers.

(h) Municipal energy rate:

Municipal energy rate tariffs will apply, in various service charge types, for municipal consumption for street and traffic lights and for municipal buildings. A fixed monthly charge will not be applied to this category of consumers.

(i) Non-profit Organisations (NPO) energy rate:

Non-profit organisation's tariffs will apply, in various service charge types, to Non-profit Organisations in order to promote the affordability of the service for Non-profit Organisations. A monthly fixed charge will not be applied for this category of consumers.

(j) Sport Organisations energy rate:

Sport energy rate tariffs will apply and a Maximum Demand Charge may apply on sports fields as per approved contracts being classified as either Low Consumers or High Consumers. A fixed monthly charge will not be applied to this category of consumers.

(k) Time-of-Use energy rate:

Different fixed monthly tariffs as well as various types of energy demand tariffs will apply during the low demand and the high demand tariff periods (also referred to as the summer and winter periods respectively) in respect of low and medium voltage consumers. For the purpose of these tariffs the low demand period shall be defined as being the summer period and the high demand period as the winter period.

(l) Availability fee:

An availability fee is charged to properties not connected to the electricity network, where it is available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs.

5.3 Refuse (Solid Waste) Removal Tariffs

The specific services rendered, any other charges linked to the service and the applicable tariffs are reflected in the Solid Waste Tariff Schedule as approved by Council.

(a) Residential properties:

Residential refuse (solid waste) will be removed once a week. Households are allowed 3 bags or one "Otto"-type container per week.

Refuse removal tariffs are based on a flat rate per household.

A specific tariff for Indigent consumers in respect of ~~Single~~ single residential properties ~~with a plot extent not exceeding 250m² and a maximum valuation not exceeding the amount as per Section 8.2 of the Stellenbosch Municipality's Rates Policy, are charged a lower rate~~will apply as per the approved Solid Waste Tariff Schedule.

(b) Business and industries:

Business and industry refuse (solid waste) are removed by means of "Otto"-type or bulk containers. Each container (size in volume) is accepted as a refuse unit at a specific tariff and number of removals per week.

(c) Availability Fee:

An availability fee is charged to all vacant properties, businesses, flats~~,~~ and developments not ~~making~~ permanently ~~use~~ using~~of~~ the municipal collection services.

5.4 Sewerage Tariffs

Tariff structures for sewerage are applied uniformly in the area of jurisdiction of Stellenbosch Municipality.

The tariff structures for specific services rendered, any other charges linked to the service and the applicable tariffs are reflected in the Sewerage Tariff Schedule as approved by Council.

(a) Residential properties:

A tariff structure utilizing plot sizes is applied to allocate the sewerage costs to a specific property.

(b) Business and industries:

A tariff structure utilizing plot sizes, as well as floor areas per usage is applied to allocate the sewerage costs to a specific property.

The removal of industrial effluent is charged at a cost ~~per kilogram removed (chemical oxygen demand).~~as per the applicable tariffs.

(c) Septic Tanks:

The clearance of septic tanks is charged per 5 000 litre or part thereof.

(d) Availability Fee:

An availability fee based upon a tariff structure utilizing plot sizes will apply to all vacant properties.

6. CALCULATION OF OTHER TARIFFS

6.1 Sundry Tariffs

(a) Tariff Structure:

(i) The tariff structure as reflected in the Sundry Tariffs Tariff Schedule as annually approved by Council will be used to determine regulatory community and subsidized services.

(b) Method of calculation:

(i) Existing tariffs will be revised annually, for application during the next financial year, by adjusting the tariff that applied during the current financial year by a percentage (suitable rounding will be applied) to

recover increased costs or to compensate for any cost reductions where appropriate.

(ii) New tariffs will be calculated based on the estimated actual cost where appropriate or to recover some costs depending on the type of community service.

(c) Building Clause references:

(i) Obligations pertaining to Building Clauses as per the development agreements or contracts will be dealt with according to the contract obligations.

6.2 Rates Tariffs

The ~~Refer to the~~ Stellenbosch Municipality's Rates Policy describes the process for imposing ~~dealing with the application of~~ property rates for the various categories of owners and properties.

The tariff structures for the applicable categories, any other charges linked to the service and the applicable provisions for relief measures are reflected in the Property Rates Tariff Schedule and Rates Policy as approved by Council.

7. SHORT TITLE

This policy is the Tariff Policy of the Stellenbosch Municipality.

APPENDIX 7

STELLENBOSCH MUNICIPALITY

INDIGENT POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

INDIGENT POLICY

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PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate relating to indigent support in terms of Sections 152 and 153 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) towards the community/consumers within the jurisdiction of Stellenbosch Municipality (WC024).

Council further acknowledges that because of the level of unemployment and consequential poverty in the municipal area, that correlated ~~there are~~ households are incapable of paying for basic municipal services.

Indigent relief measures are thus a fundamental requirement that is achievable only within sustainable budgets set by Council as well as support and direction via National Government.

Concomitantly, indigent households equally have the responsibility of managing their levels of consumption and that they are responsible for the payment of municipal services that are consumed in excess of the reduced cost or Free Basic Service levels as described in this Policy.

The effective implementation of such a program depends principally on affordability and is supported by the socio-economic analysis of various areas as included in the Council's Integrated Development Planning. The Council's mandate regarding affordability of basic services to poor households is directed by mechanisms in Section 74(2)(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Section 15 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004).

In order to give effect to the foregoing, the Council of Stellenbosch Municipality has adopted a policy relating to indigence as set out hereinafter.

1. DEFINITIONS

In this Policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended. Implicit definitions as defined in various paragraphs of this Policy are set in addition to the explicit definitions as set below:

"***the Municipality***" means Stellenbosch Municipality (WC024).

"***Basic Services***" means that level of services delivered by the Municipality at a reduced cost or at no cost to the Indigent consumer and which the Council has considered reasonable and sustainable within budget constraints.

"***Child-headed household***" means a household where the main caregiver of said household is not older than 18 years of age and is a child as defined in Section 28(3) of the Constitution.

"***Constitution***" refers to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

"***Household***" means a family unit comprising a head of the family, being a natural person. The family may include blood related or adopted dependents. This is further described in paragraph 5.2 of this Policy.

"***Indigent***" means the lack of necessities of life such as sufficient water, basic sanitation, refuse removal, environmental health, basic energy, health care, housing, food and clothing.

"***Indigent Income Threshold***" means the qualifying monthly income as described in paragraph 5.5 and as set in paragraph 5.5(b) of this Policy.

"***Valuation Threshold***" means that value of municipal valuation ~~(the reduction amount)~~ as set for residential properties in paragraph 8.2 of the Municipality's Rates Policy.

2. POLICY OBJECTIVES

The objectives of this Policy are to:

(a) Provide a framework within which the Municipality can exercise its executive and legislative authority regarding the identification of indigent households and the implementation of financial aid to such.

(a) ensure the provision of basic services to indigent households within the jurisdiction of the Municipality in a sustainable manner and within the financial and administrative capacity of the Municipality.

(b) ensure the establishment of procedures and guidelines for the effective subsidisation of basic services charges to such approved indigent households within budgetary and national grant guidelines.

3. POLICY PRINCIPLES

The following guiding principles for the formulation of this Policy, are to:

(a) ensure that the portion for free basic services allocated as part of the equitable share received annually, be utilised for the benefit of indigent households.

(b) promote an integrated approach to subsidised basic service delivery.

(c) optionally use external services and/or references to verify the information provided by the applicants.

(d) -maintain the relief measures to indigent households for as long as such indigent household remains registered on the municipality's indigent data base or register and the municipality continues to receive equitable share for this purpose. ~~period of 12 months after the approval of such, after which the subsidy will automatically lapse,~~

(e) review the relief measures by random sampling to ensure *bona fide* indigent support.

(f) engage the community in the development and implementation of this Policy.

4. LEGISLATIVE CONTEXT

4.1 This policy is implemented within the framework of the following legislation:

All citations to applicable Acts as referenced in this Policy shall include all amendments and regulations to such as promulgated.

(a) The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), in particular Sections 152 and 153.

(b) Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

(c) Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

(d) Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004), in particular Section 15 and/or.

(e) any other legislation that may be applicable

4.2 This Policy was developed using the following guideline(s):

(a) National Framework for Municipal Policies.

(b) National Indigent Policy Assessment tool, 2018 - COGTA

5. QUALIFICATIONS AND SCOPE

The introduction of reduced cost or free basic services will ensure that indigent consumers have access to basic services.

5.1 Subsidy:

Subsidies are granted from external funds, allocated by the National Government as an Equitable Share allocation, to subsidize Indigent households with specified levels of basic services. This is based on a:

(a) Level of income enabling Indigent households to pay for a basic package of municipal services; and/or

(b) Municipal property valuation value that sets the level at which indigent support may be granted.

(c) Subsidy scheme that is promoted through the press and by means of personal referral, but principally via referrals by the credit control and debt recovery section of the Municipality.

5.2 Household:

(a) The head of the household must be a South African citizen and have permanent residency.

(b) The head of the household should be:

(i) the registered owner or part owner of the property; or

(ii) the registered lessee of a Council housing unit; or

(iii) the registered lessee of a Government owned housing unit; or

(iv) a person, being the head of the household, who is incapable of paying for basic municipal services and who resides in said property/unit.

The head of the child-headed household shall be deemed to meet these criteria.

(c) To register as an indigent consumer the head of the household must personally complete and sign the registration form.

(d) Child-headed households will only be approved ~~on the basis of~~based on the following criteria:

(i) both parents of the household are deceased, or one parent and/or guardian is deceased, and the other is totally alienated from the household;

(ii) a minor has assumed the role of caregiver in respect of the other minor(s) in the household;

(iii) such minors reside permanently on the property;

(iv) such minors, and exclusively only minors occupy the property as their normal residence;

(v) such minors are scholars or unemployed and if income is derived, the household earns less than the qualifying income as envisaged by the defined Indigent Income Threshold;

(vi) the situation pertaining to the household has been verified by the Municipality; and

(vii) the situation pertaining to the household will be reviewed when the caregiver as per (ii) above reaches the age older than 18 years.

(e) Indigent households living in homes for senior citizens shall be eligible to qualify for assistance and support under this Policy, subject to the following rules and procedures:

(i) For the purposes of passing/issuing the free basic electricity units to such indigent household, the onus will be on the unit owner or lessee to apply and submit proof that the electricity connection is in the name of the Indigent consumer and not in the name of the organization providing the accommodation.

(ii) In the event of the unit being occupied by a single individual without any dependents as per the definition of a household above, the level of income to qualify shall be equal to or less than 50% (fifty percent) of the defined Indigent Income Threshold per month.

5.3 Basis of Subsidy:

(a) Only formal or informal housing units utilized for residential purposes will be taken into consideration for the purpose of this subsidy, being the provision of free basic services.

(b) All informal structures where a prepaid electricity meter has been installed by the Municipality will qualify for this subsidy. In the cases where off-grid electricity is supplied by an authorised service provider appointed in terms of paragraph 5.7.2(b) of this Policy such households will also qualify for a subsidy, which subsidy will be paid directly to the authorised service provider.

(c) Applications deviating from the above will only be considered after a detailed investigation and evaluation by the Municipality.

5.4 Liability for payment of municipal accounts:

(a) Subsidies will only be granted to households liable for the payment of municipal service fees.

(b) Subsidies will only be granted by means of a credit on municipal accounts and free basic electricity vouchers or in the form of subsidy paid directly to the authorised service providers of off-grid electricity as envisaged in paragraph 5.7.2(b) of this Policy. No subsidy will be paid directly to any Indigent consumer or household in the form of cash or any such disbursement.

(c) Households are liable for the payment of fees, as stated on the monthly account, for any service in any given month that exceeds that service's subsidy.

(d) Monthly accounts, as well as the instalments arranged in respect of the repayment of debt, must be paid punctually and in full. If required, and after reasonable alternatives have been exhausted, the process to recover debt from indigent consumers will be dealt with in terms of the Credit Control and Debt Collection Policy and procedures of the Municipality.

(e) Prepaid electricity meters will be installed on all properties of formal households before receiving indigent subsidies to prevent escalation of debt.

(f) Water management devices may be installed on properties of formal households before receiving indigent subsidies to prevent escalation of debt.

5.5 Qualifying income:

(a) Gross household income is defined as the earnings of the head of the family, plus any other financial contribution towards the household income by any other

dependant or occupant. Government grants as received by dependent minors will be ignored and not be added as a financial contribution towards the household income.

(b) The maximum qualifying income level defined as the Indigent Income Threshold for a household as described in paragraph 5.2 of this Policy will be equal to or less than R 6 500~~00~~ per month. Proof must be produced in the form of pay slips, unemployment certificates, income certificates or other acceptable proof of income.

(c) Should proof of income not be available, income may be declared by means of a sworn statement. Such applications may be verified by means of a full investigation and a socio-economic survey.

5.6 Targeting mechanisms:

The following principles for the granting of free basic services apply:

(a) Properties in respect of which property tax is levied on a municipal valuation amount -will qualify as follows:

(i) The municipal valuation of a property being less than or equal to the defined Valuation Threshold will be used as the guiding threshold.

(b) Indigent subsidies will only be considered by the Municipality upon application on a prescribed form by households which consider themselves as being indigent.

5.7 Basic services :

The Municipality will provide the following basic services at reduced or at no cost to the Indigent consumer:

5.7.1 Formal Households

Free basic services for Formal households will consist of the following:

(a) 100 kWh electricity per household per month subject to it being supplied via a prepayment metering system as the qualifying criteria for a registered indigent household to be placed on the Lifeline Electricity Tariff. Free electricity units will not be applicable should the Indigent Household choose not to install a pre-paid meter;

(b) a basic charge for water and a maximum of 6 kl water per household per month;

(c) a service subsidy not exceeding the cost of one refuse unit in respect of a single residential~~ property not exceeding an area of 250m^2 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 250m^2; and/or

(e) 50% of the applicable tariff for clearances of septic tanks.

5.7.2 Informal Settlement Households

Free basic services for Informal Settlement Households will consist of the following:

(a) 100 kWh electricity per household per month; or

(b) a maintenance and operations subsidy (equivalent in Rand value to 100kWh electricity per household per month) for off-grid solar home systems, operated by a municipal approved service provider or Energy Service Company (ESCo).

(In the case of off-grid electricity subsidies as contemplated above, the Municipality may, subject to a detailed review by the Revenue Section appoint an authorised service provider to provide the maintenance and operations function for a group or groups of indigent recipients of off-grid electricity at a maximum rand equivalence of the value of 100 kWh electricity per household per month.)

(c) Other services (specifically water, sewerage and refuse removal services) are not billed for.

5.7.3 Indigent households residing in homes for senior citizens

Free basic services for qualifying households residing in homes for senior citizens as per paragraph 5.2(e) of this Policy will consist of 100 kWh electricity per household per month.

5.8 Free bulk services

Free Bulk Services shall be the provision of services (water ~~stand pipes~~standpipes, high mast lighting, ablution facilities and refuse removal) to informal settlements.

The cost of the provision of free bulk services is recovered from the Equitable Share Allocation from National Government and processed monthly.

5.9 Other concessions

(a) Registered indigent consumers limited to the immediate occupants of the household occupying the property excluding any extended family members could qualify for a discount of up to 50% (fifty percent) on the approved fees and tariffs for non-trading services (refer paragraph (d) below) as defined by Council from time to time subject to application to the relevant Director.

(b) Proof of registration as an indigent consumer must be obtained from the Credit Control Section of Financial Services prior to the application for the discount being made.

(c) For the purposes of clarity, other categories of consumers (other than registered indigent consumers) such as back yard dwellers, farm workers and lessees of other property earning equal to or below the Indigent Income Threshold per month, may also qualify for the concessions (i.e. a discount of up to 50% (fifty percent) on the approved fees and tariffs, limited to the services envisaged in paragraph (d) below.

(d) Discounted non-trading Services; refers to:

(i) Community hall discounts.

(ii) Burial fees in sections of cemeteries without head stones (i.e. crosses or flat stone areas only) and cremations when available. This concession is only applicable for burials on Mondays to Saturdays, excluding Public

Holidays. Farm workers must provide written confirmation regarding the burial site from the farm owner.

6. ALLOCATION OF SUBSIDIES

(a) The subsidy in any given month and service will be an amount not exceeding the amount as reflected in the Council's approved Tariff Schedules for services for Indigent households as per paragraphs 5.7 and 5.9 of this Policy.

(b) Only one subsidy per service per property may be allocated in any given month.

(c) Subsidy levels may be adjusted from time to time, depending on the availability of funds.

(d) Lessees of subsidized housing units already receiving a municipal subsidy for the alleviation of municipal service costs included in rentals will not qualify for an Indigent subsidy. Should the latter subsidy be more advantageous, such a lessee may request that the Indigent subsidy replace the Rental subsidy.

7. APPLICATIONS FOR INDIGENT SUBSIDIES

(a) ~~Self-targeting a~~Applications (i.e. applications submitted by individuals) will be required ~~if the property does not qualify within the Valuation Threshold parameter as described in paragraph 5.6(a) of this Policy or if a~~ by any household which considers themselves to be an indigent household.

(b) ~~Self-targeting~~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~~. The status of any change of employment must be reported to the Municipality for the purposes of reviewing the subsidy.~~

(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.~~Indigent subsidy applications must be renewed every 12 months to ensure that circumstances did not change to such an extent that it could have an influence on the granting of such a subsidy. An Indigent consumer shall automatically be de-registered if an application is not renewed and such subsidy will be cancelled. Normal credit control procedures will be applicable on arrear accounts of such cancelled applications.~~

(f) The Municipality has the right to disclose a list of Indigent households for public inspection, which may include the publication thereof.

(g) In a case of misrepresentation or any other transgression of the conditions for the provision of subsidies, the subsidy will be withdrawn with immediate effect and not be reconsidered for a period of at least 12 months. Legal actions may be instituted to recover subsidies obtained under false pretences.

(h) Indigent relief will not apply in respect of property owners with more than one property, whether such property is situated inside or outside the area of jurisdiction of the Municipality.

(i) Subsidies will not be granted on a pro-rata basis and applications received after the twentieth day of a month will be granted in the following month.

(j) The onus is on the recipient of indigent subsidy to inform the Municipality immediately of any changes in personal circumstances that may warrant a review of his/her indigent status. For example, the status of any change of employment or to the Gross Household income as per paragraph 5.5 above must be reported to the Municipality.

(k) The municipality reserves the right to review and/or to conduct home visits on a random basis with the view of assessing whether a household would still qualify for receiving indigent assistance. Upon cancellation of indigent assistance normal credit control procedures will be applicable on arrear accounts of such cancelled applications.

8. PROPERTY TAX REBATES BASED ON MUNICIPAL VALUATION

This Policy only addresses indigent subsidies and any form of rates relief is addressed as provided for in the Rates Policy of the Municipality.

9. INDIGENT REGISTER

(a) The Municipality shall draw up and maintain a register in respect of properties and households receiving indigent assistance.

(b) The register will be open for inspection by the public during office hours.

(c) The Municipality will at regular intervals review the register and apply randomly selected checks as to the status of an application.

~~9.~~10. CONTACT OF RESPONSIBLE OFFICE

The contact details for Indigent enquiries:

E-mail Address: Indigent.office@stellenbosch.gov.za

Telephone Numbers : 021 808 8501 ~~021 – 808 8501/8579/8597/8932~~
021 808 8579
021 808 8597
021 808 8932

Postal Address: PO Box 17, Stellenbosch, 7601

Any Municipal Office in the jurisdiction of Stellenbosch Municipality

~~10.~~11. SHORT TITLE

This Policy is the Indigent Policy of the Municipality.

APPENDIX 8

STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA POLICY

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1. DEFINITIONS

In this Policy, words or expressions shall bear the meaning assigned to them and, unless context otherwise indicates: –

"additional rate" means an additional rate contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act and in section 12(2) of the By-Law;

"applicant" means any owner who makes an application for the determination of a special rating area in accordance with provisions of Chapter 1 of the By-Law, or if a management body is established in terms of section 10 of the By-Law, any reference to **"the Applicant"** means the management body;

"By-Law" means the Stellenbosch Municipality's Special Rating Area (SRA) By-Law;

"CFO" means the Chief Financial Officer of Stellenbosch Municipality, or his or her nominee;

"Council" means Council of Stellenbosch Municipality;

"implementation plan" means an Implementation Plan as contemplated in section 6 of the By-Law;

"majority" means the majority of property owners as contemplated in section 22 of the Property Rates Act;

"management body" means the management body of a special rating area to be establishment in accordance with the provision of section 10 of the By-Law;

"motivation report" means a motivation report as contemplated in section 6 of the By-Law;

"the Municipality" means Stellenbosch Municipality (WC024),

"owner" has the meaning assigned to it in section 1 of the Property Rates Act;

"Policy" means the policy for the determination of special rating areas and will be referred to as this Policy;

"Property Rates Act" means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004);

"rateable property" has the meaning assigned to it in section 1 of the Property Rates Act;

"special rating area" means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act and section 8 of the By-Law.

2. INTRODUCTION

2.1 This policy for the establishing of special rating areas must be read together with the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) and the Municipality's Special Rating Area (SRA) By-law, as in force from time to time.

~~2.1~~2.2 This policy is strictly applicable to Special Rating Areas that have been established in terms of sub-sections 22(1) to 22(4) of the Property Rates Act. Therefore, this policy does not deal or apply to internal municipal service districts as envisaged in section 85 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and in sub-section 22(5) of the Property Rates Act.

~~2.2~~2.3 All words and phrases defined in the Property Rates Act and the By-Law have the same meaning in this Policy.

~~2.3~~2.4 In the event of any conflict between the provisions of the By-Law and the provisions of this Policy, the By-Law prevails.

~~2.4~~2.5 This Policy needs to be read together with the Municipality's Rates Policy.

3. AIM OF THE POLICY

This Policy aims to –

3.1 Set out Council's position on special rating areas and the factors that will influence Council's decision whether or not to institute a particular Special Rating Area.

3.2 Provide guidance to members of the local community and to decision-makers within the Municipality in relation to the establishment of special rating areas; and

3.3 Strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods by –

(a) making use of Council resources and structures; or

(b) making use of a Non-Profit (previously known as a Section 21) company structure (refer paragraph 8.12.5 of this Policy); and to

(c) ensure commitment to good, fair and transparent governance by the managing body, by implementing a transparent process when appointing service providers to

improve and/or upgrade the special rating area in the public areas and ensuring that these improved and/or upgraded services are not provided on private properties.

4. POLICY STATEMENT

4.1 The special rating area model is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.

4.2 The purposes of a special rating area are to –

(a) enhance and supplement the municipal services provided by Stellenbosch Municipality;

(b) facilitate investment in the special rating area;

(c) facilitate a cooperative approach between Stellenbosch Municipality and the private sector in the provision of municipal services;

(d) halt the degeneration and facilitate the upliftment of distressed business and mixed-use areas; and

(e) promote economic growth and sustainable development and in this way, assist the Council in the fulfilment of its objects and developmental duties as set out in its Integrated Development Plan ("IDP").

4.3 Stellenbosch Municipality regards special rating areas as a potential tool for allowing it to fulfil its constitutional and statutory obligations to promote;

(a) social and economic development; and

(b) a safe and healthy environment in a way which balances the guiding principles underlying its Rates Policy.

4.4 Special rating areas allow property owners within an explicitly defined geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate.

4.5 Special Rating Areas do not give property owners or the management structures of the Special Ratings Area the right to infringe on any of the constitutional rights as enshrined in the Bill of Rights, Chapter Two of the Constitution of South Africa, 1996 of any juristic or natural person in any way. Specifically, the right to freedom of movement and residence of any juristic or natural person referred to in Section 21 of the Constitution must be guaranteed by the Special Rating Area as a pre-requisite for approval by the municipality.

5. FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA

The Council will consider instituting a special rating area where the requirements of Section 22 of the Property Rates Act are complied with, including that –

5.1 the purpose of the special rating area is to allow an additional rate to be levied on property in the defined area to raise funds for improving or upgrading the area;

5.2 the special rating area will not be used to reinforce existing inequities in the development of the Stellenbosch Municipality's (WCO24) area of jurisdiction;

5.3 the determination of the special rating area is consistent with Stellenbosch Municipality's IDP;

5.4 residential special rating area refers to an area in which more than 40% (forty percent) of the rates based municipal valuation consists of Residential Property as defined in the Rates policy.

5.5 any residential special rating area must comply fully with the provision of the By-Law, save that, with reference to the majority support the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 60% (sixty percent) in number of such properties, approve the formation of the special rating area.

5.6 the majority of members of the local community who will be liable for paying any additional rate in the special rating area, other than residential special rating areas, have consented to its establishment;

5.7 the procedural requirements of Section 22 of the Property Rates Act as well as the By-Law and this Policy are complied with, which include the community consultation requirement as determined by the Municipality's Chief Financial Officer (CFO);

5.8 the proposed improvement or upgrade has been clearly and fully defined;

5.9 the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which must be clearly determined;

5.10 there is evidence that it will be financially viable to use a special rating area to raise funds for the proposed improvement or upgrade;

5.11 Stellenbosch Municipality is satisfied with the institutional arrangements proposed in respect of the special rating area; and

5.12 Ultimately, the decision whether or not to determine a special rating area rests with the Council in its sole discretion.

6. APPLICABILITY OF STELLENBOSCH MUNICIPALITY'S RATES POLICY AND OTHER POLICIES

6.1 When Stellenbosch Municipality grants any rebate to Senior Citizens, Disabled Persons and Non-Profit Organisations in terms of the Rates Policy, or registered indigents in terms of the Indigent Policy, the relevant property owner will be granted a full (100%) rebate in relation to the additional special ratings area rate.

7. PROCESS

This Policy sets out –

(a) the institutional arrangements for special rating areas (paragraph 8 of this Policy)

(b) the establishment requirements which must be followed (paragraph 9 of this Policy);

(c) the information which needs to be submitted to Stellenbosch Municipality in order to motivate a request for determination of a special rating area (paragraph 10 of this Policy);

(d) the annual requirements which must be followed (paragraph 11 of this Policy);

(e) the amendments and/or extension of term for a special rating area (paragraph 12 of this Policy);

(f) the dissolution requirements which must be followed (paragraph 13 of this Policy)

(g) financial arrangements (refer paragraph 14 of this Policy).

8. INSTITUTIONAL ARRANGEMENTS

Section 22 of the Property Rates Act is not prescriptive as to the structural arrangements which need to be put in place to administer a special rating area. The structural arrangement that will be considered by the municipality is the following:

8.1 Administration by a Non-Profit Company

8.1.1. Stellenbosch Municipality will require the ratepayers within the special rating area to establish and participate in an appropriate structure to carry out planning, contracting, financial control and administrative functions within the special rating area.

8.1.2. This does not entail ratepayers setting the additional rate, which under law can only be done by Stellenbosch Municipality (paragraph 14 of this Policy).

8.1.3. This places funds collected by government in the hands of the private sector, thus the requirements set out in this Policy must be met.

8.1.4. The functions of the Non-Profit Company would include:

(a) Determining the funding required each year (refer paragraph 14.2 of this Policy);

(b) Appointing contractors or service providers to effect the improvement/s or upgrade/s;

(c) Receiving the additional rate collected by Stellenbosch Municipality and expending the funds in accordance with the approved Business Plan.

8.1.5. Structural requirements of the Non-Profit company:

(a) Before Stellenbosch Municipality will consider allowing ratepayers in a special rating area to carry out administrative and other functions in relation to the area, the Steering Committee must establish a Non-Profit company (company not for gain) as per the Companies Act, Act 71 of 2008 (as amended or replaced) ("the Companies Act") for that purpose. The provisions of the Companies Act must be complied with, particularly those relating to non-profit companies (which effectively replaced Section 21 companies as per the old Companies Act, Act 61 of 1973), subject to the transitional provisions contained therein;

(b) The founding documentation ("the Memorandum of Incorporation") in relation to the structure established by ratepayers (this is equivalent to the Memorandum and Articles of Association, as per the old Companies Act, Act 61 of 1973), must be as per the prescribed format determined by the CFO;

(c) The Non-Profit company must be managed under the Companies Act, and also comply with any other legislation as a result of the financial connections to Council; and

(d) The Non-Profit company must give a written notice by the most effective manner to all the property owners within the special rating area of the intention to hold an Annual General Meeting (AGM) on the date stated in the notice;

(e) A Special General Meeting ("SGM") must be called within 6 months of the establishment of the Non-Profit Company. The purpose of the SGM is to:

(i) Accept new members;

(ii) Appoint directors;

(iii) Amend the Memorandum of Incorporation if required; and

(iv) Approve the following year's Budget and Implementation Plan (refer paragraph 14.2 of this Policy).

9. APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA

9.1 The process for establishing special rating areas as set out in Chapter 1 of the By-Law must be followed.

9.2 The special rating area application must be submitted by end of September of the financial year preceding the establishment of the special rating area.

9.3 Further to section 7.2 of the By-Law the applicant must hold another public meeting within 30 days after submitting the application to confirm that it was lodged and to discuss details with the community.

10. MOTIVATING A SPECIAL RATING AREA

The Motivation Documentation must comprise of the following:

10.1 Business Plan –

The Business Plan must clearly define and indicate all the required improvements or upgrades and must contain -

10.1.1. Introduction;

(a) an executive summary of the improvement or upgrade proposed for the special rating area as set out in the Implementation Plan;

(b) An explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed special rating area;

(c) An explanation of why the proposed special rating area will not reinforce existing inequities in the development of Stellenbosch Municipality;

(d) An explanation of how the special rating area, if instituted, will be consistent with Stellenbosch Municipality's IDP as per the Service Departments' Business Plans;

(e) An explanation of the institutional arrangements proposed in relation to the special rating area.

10.1.2. Vision;

10.1.3. Mission;

10.1.4. Goal;

10.1.5. A diagram clearly indication the boundaries of the proposed special rating area;

10.1.6. Management;

(a) Administrative policies of the Non-Profit company;

(b) Proposed management structure:

- Composition of the management body including allocation of portfolios and;
- Operational Arrangements

10.1.7. Services;

Service providers must be appointed as per paragraph 3.3(c) and 10.1.1(d) of this Policy.

10.1.8. Financial Impact;

(a) Provide details regarding the calculation of the cent-in-the-rand and as acted on the municipal valuation value of each property;

(b) Provide details of criteria to qualify for exemption of additional rate;

10.1.9. A list of all rateable properties within the proposed special rating area, contact details of owners and the value of each property as set out in the Council's municipal valuation role. Differentiation between categories of properties, as provided for in Section 8 of the Property Rates Act and used in the valuation role, must be considered;

10.1.10. Proof of the consent of the majority of the members of the local community as per paragraph 5.5 of this Policy, in the proposed special rating area who will be liable for paying the additional rate;

10.1.11. Proof of the notice of the public meeting or meetings contemplated in the By-Law;

10.1.12. Minutes of the public meeting or meetings; and

10.1.13. Compilation date.

10.2 Implementation Plan

The Implementation Plan is a schedule of goals to implement improvements or upgrades as per the motivation report and must at least address the following:

10.2.1 Milestones;

10.2.2 Tasks per milestone;

10.2.3 Start and finish date per task;

10.2.4 Assign responsibility per goal, milestone & task; and

10.2.5 Performance indicators per milestone.

10.3 Budget Plan

The Budget Plan for the proposed improvements or upgrades must at least address the following:

10.3.1 a budget line item should be set for each milestone or task and grouped in such a way that there is a clear indication how the Implementation Plan is financially structured;

10.3.2 an annual budget per line item commencing on 01 July of the first year and end on 30 June of the last year of the term; and

10.3.3 a budget split for the provision of improvements or upgrades between the different categories of properties.

11. ANNUAL REQUIREMENTS

11.1 Confirm property data base (Register of members in the special rating area);

11.2 Submit an audited financial Statement and Trail Balance as approved/accepted at a SGM called for that purpose and

11.3 Submit an annual budget and an Implementation Plan as approved at the Annual General Meeting (AGM) by 31 January (refer paragraph 14.2 of this Policy).

12. AMENDMENT AND/OR EXTENSION OF TERM

In the event that a special rating area seeks to extend the term over which it will operate or amend the goals as per its Implementation Plan, then the procedures set out in Chapter 3 of the By-Law must be followed and submitted by the end of October.

13. DISSOLUTION

The special rating area may be ~~dissolved~~ cancelled by resolution of the Council, subject to the provision of section 16 of the By-Law.

14. FINANCIAL CONTROL

14.1 As stated in the By-Law, the amount of any additional rate levied in a special rating area is determined by the Council. The additional rate ~~is~~ as imposed by the Council, is debt owing to Stellenbosch Municipality and is payable and collected in the same manner as other property rates imposed by the Council.

14.2 The management structure must recommend the annual budget amount of the additional rate to the Stellenbosch Municipality by 31 January, with appropriate motivation including an Implementation Plan and a Budget Plan for the next financial year, and the Council will consider the recommendation during its budgeting process.

14.3 Before Stellenbosch Municipality will pay over any additional rate collected to the management structure, the management structure and Stellenbosch Municipality must have concluded a written finance agreement regulating, amongst other things;

(a) the mechanisms and manner of payment;

(b) how the additional rate is to be held by the management structure;

(c) any parameters relating to expenditure; and

(d) any obligations on the management structure to take out and maintain appropriate insurance.

14.4 The financial year of the Municipality shall be deterministic and shall be applied to the Budget plan and all financial transactions.

15. COMMENCEMENT AND IMPLEMENTATION

15.1 Implementation of this Policy will commence on 01 July ~~2019~~2020.

15.2 Where Stellenbosch Municipality is legally empowered to do so, requirements set out in this Policy may be imposed as conditions attached to the determination of a special rating area.

15.3 This Policy and its implementation will be reviewed annually.

16. COST

Stellenbosch Municipality shall not be liable for any costs incurred by ratepayers within the relevant proposed special rating area in respect of the implementation of the steps set out in this Policy and in the By-Law.

17. SHORT TITLE

This policy is the Special Rating Area Policy of the Stellenbosch Municipality.

APPENDIX 9

STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA BY-LAW POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREA BY-LAW

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To provide for the establishment of special rating areas; to provide for additional rates; and to provide for matters incidental thereto.

BE IT ENACTED by Stellenbosch Municipality as follows:-

CHAPTER 1

ESTABLISHMENT OF SPECIAL RATING AREAS

1. DEFINITIONS

In this By-law words or expressions shall bear the meaning assigned to them and, unless context otherwise indicates.~~—~~

In addition to the definitions contained in the Property Rates Act, the following definitions apply for the purpose of the application of this By-law.

"additional rate" means an additional rate contemplated in sections 19(1)(d) and 22(1)(b) of the Property Rates Act in section 12(2) of this By-Law;

"applicant" means any owner who makes an application for the determination of a special rating area in accordance with provisions of Chapter 1 of this By-Law, or if a management body is established in terms of section 10 of this By-Law any reference to **"the Applicant"** means the management body;

"CFO" means the Chief Financial Officer of Stellenbosch Municipality, or his or her nominee.

"Council" means Council of Stellenbosch Municipality;

"implementation plan" means an Implementation Plan as contemplated in section 6 of this By-Law;

"**limited special rating area"** means a limited special rating area approved by the Council in terms of section 9 of this By-Law;

"majority" means the majority of properties~~y~~ represented by the members of the local community in the proposed special rating area who will be liable for paying the additional rate~~owners as contemplated in section 22 of the Property Rates Act~~;

"management body" means the management body of a special rating area to be ~~establishment~~ established in accordance with the provision of section 10 of this By-Law;

"motivation report" means a motivation report as contemplated in section 6 of this By-Law;

"owner" has the meaning assigned to it in section 1 of the Property Rates Act;

"Policy" means the Policy for the determination of special rating areas named the Special Rating Area Policy of the Stellenbosch Municipality~~, or any other policy adopted by the Council in relation to special rating areas, as in force from time to time~~;

"Property Rates Act" means the Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004);

"rateable property" has the meaning assigned to it in section 1 of the Property Rates Act;

"special rating area" means a special rating area approved by the Council in accordance with the provisions of section 22 of the Property Rates Act and section 8 of this By-Law.

2. INTERPRETATION

In the event of any conflict with the Afrikaans or isiXhosa texts the English text prevails.

3. DETERMINATION OF SPECIAL RATING AREAS

Stellenbosch Municipality may by resolution of the Council determine special rating areas.

4. APPLICATION

(1) Any owner located within the area of jurisdiction of Stellenbosch Municipality and who owns property within the proposed special rating area, may lodge an application to the Stellenbosch Municipality~~Council~~ for the determination of a special rating area.

(2) All costs incurred by the applicant in respect of the establishment of a special rating area shall be for his or her own account, provided that after implementation of the implementation plan the management body may reimburse the applicant for some or all of those costs.

(3) Any application contemplated in subsection (1) above must –

(a) be in writing and be in the form as the CFO may determine;

(b) be submitted not more than nine months after the date on which the public meeting referred to in section 5 of this By-Law is held, or if a second public meeting is held as provided for in section 6(2) of this By-Law, nine months after the date of the second public meeting;

(c) be accompanied by –

(i) a motivation report and an implementation plan;

(ii) the written consent submitted by~~of the majority 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 preformed 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 ~~in a~~ format of the consent may be determined by the CFO;

(iii) payment of such fee as the Council may determine.

5. PUBLIC MEETINGS

(1) An application for the determination of a special rating area must be preceded by the holding of a public meeting.

(2) The purpose of the public meeting is to enable the applicant to consult with those owners within the proposed special rating area ~~with regard to~~regarding the proposed boundaries of the area and the proposed improvement or upgrading of the area.

(3) Prior to the holding of the public meeting, the applicant must –

(a) give notice in a manner approved by the CFO in terms of this By-law owners of rateable property, who will be liable for payment of the additional rate, of the applicant's intention to apply for the determination of a special rating area

(b) in the notice referred to in subsection (3)(~~)~~a) above, give notice of a public meeting, which notice must –

(i) state the purpose of such meeting; and

(ii) contain details of the place, date and time when such meeting is to be held.

(4) The public meeting must be held not less than seven days and not more than 30 days after the date of the notice.

(5) The public meeting must be held at such place, date and time as stated in the notice, provided that it must be held at a place which is within the boundaries of the proposed special rating area unless the CFO approves another venue in writing before the public meeting is held.

(6) The public meeting must be chaired by a suitable qualified and experienced person appointed by the CFO.

(7) Any i~~I~~nterested person must, at the public meeting, be –

(a) Furnished with all relevant information relating to the proposed special rating area, including the information to be set out in the motivation report and implementation plan; and

(b) given an opportunity to ask questions, express their views and make representations.

6. MOTIVATION REPORT AND IMPLEMENTATION PLAN

(1) Any application for the establishment of a special rating area must include a motivation report and an implementation plan covering a period commencing on 1 July of a year and ending on 30 June of the fifth ~~year, or~~year or covering such lesser period as may be determined by the CFO.

(2) If the motivation report or the implementation plan are materially amended, as determined by the CFO, after the public meeting referred to in section 5 of this By-Law, the applicant must call a second public meeting for approval of the special rating area as amended.

(3) The provision of section 5 of this By-Law applies with the necessary changes to the second public meeting.

7. ADVERTISING OF APPLICATION AND OBJECTIONS

(1) The applicant must within 14 days after the application is lodged in accordance with section 4 of this By-Law, or within such further period which the CFO may approve –

(a) Cause a notice of the application to be published in a manner approved by the CFO; and

(b) Either before or up to seven days after the date of publication of the notice, give written notice of the application to all owners within the proposed special rating area, who will be liable for payment of the additional rate.~~,~~ S~~s~~uch notice must ~~to~~ be ~~given~~ served by pre-paid registered post, hand delivery or in any other manner approved of in writing by the CFO.

(2) Every notice contemplated in terms of subsection (1) above must state that written objections to the determination of a special rating area or the provisions of the motivation report and implementation plan may be lodged with the Stellenbosch Municipality~~Council~~ by a date specified in the notice, which shall not be less than 30 days after the date of publication in

terms of subsection (1)(a) above, and must state where the documentation specified in subsection (5) below will be available for inspection.

(3) Any owner of rateable property who will be liable for paying the additional rate may submit written objections to the determination of the special rating area, which objections must be received by the Stellenbosch Municipality~~Council~~ not later than the date stipulated in the notice referred to in subsection (1) above.

(4) ~~An application and a~~Any objector to the application who owns property within the proposed special rating area may make oral representation to the ~~Council~~CFO.

(5) The application, including the motivation report and the implementation plan, and all objections must be available for inspection at the office of Stellenbosch Municipality and at a venue determined by the CFO within the proposed special rating area, for the period referred to in subsection (2) above.

8. DECISION

(1) After the provision of sections 4 and 7 of this By-Law have been complied with, the Council must, at a meeting of the Council held within 90 days after the last date for the submission of objections in accordance with section 7(2) of this By-Law, consider the application and –

(a) determine a special rating area which must be implemented in accordance with the motivation report and implementation plan;
(b) determine a special rating area with such amendments or conditions as the Council considers to be in public interest;
(c) determine a special rating area in respect of a limited area in terms of section 9 of this By-Law;
(d) refuse the application, in which event the Council must, within 30 days, furnish the applicant with written reasons for not approving the determination of a special rating area; or
(e) refer the application back to the applicant for amendments in such manner as the Council may direct.

(2) If an application is refused by the Council in accordance with the provisions of subsection (1)(d) above or referred back to the applicant in accordance with the provisions of subsection (1)(e) above, the applicant may, within six months of the Council's decision, re-apply to the Council for the determination of the special rating area, provided that such re-application has been appropriately amended in the light of the reasons for refusal or referral, as the case may be.

(3) If the motivation report or implementation plan is amended in any material respect at any time before the determination, the Council may require that the amended application be re-~~, with~~ advertised in accordance with the provision of section 7 of this By-law, with the necessary changes.

9. DETERMINATION OF A LIMITED SPECIAL RATING AREA

If an application in terms of section 4 of this By-Law is not accompanied by the majority of the members of the local community in the proposed special rating area required by section 4(3)(c) of this By-Law, but the applicant can demonstrate to the satisfaction of the Council, that –

(a) there are such confirmations from owners of rateable properties in a limited geographical area within the proposed special rating area that would meet the requirements of section 4(3)(c) of this By-Law if they were to be applied to that area; and

(b) the level of services to be provided will not be reduced and the budget will be reduced accordingly as a result of the provision of those services in the limited area alone, as compared to the provision of those services in the whole of the proposed special rating area,

then the Council may, subject to the other provisions ~~requirements~~ of this By-Law, determine a limited special rating area.

CHAPTER 2

SPECIAL RATING AREAS – STRUCTURES AND FINANCES

10. COMMENCEMENT OF THE IMPLEMENTATION PLAN

Once the Council has approved the establishment of the special rating area, the implementation plan may only be implemented after the management body has been established in accordance with section 11 of this By-Law.

11. ESTABLISHMENT, COMPOSITION, POWERS AND DUTIES OF MANAGEMENT BODY

(1) The applicant must ~~cause to be~~ establish~~ed~~ a management body for the purposes of implementing the provisions of the implementation plan.

(2) The management body must be a company incorporated in accordance with the provisions of a Non-Profit company (company not for gain) as per the Companies Act, Act 71 of 2008 (as amended or replaced)~~section 21 of the Companies Act, 1973 (Act No. 61 of 1973)~~.

(3) Stellenbosch Municipality shall monitor compliance by the management body with the applicable provisions of this By-Law~~s~~, any guidelines or policies adopted by Stellenbosch Municipality and any agreements entered into with the management body and Stellenbosch Municipality.

(4) ~~A Sub-~~The Council must nominate the relevant ward councillor and one other person, as representatives to attend and participate, but not vote, at the meetings of the management body.

(5) Within two months after receipt of the first payment of the additional rate, the management body must begin carrying out the ~~provisions~~ objectives of the implementation plan.

(6) Within two months of the end of each financial year, the management body must provide the CFO with –

(a) Its audited financial statements for the immediately preceding year; and

(b) an annual report on its progress in carrying out the ~~provisions~~ objectives of the implementation plan in the preceding year to improve and upgrade the special rating area.

(7) Within two months after the Annual General Meeting, the management body must provide the Finance Portfolio Committee~~Sub-Council~~ with –

(c) Its audited financial statements for the immediately preceding year; and

(d) An annual report on its progress in carrying out the ~~provisions~~ objectives of the implementation plan in the preceding year to improve and upgrade the special rating area.

12. FINANCES

(1) The financial year of the management body must coincide with the financial year of the Stellenbosch Municipality~~Council~~.

(2) Where a special rating area has been determined, the Council must levy in accordance with the provisions of the Property Rates Act, a property rate in addition to the rates that it already charges on the owners of rateable property in the special rating area for the purposes of realizing the implementation plan.~~,~~ P~~p~~rovided that the Council may in terms of the Property Rates Act~~Local Government: Municipal Property Rates Act, 2004 (Act No.6 of 2004)~~, Stellenbosch Rates Policy, Stellenbosch Credit Control and Debt Collection By-Law and the Stellenbosch Credit Control and Debt Collection Policy, exempt the indigent, senior citizens, disabled persons or any other category of owners from the additional rates.

(3) When determining the additional rate referred to in subsection (2) above, the Council may ~~give consideration to~~consider imposing differential additional rates on one or more of the

categories set out in section 8 of the Property Rates Act or any category as set out in the Stellenbosch Rates Policy.

(4) The additional rate due in terms of this By-Law is a debt due to the Council and is payable and must be collected in the same manner as other property rates imposed by the Council.

(5) The Council may, for the purpose of carrying out the provisions of the implementation plan of special rating area and subject to section 67 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 200), make payment to the management body of a special rating area.

(6) The payment contemplated in subsection (5) above is conditional upon the conclusion of a finance agreement to be entered into between the Council and the relevant management body, and such agreement must regulate, among other things –

(a) the mechanisms and manner of payment; and

(b) terms on which payment to the relevant management body is to be made.

(7) Subject to the provisions of its memorandum and articles of association, the management body is entitled to raise its own funds through commercial activities, donations or any other lawful means.

(8) The Council, may ~~for the purposes of this By-law,~~ determine and impose on the management body an~~d~~ administrative charge.

13. THE ROLE OF THE CFO

In addition to the other responsibilities and obligations of the CFO as set out elsewhere in this By-Law, the CFO must –

(a) Establish separate ring-fenced budget votes and other record-keeping systems regarding the revenue generated by the additional rate and the improvement and upgrading of the special rating area;

(b) Monitor compliance with the applicable legislation, including this By-Law and the Policy, by –

(i) receiving and considering the audited financial statements and reports regarding the carrying out of duties laid out in the implementation plan;

(ii) nominating, if he or she elects to do so, ~~nomination~~ representatives to attend and participate but not vote at meetings of the management body.

CHAPTER 3

AMENDMENT AND EXTENSION OF IMPLEMENTATION PLANS

14. AMENDMENT TO IMPLEMENTATION PLANS

(1) An implementation plan, including the geographical boundaries of the special rating area, may be amended by the Council on written application by the management body at any time after the formation of the special rating area.

(2) The council may approve an application for an amendment referred to in subsection (1) above where the Council considers it not likely to materially affect the rights or interests of any owner, provided that the Council may require the management body to cause a notice of the application for such amendments to be published as approved by the CFO.

(3) The Council may only approve an amendment in terms of subsection (1) above, with the changes required by the context, in accordance with the provisions of Chapter 1 of this By-Law, which the Council considers is likely to –

(a) materially affect the rights or interests of any person;

(b) affect the approved budget for the special rating area; and

(c) change the boundaries of the special rating area.

(4) The Council may, for good reason, on written application by the management body, exempt the management body from complying with the provisions, or condone any non-compliance with any provisions, of Chapter 1 of this By-Law.

15. EXTENSION OF IMPLEMENTATION PLANS

A management body must, if it elects to extend the term of the implementation plan for a further period, on or before January in the year in which the implementation plan is due to terminate, submit an application to Stellenbosch Municipality for approval of extension of the term of the implementation plan, provided that –

(a) the extension of the implementation plan may only be approved by the Council in accordance with the provisions of Chapter 1 of this By-Law, with the changes required by the context, and the Council may, for good reason, on written application by the management body, exempt the management body from complying, or condone any non-compliance, with any such provisions;

(b) the provisions of section 14 of this By-Law shall apply to any amendment of an implementation plan which has been extended in terms of this section.

CHAPTER 4

DISSOLUTION OF A SPECIAL RATING AREA

16. DISSOLUTION

(1) The Council may ~~dissolve~~ terminate the municipality's business relationship (connection and commitment) to a management body of a specific special rating area –

(a) Upon written application signed by ~~the majority of~~ owners of the majority of properties within the boundaries of the special rating area who are liable for paying the additional rate; or

(b) After prior consultation by the CFO with the management body or the community, whereupon for any good cause~~, whereupon~~ he or she may cause the ~~management body to be wound up~~necessary steps or processes to terminate the business relationship with the management body.

(c) Upon the decision by the CFO to terminate the business relationship to the specific special rating area, notices shall be forwarded to the management body and to all the property owners of the specific special rating area presenting the reasons for the proposed termination and any other pertinent details.

(2) Upon the approval by Council to terminate the business relationship with the management body the additional rates applicable to said special rating area will no longer be raised and the associated payments to the management body shall cease.~~Upon the winding of a management body, the assets remaining after the satisfaction of all its liabilities shall be utilized by the Council to provide additional municipal services in accordance with the provisions of the implementation plan for such areas~~.

CHAPTER 5

MISCELLANEOUS PROVISIONS

17. REPEAL

The provisions of any By-laws relating to special rating areas by Stellenbosch Municipality are hereby repealed insofar as they relate to matters provided for in this By-law.

~~17.~~18. SHORT TITLE AND EFFECTIVE DATE~~FINANCES~~

(1) This By-Law is called the ~~Stellenbosch Municipality:~~ Special Rating Area~~s~~ By-Law~~, 2012~~ of Stellenbosch Municipality.

(2) No new special rating area determined in terms of this By-Law may implement its implementation plan prior to 01 July 2020~~2013~~.

G. Mettler
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APPENDIX 10

STELLENBOSCH MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION POLICY

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PREAMBLE

In terms of Section 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) a Municipality shall-

(a) collect all money due and payable to it, subject to the provisions of said Act and any other applicable legislation and By-laws; and

(b) for this purpose, implement and maintain a credit control and debt collection system which is not in conflict with its Rates and Tariffs policies and which complies with the provisions of said Act.

(c) In order to give effect to the afore going provisions of said Act, the Council of the Stellenbosch Municipality (WC024), herein after refer to as the Municipality, has adopted a policy relating to credit control and debt collection as set out hereinafter.

1. PRINCIPLES

This Policy supports the following principles:

(a) Human dignity must be upheld at all times.

(b) This Policy must be implemented with equity, fairness and consistency.

(c) Endeavours shall be focused such that data related to owners/debtors/consumers and accounts are correct at all times.

(d) The implementation of this Policy shall be based on sound business principles, which may include credit worthiness checks and assessments of the credit risks involved.

(e) New services will only be provided if supported by the relevant service contract(s) and payment of a consumer deposit alternatively, a bank guarantee in a form acceptable to the Municipality's Chief Financial Officer will be considered.

(f) Interest on overdue accounts will be charged at the South African Reserve Bank's prime interest rate plus one percent, and will be levied on accounts outstanding after the relevant due dates thereof. For the purposes of calculation, a portion of a month will be deemed to constitute a full month.

(g) Deposits/Bank guarantees will be utilised to proactively mitigate the potential of unnecessary credit risk exposure to Council.

(h) An administration fee and/or collection fee will be charged on overdue accounts, according to Council's approved tariffs and the By-laws of Stellenbosch Municipality (WC024). Such fees will not apply to the accounts of unemployed registered indigent consumers.

(i) The rates components on overdue accounts may be processed in terms of Sections 28 and 29 of the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) and as described in the Rates Policy of Stellenbosch Municipality.

2. MUNICIPAL ACCOUNTS and ADDITIONAL MECHANISMS

2.1 Notices and Demands

The Owner's/Debtor's/Consumer's attention is drawn to the note on the municipal account, which states that the supply of services will be discontinued/restricted without further notice if the accounts are not settled in full. This serves as a warning to a defaulting owner/debtor/consumer that services will be discontinued/restricted upon defaulting on payments.

Notices, e-mails, cell phone text messages (SMS) or any available informative actions will however be issued to account holders as a first attempt (first notice) after the due date as a means to recover debt and to remind consumers/debtors/owners of their obligation to pay for services.

The aim of such reminders is to urge co-operation to settle accounts without the necessity to employ more drastic steps and to offer the opportunity to make arrangements to pay off such debt where the financial position of a consumer is such that relief is possible as per criteria in the Municipality's Rates or Indigent Policies.

Failure to respond to the aforesaid first notice will result in the disconnection and/or restriction of services and a final demand being issued where applicable.

Failure to respond to a final demand and in the event of arrears not being settled within the period stipulated in the final demand, or an arrangement not being concluded, legal action may be instituted (with the Municipality's rights reserved, notwithstanding the fact that services were disconnected/restricted or not) to recover the full outstanding debt.

In this regard the Municipality may consolidate any separate accounts of a debtor, credit a payment by a debtor against any account of that debtor and implement any of the measures provided for in this policy or the Credit Control and Debt Collection By-law in relation to any arrears of any of the accounts of such a debtor.

In the case of housing rental contracts, the Municipality may consider procedures for eviction or right sizing.

2.2 Additional Mechanisms

2.2.1 Electricity Services:

In the event of an owner/debtor/consumer other than a registered unemployed Indigent consumer regulated by Stellenbosch Municipality's Indigent Policy, failing to pay for electrical services due and payable, and in the event of such consumer having been placed on the disconnection list 3 times within a twelve (12) month period prior to such event, then Stellenbosch Municipality will have the right to install pre-paid electricity meters in a bid to limit credit risk. The Municipality may also consider upward adjustment of the relevant consumer deposit/bank guarantee.

2.2.2 Water Services:

The Stellenbosch Municipality may in the event of an owner/debtor/consumer exhibiting a trend of non-payment of accounts during a twelve (12) month period prior to a non-payment event (i.e. 3 times or more non-payment events) consider the installation of water demand management devices with pre-paid functionality in a bid to limit credit risk. The Municipality may also consider upward adjustment of the relevant consumer deposit/bank guarantee.

2.2.3 Rental Services:

Actions against defaulters are regulated to a degree by the contracts involved.

All contracts must at minimum and where appropriate, include the following criteria/requirements:

(i) Due date for payments.
(ii) Applicable procedures upon the defaulting of payments.
(iii) Handover procedures.
(iv) Eviction or right sizing actions.

3. ARRANGEMENTS

Should owners/debtors/consumers wish to make arrangements to pay off accounts in arrears, the following guidelines shall apply:

(a) The main aim of arrangements should be to ensure that current accounts (which may include penalties/interest and/or any admin fees) are at least paid in full, before entering into acceptable arrangements to pay off arrears.

(b) The Municipality may enter into an arrangement with a tenant or occupier of a property which is linked to an account in arrears, on proviso that:

(i) a written affidavit is received which certifies that the registered owner of said property, at which such tenant or occupier resides; is:

- untraceable;
- not contactable;
- of unknown whereabouts; or
- not co-operating with said tenant or occupier.

(ii) such tenant or occupier has substantiated the ability to pay and the right to occupation stating the rental due and the time period of such occupation and providing the last known address of the registered owner;

(iii) such tenant or occupier undertakes to advise the registered owner, at the first reasonable opportunity, of the current situation and further agrees to obtain the consent of the registered owner to condone the process as described in this paragraph 3 (b); and

(iv) where applicable, such tenant or occupier provides comprehensive details of the non-co-operation of the registered owner.

(c) Care must be taken to ensure that all reasonable financial and social assistance, as provided for in various Municipality's Policies, is rendered to assist owners/debtors/consumers before drastic action is taken to recover debt e.g. subsidies for Free Basic Services and relief measures on property tax.

(d) All arrangements must be concluded in writing and the debtor must be provided with a copy thereof. Arrangements will be invalid unless signed by the debtor and one or more delegated representative(s) of the municipality.

(e) Arrangements must be entered into that are both affordable to the consumer and protect the Municipality's interest by ensuring the most cost-effective debt recovery.

(f) Arrangements must be final and debtors will not be allowed to re-arrange debt repayments. The Municipality may for a meritorious case, upon presentation of proof of current difficulties, consider delaying the receipt of the arranged instalment. This delay may not exceed 3 months.

(g) It is of vital importance to ensure that the settlement of current accounts (which may include penalties/interest and/or any admin fees), together with the debt repayment instalment, is seen as the minimum requirement for any agreement.

(h) Arrangements must be compiled in a format that facilitates legal action, upon breach of contract. Written arrangements must as far as possible be in the form

of agreements in terms of Section 57 of the Magistrate's Courts Act, 1944 (Act 32 of 1944) and as amended by the Jurisdiction of Regional Courts Amendment Act, 2008 (Act 32 of 2008) (hereinafter referred to the Section 57 Agreements).

All debt repayment arrangements will be logged on the financial system to ensure maximum accessibility and to enable the effective administration of such repayments.

(i) Arrears of Councillors and other Municipal Officials must be settled in full or arrangements to pay off such amounts, by means of salary deductions, may be entered into. This includes the seizure of bonuses or any other additional allowances (this paragraph (i) must be read in conjunction with the relevant sections of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)).

The Stellenbosch Municipality is entitled to recover all arrears more than ninety days by means of salary deductions and proportionally from increases and/or the official's thirteenth cheque/performance bonus. In this regard, all temporary contract workers are also regarded as municipal officials.

(j) No interest will be levied on outstanding amounts for which arranged agreements have been entered into.

(k) It is a preferable that a water demand management device and/or a prepaid electricity meter be installed when any arrangement is entered into.

(l) Arrangements may only be concluded upon submission of the following documentation:

(i) Proof of identification;

(ii) Proof of Income;

(iii) Supporting documentation relating to expenses;

(iv) Three-month bank statements and/or payslips; and/or

(v) Any other relevant documentation as may be requested by the Credit Control Section.

4. ADJUSTMENT OF DEPOSITS/BANK GUARANTEES

Deposits/Bank guarantees may be increased to cover the additional risk as regulated in terms of the Municipality's By-Laws. Increases in deposits/bank guarantees shall be utilised to cover the additional risk resulting from default payments. The latter deposits will be utilised only after closing of account by debtor or transfer of property. Should the account remain unpaid, such deposit will be utilised for the unpaid portion. Any credits will be refunded to the consumer.

The Stellenbosch Municipality will not pay any interest on any deposits.

5. FURTHER ACTIONS

(a) Should arrangements not be made, or not be accepted or not be adhered to, services are discontinued or restricted; or pre-paid services are restricted, provided that a fair and equitable procedure, including reasonable notice of the intention to discontinue or limit is followed. Where legislation does not allow for the complete termination of services, the Credit Control Section will determine the appropriate minimum level of service provision, where after, all amounts owing become due and must be paid in full before services are restored to full capacity.

(b) Should amounts owed not be settled by the final date, i.e. after the date for payment set out in a final demand, such accounts and the relevant Agreements, where applicable, will be handed over to the Municipality's Collection Attorneys for recovery and/or to consider instituting further legal action.

(c) The Municipality shall at its own discretion in compliance to the measures provided for in the Municipality's By-Laws, be entitled to withhold or limit the supply of services until the total costs, penalties, other fees, tariffs and rates due and owing to the Municipality have been paid in full. This will include the restriction of supply of water or electricity to a debtor who is found guilty by the Municipality or any Court of Law:

(i) of fraud or theft of water and electricity,

(ii) any another criminal activity relating to the supply or unauthorised consumption of water and electricity, or

(iii) if it is evident that fraud, theft or any other criminal activity has occurred relating to such supply or consumption.

(d) Stellenbosch Municipality may consider an auxiliary levy of up to 50% on the purchase of pre-paid electricity to recover arrear debt.

(e) Stellenbosch Municipality may consider black-listing consumers in cases where the consumer was handed over to institute legal proceedings.

(f) The Municipality may attach the rental income in whole or in part from a tenant or occupier of a property which is left unpaid by the owner thereof, provided that Section 115 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) is adhered to.

(g) Once the Municipality has exhausted all reasonable and practicable debt recovery measures and, in an effort to recover outstanding debt, the Municipal Manager will have sole discretion to approve the litigation process for the disposal of the movable and/or immovable assets of defaulting owners/debtors/consumers by means of a Sale in Execution order.

6. NEW APPLICATIONS FOR SERVICES

6.1 No transfer of services from an owner to a tenant (Municipal property excluded) will be allowed. The status quo of contracts signed before 01 July 2011 will be maintained, provided that the tenant does not default on payments.

6.2 The owner or his/her proxy applying for a service to be rendered must be positively identified by means of a generally acceptable means of identification as used by financial institutions. A copy of the identification details (such as a copy of the person's ID and proof of residence (for business users)) must be kept for reference purposes.

6.3 The payment of a service deposit/bank guarantee will be based on tariffs as determined by the Council.

6.4 Adjustments to deposits/bank guarantees will be determined by the debtor's payment record of municipal accounts and consumption levels.

6.5 The provision of all services not regulated by acts and by-laws will be subject to the signing and acceptance of the conditions of supply contained in a service contract.

6.6 Where the consumer is not the owner of a property, the owner must, on his/her request, regularly be served with a copy of a statement of the amount due.

6.7 The Municipality may subscribe to the services of a credit bureau in order to enhance the effectiveness of credit checks.

7. THE RENDERING OF ACCOUNTS

7.1 Accounts must be rendered regularly and timeously to all property owners and consumers utilising municipal services.

7.2 Accounts must be consumer friendly and must clearly reflect the following minimum information:

(a) the name, address and contact numbers of Stellenbosch Municipality;

(b) the name and postal address of the account holder;

(c) details of the property in respect of which the account is issued;

(d) the contents of the account will be reflected in at least one of the three official languages of the Western Cape province;

(e) the balance brought forward from the previous account, as well as a summary of transactions for the present period;

(f) all services for which the account is rendered, as well as amounts billed for such services;

(g) the final amount payable;

(h) the final date for payment;

(i) soft reminders in respect of interest levies and discontinuation of services; and

(j) the situation of payment facilities, and modes of payment accepted and office hours for payment.

8. ACCOUNT QUERIES

8.1 Consumers have the right to query accounts. In order to ensure the correctness of accounts and the satisfaction of consumers, all queries must be attended to swiftly and effectively.

8.2 Claims of not having received an account do not constitute a valid reason for non-payment of accounts. Queries regarding such non-receipt must be followed up with the Revenue Section in order for same to be addressed. A consumer liable for any services rendered by, or rates due to the Municipality must furnish the Municipality with an address where correspondence can be directed to. Consumers should be encouraged to provide the Municipality with e-mail addresses where accounts could be sent to, rather than traditional postal addresses.

8.3 Duplicate accounts shall be available upon request at a prescribed fee.

8.4 Accounts in Dispute

8.4.1 Should an account in respect of water or electricity consumption be disputed, the concerned consumer must at minimum pay the average amount of the previous 12 (twelve) month's accounts. This shall be applicable only for the month in which the dispute was raised. Subsequent accounts issued in months thereafter (barring any new dispute raised) shall be considered unrelated to the dispute in question.

All other Municipal services or rates disputed will be dealt with at the discretion of the Municipality.

8.4.2 The dispute in question shall be considered to be resolved after all actions have been taken by the Municipality; including but not limited to the following:

(i) determining the correctness of the account;

(ii) relevant procedures were taken to adjust the account accordingly; and

(iii) a written notice or a telephonic confirmation to such effect has been given to the concerned consumer.

8.4.3 In the event that a consumer declaring a dispute does not adhere to paragraph 8.4.1 above the disputed account will be subject to the normal Credit Control and Debt collection procedures.

8.5 Errors or Omissions

8.5.1 The Municipality strives to ensure the accuracy of consumer accounts. The onus of the consumer is however to verify that the services as stipulated on the account statement has been delivered and is correct. Upon detection of any errors or omissions the consumer should raise the dispute and notify the Municipality soonest and preferably in writing.

8.5.2 Accounts will only be rectified as from the date such errors or omissions was brought under the Municipality's attention. The adjustment (if applicable) to the account will be

processed as per paragraph 8.4 above and applied after the date of inspection or confirmation by the specific Services Department.

8.5.3 Upon the sole discretion of Council serious nonconformities of an account may be adjusted as from the start of the current financial year.

9. DUE DATES OF ACCOUNTS

Accounts are payable by the 7th day of each month or the first working day thereafter, should the 7th day fall on a weekend or public holiday.

10. ALLOW SUFFICIENT TIME TO SETTLE ACCOUNTS

In order to allow sufficient time to settle accounts, the account should, where possible, be ready for delivery at least two weeks before the due date.

This necessitates proper scheduling of all processes leading to the issuing of accounts to meet the Municipality's commitment to its consumers.

11. CONSOLIDATION OF ACCOUNTS

In order to reduce cost and to enhance credit control and debt collection measures, separate accounts for services rendered in respect of a property or separate accounts of a debtor will be consolidated as far as possible. This will not be limited to consumer accounts only but may be extended to any other amount payable arising from any liability or obligation due to the Municipality.

12. PAYMENT OF ACCOUNTS – GENERAL

12.1 In order to promote the payment of accounts, payment facilities and hours for payment must be convenient to consumers, but the establishment of such facilities should still be subject to normal business principles and the economy of the provision of such services.

12.2 The following facilities are presently available – with the office hours and modes of payment indicated. Facilities are extended on an on-going basis.

Facility	***Hours***	***Payment methods accepted***
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,	Trading hours: 7 days per week	Cash, cheques, credit cards, debit cards

Pep Stores, Ackermans and other stores		
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

12.3 The use of correct account references for electronic payments and/or direct deposits is a requirement to ensure correct allocation of payment and to avoid any penalties and administration costs. It is the responsibility of the consumer making the payment to ensure that the correct reference number is made known to the Municipality.

12.4 All payments by means of Electronic Funds Transfer (EFT) or payments via the facilities as approved must be made in time so as to reflect in the Municipality's bank account before close of business on the due date.

12.5 Payment prioritisation of payments received will be allocated in the following order:

(i) Penalties.
(ii) Municipal Rates.
(iii) Special Rating Area Levies.
(iv) Sewerage.
(v) Refuse.
(vi) Rentals.
(vii) Sundries.
(viii) Water.
(ix) Electricity.

13. DISHONOURED PAYMENTS

13.1 Receipts issued in respect of dishonoured cheques and ACB deductions must be written back upon receipt of such notices. Interest on arrears must be raised where applicable and administration costs be debited to debtors account. Debtors must be notified and debt recovery actions be instituted where necessary.

13.2 Should payments be dishonoured twice, the debtors system must be encoded not to accept cheques or debit order transactions of such a debtor and he/she must be informed thereof in writing.

13.3 If payments are dishonoured twice in a financial year, consumer deposits/bank guarantees may be adjusted to mitigate increased financial risk.

14. PENDING LEGAL ACTIONS AGAINST CONSUMERS

Legal actions, such as notices of intended sales in execution, press releases regarding pending insolvency's, etc. may be followed up to evaluate the credit rating of such debtors in order to take steps to minimize the risk of financial loss for the Municipality.

15. INTEREST

15.1 Interest will be raised monthly, on a reasonable time after due date, to allow finalization of EFT payments, journal processing, system updates, etc. The latter interest raising will be on all arrear balances of all services (excluding housing services), property rates or arrangements as per paragraph 3 of this Policy, remaining unpaid.

15.2 A portion of a month is deemed to be a full month for the purposes of calculation of interest payable.

15.3 Interest on outstanding arrear accounts will be calculated and charged at the South African Reserve Bank's prime interest rate plus one percent.

16. GENERAL AND OTHER SERVICES

16.1 Monthly Consumer accounts:

16.1.1 Debtor's records must be coded correctly and timeously to ensure the rendering of accurate accounts to consumers.

16.1.2 The supply of water and electricity must conform to the conditions of supply set out in the By-Laws for Stellenbosch Municipality, as promulgated in the *Provincial Gazette*.

16.1.3 Due to the inclined block tariffs employed for these services, care must be taken to ensure meter readings are taken accurately and at intervals as close as possible to 30 days. Should this not be possible, consumption may be estimated as set out in the Municipality's By-Laws. As a general rule it is accepted that deviations in consumption periods exceeding 10% should be guarded against.

16.2 Sundry Services:

16.2.1 Accounts for recovery of cost encountered by the Municipality in respect of sundry services rendered are issued if and when such services are rendered to consumers.

16.2.2 As these services are usually not based on formal service contracts, it is essential that it be billed as soon as possible, and the recovery of such debt must receive priority, as the risk of loss to the Municipality is more eminent than in the case of other services.

16.2.3 Care should be taken to obtain full and accurate information of such debtors and to obtain prepayment for such services where possible.

16.2.4 Actions applied to follow up unpaid accounts will be determined by the nature and extent of the debt and the cost effectiveness of such actions.

17. CONDITIONS RELATING TO RENTAL AND PURCHASING OF MUNICIPAL PROPERTY

17.1 Municipal property may only be leased or sold after approval of such transactions and the signing of a rental or purchase agreement. Such approvals may be by way of specific Council resolutions or in the form of delegations.

17.2 The conditions for payment of instalments and deposits are regulated by the contents of the rental and purchase agreements and the Municipality explicitly reserves its rights to

discontinue services for non-payment not only limited to the leased property but any other property of the lessee within the jurisdiction of Stellenbosch Municipality (WC024).

17.3 Other specific rental and purchase agreements are tailored to the specific nature and requirements of such transactions.

17.4 Full details of remedies for defaulting lessees and purchasers and procedures to address such defaults must be contained in the relevant contracts, but must not have the effect of limiting the Municipality in terms of this or any other Policy regulating arrears.

17.5 These remedies usually commence with written reminders, leading to the cancellation of the contracts and the institution of further legal action where necessary.

17.6 Rental and purchase agreements represent formalised individual contracts that form the basis of all actions by the parties involved. Both parties are bound to such conditions, failing which may lead to the cancellation of such contracts by the parties involved and claims for damages.

17.7 Lessees whom may qualify for rental subsidies must be referred to the housing office to apply for such subsidies in an effort to make rentals more affordable.

18. RENTALS IN RESPECT OF MUNICIPAL EMPLOYEES

Apart from the general conditions applicable to general rental the following conditions will also be applied:

(a) Rent will be based on the principle of market related rentals as required by Municipal Supply Chain Management (SCM) Regulation 40.

(b) Rent, and optionally rates and service charges, where applicable, may only be paid by means of salary deductions. A specific clause to this effect must form part of the contract.

(c) The relevant Director, or his/her delegated official, must co-sign rental agreements of employees to ensure that financial conditions are met.

19. INDIGENT CONSUMERS

19.1 The Stellenbosch Municipality supports the principle of providing support to indigent consumers by way of providing ~~free~~ Free ~~basic~~ Basic ~~services~~ Services in accordance with the provisions of the Municipality's Indigent Policy. All effort must be made to limit the re-occurrence or accumulation of indigent debt of such consumers.

20. SHORT TITLE

This Policy is the Credit Control and Debt Collection Policy of the Stellenbosch Municipality.

APPENDIX 11

STELLENBOSCH MUNICIPALITY

IRRECOVERABLE DEBT POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

IRRECOVERABLE DEBT POLICY

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PREAMBLE

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate towards the community/consumers of Stellenbosch Municipality (WC024).

Council further acknowledges that in order to deliver services in a sustainable manner, that same be managed in terms of Council's Credit Control and Debt Collection Policy having due regard of its limited financial resources and the need to manage cash flows.

Council therefore is aware of its duty to prepare financial statements that gives a true reflection of the financial position for a given period.

1. Requirements before writing-off debt

All applicable actions as contained in the approved Credit Control and Debt Collection Policy of Stellenbosch Municipality must have been executed/implemented before any debt, owed to the Municipality for any reason whatsoever will be considered for writing-off. However, in special cases where the requirements in terms of the Municipality's Credit Control and Debt Collection Policy were impossible/impractical to implement, the administration must motivate such write-off.

2. Bad Debt Recovered

Bad debt recovered after having been written-off will be treated in terms of the Municipality's Accounting Policy.

The approval of Council for the write-off of any debt does not mean that actions to recover the debt will be terminated. Conditionally, further actions may be instituted, depending on the costs involved. Should the debt be recovered, it will accordingly be recorded in the financial records of Council.

3. Thresholds for writing-off of debt

3.1 The writing-off of debt per individual case may be considered as follows:

(i) Above twenty thousand rand (R20 000) will be effected after Council approval.

(ii) Amounting to twenty thousand rand (R20 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO) or his/her delegate.

(iii) Amounting to ten thousand rand (R10 000) and below may be effected after motivation to and approval by the Senior Manager: Revenue and Expenditure.

(iv) Amounting to five thousand rand (R5 000) and below may be effected after motivation to and approval by the Manager Revenue.

3.2 The writing-off of any interest (or part thereof) component of debt, providing that the debt excluding the interest component, is paid in full, may be considered as follows:

(i) Above one hundred thousand rand (R100 000) will be effected after Council approval.

(ii) Amounting to one hundred thousand rand (R100 000) and below may be effected after motivation to and approval by the Chief Financial Officer (CFO).

(iii) Amounting to five thousand rand (R5 000) and below may be effected after motivation to and approval by the Senior Manager Revenue and Expenditure or Manager Revenue.

4. Provision for irrecoverable debt

Provision for bad/irrecoverable debt will be dealt with in terms of the Municipality's Accounting Policy.

5. Rescission of Judgments

Stellenbosch Municipality will consider applications for the consent to rescission of judgments, obtained by the Stellenbosch Municipality for the recovering of debt, provided that the following conditions are applicable:

5.1 All outstanding debt accrued on all accounts of the said property have been settled in full, and

5.2 A period of at least five years has lapsed since the date of the applicable judgment, in the case where the Stellenbosch Municipality has written off any debt.

6. Short Title

This Policy is the Irrecoverable Debt Policy of the Stellenbosch Municipality.

APPENDIX 12

STELLENBOSCH MUNICIPALITY

PETTY CASH POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

PETTY CASH POLICY

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1. INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. Therefore the Stellenbosch Municipality adopts the following petty cash policy.

2. REGULATORY FRAMEWORK

a) The Municipal Finance Management Act (56 of 2003);
b) Section 15 of the Municipal Supply Chain Regulations;
c) Treasury regulations in terms of Section 13(1) of the Act;~~.~~
d) MFMA Circular 897~~2~~ (Cost Containment Measures);
e) Cost Containment Policy;
~~d)~~f) Municipal Cost Containment Regulations, 2019; and
~~e)~~g) Any subsequent MFMA Circulars relevant to Petty Cash or Cost Containment in general that may be issued By National Treasury from time to time.

3. OBJECTIVES

Compliance with the regulatory framework in terms of the relevant legislation is required.

4. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager)-

(1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

(2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—

(a) ~~that~~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~~That the municipality has and maintains a management, accounting and information system which—

(i) recognises expenditure when it is incurred;
(ii) accounts for creditors of the municipality; and
(iii) accounts for payments made by the municipality;

(c) that the municipality has and maintains a system of internal control in respect of creditors and payments;

(d) that payments by the municipality are made—
(i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
(ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer to ensure compliance and adherence to the principles established by this policy.

5. PETTY CASH FRAMEWORK

5.1 General Policy

a. The use of petty cash floats is strictly confined to individual cash purchases of:

i) up to a maximum of R500, where the petty cash floats in other departments are used to make purchases,
ii) up to a maximum of R2 000, when claimed from the Financial Services Petty Cash Float.

~~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~~82~~ (Cost Containment Measures). ~~Attention is specifically drawn to Section 4 of the Circular.~~
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, therefor 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.

~~c.~~

Under no circumstances may Petty Cash be abused for purposes of avoiding Supply Chain Management procedures. It is not acceptable for one receipt or a number of receipts, in respect of the same event, which have been obtained by the same person, to be split over multiple cash purchase claims.

d. The Directorate making use of Petty Cash for smaller purchases is responsible for ensuring that sufficient budget is available on the relevant votes.

e. A petty cash float is not to be used for any of the following:

i) the cashing of cheques;
ii) loans to any person whatsoever;
iii) payment of personal remuneration to any employee whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason; or.
iv) Purchase of capital items.
iv)v) Any item or service that does not fall within the ambit of the Cost Containment Policy and –Regulations.

f. Examples of permissible Petty Cash Expenditure may include, but is not limited to:

i) Toll Fees
ii) Parking Fees
iii) Postage
iv) PDP and Licence fees
v) Keys
vi) Car Wash
vii) Fire Arm Licencing

g. Should there be any uncertainty, the relevant Director may exercise discretion and approve a requisition for Petty Cash, or in the case of an own Petty Cash Float, approve such expenditure provided that all such approvals remain within the confines of the Cost Containment Policy and –Regulations..

Other hotter cash floats may also be established for the purpose of providing change, for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established.

i. The Chief Financial Officer may approve the use of petty cash for specific use, based on practical reasons or cost-benefit reasons. Such an authority will be done on a case by case basis for the purposes of considering merit.

j. The CFO may determine and approve the maximum amount to be held in any individual petty cash float.

5.2 Purchases through Petty Cash Float – Supply Chain Management Office

a. Purchases from SCM database suppliers shall be allowed in the following instance, provided that a monthly submission are made to the CFO of all purchases and the respective director confirming the enforcement of rotation of suppliers:

i) When the amount of the individual purchase / event is less than R250.00, irrespective of it being an emergency or not.

b. Purchases from SCM database suppliers are NOT allowed for capital items or fuel.

c. Petty claims will be dealt with on a first come, first serve basis and it is subject to the monetary limit of the petty cash.

5.3 Establishing and Operating a Petty Cash Float

a. To establish a new petty cash float or increase an existing advance, a written application is to be made to the Chief Financial Officer by the relevant Department, motivating the need for such petty cash float.

b. The total value of the advance requested will be an amount which would normally necessitate reimbursement approximately once a fortnight. This level of advances keeps to a minimum the overall cash in the buildings on municipal property and ensures regular inclusion of information regarding expenditure in financial reports and for budget control purposes.

c. A request for the establishment of an advance will indicate the name and status of senior administrative or clerical staff to be held responsible for the operation of the petty cash float. The staff member's specimen signature must also be submitted by the Department to the Chief Financial Officer, together with the application documentation.

d. The application will indicate the security arrangement in place to ensure safe custody of funds in the office. The minimal security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe.
If an advance is approved, the Assistant Accountant: Creditors will advise the Department accordingly and request that the responsible staff member collect the advance. This establishing advance will be charged to a "Petty Cash Advances - …Name/Dept…" in the General Ledger and not against any expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

5.4 Security of Petty Cash Floats

a. The cash on hand and used petty cash vouchers are to be kept in a locked box for which there should be two keys. One key is to be retained by the officer (on their person) normally responsible for the petty cash and the other to be kept in a sealed envelope in the office safe or other secure place, to be used only in an emergency.

b. The locked petty cash box must be kept in a secure place when not in use and should be removed and returned by the responsible staff member only. At no stage should staff other than the responsible administrative/clerical staff member have access to the storage place of the petty cash box.

c. Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.

d. If the responsible officer is either going on leave or is leaving the Municipality's employment, the petty cash float is to be reconciled and signed by the departing- as well as replacement staff members, to indicate their agreement as to its balance. The replacement staff specimen signature must also be submitted to the Chief Financial Officer.

5.5 Completing a Cash Purchase Claim Form

a. Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:
   (i) Cash Purchase Claim page
   (ii) Cash Purchase Record page
   (iii) Receipt for cash advance (Only when appropriate, refer paragraph on Advances).

b. All details entered on the Cash Purchase Claim appear on the Cash Purchase record page.

c. The Cash Purchase Claim must be completed as follows:
   (i) description and cost of the goods/services purchased
   (ii) purchaser's signature
   (iii) vote number to be charged
   (iv) ~~signature~~Signature of the Officer in Charge of Petty Cash.

d. Original receipts or other valid documentation as required must be attached as proof of payment, with the signature of an appropriate financial delegate on this documentation. A financial delegate cannot authorise a cash purchase claim where she or he is the purchaser.

5.6 Sub-Advances to staff members

a. If it is necessary to make an initial sub-advance to a staff member for various needs, a receipt for cash advance must be completed. The receipt for Cash Advance Form must be completed as follows:

(i) description and *estimated* cost of the goods/services purchased
(ii) purchaser's signature
(iii) vote number to be charged
(iv) ~~signature~~Signature of the Officer in Charge of Petty Cash.

b. On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Cash Purchase Claim Form.

All such sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or the money will be deducted on his/her next salary irrespective of consent being given or noted. Not more than one advance will be made to any one person at a time.

5.7 Out-of-Pocket Payments

a. Where a staff member has made purchases from their own funds and now seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim.

b. The supporting documentation is to be attached to the Claim.

c. The recording- , documentation- and authorization requirements will be as stated in the above paragraph (**Completing a Cash Purchase Claim Form**).

5.8 Reimbursement of Petty Cash Floats

a. A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement-

(i) returns the cash level of the petty cash float to its original level and

(ii) ~~charges~~Charges the expenditure which has been made, to the correct expenditure vote.

b. Accordingly, at any point of time, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, will equal the level of the petty cash advanced to the Department.

c. Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be taken by the officer in charge of the Petty Cash in a Directorate/Department, to the Assistant Accountant: Accounts Payable for reimbursement, after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate at least once in 14 days. Reimbursement of claims where supporting documentation is missing will not be entertained.

d. The prescribed Summary Cash Purchase Claim form as well as other relevant forms attached to it must be completed in full.

e. The most recently completed Cash Purchase Claim form must record the reconciliation of the petty cash float. The Assistant Accountant: Accounts Payable will refuse reimbursement of claims where this is not supplied.

f. A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

5.9 Shortages

a. Any shortages in respect of a petty cash float must be paid in immediately.

b. Where a petty cash float is stolen the incident must be reported promptly to the Chief Financial Officer in the required format, after which same needs to be reported to the South African Police Services and a case number provided to the Assistant Accountant: Accounts Payable.

5.10 Procedure applicable when a Petty Cash Float is repaid/cancelled

When an advance is no longer required, a statement in a form of a memorandum is to be completed and signed by the Head of the relevant Department and submitted to the Assistant Accountant: Accounts Payable, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float, where after a cheque will be issued to the relevant person to effect completion of the transaction..

The Cashier will issue a receipt to the affected department.

5.11 Financial year-end procedures

Reconciled petty cash registers (cash slips attached), accompanied with the cash balance must be returned to the Senior Accountant: Expenditure a week before the financial year end.

APPENDIX 13

STELLENBOSCH MUNICIPALITY

TRAVEL AND SUBSISTENCY POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

TRAVEL AND SUBSISTENCE POLICY

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1. OBJECTIVE

It is essential that representatives of this municipality from time to time travel in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government. It should also be read together with paragraph 2 of MFMA Circular 82 of 30 March 2016 as well as the Cost Containment Regulations as far as it is applicable to travel and subsistence issues.

This policy sets out the basis for the payment of a subsistence travel allowance, hourly rate when applicable and for the purpose of such official traveling.

In the event of any conflict between a provision of this policy and the Cost Containment Policy, the latter policy shall apply.

2. TRAVEL

2.1 Responsibilities of Representatives who travel on Business of the Municipality

a) Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.

b) Representatives who travel on the business of the municipality must take note that their actions, conduct and statements must be in the best interest of the municipality, and they must comply with any specific mandates they have been given.

2.2 Air Travel

a) The Accounting Officer in respect of all officials or political office bearers and the Executive Mayor in respect of the Accounting Officer only approve the purchase of economy class tickets for air travel.

a) b) All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by-

(i) the executive committee, with regard to Holders of Public Office and the Municipal Manager, or

(ii) ~~the~~The Municipal Manager, with regard to officials and applicants for interviews

2.3 International Travel

a) International travel for any official or political office bearer can only be approved by the municipal council in a meeting open to the public with a supporting vote of the majority of the members of the municipal council present.

b) The report to council for approval of international travel must include:

(i) A motivation why the international travel is seen as critical and fully setting out the anticipated benefit that the municipality will derive from attending the event, meeting or function;
(ii) If international travel to the destination or event was previously undertaken, state what benefits if any derived from the previous attendance;
(iii) The full cost of the international travel including travel allowances and visas if applicable to be paid; and
(iv) The proposed officials and political office bearers, not exceeding three, to travel and why they have been identified.

c) The following events will not be considered critical to justify international travel whether the full cost of the travel is paid by another institution or not:

(i) Attendance of international sporting events;
(ii) Attendance of international social events;
(iii) Attendance of international party-political events;
(iv) The opening of another country's parliament or any other country's government's celebration events.

d) The accounting officer or delegated official must ensure that requirements for international travel by officials or political office bearers are not inserted into bid documents, whether it is for inspection of products at source of construction/assembly or for any other reason.

~~b)~~

~~2.2~~ 2.4 **Car Rental, Travel Costs and rates**

~~b)~~ 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).

~~c)~~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.

~~d)~~c) ~~All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by~~

(ii) ~~the executive committee, with regard to Holders of Public Office and the Municipal Manager, or~~

(iii) ~~the Municipal Manager, with regard to officials and applicants for interviews~~.

~~e)~~d) Parking and toll fee – actual cost will be reimbursed via Petty Cash after the submission of proof of expenditure.

~~f)~~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.

i) Councillors:

Will be reimbursed in terms of the Private Column of Department Transport monthly circulars pertaining to Tariffs for the Use of Motor Transport to a maximum of R4.50 per kilometer.[A1]

ii) Officials with vehicle/car allowance:

Will be reimbursed at a flat rate of R4.50 per kilometer where motor vehicles are used and R2.00 per kilometer where motor cycles are used. Where it is possible to fly to a destination, but the official prefers to drive with his own vehicle, the lower value between kilometer claim and a flight ticket will be used as basis for reimbursement.

iii) Officials who are in receipt of an Essential User Transportation Allowance:

~~will~~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.

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~~)(~~) (b~~)(~~) (ii) and (iii) of the Income Tax Act, 1962. . ~~The~~

~~distance to which the reimbursement applies, must be the shortest distance between the municipality's offices and the location where the official business is to be transacted.~~ If the total number of kilometers for which such reimbursement is received exceeds 8 000 in any tax year, reimbursement for the excess kilometers over 8 000 must be taxed for PAYE purposes. If the cost of any one trip exceeds that of an air ticket, the lesser amount will be paid.

The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant Director, or Accounting Officer in the case of Directors travelling.

~~g)~~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.

~~h)~~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.

~~i)~~h) The Accounting Officer will when appropriate determine an hourly rate for the different committees serving Council.

~~j)~~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.

3. SUBSISTENCE

3.1 Subsistence Allowance

a) A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.

b) In line with SARS guidelines on Subsistence Allowances and Advances, A daily subsistence allowance will only be applicable where-

(i) The representative is obliged to spend at least one night away from his or her usual place of residence on business; R416 per day, or

(ii) The representative will be on official business for a period exceeding 12 consecutive hours per day, without having to spend a night away from his or her usual place of residence; R128 per day.

c) A representative of the municipality must claim his or her subsistence allowance, as provided in this policy before embarking on any official trip, with the exception where such claim reaches the creditors section at least three days before the trip; in which case such claim must be submitted after the event. Such a claim must be accompanied by details of the conference or workshop or emailed/faxed invitation.

d) No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.

e) For the purpose of a subsistence allowance, a representative shall mean-

(i) mayor or executive mayor, as the case may be
(ii) deputy-mayor
(iii) speaker
(iv) members of the executive committee or mayoral committee, as the case may be
(v) other councillors specifically authorized to represent the municipality on a particular occasion
(vi) municipal manager
(vii) directors
(viii) any other official/representative specifically authorized to represent the municipality on a particular occasion
(ix) any official or councilor who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.

f) The subsistence allowance of international travel will be the lesser of:

(i) an amount equivalent to the rates as determined ~~by SARS~~by ~~,~~SARS, at the beginning of 1 July every year.

Or

(ii) US$190 per day where the exchange rate of ZAR is more than 5:1 in relation to the currency of the destination country; and

(iii) US$100 per day where the exchange rate of ZAR is less than, or equal to 5:1 in relation to the currency of the destination country;

4. ACCOMMODATION

4.1 Accommodation Costs

a) Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.

b) Notwithstanding the provision in paragraph 4.1(a) overnight accommodation where the return trip is 500 kilometres or less, may be booked where in the view of the Accounting Officer or delegated official the limitation may be impractical and any of the following instances are present:

(i) The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers;

(ii) The trips are to be undertaken over a number of consecutive days provided that a return trip is in excess of 200 kilometres;

(iii) The starting time of the meeting or event would require the official or councillor to leave his/her place of residence before 05h00 in order to be punctual.

(iv) Should the circumstances as stated in paragraph 4.1 (b)(i) – (iii) not be applicable, but an official still prefers to sleep over and not travel every day, the relevant director may approve travelling and accommodation expenses to be paid in the following manner:

- The cost of one return trip at the applicable rates stated in this policy to be claimed and reimbursed to the official, plus
- The Daily Allowance referred to in paragraph 3.1 (b) (ii) of this policy for every night the official spends away from the work place to be claimed and paid to the official and
- Accommodation paid directly to the relevant establishment equal to the monetary value of R4.50 per kilometer, the potential travel claim for every night that officials sleep over instead of travelling. In cases where more than one official was to travel together, the travel claim will be equally divided between the accommodation costs of the respective officials. Any excess accommodation costs must be borne by the official concerned.

~~a) Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.~~

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.

~~b)~~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.

~~c)~~e) If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager.

~~d)~~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~~353~~.00 per day.

~~e)~~g) The recoverable cost of accommodation for international travel may not exceed US$350 per day.

~~f)~~h) The municipality will at all times firstly consider accommodation where the National Treasury has negotiated discounts for rates as per MFMA circular 97~~82~~. In the absence of such accommodation or failure to secure space, only then will the municipality consider accommodation outside the “NT negotiated accommodation”.

i) Notw~~W~~ithstanding the provisions of 4 (1~~)~~() (~~c)~~c), the procurement of all accommodation services will be subjected to the municipality’s SCM policy and preferential procurement policy. The written approval in terms of paragraph 4.1(c) must be filed with the relevant supply chain documents for the accommodation booking.

5 CONFERENCES, MEETINGS AND STUDY TOURS

5.1 Applications for conferences, meetings and conferences, both within or outside South African borders, must be done on the prescribed form. Applications for conferences, study tours and similar events must be accompanied by a motivation that takes the under mentioned aspects into account:

a) The official’s or political office bearer’s roles and responsibilities and the anticipated benefits of the conference or event;

b) Whether the conference or event addresses relevant concerns of the institution;

c) The appropriate number of officials or political office bearers, not exceeding three, attending the conference or event;

d) The availability of funds to meet expenses related to the conference or event.

5.2 The accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and without the borders of South Africa.

a) Such benchmark costs may not exceed an amount as determined from time to time by the National Treasury through a notice.

b) The costs exclude costs related to travel, accommodation and related expenses, but include conference or event registration expenses and any other expenses in relation to the conference or event.

c) When considering costs for conferences or events these may not include items such as laptops, tablets or other similar tokens that are built into the price of such conferences or events.

d) The accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor for attendance of conferences and events.

5.3 The accounting officer must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.

a) Municipal or provincial office facilities must be unitized for conference, meeting, strategic planning sessions, *inter alia* where an appropriate venue exists within the municipal jurisdiction.

g) 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.

5.6. TRAVEL AND SUBSISTANCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS

(a) If aan representative 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) 2(e)(ii) of this policy policy. The actual cost of air travel will be reimbursed subject to the prior approval of the Municipal Manager or the Director Corporate Services.

(b) Candidates residing outside the boundaries of Stellenbosch municipality will be reimbursed for reasonable costs of travelling as provided for in this policy. Where the distance to travel and interview circumstances is such that a candidate requires accommodation, suitable accommodation may be pre-authorized by the relevant director and the candidate may be reimbursed.

(c) If a candidate is made an offer of appointment and declines the offer, no reimbursement of costs will be made.

~~(a)~~(d) Where necessary the User Department in consultation with Human Resources will make suitable travelling and accommodation arrangements and provide budget for the costs.

~~6.~~7. AUTHORISATION

~~6.1~~7.1 For purposes of implementing this policy

a) Only the Municipal Manager may authorize any travel to be undertaken by Directors, but provided the expenses to be incurred are on the approved budget of the relevant department. Claims by other officials to be authorized by directors concerned.

b) Only the Director Strategic and Corporate Services or the Municipal Manager may authorize payments to be made for persons invited for interviews, but provided that the expenses to be incurred are on the approved budget.

c) Only the Executive Mayor together with the relevant director may authorize any travel to be undertaken by Holders of Public Office, or the municipal manager, but provided the expenses to be incurred are on the approved budget of the municipality.

d) Only Directors may authorize any travel to be undertaken by employees in the respective Directorate, but provided the expenses to be incurred are on the approved budget of the municipality.

e) As far as is practically possible, authorization for the above must be obtained prior to the occasion by any representative who travels on the business of the municipality.

An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the municipal manager or executive mayor, executive committee or director as the case may be.

~~7.~~8. COUNCIL DELEGATES

Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the executive mayor or executive committee, the municipal manager or director as the case may be, may recover all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

~~8.~~9. COMMITTEES ESTABLISHED AS A RESULT OF PRESCIBED LEGISLATION

Any committee established as a result of prescriptions in relevant legislation, will for the purposes of application of this policy, qualify for an allowance equal to that paid to Holders of Public Office.

~~9.~~10. AUTHORITY

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager and in the case of the Municipal Manager, the Executive Mayor will authorize.

In any instance where a delegate did not attend business as approved in accordance with this policy, any expenditure incurred by the council should be refunded by the representative. All deviations in this regard must be approved by council.

~~10.~~11. TRAVEL AND SUBSISTANCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications. The approved form should reach the creditors office 3 days before the intended day of departure in order for allowances to be paid to the representative timeously.

11. SHORT TITLE

This Policy will be known as the Travel and Subsistence Policy.

APPENDIX 14

STELLENBOSCH MUNICIPALITY

COST CONTAINMENT POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

COST CONTAINMENT POLICY

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1. **DEFINITIONS**

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"C*onsultant*" means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution;

"C*ost containment*" means the measures implemented to curtail spending in terms of this policy;

"*Credit Card*" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder;

"*Debit Card*" means a card issued by a financial services provider allowing the cardholder to transfer money electronically from any bank account held by the Municipality when making a purchase;

"*Municipality*" means Stellenbosch Local Municipality;

"Persons in the employ of the municipality" means any employee of the municipality whether employed on a permanent or temporary basis and any public office bearer serving on the Council;

"*Procurement Documentation"* means any documentation used for the procurement of consultants, whether it is documentation used for tenders or formal quotations;

2. PURPOSE

The purpose of the policy is to regulate spending and to implement cost containment measures at Stellenbosch Local Municipality.

3. OBJECTIVES OF THE POLICY

3.1 The objectives of this policy are to:

3.1.1 To ensure that the resources of the municipality are used effectively, efficiently and economically;

3.1.2 To implement cost containment measures.

4. SCOPE OF THE POLICY

4.1 This policy will apply to all:

4.1.1 Councillors'; and

4.1.2 Municipal employees.

4.2 In the event of any conflict between a provision of this policy and any other policy of council, the provision of this policy shall apply.

5. LEGISLATIVE FRAMEWORK

5.1 This policy must be read in conjunction with the -

5.1.1 The Municipal Finance Management Act,

5.1.2 MFMA Circular 97~~82~~, published on 31 July 2019~~7 December 2016~~;

5.1.3 Municipal Cost Containment Regulations, 2019; and

5.1.4 Travelling and subsistence policy.

6. POLICY PRINCIPLES

6.1 This policy will apply to the procurement of the following goods and/or services:

6.1.1 Use of consultants
6.1.2 Vehicles used for political office–bearers
6.1.3 Travel and subsistence
6.1.4 Domestic accommodation
6.1.5 Credit cards
6.1.6 Sponsorships, events and catering
6.1.7 Communication
6.1.8 Conferences, meetings and study tours
6.1.9 Any other related expenditure items

7 USE OF CONSULTANTS

7.1 Consultants may only be appointed after an assessment of the needs and requirements has been conducted to support the requirement of the use of consultants.

7.2 The assessment referred to in 7.1 must confirm that the municipality does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.

7.3 Procurement documentation for the appointment of consultants must include a clause that remuneration rates will be subject to negotiation and will not exceed the applicable rates stated below:

7.3.1 Rates determined in the “Guideline on fees for audits undertaken on behalf of the Auditor–General of South Africa” issued by the South African Institute of Chartered Accountants;
7.3.2 Rates set out in the “Guide on Hourly Fee Rates for Consultants” issued by the Department of Public Service and Administration;
7.3.3 Rates prescribed by the body regulating the profession of the consultant.

7.4 When negotiating cost effective rates for international consultants, the Accounting officer may take into account the relevant international and market determined rates.

7.5 When consultants are appointed the following should be included in the Service Level Agreements:

7.5.1 Consultants should be appointed on a time and cost basis that has specific start and end dates;

7.5.2 Consultants should appointed on an output-specific basis, with specified deliverables and the associated remuneration;

7.5.3 Ensure that cost ceilings are included to specify the contract price as well travel and subsistence disbursements and whether the contract price is inclusive or exclusive of travel and subsistence;

7.5.4 A clause ensuring that skills transfer is done by the consultant to the relevant Municipal officials. This requirement must also be specified in Procurement Documentation.

7.5.5 All engagements with consultants should be undertaken in accordance with the municipality's supply chain management policy and Supply Chain Regulations.

7.6 The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport as updated periodically.

7.7 Consultancy reduction plans should be developed to reduce the reliance on consultants.

7.8 All contracts with consultants must include a retention fee or a penalty clause for poor performance.

7.9 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

8. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

8.1 Should the approved capital budget of the municipality include the purchase of vehicles for official use by political office bearers, the threshold limit for such vehicle purchases may not exceed seven hundred thousand rand (R700 000) or 70% (VAT inclusive) of the total annual remuneration package for the different grades, whichever is greater.

8.2 The procurement of vehicles must be undertaken using the national government transversal mechanism unless it can be procured at a lower cost through other procurement mechanisms.

8.3 Before deciding on the procurement of a vehicle as contemplated in 8.2, the chief financial officer must provide the council with information relating to the following criteria which must be considered:

8.3.1 Status of current vehicles;
8.3.2 Affordability, including options of purchasing vs. renting;
8.3.3 Extent of service delivery backlogs;
8.3.4 Terrain for effective usage of vehicle; and
8.3.5 Any other policy of council.

8.4 If the rental option is preferred, the Accounting officer must review the costs incurred on a quarterly basis to ensure that value for money is obtained.

8.5 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.

8.6 Notwithstanding 8.5, a municipality may replace vehicles for official use by public office bearers before the completion of 120 000 kilometres only in instances where the vehicle experiences serious mechanical problems and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

9 TRAVEL, SUBSISTENCE AND ACCOMMODATION

Air Travel

9.1 The Accounting officer in respect of all officials or political office bearers and the Executive mayor in respect of the Accounting officer may only approve the purchase of economy class tickets for air travel.

International Travel

9.2 International travel for any official or political office bearer can only be approved by the municipal council in a council meeting open to the public with a supporting vote of the majority of the members of the municipal council present.

9.3 The report to council for approval of international travel must include:

9.3.1 A motivation why the international travel is seen as critical and fully setting out the anticipated benefit that the municipality will derive from attending the event, meeting or function;

9.3.2 If international travel to the destination or event was previously undertaken, state what benefits if any derived from the previous attendance;

9.3.3 The full cost of the international travel including travel allowances to be paid; and

9.3.4 The proposed officials and political office bearers, not exceeding three, to travel and why they have been identified.

9.4 The following events will not be considered critical to justify international travel whether the full cost of the travel is paid by another institution or not:

9.4.1 Attendance of international sporting events;

9.4.2 Attendance of international social events;

9.4.3 Attendance of international party-political events;

9.4.4 The opening of another country's parliament or any other country's government's celebration events.

9.5 The accounting officer or delegated official must ensure that requirements for international travel by officials or political office bearers are not inserted into bid documents, whether it is for inspection of products at source of construction/assembly or for any other reason.

Domestic Accommodation

9.6 Overnight accommodation may only be booked where the return trip exceeds 500 kilometres.

9.7 Notwithstanding the provision in paragraph 9.6~~7~~ overnight accommodation, where the return trip is 500 kilometres or less, may be booked where in the view of the accounting officer or delegated official the limitation may be impractical and any of the following instances are present:

9.7.1 The road or any other conditions could jeopardise the safety, health and security of officials or political office bearers;

9.7.2 The trips are to be undertaken over a number of consecutive days provided that a return trip is in excess of 200 kilometres;

9.7.3 The starting time of the meeting or event would require the official or councillor to leave his/her place of residence before 05:00 in order to be punctual; and

9.7.4 Overnight accommodation is cheaper than the travelling expenses payable under council policy on travel and subsistence.

9.8 Any request for overnight accommodation in compliance with paragraph 9.6~~7~~ or 9.7~~8~~ must be motivated on a prescribed form and approved by the municipal manager or delegated official prior to the arrangement for overnight stay;

9.9 The written approval in terms of paragraph 9.8~~9~~ must be filed with the relevant supply chain documents for the accommodation booking; and

9.10 A copy of such written approval in terms of paragraph 9.8~~9~~ must also accompany the request for travel and subsistence.

10. CREDIT CARDS

10.1 The accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office-bearer.

10.2 Where officials or public office bearers must incur expenditure in relation to approved official municipal activities, such officials and public office bearers may use their personal bank cards or cash, and may request reimbursement from the municipality in accordance with approved policies and processes.

11 SPONSORSHIPS, EVENTS & CATERING

11.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.

11.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:

11.2.1 Hosting of meetings;
11.2.2 Conferences;
11.2.3 Workshops;
11.2.4 Courses;
11.2.5 Forums;
11.2.6 Recruitment interviews; and
11.2.7 Council proceedings

11.3 Entertainment allowances of officials may not exceed two thousand rand (R2 000.00) per person per financial year, unless otherwise approved by the accounting officer.

11.4 Expenses may not be incurred on alcoholic beverages.

11.5 The regulations require *inter alia* that the accounting officer must ensure that social events are not financed from the municipality's budget however, this provision is not intended to impede on the constitutional obligation of the municipality as particularly set out in section 152, 153, 195(1)(h) and Schedule 4 Part B of the Constitution to promote and cultivate social development, economic development, good human-resource management and local tourism.

11.6 Social events exclude the following events linked to the strategic objectives of the municipality:

11.6.1 Economic development events;
11.6.2 Cultural festivals;
11.6.3 Local tourism festivals;
11.6.4 Youth, aged, disable and other vulnerable persons developmental events;
11.6.5 Civic honours events;
11.6.6 Staff recognition or achievement awards and functions;
11.6.7 Town centennial or other significant municipal commemorating events;
11.6.8 Opening of facilities and buildings;
11.6.9 Strategic planning sessions;
11.6.10 Non-recreational team building events; and
11.6.11 Non-recreational staff wellness functions.

11.7 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials or is an integral part of the business model of a specific project or drive.

11.8 The accounting officer must ensure that any sporting events, and expenditure directly or indirectly related to sporting events such as travel and accommodation cost, sporting gear and sporting regalia are not financed from the budget of the municipality or by any suppliers or

sponsors. This provision does not prohibit the municipality to incur expenditure on municipal sport facilities as per its constitutional function.

11.9 The accounting officer or delegated official may incur expenditure not exceeding the limits for petty cash as per the municipal Petty Cash Policy for one transaction usage, to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire on grounds of ill health.

12 COMMUNICATION

12.1 Stellenbosch Municipality may, if matters are not required to be notified through the media to the local community in terms of section 21 of the Municipal Systems Act or any other applicable legislation, advertise municipal related events on its website instead of advertising in magazines or newspapers.

12.2 The accounting officer must ensure that allowances to officials for private calls and data costs are limited to the amounts as determined in Council's Cellular Telephone Policy or any other applicable policy that regulates cellular calls and data cost.

12.3 Newspaper and other related publications for the use of officials and political office bearers must be discontinued on expiry of existing contracts; unless, authorised by the accounting officer for officials and by the executive mayor for political office bearers that it is required for professional purposes.

12.4 Stellenbosch Municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services provided that the municipality cannot procure it at cheaper rates.

13 CONFERENCES, MEETINGS & STUDY TOURS

13.1 Cost containment measures with regards to conferences, meetings and

study tours are dealt with in the approved Travel and Subsistence Policy.

14 OTHER RELATED EXPENDITURE ITEMS

14.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.

14.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during the election periods.

14.3 Procurement of elaborate and expensive office furniture must be avoided.

14.4 If considered a requirement, only the services of the South African Police Service may be used to conduct security threat assessments of political office bearers and key officials. A report must be submitted to the Office of the Speaker.

15 ENFORCEMENT PROCEDURES

15.1 Failure to implement or comply with this policy may result in any official of the municipality or political office bearer that has authorized or incurred any expenditure contrary to those stipulated herein being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

16 DISCLOSURES OF COST CONTAINMENT MEASURES

16.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

16.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

16.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

17 REVIEW PROCESS

17.1 This policy is a budget related policy and will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

18 SHORT TITLE AND IMPLEMENTATION

19.1 This policy is called the Cost Containment Policy and takes effect on 1 October 2019.

APPENDIX 15

STELLENBOSCH MUNICIPALITY

ACCOUNTING POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

ACCOUNTING POLICY

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1. Basis of Preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

Accounting policies for material transactions, events or conditions not covered by the GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.2 Internal reserves

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated

CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Self-insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments. Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

~~**Revenue recognition**~~

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

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

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a

material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of financial assets

Accounting Policy 1.9: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.6 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 useful life and residual values of the assets are based on industry knowledge and are reassessed annually~~. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

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

Impairment of non-financial assets

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

It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Value in use of cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions are raised and management determines an estimate based on the information available. Additional disclosures of these estimates of provisions are included in note 20 - Provisions.

Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus/deficit.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price. The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure

purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Effective interest rate

~~The municipality 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 .

Allowance for doubtful debts

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Impairment of statutory receivables

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

1.4 Biological assets that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural produce when and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.
A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological assets that form part of an agricultural activity, is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable, is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The municipality classifies biological assets as consumables which consist of timber in the form of pine trees. All biological assets are held for sale.

Item	Useful life
Trees in a plantation forest	indefinite

1.5 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
~~(a)~~(d) commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one

period.

Property, plant and equipment is recognised as an asset when:

- it is probable that the future economic benefits or service potential that are associated with the property, plant and equipment will flow to the municipality; and
- the cost or fair value of the item can be determined reliably.

Measurement

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.
Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment

ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

~~Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.~~ Major spare parts and standby equipment which are expected to be used for more than one period are included in property,plant and equipment. In addition, spare parts and standby equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready to be used.

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

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

The useful lives of items of property, plant and equipment have been assessed as follows:

Land	indefinite
Machinery and equipment	1-25
Furniture and office equipment	2-24
Transport assets	4-20
Computer equipment	5-23
Community assets	4-30
Other property, plant and equipment	6-99
Capital restoration asset	5-30
Electrical infrastructure	10-50
Water supply infrastructure	10-100
Solid waste infrastructure	10-30
Roads infrastructure	10-100
Information and communication infrastructure	3-15
Waste water network	10-100
Stormwater infrastructure	10-50

The depreciable amount of an asset is allocated on a systematic basis over its useful life.
Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.
The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.
The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the

expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.
The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.
Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.
The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.
The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).
The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations. A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are initially measured at cost.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

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

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.8 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.9 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:
    - receive cash or another financial asset from another municipality; or
    - exchange financial assets or financial liabilities with another municipality under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another municipality; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed
or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
    - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
    - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking
    - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
    - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Short term investments	Financial asset measured at amortised cost
Long term receivables	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or

- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data..

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification

Where the municipality cannot reliably measure the fair value of an embedded derivative

that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.
If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the municipality reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-

exchange transactions) is based on an assessment of the past history of fines per category.

Derecognition
Financial assets

The municipality derecognises financial assets using trade date accounting. The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial

liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight- line basis.

Any contingent rent is expensed in the period in which they are incurred.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, and then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs. The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Landfill site

Site restoration and dismantling cost - The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as ‘decommissioning, restoration and similar liabilities’. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;

- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and

- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

(a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;

(b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and

(c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Identification

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

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

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current

reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and

- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

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

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

A reversal of an impairment loss for a cash-generating asset is recognised immediately in

surplus or deficit.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.14 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.

Short term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected

cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a municipality provides post- employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

~~**Multi-employer plans**~~

~~The municipality classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).~~

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

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

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

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognizes the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.
Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long- term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are

changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;

- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until

- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).
When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net

basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long term employee benefits

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

Long term serice awards is payable after 10 years of continious service and after every 5 years thereafter to employees. Additional to this employees shall be entitled to a 14th cheque for continious employement 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 emloyees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to

income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost; and
- the effect of any curtailments or settlements.

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of

termination benefits shall be based on the number of employees expected to accept the offer.

1.15 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.
If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed it carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for the impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

Provision for constructive obligations

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 51.

~~**Grant-in-aid contributions**~~

~~Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby 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.~~

~~The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:~~

- ~~receive any goods or services directly in return, as would be expected in a purchase or sale transaction;~~
- ~~expect to be repaid in future; or~~
- ~~expect a financial return, as would be expected from an investment.~~
- ~~~~

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.

Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the billings done during July and August. The billing and invoiced amounts done in July are recognized in total as an accrual as all billing in July pertains to services rendered prior 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June. .

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that

are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measure reliably.

Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables. Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
- the amount of revenue can be measured reliably; and

to the extent that there has been compliance with the relevant legal requirements (if applicable).

1.18 Value Added Tax

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

~~1.19 Cash and cash equivalents~~

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

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

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

~~1.20~~1.19 Statutory receivables Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the accounting policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the accounting policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the accounting policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount. Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised. Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the accounting policy on Revenue from exchange transactions or the accounting policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled to levy additional charges in terms of legislation, supporting regulations, by-laws or similar means on overdue or unpaid amounts, these charges are accounted for in terms of the municipality's accounting policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- significant financial difficulty of the receivable, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- it is probable that the receivable will enter sequestration, liquidation or other financial re-organisation.
- a breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

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

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

Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable, or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability

unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:

- derecognises the receivable; and
- recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

~~1.21~~1.20 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

~~1.22~~1.21 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 59 and 60 for detail.

~~1.23~~1.22 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

~~1.24~~1.23 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial

performance.

~~1.25~~1.24 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

~~1.26~~1.25 Impairment of non-cash-generating assets

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

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

Reversal of an impairment loss

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

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of

an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

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

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

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).
Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.
Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.
Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

Management are those persons responsible for planning, directing and controlling the activities of the municipality including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

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

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

Changes in accounting policies, estimates and errors

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

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

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

Commitments

Items are classified as commitments where the municipality commits itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

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

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

~~1.27~~1.26 Budget information

The approved budget is prepared on the accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2019/07/01 to 2020/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts.

~~1.28~~1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.28 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.

Assessing which entity benefits from the transactions with third parties

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

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

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

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

Recognition

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

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

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

2. New standards and interpretations

~~2.1 Standards and interpretations effective and adopted in the current year~~

~~In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:~~

~~No accounting standards has been identified.~~

~~2.2~~2.1 Standards and interpretations not yet effective or relevant

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2019 or later periods but no effective date has been determined by the Minister:

GRAP 34: Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

It furthermore covers Definitions, Preparation of separate financial statements, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 36: Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

It furthermore covers Definitions, Significant influence, Equity method, Application of the equity method, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 37: Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and

- the effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality does not envisage the adoption of the standard until such time as it becomes applicable to the municipality's operations.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

APPENDIX 16

STELLENBOSCH MUNICIPALITY

CASH MANAGEMENT AND INVESTMENT POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

CASH MANAGEMENT AND INVESTMENTS POLICY

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PREAMBLE

Whereas Section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) (the Act) determines that a municipality must introduce an appropriate and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of Section 13 of the Act, has to disclose details regarding a municipalities' investments;

and whereas councillors and officials, as trustees of public funds have an obligation to ensure that cash resources are managed as effectively, efficiently, and economically as possible;

now therefore the Stellenbosch Municipality adopted the Cash and Investment Management Policy set out in this document.

1. LEGAL FRAMEWORK

a) Legislation – Local Government: Municipal Finance Management Act 56 of 2003 (As amended).
b) Treasury regulations in terms of Section 13(1) of the Act (As amended).

In this Policy, the terms "*the Act*" or "*MFMA*" refers to the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003).

2. OBJECTIVES

a) To maximize returns from authorized investments, consistent with the secondary objective of minimizing risk.
b) To ensure compliance with all legislation governing the investment of funds.
c) To maintain adequate liquidity to meet cash flow needs.
d) To undertake the investment of funds not immediately required for operational purposes in a prudent financial manner.
e) To ensure diversification of permitted investment.

3. CASH MANAGEMENT

3.1 Guiding Principles

It is recognised that from time to time, Council has cash flow surpluses and borrowing requirements due to daily receipts and payments.

Council maintains a daily cash position summary and a yearly cash flow projection is prepared during the annual planning process and is updated monthly. This determines Council's borrowing requirements and surpluses for investment. Cash invested "outside" the bank account is covered by paragraph 5 of this Policy.

3.2 Bank Accounts

Council operates one primary bank account for its day to day operational activity requirements and two secondary accounts specifically for service charges and revenue derived from fines.

All monies due to Council and due by Council emanating from Council activities must pass through this primary account, therefore secondary accounts are swept daily, and all balances are transferred to the primary bank account.

3.2.1 Revenue Management

Revenue Management Section 64 of the Act clearly states that all moneys received must be promptly deposited in the Municipality's primary and other bank accounts, therefore:

- all revenue received by the Municipality, including revenue received by any collecting agent on its behalf, is recorded at least on a weekly basis.
- all monies collected by the Municipality on behalf of another organ of state must be transferred to that organ of state at least on a weekly basis.

3.2.2 Cheque Management

Cheques are printed in batch format. To prevent the removing of cheques, cheques are delivered in sealed boxes where strict control is exercised over the numerical sequence of cheques on the expenditure system by means of a cheque register.

3.2.3 Delegation/Rights

The incumbents of the following posts are authorized to sign cheques on behalf of Council:

3.2.3.1 Cheques

A-Signatories:	Chief Financial Officer
	SNR Manager: Financial Management Services
	SNR Manager: Revenue and Expenditure
	Manager: Expenditure Management
	Manager: Revenue
	SNR Manager: Supply Chain Management
	Manager: Budget and Costing
	Manager: Financial Statements, Compliance and Reporting
B-Signatories:	Chief Accountant: Consumer Accounts and Valuations
	Senior Accountant: Cash Management and Credit Control
	Chief Accountant: MFMA Reporting and Compliance
	Chief Accountant: Financial Statements and Reconciliations
	Chief Accountant: Asset Management
	Senior Accountant: Creditors and Payroll

Each cheque needs to be signed by at least two A-Signatories, or one A-Signatory and one B-Signatory.

3.2.3.2 Electronic Funds Transfer (EFT)

A-Signatories:	Chief Financial Officer
	SNR Manager: Financial Management Services
	SNR Manager: Revenue and Expenditure
	Manager: Expenditure
	Manager: Revenue
	SNR Manager: Supply Chain Management
	Manager: Budget and Costing
	Manager: Financial Statements, Compliance and Reporting
B-Signatories:	Chief Accountant: Consumer Accounts and Valuations
	Senior Accountant: Cash Management and Credit Control
	Chief Accountant: MFMA Reporting and Compliance
	Chief Accountant: Financial Statements and Reconciliations
	Chief Accountant: Asset Management
	Senior Accountant: Creditors and Payroll

Each electronic payment needs to be authorized by at least two A-Signatories, or one A-Signatory and one B-Signatory.

3.3 Bank Overdraft

3.3.1 Council made the decision to not request an overdraft facility with its primary banker. as the general policy is to avoid going into overdraft.

In the instance that short-term debt is incurred based on expected income it must be repaid within the same financial year. (Section 45 of the MFMA)

3.3.2 Any overdrawn bank account at any date must be reported without avail to Council supported by reasons therefore.

3.3.3 Any short-term facility that requires review must first be approved by the Accounting Officer.

4. CASH MANAGEMENT PROCEDURES

4.1 Internal Controls

The supervisor and/or Accountant do a monthly audit on the cashier floats, manual receipt books and the compilation of daily cash-up and banking documents.

4.2 Issuing of Receipts

The cashier will only issue an official enumerated receipt when a client pays his/her municipal account in full or partially.

4.3 Cancellation of Receipts

An official enumerated receipt will only be cancelled whilst the client is still at the cash office and only for the following reasons;

a) cashier made an error.
b) client made an error.

The cashier will re-issue a correct receipt and the cancelled receipt will be signed by the incumbent and the supervisor. In cases where the client wants his money back a prescribed official document must be completed and signed by the Client, Cashier and the Supervisor stating the reason(s) for cancelation.

4.4 Cash Balancing

After the end of each shift, the cashier will count the monies received, and do a daily end of day cashier procedure. The supervisor will then re-count the money to ensure that the cashier's daily takings balances with the supervisor's end-of-day totals. The cashier will do a final end-of-day procedure when he/she balances, and the supervisor will do a receipting end of day shut-down procedure.

4.4.1 Cashier surplus and shortage

If the cashier is short, he/she will then pay the monies in immediately. If there is a surplus the cashier will receipt the surplus on the same day. Management discretion can be used should there be substantial evidence and motivation that it was out of the control of a cashier to avoid a shortage the Manager can exonerate the cashier from paying the shortfall and in such an instance the shortage should be allocated to an expense line item.

4.4.2 Cashier resources

The Cashier will be supplied with the necessary tools and equipment to perform a proper cashier function. (E.g. Ultra violet lights, etc.)

4.5 Deposit Books

Each cashier has an enumerated deposit book, as each pay point has a number. The Senior Clerk: Cashier orders books from the bank when needed.

4.6 Other payment methods

4.6.1 Direct Deposits and ACB

Direct deposits can be made into Municipal bank account via the Internet or by deposit slip via their bank, using the applicable Municipal account number as reference. This information is

extracted and uploaded on a daily basis from the bank and is then credited against the client's accounts. Accounts are also paid by means of a debit order (ACB) payment.

4.6.2 3rd Party

Payments can be made at any EasyPay and Pay@ pay points. This information is extracted and uploaded on a daily basis from EasyPay and Pay@ and credited against the client's accounts.

4.6.3 Cheque Deposit (Only bank guaranteed cheques will be accepted)

The cashier will issue an official enumerated receipt when a client pays his/her Municipal account with a bank guaranteed cheque. Bank guaranteed cheques that are dropped into the cheque deposit box at the Municipal office are taken out of the box on a daily basis, receipted by the cashier and the receipt is posted to client on request.

4.6.4 Mailed Bank Guaranteed Cheques

Bank guaranteed cheques attached to the Municipal account are collected from the post office on a daily basis and is recorded in a register at the Records department. It is then collected by the Supervisor: Cashiers who will write all the bank guaranteed cheques up in a register. The supervisor will hand it to the cashier to be receipted and the receipt details will be entered in the register.

4.6.5 Returned Cheques and Debit Orders

If cheques and debit orders are returned and marked as "Refer to Drawer", the full balance will immediately become payable.

4.6.5.1 The cost that is payable by the consumer must be equal to the prescribed fee that has been approved by Council in all cases where a cheque bears the status of "Refer to Drawer".

4.6.5.2 Bank charges in this regard will be payable by the consumer. In the event of a customer having tendered a "refer to drawer cheque" for the second time, no further cheques will be accepted from him/her, excluding bank guarantee cheques.

4.6.5.3 A cashier must not accept a cheque that was issued by a Consumer in the event the cheque bears the status as a post-dated cheque, altered and/or an unsigned cheque. In the event this occurs and notwithstanding the aforementioned provisions, all bank charges that would arise and be incurred by Stellenbosch Municipality will then be recovered from the said cashier. The cashier will be required to pay back the bank costs as approved by Council within 24 hours for recovery of the said amount.

4.6.6 Private Money

No Municipal employee is allowed to:

- Use Council's cash funds at any stage to be replaced at a later stage.
- Use his/her own money as cashier float.
- Change a Municipal official's cheque for cash.
- Safeguard private money amongst Council's cash (e.g. Cashier drawers, petty cash boxes, safes etc.)

5. INVESTMENTS

5.1 Guiding Principles

Generally, Council will invest surplus funds with deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990) for terms not exceeding one year in anticipation of cash flow expectations. From time to time, with prior Executive Mayoral Committee approval, investments can exceed 1 [one] year and be made at other institutions/instruments as approved in the National Treasury regulations from time to time.

5.2 Permitted Investments

The Account Officer must ensure that only the following investment types are utilized in terms of Section 6 of the Municipal Investment Regulations (No. R. 308) dated 1 April 2005:

a) Securities issued by national government.
b) Listed corporate bonds with an investment grade rating from a recognized credit rating agency.
c) Deposits with banks registered in terms of the Banks Act (Act 45 of 1984).
d) Deposits with the Public Investment Commissioners.
e) Deposits with the Corporation for Public Deposits.
f) Banker's acceptance certificate or negotiable certificates of deposits of registered banks.
g) Guaranteed endowment policies with the intention of establishing a sinking fund.
h) Repurchase agreements with registered banks.
i) Municipal bonds issued by a municipality.
j) Any other investment type as identified by the Minister of Finance in consultation with the Financial Services Board.

5.3 Diversification

Council will only make investments, as prescribed by Section 6 of the Municipal Investment Regulations, with approved institutions which have a rating as defined per Appendix A. Excluding investments made per Executive Mayoral Committee resolution not more than 50% of available funds will be placed with a single institution. The discretion of management should be used when investing funds into the institution quoting the highest rate versus diversification of investment portfolio. Should the difference between the investment quotes be minimal, a decision can be made to invest in the lower quote for the diversification of investment portfolios.

5.4 Investment Managers

5.4.1 In the event of the appointment of an external Investment Managers

Where the above means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, 1989 (Act 55 of 1989), and Stock Exchanges Control Act, 1985 (Act 1 of 1985), contracted by a municipality or municipal entity to-

a) advise it on investments;
b) manage investments on its behalf; or
c) advise it on investments and manage investments on its behalf.

The External Investment Manager will be appointed in terms of Supply Chain Management Policy and a service level agreement will govern the functions and responsibility of the service provider. All investments made by the External Investment Manager on behalf of the Council of Stellenbosch Municipality must be made within the ambit of this Policy and with National Treasury's investment regulations.

5.5 Internal Controls Over Investments

5.5.1 Delegations

5.5.1.1 In terms of Section 60(2) of the Local Government: Municipal Systems Act, (Act 32 of 2000) (the MSA), the Council may only delegate to the Municipal Manager (MM) the power to make decisions on investments on behalf of the Municipality.

5.5.1.2 In terms of section 79 of the Act, the Accounting Officer has delegated to the Chief Financial Officer (CFO), in writing, his duty under section 65(2) (h) to manage the Council's available working capital effectively and economically in terms of the prescribed cash management and investment framework.

5.5.2 Obtaining quotations and concluding deals

Request are emailed to all approved institutions the day before, or the morning thereof a cut-off is requested to ensure timeous processing of transactions. Quotes are captured on the decision report rates are compared and chosen in terms of the policy. Writing mandates, signed by the CFO and MM, shall be issued to all investees with whom the Council of Stellenbosch Municipality invests funds setting out the following:

5.5.2.1 Authorised dealers: name and particulars of the Council's officials who are authorised to transact investments deals with the investees;

5.5.2.2 Authorised signatories: name and particulars of the Council's officials who are authorised to sign written confirmations or any other correspondence in respect of investments transactions.

5.5.2.3 A dealing sheet, signed by an authorised dealer, shall be prepared in all instances for each individual investment, detailing the quotations received and the recommended investee. The CFO shall advice the MM to approve the transaction.

A written confirmation of the terms of each investment transaction shall be prepared, and signed off by the CFO and MM.

5.5.3 A monthly investment register should be kept of all investments made. The following information must be recorded:-

- name of institution;
- capital invested;
- date invested;
- interest rate;
- maturation date;
- interest received;
- Investment balance;
- total withdrawal amount;
- total interest earned.

5.5.3.1 The investment register and accounting records must be reconciled on a monthly basis.

6. OWNERSHIP

All investments must be made in the name of the Council of Stellenbosch Municipality.

Written proof of investments made must obtained from the institution where the investment is made and must be kept on file.

7. DUE CARE

In dealing with financial institutions, the following ethical principles must be observed:

7.1 The Chief Financial Officer and all staff in his/her directorate shall not accede to any influence by or interference from Councillors, investment agents, institutions, or any other outsiders;

7.2 Under no circumstances may inducements to invest be accepted;

7.3 Interest rates quoted by one institution must not be disclosed to another institution; and

7.4 The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.

8. PERFORMANCE MEASUREMENT

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective measures. The predominant subjective measure is the overall quality of treasury management information. The Chief Financial Officer has primary responsibility for determining this overall quality.

Objective measures include: -

(a) Adherence to policy.

(b) Timely receipt of interest income.

9. REPORTING

9.1 Reports

The following reports are produced:

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Bank Balance report	Daily	Senior Clerk: Electronic Payments	Chief Finance Officer
Investments	Monthly	Chief Accountant: Financial Statements and Reconciliations	Manager: Financial Statements and Reporting

10. ANNUAL REVIEW OF POLICY

This Policy will be reviewed annually or earlier if so required by legislation.

Any changes to this Policy must be adopted by Council and be consistent with the applicable Acts and any National Treasury Regulations.

11. EFFECTIVE DATE

The effective date of this Policy is 1 July 2020 and will be reviewed on an annual basis to ensure that it is in line with the Municipality's strategic objectives and with legislation.

12. SHORT TITLE

This Policy is the Cash Management and Investments Policy of the Stellenbosch Municipality.

APPENDIX A

LONG-TERM RATINGS - FITCH

AAA - Obligations which have the highest rating assigned by Fitch IBCA on its national rating scale for that country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Capacity for timely repayment of principal and interest is extremely strong, relative to other obligors in the same country.

AA - Obligations for which capacity for timely repayment of principal and interest is very strong relative to other obligors in the same country. The risk attached to these obligations differs only slightly from the country's highest rated debt.

A - Obligations for which capacity for timely repayment of principal and interest is strong relative to other obligors in the same country. However, adverse changes in business economic or financial conditions are more likely to affect the capacity for timely repayment than for obligations in higher rated categories.

SHORT-TERM RATINGS - FITCH

F1 – Obligations assigned this rating have the highest capacity for timely repayment under Fitch Ratings Ltd national rating scale for that country, relative to other obligations in the same country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Where issues possess a particularly strong credit feature, a "+" is added to the assigned rating.

F2 – Obligations supported by a strong capacity for timely repayment relative to other obligors in the same country. However, the relative degree of risk is slightly higher than for issues classified as 'A1′ and capacity for timely repayment may be susceptible to adverse changes in business, economic or financial conditions.

F3 – Obligations supported by an adequate capacity for timely repayment relative to other obligors in the same country. Such capacity is more susceptible to adverse changes in business, economic, or financial conditions than for obligations in higher categories.

LONG-TERM RATINGS – MOODY'S

AAA – Obligations rated "AAA" have the highest rating assigned by Moody's -Ratings. The capacity of the issuer to pay interest and repay capital is extremely strong, relative to other South African obligors.

AA – Indicates very strong capacity of the issuer to pay interest and repay capital relative to other South African obligors.

A – Indicates strong capacity of the issuer to pay interest and repay capital, relative to other South African obligors, although it is slightly more susceptible to adverse changes in economic conditions and circumstances than debt in categories rated higher.

SHORT-TERM RATINGS – MOODY'S

A-1 – Indicates that the degree of safety regarding timely payment is either overwhelming or very strong, relative to other South African obligors. Issues determined to possess overwhelming safety characteristics are denoted with a plus (+) sign designation.

A-2 – Indicates that capacity for timely payment on issues with this designation is strong, relative to other South African obligors.

A-3 – Indicates satisfactory capacity for timely payment, relative to other South African obligors. They are, however, somewhat more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

APPENDIX 17

STELLENBOSCH MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

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Definitions

1.1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and

1.1.1. **"Act"** means the Municipal Finance Management Act, No. 56 of 2003;

1.1.2. **"Bid"** means a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of goods, services or construction works through price quotations, advertised competitive bidding process or proposals;

1.1.3. **"Bidder"** means any person submitting a competitive bid or a quotation;

1.1.4. **"Closing time"** means the time and day specified in the bid documents for the receipt of bids;

1.1.5. **"Competitive bidding process"** means a competitive bidding process referred to in paragraph 12(2)(b)(iii) of this Policy;

1.1.6. **"Competitive bid"** means a bid in terms of a competitive bidding process;

1.1.7. **"Contract"** means the agreement which is concluded when the municipality accepts, in writing, a competitive bid or quotation submitted by a supplier;

1.1.8. **"Contract manager"** means an official of the Municipality who is responsible for the planning for the planning and execution of a transaction involving the procurement of goods, services or works;

1.1.9. **"Contractor"** means any person or entity whose competitive bid or quotation has been accepted by the municipality;

~~1.1.10.~~ **"Delegated authority"** means any person or committee delegated with authority by the municipality in terms of the provisions of the Municipal
1.1.10. Finance Management Act;

1.1.11. **"Department"** means a section within a specific directorate in terms of the municipal organigram;

1.1.12. **"Electronic format"** means a bid submitted by a bidder via email or made available through a cloud storage services;

1.1.13. "**Emergency dispensation"** means emergency as referred to in paragraph 36(1)(a)(i) of this policy under which one or more of the following is in existence that warrants an emergency dispensation;

(a) The possibility of human injury or death;

(b) The prevalence of human suffering or deprivation of rights;

(c) The possibility of damage to property, or suffering and death of livestock and animals;

(d) The interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;

(e) The possibility of serious damage occurring to the natural environment;

(f) The possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;

(g) The possibility that the security of the state could be compromised; or

(h) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal procurement process. Emergency dispensation shall not be granted in respect of circumstances other than those contemplated above.

1.1.14. **"Final award"**, in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote is accepted;

1.1.15. **"Formal written price quotation"** means quotations referred to in paragraph 12 (1) (d) of this Policy;

1.1.16. **"Green procurement"** means the procurement of environmentally friendly products and services;

1.1.17. **"in the service of the state"** means to be –

(a) A member of –

(i) Any municipal council;

(ii) Any provincial legislature; or

(iii) The National Assembly or the National Council of Provinces;

(b) A member of the board of directors of any municipal entity;

(c) An official of any municipality or municipal entity;

(d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the public Finance Management Act, 1999 (Act No.1 of 1999);

(e) A member of the accounting authority of any national or provincial public entity; or

(f) An employee of Parliament or a provincial legislature;

1.1.18. **"Long term contract"** means a contract with a duration period exceeding one year and does not have the same meaning as contracts of a long term nature referred to in paragraph 22(1)(b)(vi)of this policy;

1.1.19. **"Long term nature contract"** means a contract as defined by section 33(1) of the Municipal Finance Management Act imposing financial obligations on the Municipality beyond the first three years covered in the approved annual budget;

1.1.20. **"List of accredited prospective providers"** means the list of accredited prospective providers in terms of Central Supplier Database (CSD) of National Treasury;

1.1.21. **"Other applicable legislation"** means any other legislation applicable to municipal supply chain management, including but not limited to the following –

(a) The Preferential Procurement Policy Framework Act;

(b) The Broad-Based Black Economic Empowerment Act; ~~and~~

(c) The Construction Industry Development Board Act;

(d) The Local Government: Municipal Systems Act;

(e) The Competition Act; and

(f) The Promotion of Administrative Justice Act.

1.1.22. **"Policy"** means the Supply Chain Management Policy of Stellenbosch municipality as amended from time to time;

1.1.23. "**Parent municipality"** has the meaning assigned to it in section 1 of the Municipal Systems Act;

1.1.24. **"Petty Cash",** means the procurement of goods and services through the supply chain management requisition and order system by means of one verbal and written quotation below a determined amount in relation with the Petty Cash Policy;

1.1.25. **"Single source":** refers to when the competition exist in the market, but from a selected few suppliers due to technical capabilities and abilities comply with the requirements of the municipality;

1.1.26. **"Sole Supplier:"** It refers in instances where there is no competition and only one service provider exist in the market, with sole distribution rights and/or patent rights or manufacturer;

1.1.27. **"Strip and quote:"** When the repairs and maintenance on our machines, vehicles are done by one supplier and/or strip-and-quote, for example a municipal vehicle that needs repairs enters the workshop, however to do the repairs, the vehicle has to be send to a supplier that determines what repairs should be done;

1.1.28. **"Supplier database"** means the list of accredited prospective providers which the municipality or municipal entity must keep in terms of the Regulation 14 of the Supply Chain Management Regulations;

1.1.29. **"Treasury guidelines"** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

1.1.30. **"Trust"** means the agreement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person;

1.1.31. **"Trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person;

1.1.32. **"The Act"** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

1.1.33. **"The Regulations"** means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

1.1.34. **“The PPPF Regulations”** means Preferential Procurement Policy Regulations, 2017 Published under Government Notice R32 in Government Gazette 40553 of 20 January 2017; and

1.1.35. **“Written or verbal quotations”** means quotations referred to in paragraph 12(1)(b) & (c) of this Policy.

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. SUPPLY CHAIN MANAGEMENT POLICY

(1) All officials and other role players in the supply chain management system of the Stellenbosch Municipality must implement this Policy in a way that –

(a) Gives effect to –

(i) Section 217 of the Constitution; and

(ii) Part 1 of Chapter 11 and other applicable provisions of the Act;

(b) Is fair, equitable, transparent, competitive and cost effective;

(c) Complies with –

(i) The Regulations; and

(ii) Any minimum norms and standards that may be prescribed in terms of section 168 of the Act;

(d) Is consistent with other applicable legislation;

(e) Does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and

(f) Is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

(2) The municipal entity must, in addition to complying with subparagraph (1), apply this Policy, to the extent determined by the parent municipality, in a way that is consistent with the supply chain management policy of the parent municipality.

(3) This Policy applies when the Stellenbosch Municipality –

(a) Procures goods or services;

(b) Disposes goods no longer needed;

(c) Selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or

(d) Selects external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

(4) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –

(a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and

(b) Electricity from Eskom or another public entity, another municipality or a municipal entity.

3. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY

(1) The Accounting Officer must –

(a) At least annually review the implementation of this Policy; and

(b) When the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the Stellenbosch Council.

(2) If the Accounting Officer submits proposed amendments to the Stellenbosch Council that differs from the model policy issued by the National Treasury, the Accounting Officer must -

(a) Ensure that such proposed amendments comply with the Regulations; and

(b) Report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES

(1) The Stellenbosch Council hereby delegates all powers and duties to the Accounting Officer, which are necessary to enable the Accounting Officer –

(a) To discharge the supply chain management responsibilities conferred on Accounting Officers in terms of –

(i) Chapter 8 or 10 of the Act; and

(ii) This Policy;

(b) To maximize administrative and operational efficiency in the implementation of this Policy;

(c) To enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

(d) To comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub-delegation of powers and duties delegated to an Accounting Officer in terms of subparagraph (1).

(3) The Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of Stellenbosch Municipality or to a committee, which is not exclusively composed of officials of the Stellenbosch Municipality.

(4) This paragraph may not be read as permitting an official, to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. SUB-DELEGATIONS

(1) The Accounting Officer may in terms of section 79 or 106 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.

(2) The power to make a final award –

(a) Above R 10 million (VAT included) may not be sub-delegated by the Accounting Officer;

(b) Above R 200,000 (VAT included), but not exceeding R 10 million (VAT included), may be sub-delegated but only to –

(i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member; or

(ii) Accounting Officer of the municipality, after due consideration of all facts was done; and

(c) Below R 200,000 (VAT included) to be disposed by delegated official according approved delegatory power and functions issued by Accounting Officer.

(3) The Bid Adjudication Committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including –

(a) The amount of the award;

(b) The name of the person to whom the award was made; and

(c) The reason why the award was made to that person.

(4) A written report referred to in subparagraph (3) must be submitted –

(a) To the Accounting Officer, in the case of an award by –

(i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member; or

(b) To the Chief Financial Officer or the senior manager responsible for the relevant bid, in the case of an award by –

(i) The Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is not a member.

(5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.

(6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

(7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. OVERSIGHT ROLE OF COUNCIL

(1) The Stellenbosch Council reserves its right to maintain oversight over the implementation of this Policy.

(2) For the purposes of such oversight the Accounting Officer must –

(i) Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and

(ii) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.

(3) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Executive Mayor.

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

7. SUPPLY CHAIN MANAGEMENT UNIT

(1) A supply chain management unit is hereby established to implement this Policy.

(2) The supply chain management unit operates under the direct supervision of the Chief

Financial Officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

(1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

9. FORMAT OF SUPPLY CHAIN MANAGEMENT SYSTEM

(1) This Policy provides systems for –

(i) Demand management;

(ii) Acquisition management;

(iii) Logistics management;

(iv) Disposal management;

(v) Risk management; and

(vi) Performance management.

~~(vii) Contract management~~

PART 1: DEMAND MANAGEMENT

10. SYSTEM OF DEMAND MANAGEMENT

(1) The Accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by Stellenbosch Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

(2) The demand management system must –

(a) Include timely planning and management processes to ensure that all goods and services required by Stellenbosch Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

(b) Take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;

(c) Provide for the compilation of the required specifications to ensure that its needs are met; and

(d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

(3) Green procurement must be incorporated as far as reasonably possible for all specifications of goods, services and construction works.

(4) In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.

PART 2: ACQUISITION MANAGEMENT

11. SYSTEM OF ACQUISITION MANAGEMENT

(1) The Accounting Officer must implement the system of acquisition management set out in this Part in order to ensure –

(a) That goods and services are procured by Stellenbosch Municipality in accordance with authorised processes only;

(b) That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;

(c) That the threshold values for the different procurement processes are complied with;

(d) That bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and

(e) That any Treasury guidelines on acquisition management are properly taken into account.

~~(2) When procuring goods or services contemplated in section 110(2) of the Act, the Accounting Officer must make public the fact that such goods or services are procured otherwise than through the Stellenbosch Municipality supply chain management system, including –~~

~~(a) The kind of goods or services; and~~
~~(b) The name of the supplier.~~

~~The Accounting Officer may on motivation of a Director extend the bid closing date, if circumstances justify the action, provided that the closing date may not be extended unless a notice is published by the Manager: Supply Chain Management in the same newspapers as the original advertisement as well as the website, prior to the original bid closing date. All prospective bidders must also be informed in writing by the relevant Director of the extension of the bid closing date.~~

~~(4)~~ (2)Unless otherwise indicated in the bid documents, the Municipality shall not be liable for any expenses incurred by prospective bidders in the preparation and / or submission of a bid or quotation.

12. RANGE OF PROCUREMENT PROCESSES

(1) Goods and / or services may only be procured by way of –

(a) Cash purchases administered by the Expenditure Division up to a transaction value as defined in Council's Petty Cash Policy;

(b) Petty cash purchases through one verbal request and or verbal /written quotation for the procurement of goods through the supply chain management requisition and order system of a transaction value between R 0 and R 2,000 (VAT included);

(c) Written or verbal quotations for procurement of goods and/or services of a transaction value between R 2,000 and R 10,000 (VAT included);

(d) Formal written quotations for procurement of goods and/or services of a transaction value between R 10,000 and R 200,000;

(e) Procurements above a transaction value of R 200,000 (VAT included); and

(f) The procurement of long-term contracts.

(2) The Accounting Officer may, in writing-

(a) Lower, but not increase, the different threshold values specified in subparagraph (1); or

(b) Direct that –

(i) Written quotations are obtained for any specific procurement of a transaction value lower than R 2,000;
(ii) Written price quotations be obtained for any specific procurement of a transaction value lower than R 10,000; or
(iii) A competitive bidding process be followed for any specific procurement of a transaction value higher than R 200,000.

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(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. GENERAL PRECONDITIONS FOR CONSIDERATION OF WRITTEN QUOTATIONS OR BIDS

(1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

(a) Has furnished that provider's –

(i) Full name;

(ii) Identification number or company or other registration number; and

(iii) Tax reference number and VAT registration number, if any;

(b) Has authorised the Stellenbosch Municipality to obtain a tax clearance, if applicable from the South African Revenue Services that the provider's tax matters are in order; and
(c) Has indicated –

(i) Whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
(ii) If the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
(iii) Whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub-paragraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

14. LISTS OF ACCREDITED PROSPECTIVE PROVIDERS

(1) The Accounting Officer must –

(a) Keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations;

(b) At least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

(c) Specify the listing criteria for accredited prospective providers as stated within the database registration forms; and

(d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

(2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services.
Prospective providers must be allowed to submit applications for listing at any time.

(3) The list must be compiled per commodity and per type of service.

15. PETTY CASH PURCHASES

(1) The Accounting Officer must establish the conditions for the procurement of goods by means of cash purchases and petty cash purchases referred to in paragraph 12(1)(a) and (b) of this Policy, which must include conditions –

(a) determining the terms on which a manager may delegate responsibility for cash purchases and petty cash purchases to an official reporting to the manager;

(b) limiting the maximum number of cash purchases and petty cash purchases or the maximum amounts per month for each manager;

(c) excluding any types of expenditure from cash purchases and petty cash purchases, where this is considered necessary;

(d) requiring a monthly reconciliation report from each manager to the

Chief Financial Officer, including –

(i) the total amount of cash purchases and petty cash purchases for that month; and
(ii) receipts and appropriate documents for each purchase; and

(e) any other conditions determined by the Chief Financial Officer.

(2) Cash purchases will be dealt with in terms of the Petty Cash Policy of Council.

(3) Petty cash purchases will be dealt with in terms of the Supply Chain Management Policy of Council.

16. WRITTEN OR VERBAL QUOTATIONS

(1) The conditions for the procurement of goods or services through written or verbal quotations are as follows –

Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 13 of this Policy;

(b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers;

(c) To the extent feasible, providers must be requested to submit such quotations in writing;

(d) If it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the Accounting Officer or another official designated by the Accounting Officer;

(e) The Accounting Officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and

(f) If a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

17. FORMAL WRITTEN PRICE QUOTATIONS

(1) The conditions for the procurement of goods or services through formal written price quotations are as follows:-

(a) Quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality. Quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 13 of this Policy;

(b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;

(c) If it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer;

(d) The Accounting Officer must record the names of the potential providers and their written quotations; and

(e) For the obtaining of quotations for services, Stellenbosch Municipality will utilize their notice boards.

(2) A designated official referred to in subparagraph (1)(c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that subparagraph.

18. PROCEDURES FOR PROCURING GOODS OR SERVICES THROUGH WRITTEN OR VERBAL QUOTATIONS AND FORMAL WRITTEN PRICE QUOTATIONS

(1) The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows –

(a) When using the list of accredited prospective providers the Accounting Officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;

(b) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers not registered on the municipal supplier database;

i. All requirements in excess of R 30,000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the Stellenbosch Municipality;

ii. The municipality will follow a preferred bidding process in the event that the market did not respond in terms of the sourcing of quotations on the website for seven (7) days and if no responsive bids was received.

(c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;

(d) The Accounting Officer or Chief Financial Officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;

(e) Offers below R 30,000 (VAT included) must be awarded based on compliance to specification and conditions of contract, ability and capability to deliver the goods and services and lowest price;

(f) Acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points; and

(g) Stellenbosch Municipality will maintain a proper record keeping system.

19. COMPETITIVE BIDS

(1) Goods or services above a transaction value of R 200,000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

(2) No requirement for goods or services above an estimated transaction value of R 200,000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. PROCESS FOR COMPETITIVE BIDDING

(1) The procedures for the following stages of a competitive bidding process are as follows:-

(a) Compilation of bidding documentation as detailed in paragraph 21;

(b) Public invitation of bids as detailed in paragraph 22;

(c) Site meetings or briefing sessions as detailed in paragraph 22;

(d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;

(e) Evaluation of bids as detailed in paragraph 28;

(f) Award of contracts as detailed in paragraph 29;

(g) Administration of contracts;

(h) After approval of a bid, the Accounting Officer and the bidder must enter into a written agreement;

(i) Proper record keeping; and

(j) Original / legal copies of written contracts agreements must be kept in a secure place for reference purposes.

21. BID DOCUMENTATION FOR COMPETITIVE BIDS

(1) The criteria to which bid documentation for a competitive bidding process must comply, must –

(a) Take into account –

(i) The general conditions of contract and any special conditions of contract, if specified;

(ii) Any Treasury guidelines on bid documentation; and

(iii) The requirements of the Construction Industry Development

Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

(b) Include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;

(c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(d) If the value of the transaction is expected to exceed R 10 million (VAT included), require bidders to furnish –

(i) If the bidder is required by law to prepare annual financial statements (AFS) for auditing, their audited AFS –

(aa) For the past three years; or

(bb) Since their establishment if established during the past three years;

(ii) A certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;

(iii) Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(iv) A statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

(e) Stipulate that disputes must be settled by means of mutual consultation, mediation, adjudication (with or without legal representation), or, when unsuccessful, in a South African court of law;

(f) The period for which bids are to remain valid and binding must be indicated in the bid documents; and

(g) A provision for the termination of the contract in the case of non- or under-performance and objections and complaints must be included in the bid documentation.

22. PUBLIC INVITATION FOR COMPETITIVE BIDS

(1) The procedure for the invitation of competitive bids is as follows –

(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in a newspaper commonly circulating locally, the website of the Stellenbosch Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

~~(b)~~ The information contained in a public advertisement, must at least include

(i) The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy; and

(ii) A statement that bids may only be submitted on the bid documentation provided by the Stellenbosch Municipality

(iii) Contact details for further enquiries.

(2) The Accounting Officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

(3) Bids submitted must be sealed and must clearly indicate the bid number on the outside of the envelope for which the bid is being submitted.

(4) Where bids are requested by the Municipality in electronic format, such bids must be supplemented by sealed hard copies.

(5) The municipality may require bidders to submit section(s) of their bid in electronic format, but only after the bid closing date. If the electronic copy differs from the original hard copy, the original hard copy will be binding.

~~(1) The procedure for the invitation of competitive bids is as follows —~~

~~(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the Stellenbosch Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and~~

~~(b) The information contained in a public advertisement, must at least include the following —~~

~~(i) The title of the bid;~~

~~(ii) The bid number;~~

~~(iii) Whether functionality is applicable;~~

~~(iv) Whether local content is applicable;~~

~~(v) The place where the bid documentation is available for collection and the times between which bid documents may be collected;~~

~~(vi) The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R 10 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;~~

~~(vii) A statement that bids may only be submitted on the bid documentation provided by the Stellenbosch Municipality;~~

~~(viii) Date, time and venue of any proposed site meetings or briefing sessions and whether such meetings are compulsory;~~

~~(ix) Whether a payment of a non-refundable deposit is required by bidders wanting to collect bid documents which deposit amount shall be determined by the Municipal Council from time to time;~~

~~(x) The bid validity period; and~~

~~(xi) 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) Details of all prospective bidders who have been issued with bid documents must be recorded by the Municipality and shall remain confidential for the duration of the bid period. Details of prospective bidders must, wherever possible, include the full name of the person drawing the bid documents, the name of the company for whom the bid documents are, a contact person, a contact telephone number, a fax number and a postal and email address.~~

~~(6) The municipality may require bidders to submit section(s) of their bid in electronic format, but only after the bid closing date. If the electronic copy differs from the original hard copy, the original hard copy will be binding.~~

23. PROCEDURE FOR HANDLING, OPENING AND RECORDING OF COMPETITIVE BIDS AND FORMAL WRITTEN PRICE QUOTATIONS IN EXCESS OF R 30,000

(1) The procedures for the handling, opening and recording of bids are as follows

(a) Bids –

(i) Must be opened only in public;

(ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and

(iii) Received after the closing time should not be considered and returned unopened immediately; and

(b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

(c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award;

(d) The Accounting Officer must –

(i) Record in a register all bids received in time;
(ii) Make the register available for public inspection; and
(iii) Publish the entries in the register and the bid results on the website.

(e) The bidder shall choose a *domicilium citandi et executandi* in the Republic and unless notice of the change thereof has duly been given in writing, it shall be the address stated in the bid.

(f) <u>Opening of bid procedures</u> –

(i) At the specified closing time on the closing date the applicable bid box shall be closed;

(ii) The bid box shall be opened in public as soon as practical after the closing time by at least two officials from the Supply Chain Management Unit and the Security Officer on duty;

(iii) It is the responsibility of the bidder to ensure that their bid is placed in the correct bid box. The municipality will not on its own initiative redirect any bid if it is placed in an incorrect bid box before the closing time of submissions.

(iv) Immediately after the opening of the bid box all bids shall be opened in public;

(v) At the official opening of the bids, the bids shall in all cases be read out in terms of the name of the bidder and, if practical, the amount of the bid;

(vi) As soon as a bid or technical proposal has been opened the bid / proposal shall be stamped with the official stamps, and endorsed with the opening officials' signatures;

(viii) The name of the bidder, and where possible, the bid sum shall be recorded in a bid opening record kept for that purpose; and The responsible officials who opened the bidding documentation received shall forthwith place their signatures on the bid opening record (register) and shall ensure that the bid opening record, indicating at least the bid price of each bidder, the BBBEE status level contribution of each bidder and where applicable the local content percentages of the goods offered are made available for public inspection and are published on the municipality's website.

(g) Site Inspections / clarification meeting –

(i) Site inspections / clarifications meeting, where applicable, will be compulsory.

(ii) If site inspections / clarification meeting are to be held, full details must be included in the bid notice.

(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.

~~(i) The validity period is calculated from the bid closure date and bids shall remain in force and binding for a period 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.

~~(ii) The period of validity may be extended by the relevant Director, 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) To cater for a possible objection or complaint in terms of paragraph 49 of this policy or an appeal in terms of section 62 of the Municipal Systems Act, the official responsible for the bid must ensure that all bidders are requested to extend the validity of their bids where necessary in order to ensure that the bids are valid throughout the objection, complaint or appeal period.~~

~~(vi) 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.~~

~~(vii) All bidders must be notified in writing of the cancellation of a bid in terms of subparagraph (vi) above.~~

(i) Samples

(i) The call for samples should be limited to where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the addressee mentioned in the bid documents by no later than the closing time of the bid.

(ii) Bids may not be included in parcels containing samples.

(iii) If samples are not submitted as required in the bid documents, then the part of the bid for which no sample is provided shall be declared invalid.

(iv) Samples shall be supplied by a bidder at his / her own expense and risk. Stellenbosch Municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and shall reserve the right to return such samples or to dispose of them at its own discretion.

(v) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample.

(j) Bid Sum

(i) A bid will not necessarily be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening.

24. NEGOTIATIONS WITH PREFERRED BIDDERS

(1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –

(a) Does not allow any preferred bidder a second or unfair opportunity;

(b) Is not to the detriment of any other bidder; and

(c) Does not lead to a higher price than the bid as submitted.

(2) Minutes of such negotiations must be kept for record purposes.

25. TWO-STAGE BIDDING PROCESS

(1) A two-stage bidding process is allowed for –

(a) Large complex projects;

(b) Projects where it may be undesirable to prepare complete detailed technical specifications; or

(c) Long term projects with a duration period exceeding three years.

(2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(3) In the second stage final technical proposals and priced bids should be invited.

26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS

(1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the Accounting Officer may determine as issued within the directive and stating the terms of reference of each bid committee –

(a) A Bid Specifications Committee;
(b) A Bid Evaluation Committee; and
(c) A Bid Adjudication Committee.

(2) The Accounting Officer appoints the members and secundus of each committee, taking into account section 117 of the Act; and

~~(3) A neutral or independent observer, appointed by the Accounting Officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.~~

~~(4)~~(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.

27. BID SPECIFICATIONS COMMITTEES

(1) A Bid Specifications Committee must compile the specifications for each procurement of goods or services by the Stellenbosch Municipality.

(2) Specifications –

(a) Must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;

(b) Must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

(c) Must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

(d) May not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

(e) May not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;

(f) Must indicate the preference points system set out in the Preferential Procurement Regulations 2017;

(g) Must be approved by the Accounting Officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy; and

(h) The Accounting Officer may sub-delegate the requirements in sub-paragraph 2(g) above to the Chairperson of the Bid Specifications Committee.

(3) A Bid Specifications Committee must be composed of one or more officials of the Stellenbosch Municipality preferably the manager responsible for the function involved, and may, when appropriate, include external and / or internal specialist advisors.

(4) No person, advisor or corporate entity involved with the Bid Specifications Committee, or director of such a corporate entity, may bid for any resulting contracts.

28. BID EVALUATION COMMITTEES

(1) A Bid Evaluation Committee must –

(a) Evaluate bids in accordance with –

(i) The specifications for a specific procurement; and

(ii) The points system set out in terms of paragraph 27(2)(f);

(b) Evaluate each bidder's ability to execute the contract;

(c) Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears; and

(d) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

(2) A Bid Evaluation Committee must as far as possible be composed of

(a) Officials from departments requiring the goods or services; and

(b) At least one supply chain management practitioner of the Stellenbosch Municipality.

(3) The relevant user department's official shall carry out a preliminary evaluation of all valid bids received and shall submit a bid evaluation report to the Bid Evaluation Committee for consideration.

(4) Any evaluation of a bid shall consider the bids received and shall note for inclusion in the evaluation report, a bidder –

(a) Whose bid does not comply with the provisions of paragraph 38 of this Policy;

(b) Whose bid does not comply with the provisions of paragraph 13 of this Policy;

(c) Whose bid is not in compliance with the specification;

(d) Whose bid is not in compliance with the terms and conditions of the bid documentation;

(e) Who is not registered and verified on the municipality's supplier database within seven days of the closing time for bids. In this regard bid documentation shall state that the responsibility for registration and verification rests solely with the bidder;

(f) Who, in the case of construction works acquisitions, does not comply with the requirements of the Construction Industry Development Board Act regarding registration of contractors. Verification of compliance with this requirement shall be by means of Stellenbosch Municipality's Supplier Database;

(g) Whose tax status are non-compliant and cannot be verified with the South African Revenue Services (SARS) certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS; and

~~(g) Who has failed to submit a valid tax clearance certificate form from the South~~

~~African Revenue Services (SARS) certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS; and~~

(h) Who fails to comply with any applicable Bargaining Council agreement.

(5) Bids shall be evaluated according to the following as applicable –

(i) Bid price (corrected if applicable and brought to a comparative level where necessary);

(ii) The unit rates and prices;

(iii) The bidder's ability to fulfil its obligations in terms of the bid documents;

(iv) Any qualifications to the bid;

(v) The bid ranking obtained in respect of Preferential Procurement as required by Stellenbosch Municipality's Preferential Procurement Policy;

(vi) The financial standing of the bidder, including its ability to furnish the required institutional guarantee, where applicable; and

(vii) Any other criteria specified in the bid documents.

(6) The Bid Evaluation Committee shall check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears.

(7) The evaluation of bids on an equitable basis may be considered during the evaluation process.

(8) Additional information or clarification of bids may be called for if required.

(9) Alternative bids may be considered, provided that a bid free of qualifications and strictly in accordance with the bid documents is also submitted. Stellenbosch Municipality shall not be bound to consider alternative bids. The alternative offer is to be submitted with the main offer together with a schedule that compares the specifications of the bid documents with the alternative offer.

(10) If a bidder requests in writing, after the closing of bids, that his/her bid be withdrawn, then such a request may be considered and reported in the bid evaluation report.

(11) If, after bids have been brought to a comparative level, two or more scores equal total adjudication points, regulation 11(5) of the Preferential Procurement Regulations of ~~2011~~ 2017 will apply.

(12) If two or more bids are equal in all respects after applying regulation 11(5), the

Bid Evaluation Committee shall draw lots to decide on the recommendation for award.

(13) All disclosures of conflict of interest shall be considered by the Bid Evaluation Committee and if the conflict of interest is of a material nature, this shall be reported to the Bid Adjudication Committee.

(14) The relevant 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.

~~(14) The relevant Director or the Manager: Supply Chain Management may, before the bid is considered by the Bid Evaluation Committee, provide a reasonable opportunity to a bidder who made an innocent error and / or omission in their bid document, to correct the innocent error and / or omission, provided that such opportunity will not unduly prejudice any of the other bidders.~~

(15) In an event as described in sub-paragraph 14, bidders shall be afforded a minimum of two (2) working days up to a maximum of five (5) working days (on discretion of the relevant Director or the Manager: Supply Chain Management) from time of notification to correct such innocent errors and / or omissions. If no response is received from such bidders at the deadline the bid may be deemed to be non-responsive.

29. BID ADJUDICATION COMMITTEES

(1) A Bid Adjudication Committee must –

(a) Consider the report and recommendations of the Bid Evaluation Committee; and

(b) Either –

(i) Depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or

(ii) Make another recommendation to the Accounting Officer how to proceed with the relevant procurement.

(2) A Bid Adjudication Committee must consist of at least four senior managers of the Stellenbosch Municipality, which must include –

(a) The Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief

Financial Officer;

(b) At least one senior supply chain management practitioner who is an official of the Stellenbosch Municipality; and

(c) A technical expert in the relevant field who is an official, if such an expert exists.

(3) The Accounting Officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

(4) Neither a member of a Bid Evaluation Committee, nor an advisor or person assisting the evaluation committee, may be a member of a Bid Adjudication Committee.

(a) If the Bid Adjudication Committee decides to award a bid other than the one recommended by the Bid Evaluation Committee, the Bid Adjudication

Committee must prior to awarding the bid–

(i) Check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and

(ii) Notify the Accounting Officer.

(b) The Accounting Officer may –

(i) After due consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee referred to in paragraph (a); and

(ii) If the decision of the Bid Adjudication Committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(7) The Accounting Officer must comply with section 114 of the Act within 10 working days

30. PROCUREMENT OF BANKING SERVICES

(1) A contract for banking services –

(a) Must be procured through competitive bids;

(b) Must be consistent with section 7 or 85 of the Act; and

(c) May not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. PROCUREMENT OF IT RELATED GOODS OR SERVICES

(1) The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by and the payments to be made to SITA.

(3) The Accounting Officer must notify SITA together with a motivation of the IT needs if –

(a) The transaction value of IT related goods or services required in any financial year will exceed R 50 million (VAT included); or

(b) The transaction value of a contract to be procured whether for one or more years exceeds R 50 million (VAT included).

(4) If SITA's comments on the submission and the Stellenbosch Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National

Treasury, the relevant provincial treasury and the Auditor General.

32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE

(1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –

(a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
(b) There is no reason to believe that such contract was not validly procured;
(c) There are demonstrable discounts or benefits to do so; and

(d) That other organ of state and the provider has consented to such procurement in writing.

(2) Subparagraphs (1)(c) and (d) do not apply if –

(a) A municipal entity procures goods or services through a contract secured by its parent municipality; or
(b) A municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

(3) If paragraph (1) is complied with, Stellenbosch Municipality must request at least the following documents from the relevant organ of state and service provider as referred to under subparagraph (1)(d) –
(a) A written declaration confirming –

(i) That the organ of state followed a competitive bidding process applicable to it;
(ii) That the organ of state has no reason to believe that the contract was not validly procured by itself;
(iii) That the organ of state evaluated the bid in terms of price and

BBBEE and if applicable, in terms of functionality or quality, and concluded that the bid(s) that were accepted were in all aspects the best compliant and respective bid(s); and

(iv) That the organ of state gives formal written permission to

Stellenbosch Municipality to procure goods and / or services from the approved bid(s) as accepted by the organ of state;

(b) Agenda and minutes of the organ of state's Bid Evaluation Committee at which the specific bid was evaluated;

(c) Agenda and minutes of the organ of state's Bid Adjudication Committee at which the bid was awarded or the approval of the
Accounting Officer of that organ of state who approved the bid;

(d) A copy of the successful bidder(s) bid submissions; and

(e) Written consent from the service provider.

(4) If Stellenbosch Municipality should enter into a contract secured by other organs of state, it shall enter into a contract with the successful bidder(s) on the same terms and conditions as accepted by the relevant organ of state.

(5) Contracts entered into by Stellenbosch Municipality under paragraph (4) shall not be deemed to be a deviation from the official procurement processes.

(6) The Accounting Officer shall report to Council on a monthly basis all contracts entered into in terms of paragraph (4) above.

33. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

(1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

34. PROUDLY SA CAMPAIGN

(1) Stellenbosch Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from –

(a) Firstly: Suppliers and businesses within the municipality or district;

(b) Secondly: Suppliers and businesses within the relevant province; and

(c) Thirdly: Suppliers and businesses within the Republic.

35. APPOINTMENT OF CONSULTANTS

(1) The Accounting Officer may procure consulting services provided that any Treasury guidelines in respect of consulting services, Construction Industry Development Board guidelines and Council's Cost-Containment Policy in respect of services related to the built environment and construction works are taken into account when such procurements are made.

~~(1) The Accounting Officer may procure consulting services provided that any~~

~~Treasury guidelines in respect of consulting services or Construction Industry Development Board guidelines in respect of services related to the built environment and construction works are taken into account when such procurements are made.~~

(2) Consultancy services must be procured through competitive bids if –

(a) The value of the contract exceeds R 200,000 (VAT included); or

(b) The duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

(a) All consultancy services provided to an organ of state in the last five years; and

(b) Any similar consultancy services provided to an organ of state in the last five years.

(4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Stellenbosch Municipality .

(5) Where the estimated value of fees is less than R 200,000 and the duration of the appointment is less than one year, any National Treasury and, where applicable, Construction Industry Development Board guidelines in respect of consulting services are taken into account.

36. DEVIATION FROM AND RATIFICATION OF MINOR BREACHES OF PROCUREMENT PROCESSES

(1) The Accounting Officer may –

(a) Dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) In an emergency (as per definition);

(ii) If such goods or services are produced or available from a single source or sole provider only (as per definition);

(iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) Acquisition of animals for zoos and/or nature and game reserves; or

(v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties, which are purely of a technical nature.

(2) The Accounting Officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. UNSOLICITED BIDS

(1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The Accounting Officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

(a) The product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

(b) The product or service will be exceptionally beneficial to, or have exceptional cost advantages;

(c) The person who made the bid is the sole provider of the product or service; and

(d) The reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.

(3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

(a) Reasons as to why the bid should not be open to other competitors;

(b) An explanation of the potential benefits if the unsolicited bid were accepted; and

(c) An invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The Accounting Officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.

(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must take into account –

(a) Any comments submitted by the public; and

(b) Any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the

Stellenbosch Municipality to the bid may be entered into or signed within 30 days of the submission.

38. COMBATING OF ABUSE OF SUPPLY CHAIN MANAGEMENT SYSTEM

(1) The Accounting Officer must –

(a) Take all reasonable steps to prevent abuse of the supply chain management

system;

(b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –

(i) Take appropriate steps against such official or other role player; or

(ii) Report any alleged criminal conduct to the South African Police Service;

(c) Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;

(d) Reject any bid from a bidder –

(i) If any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Stellenbosch Municipality or to any other municipality or municipal entity, are in arrears for more than three months; or

(ii) Who during the last five years has failed to perform satisfactorily on a previous contract with the Stellenbosch Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;

(e) Reject a recommendation for the award of a contract if the recommended bidder or any of its directors, or trust or its trustees has committed a corrupt or fraudulent act in competing for the particular contract;

(f) Cancel a contract awarded to a person if –

(i) The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

(ii) An official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and

(g) Reject the bid of any bidder if that bidder or any of its directors –

(i) Has abused the supply chain management system of the Stellenbosch Municipality or has committed any improper conduct in relation to such system;

(ii) Has been convicted for fraud or corruption during the past five years;

(iii) Has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or

(iv) Has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

(2) The Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f)

of this Policy.

PART 3: LOGISTICS, DISPOSAL, RISK AND PERFORMANCE MANAGEMENT

39. LOGISTICS MANAGEMENT

(1) The Accounting Officer must establish and implement an effective system of logistics management, which must include –

(a) The monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

(b) The setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;

(c) The placing of manual or electronic orders for all acquisitions other than those from petty cash;

(d) Before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

(e) Appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

(f) Regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and

(g) Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

40. DISPOSAL MANAGEMENT

(1) A supply chain management policy must provide for an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act

(2) A supply chain management policy must specify the ways in which assets may be disposed of, including –

(a) Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;

(b) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;

(c) Selling the asset; and

(d) Destroying the asset.

(3) The Accounting Officer must ensure that –

(a) Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;

(b) Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous, except when the public interest or the plight of the poor demands otherwise;

(c) Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;

(d) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;

(e) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;

(f) Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

(g) In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

(4) All matters relating to the alienation of movable and immovable assets shall be dealt with in terms of Council's Asset Transfer Policy and the Asset Transfer Regulations, 2008.

(5) Notwithstanding the provisions of paragraph 3 hereof, the following statutory powers of Stellenbosch Council in respect of the alienation of immovable property, are reserved to be exercised by Council –

(a) To decide on reasonable grounds that an asset is not needed to provide the minimum level of basic municipal services; and

(b) To considered the fair market value of the asset and the economic and community value to be received in exchange for the asset, and

(6) Notwithstanding sub-paragraph (3)(b) & (g) above, the Accounting Officer must determine the most advantageous way for the disposal or letting of movable capital assets, i.e. written price quotations, competitive bidding, or auction, except when public interest or the plight of the poor demands otherwise.

(7) The Accounting Officer is hereby authorized to dispose of movable capital assets below a value of R 500,000 (excluding the approval for selling of assets via public auction process) and to make the determinations in terms of Section 14(2)(a) and (b) of the ~~MFMA~~Act, provided that, in respect of capital assets above a value of R 200,000 not being auctioned, the Accounting

Officer shall first consider a recommendation from the Supply Chain Management Bid Adjudication Committee.

41. RISK MANAGEMENT

(1) The criteria for an effective risk management strategy within supply chain management system, should include the identification, consideration and avoidance of potential risks.

(2) Risk management should include –

(a) The identification of risks on a case-by-case basis;

(b) The allocation of risks to the party best suited to manage such risks;

(c) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

(d) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

(e) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

42. PERFORMANCE MANAGEMENT

(1) The Accounting Officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved. The retrospective analysis will link to the regulatory reports and submissions on the implementation of the supply chain management policy to the delegated authorities as prescribed in terms of supply chain management regulations and the delegation system of council, as amended from time to time.

PART 4: OTHER MATTERS

43. PROHIBITION ON AWARDS TO PERSONS WHOSE TAX MATTERS ARE NOT IN ORDER

(1) No award above R 30,000 (including VAT) may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the Accounting Officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

44. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

(1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

(a) Who is in the service of the state;

(b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or

(c) A person who is an advisor or consultant contracted with the Stellenbosch Municipality.

45. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

(1) The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R 2,000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

(a) The name of that person;

(b) The capacity in which that person is in the service of the state; and

(c) The amount of the award.

46. ETHICAL STANDARDS

(1) A code of ethical standards as set out in [subparagraph (2) / the "National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management, which also include all other municipal officials not involved in supply chain management system"] is hereby established for municipal officials and other role players in the supply chain management system of the Stellenbosch Municipality in order to promote-

(a) Mutual trust and respect; and

(b) An environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) A municipal official or other role player involved in the implementation of this Policy–

(a) Must treat all providers and potential providers equitably;

(b) May not use his or her position for private gain or to improperly benefit another person;

(c) May not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R 350;

(d) Notwithstanding subparagraph (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;

(e) Must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Stellenbosch Municipality;

(f) Must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;

(g) Must be scrupulous in his or her use of property belonging to Stellenbosch Municipality;

(h) Must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

(i) Must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –

(i) Any alleged fraud, corruption, favouritism or unfair conduct;

(ii) Any alleged contravention of paragraph 47(1) of this Policy; or

(iii) Any alleged breach of this code of ethical standards.

(3) Declarations in terms of subparagraphs (2)(d) and (e) –

(a) Must be recorded in a register, which the Accounting Officer must keep for this purpose; and

(b) By the Accounting Officer must be made to the Executive Mayor of the municipality who must ensure that such declarations are recorded in the register.

(4) The National Treasury's code of conduct and Schedule 2 of the Systems Act must be adhered to by supply chain management practitioners and other role players involved in supply chain management.

(5) A breach of the code of ethics must be dealt with as follows –

(a) In the case of an employee, in terms of the disciplinary procedures of the Stellenbosch Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;

(b) In the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach;

(c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act; and

(d) All cases of non-compliance to this Policy should be reported to the Accounting Officer**.**

47. INDUCEMENTS, REWARDS, GIFTS AND FAVOURS TO MUNICIPALITIES, OFFICIALS AND OTHER ROLE PLAYERS

(1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

(a) Any inducement or reward to the Stellenbosch Municipality for or in connection with the award of a contract; or

(b) Any reward, gift, favour or hospitality to –

(i) Any official; or

(ii) Any other role player involved in the implementation of this Policy.

(2) The Accounting Officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph (1) does not apply to gifts less than R 350 in value.

48. SPONSORSHIPS

(1) The Accounting Officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

(a) A provider or prospective provider of goods or services; or

(b) A recipient or prospective recipient of goods disposed or to be disposed.

49. OBJECTIONS AND COMPLAINTS

(1) Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

50. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

(1) The Accounting Officer may, if deem so, appoint an independent and impartial person, not directly involved in the supply chain management processes –

(a) To assist in the resolution of disputes between the Stellenbosch

Municipality and other persons regarding –

(i) Any decisions or actions taken in the implementation of the supply chain management system; or

(ii) Any matter arising from a contract awarded in the course of the supply chain management system; or

(b) To deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(2) The Accounting Officer, or another official designated by the Accounting

Officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed should, if appointed –

(a) Strive to resolve promptly all disputes, objections, complaints or queries received; and

(b) Submit monthly reports to the Accounting Officer on all disputes, objections, complaints or queries received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –

(a) The dispute, objection, complaint or query is not resolved within 60 days; or

(b) No response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

51. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

(1) If a service provider acts on behalf of a Stellenbosch Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Stellenbosch Municipality must stipulate

(a) A cap on the compensation payable to the service provider; and

(b) That such compensation must be performance based.

~~52. CONTRACT MANAGEMENT~~

~~(1) Application~~

~~The contract management provisions below are applicable only to contracts for the provision of goods or services~~

~~Competency~~

~~All contracts must be administered by an official(s) having the necessary competencies to ensure effective management of the contract.~~

~~(2) Maintenance and Contract Administration~~

~~(a) Contracts related to the procurement of goods and services will be captured on the financial system.~~

~~(b) Value (where the maximum value of the contract is restricted) and volume (where the maximum units procured are restricted) based contracts will be used.~~

~~(c) The use of fixed price, fixed term contracts will be promoted and expenditure will be driven towards contracts versus once-off purchases.~~

~~(d) Consolidated (municipality wide) procurement volumes have to drive down the negotiated contract prices.~~

~~(e) Contract price adjustments shall be processed only in accordance with contract terms and conditions. Price adjustments shall be made on the procurement contract and any current purchase orders shall be changed to reflect the new price.~~

~~(4) Contract Administration~~

~~(a) Contract administration is the last stage of the tendering and contract cycle, and includes all administrative duties associated with a contract after it is executed, including contract review.~~

~~(b) The effectiveness of contract administration will depend on how thoroughly the earlier steps were completed. Changes can be made far more readily early in the tendering cycle than after contract management has commenced.~~

~~(c) Some of the key early stages, which influence the effectiveness of contract administration, include —~~

~~(i) Defining the output, that is, writing specifications which identify what the aims are; and~~
~~(ii) Outputs of a contract will be assessed as follows —~~

~~(aa) Assessing risk;~~

~~(bb) Researching the market place (including conducting pre-tender briefings);~~

~~(cc) Formulating appropriate terms and conditions of contract;~~

~~(dd) Identifying appropriate performance measures and benchmarks so that all parties know in advance what is~~

~~expected, and how it will be tested;~~

~~(ee) Actively creating competition, so the best possible suppliers bid for contracts; and~~

~~(ff) Evaluating bids competently, to select the best contractor, with a strong customer focus and good prospects of building a sound relationship.~~

~~(5) Levels of Contract Administration~~

~~(a) There are three levels of contract administration:~~

~~(i) The first operational level is for standard contracts for goods and services. Day to day contract administration should become no more than a monitoring, record keeping and payment authorization role. A standard contract, which requires excessive administration, is almost certainly the product of a failure in contract preparation stages. An example of an operational contract would be a stationery contract.~~

~~(ii) The second or intermediate level is for more complex contracts for services. An example would be a contract to outsource cleaning services. This type of contract will require a more active role for the contract manager in developing the relationship between the Municipality and the contractor.~~

~~(iii) The third level is for strategic contracts involving complex partnerships and outsourcing arrangements. These contracts need more active management of the business relationships between the supplier and the users, for example to manage outputs and not the process. Sufficient resources need to be dedicated by all parties to successfully manage these contractor relationships and, where feasible, to achieve partnership. A partnership is the result of mutual commitment to a continuing co-operative relationship, rather than parties working on a competitive and adversarial basis.~~

~~(6) Appointing a Contract Manager~~

~~(a) A contract manager should be appointed by the senior official in charge of the project prior to the execution of the contract.~~

~~(b) Where it is practical to do so, the contract manager should be involved at the earliest stage of the acquisition, which is the time of writing the specification. Contract administration arrangements should be identified and planned including who, how, delegations, reporting requirements and relationships and specific task responsibilities.~~

~~(c) Departments shall be responsible for ensuring that contract managers~~

~~(i) Prepare the contract administration plan;~~

~~(ii) Monitor the performance of the contractor;~~

~~(iii) Are appointed with appropriate responsibility and accountability;~~

~~(iv) Are adequately trained so that they can perform and exercise the responsibility; and~~

(v) Act with due care and diligence and observe all accounting and legal requirements.

(7) Duties and Powers of Contract Managers

(a) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.

(b) The contract manager shall also be required to form opinions and make decisions, and in doing so is expected to be even-handed and prudent.

(8) Contract Guidelines

(a) A guideline, which provides a description of the roles and responsibilities of a contract manager during the contract administration stage, shall be documented.

(b) This following is not an exhaustive description of contract administrative activities, and some tasks may not be carried out in the sequence presented, may be done concurrently with other tasks, or may not be necessary in some circumstances.

(9) Delegating to Contract Administrator

(a) Where appropriate, a contract manager may delegate some contract administration duties to a contract administrator.

(b) The contract administrator would usually be required to perform duties related to processes for record keeping and authorizing payment and collecting data on the contractor performance.

(c) The contract manager will however remain ultimately responsible for the performance of the contract.

(10) Contract Management Process

(a) The contract manager shall ensure the contractor fulfils its obligations and accepts its liabilities under the contract and must also ensure the contractors are treated fairly and honestly.

(b) Both parties adhering to the agreed terms will result in –

(i) Value for money;
(ii) Timeliness;
(iii) Cost effectiveness; and
(iv) Contract performance.

(11) Document Retention

(a) The need exists to retain documents on a contract file for information and audit purposes, and in order to comply with the requirements of the records office.

(12) Records Office

(a) Proper records regarding all aspects of the contract must accordingly be maintained.

~~(13) Guidelines on Contract Administration~~

~~(a) The responsibilities of a contract manager may include the following –~~

~~(i) Establishing a contract management plan for the project;~~

~~(ii) Reviewing the contract management process (including the plan) on a regular basis;~~

~~(iii) Providing liaison between internal managers and users, and suppliers to identify and resolve issues as they arise;~~

~~(iv) Monitoring the contractor's continuing performance against contract obligations;~~

~~(v) Providing the contractor with advice and information regarding developments within the department, where such developments are likely to affect the products provided;~~

~~(vi) Determining if staged products should continue, and providing a procurement process for additional stages which meet the principle of obtaining value for money;~~

~~(vii) Providing accurate and timely reporting to the senior management in charge of the project, highlighting significant performance issues or problems;~~

~~(viii) Ensuring insurance policy(s) terms and conditions provide adequate protection for Stellenbosch Municipality and are maintained throughout the contract period;~~

~~(ix) Ensuring all products provided are certified as meeting the specifications before the supplier is paid;~~

~~(x) Maintaining adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;~~

~~(xi) Managing contract change procedures;~~

~~(xii) Resolving disputes as they arise;~~

~~(xiii) Conducting post contract reviews; and~~

~~(xiv) Pursuing remedies in the event of contract breach.~~

~~53.~~ 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 ~~Municipal Finance Management~~ Act have been fully complied with.

54. INCREASE / EXTENSION IN APPROVED CONTRACT SUM / PERIOD

(1) Any increase and / or extension in the approved contract sum that may become necessary as a result of exceptional circumstances during the contract period must

be approved by the appropriate bid committees prior to implementation.

(2) Contracts may be expanded or varied by not more than 20% of the original contract value for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services.

(3) Any expansion or variation in excess of these thresholds as stated under subparagraph (2) must be dealt with in terms of the provisions of section 116(3) of the Act which will be regarded as an amendment of a contract.

(4) Where community participation has been a part of the project, the community must be advised of the proposed increase and be invited to provide written comment within a minimum period of seven (7) days.

(5) Any unapproved increase in the contract sum must be explained in a report to the Accounting Officer, requesting condonation for of such unapproved increase.

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

(c) The remedy sought by the appellant.

(3) No award, where a competitive bidding process was followed, shall be formally implemented until a ruling has been made on any appeal/s received. The Municipal Manager may however grant approval for the implementation of bid awards prior to the conclusion of the appeal process in respect of bids which in his / her opinion are deemed as urgent.

(4) The Appeal Authority will provide the service provider with copies of the Bid Committee minutes applicable to the specific tender on request within the 21 days period, of the service provider to enable him/her to motivate his/her appeal. Should the service provider request other documentation a PAIA application should be submitted.

(5) The appeal authority must consider the appeal and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

~~(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 receipt of the notification of the decision.~~

~~(2) The Supply Chain Management Unit 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.~~

~~(3) Notification of the decision in terms of sub-paragraph 55(1) of this policy must state that any appeal must be submitted in writing to the Municipal Manager and must at least contain the following information:~~

~~(a) The reasons and / or grounds for the appeal;~~

~~(b) The way in which the appellants rights have been affected; and~~

~~(c) The remedy sought by the appellant.~~

~~(4) No bid, where a competitive bidding process was followed, shall be formally accepted until a ruling has been made on any appeal/s received.~~

~~(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.~~

56. NOTIFICATION OF BID DECISIONS

(1) The successful and unsuccessful bidders shall be notified in writing by the Supply Chain Management once a bid has been accepted.

(2) The bidders shall, in addition, be advised of the 21 day appeal period in terms of section 62 of the Municipal Systems Act and be notified that no rights will accrue to him / her until the bid is formally accepted in writing.

(3) Once the 21 day appeal period has lapsed and a decision has been made by the appeal authority, the appellant and the service provider who the tender was initially awarded will be notified in writing of the outcome thereof by the Supply Chain Management.

(4) Every notification of decision shall be faxed or sent via electronic mail and ordinary mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification to be kept for record purposes.

57. UNSUCCESSFUL BIDDER DEBRIEFING

(1) The Municipality will offer an unsuccessful bidder debriefing service to unsuccessful bidders upon request.

(2) During the debriefing unsuccessful bidders will be informed of how their proposal scored against required criteria and obtain comments from the evaluation team on their bid.

(3) The debriefing should be a positive and constructive experience that explains how bidders can improve future submissions.

(4) The debriefing is an opportunity for unsuccessful bidders to –

(a) Learn more about the procurement and evaluation process in an informal

setting;

(b) Find out how their proposal scored against the required criteria;

(c) Hear the overall comments from the evaluation team on their bid; and

(d) Gather information on how future submissions may be improved.

(5) The debriefing is not part of the Supply Chain complaint or appeal process in terms of paragraph 49 or 55 of this Policy.

(6) The debriefing is not a legal proceeding and no legal representation is permitted at the debriefing session.

(7) At the debriefing session the unsuccessful bid is not compared to other bids, nor will information be provided to the unsuccessful bidder about other bids.

(8) In scheduling a bidder's debriefings session upon the request of the unsuccessful bidder, the municipality must –

(a) Confirm the date and time of the debriefing session in writing;

(b) Conduct separate debriefings with each unsuccessful bidder;

(c) Ensure that proper minutes are kept of each debriefing session; and

(d) Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.

(9) In conducting bidders' debriefings, the municipality may –

(a) Provide a general overview of the evaluation process set out in the bid documents;

(b) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score;

(c) Provide suggestions on how the supplier may improve future submissions; and

(d) Address specific questions and issues raised by the supplier in relation to their submission.

58. THE SUSPENSION OF SERVICE PROVIDERS FOR POOR PERFORMANCE AND OTHER BREACHES

(1) Any failure to fulfil the deliverables in line with the contract or service levels constitutes a material breach or poor performance which will result in the termination of the contract and/or sanctions will be imposed in the form of suspension from the database.

(2) Such sanctions will have variation in the periods of suspension based on the gravity of the breach.

(3) The municipality must consider imposing following sanctions, subject to sub-clause (2) above:

a) 6 months for non-declarations of relative/spouse within the municipality;

b) 12 months for misleading information provided to the municipality; and

c) 24 months for certain or above a certain threshold value based.

d) All the above will be applicable based on the gravity of the poor performance

59. CONDONATION OF POLICY CONTRAVENTIONS

(1) Council may condone a contravention in terms of this Policy, provided that such contravention is also not a contravention of the ~~MFMA~~ Act or the Municipal Supply Chain Management Regulations, 2005

(2) Any expenditure relating to such condonation by Council in terms of this Policy, will not constitute irregular expenditure as contemplated under section 1 of the ~~MFMA~~Act.

(3) Contraventions of the ~~MFMA~~ Act relating to supply chain management or the Municipal Supply Chain Management Regulations, 2005 must be dealt with in terms of section 32 and section 170 of the ~~MFMA~~Act.

60. SHORT TITLE

(1) This policy is called the Stellenbosch Municipality Supply Chain Management Policy.

APPENDIX 18

STELLENBOSCH MUNICIPALITY

DEVELOPMENT CHARGES POLICY

2020/2021

REVISED

STELLENBOSCH MUNICIPALITY

DEVELOPMENT CHARGES POLICY

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1. DEFINITIONS

In this policy, unless the context indicates otherwise -

1.1 '**applicant**' means a person who makes a land development application;

1.2 **'bulk service'** means the capital infrastructure assets associated with that portion of an external engineering service which is intended to ensure provision of municipal infrastructure services for the benefit of multiple users or the community as a whole - ~~as indicated in~~ the relevant Master Plan shall be used as a guide to identify such bulk services;

1.3 '**By-Law'** means the Stellenbosch Municipality: Land Use Planning By-Law published in the Western Cape Provincial Gazette Extraordinary of 20 October 2015;

1.4 **'capacity'** means the extent of availability of a municipal infrastructure service, based on the capital infrastructure asset or combination of capital infrastructure assets installed for provision of such municipal infrastructure services;

1.5 **'capital infrastructure asset'** means a capital asset which is required for provision of a municipal infrastructure service, limited to immovable assets and insofar as movable assets are concerned, specialised vehicles, used for waste collection and disposal only;

1.6 **'developer'** means an applicant for land development whose land development application is approved, in whole or in part, by the Municipality or the Municipal Planning Tribunal or municipal official authorised to determine land development applications;

1.7 **'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;

1.8 **"Engineer"** means an Engineer employed by the "Municipality" or any person appointed by the "Municipality" from time to time and notified as such in writing to the "Developer" to perform the duties envisaged in terms of this Agreement

1.9 **'engineering services installation agreement'** means an agreement concluded between the Municipality and a developer, recording their detailed and specific respective rights and obligations regarding the provision and installation of the external engineering services required for an approved land development, and regarding the associated development charge;

1.10 **'external engineering** service' means an engineering service situated outside the boundaries of a land area and which is necessary to serve the use and development of the land area, provided that in circumstances where the characteristics of a specific area or the design of the relevant engineering service so requires, such services can be located within the boundaries of a land area;

1.11 **'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, Franschhoek and Klapmuts~~see Annexure A as far as civil bulk services are concerned~~);

1.12 **'internal engineering service'** means an engineering service within the boundaries of a land area which is necessary for the use and development of the land area and which is to be owned and operated by the Municipality or service provider;

~~1.12~~1.13 **'land development'** means the erection of buildings or structures on land, or the change of use of land, including township establishment, the subdivision or consolidation of land or any deviation from the land use or uses permitted in terms of an applicable land use scheme;

~~1.13~~1.14 **'land development application'** means an application for land development submitted with the Municipality or referred to the Municipal Planning Tribunal or other decision-making body for approval, in accordance with applicable national or provincial legislation, including the National Building Regulations and Building Standards Act 103 of 1977 (including any regulations promulgated thereunder), the SPLUMA, the LUPA and the By-Law;

~~1.14~~1.15 **'land use'** means the purpose for which land is or may be used lawfully in terms of a land use scheme, existing scheme or in terms of any other authorisation, permit or consent issued by a competent authority, and includes any conditions related to such land use purposes;

~~1.15~~1.16 **'link service'** means the capital infrastructure assets associated with that portion of an external engineering service which links an internal engineering service to the applicable bulk service, and which is not shared by multiple users or the community as a whole;

~~1.16~~1.17 **'LUPA'** means the Western Cape Land Use Planning Act, 2014, Act. 3 of 2014 (PN 99/2014 of 7 April 2014);

~~1.17~~1.18 **'Municipality'** means the Stellenbosch Municipality (WCO24) established in terms of Provincial Notice 489 of 22 September 2000 in terms of the Local Government: Municipal Structures Act, 117 of 1998, and includes all political structures or office bearers and municipal staff members to whom authority has been delegated to take decisions in terms of the Municipality's delegation system;

~~1.18~~1.19 **'municipal infrastructure service'** means any of the following municipal services:

1.20.1 potable water;
1.20.2 sewerage and wastewater treatment;
1.20.3 electricity distribution
1.20.4 municipal roads;
1.20.5 street lighting
1.20.6 storm water management;
1.20.7 solid waste disposal;
1.20.8 public transport, including non-motorised transport;
1.20.9 social infrastructure services;

~~1.19~~1.20 **'Municipal Planning Tribunal'** means a Municipal Planning Tribunal referred to in Chapter 6 of SPLUMA;

~~1.20~~1.21 **'Social Infrastructure services'** means community services provided in terms of the functions which are the responsibility of the Municipality in terms of the Constitution, which includes, but is not limited to:

2.2.1 Early Childhood Development Centres;
2.2.2 Public Open Spaces, parks, sports fields;
2.2.3 Fire Fighting and Emergency Services;
2.2.4 Local Tourism;
2.2.5 Cemeteries;
2.2.6 Burial of animals;
2.2.7 Noise pollution; and
2.2.8 Municipal health services;

~~1.21~~1.22 **'SPLUMA'** means the Spatial Planning and Land Use Planning Act, 16 of 2013;

~~1.22~~1.23 **'Systems Act'** means the Local Government: Municipal Systems Act, 2000, Act 32 of 2000).

2. INTRODUCTION

2.1 This policy is applicable to the Development Charges charged for the following services: Water, Sewer, Stormwater, Solid Waste, Roads, Community Facilities and Electricity.

2.1

2.2 In terms of Section 152 of the Constitution, the objects of local government include the provision of services to communities in a sustainable manner and the promotion of social and economic development.[1] Chapter 8 of the Systems Act provides for the general duty of the Municipality to provide municipal services and the manner in which such services are to be provided.~~[2]~~

2.3 Social and economic development has a positive impact on the Municipality's finances as it increases revenue from property rates, fees, service charges and tariffs by expanding the base of ratepayers. However, development associated with this economic growth has an impact on the demand for municipal infrastructure services as well as social infrastructure services such as clinics, schools and other public amenities. Therefore, infrastructure is needed to support sustainable social and economic development in Stellenbosch. Without infrastructure, both public and private sector investment in Stellenbosch will slow down. The cost to the Municipality for providing this infrastructure is high. Funding to cover these costs is obtained from three sources:

2.2.1 Grants are provided by national or provincial government and are generally targeted towards social infrastructure, particularly in support of low-income housing development.

2.2.2 Loans are converted into tariffs and are recovered by user fees paid by all consumers to the Municipality.

2.2.3 Development charges are a more targeted and more equitable way of ensuring that the main beneficiaries of infrastructure make an appropriate

[1] Section 152(1)(b) and (c).
~~[2] Section 73(1).~~

and fair contribution to that cost, without unduly burdening the Municipality's ratepayers. Development Charges are the most important form of capital contribution raised by the Municipality to pay for infrastructure.

2.4 The general duty of the Municipality to provide municipal services is inter alia provided for in terms of Section 73(2) of the Systems Act, which section provides as follows:

"*(2) Municipal services must—*

(a) be equitable and accessible;

(b) be provided in a manner that is conducive to—

(i) the prudent, economic, efficient and effective use of available resources; and

(ii) the improvement of standards of quality over time;

(c) be financially sustainable;

(d) be environmentally sustainable; and

(e) be regularly reviewed with a view to upgrading, extension and improvement."

2.5 The goal of this policy includes the following:

2.2.1 Striving to make Stellenbosch the preferred town for investment and business, where investment inflows and new enterprise translate into jobs and prosperity.

2.2.2 Establishing the greenest municipality which will not only make Stellenbosch attractive for visitors and tourists, but will also provide a desirable environment for new businesses and appropriate industries.

2.2.3 Ensuring a dignified living for all Stellenbosch citizens, who feel that they own their town, take pride in it and have a sense of self-worth and belonging.

2.2.4 Creating a safer Stellenbosch, where civic pride and responsibility supplant crime and destructive behaviour.

3. OBJECTIVES

3.1 The objectives of this policy are to provide a sustainable and equitable framework for the financing of capital infrastructure assets and to ensure that:

3.1.1 The Municipality is able to provide capital infrastructure assets in a timely and sufficient manner to support land development;

3.1.2 Development charges complement other sources of capital finance available to the Municipality and are not utilised as a general revenue source;

3.1.3 Development charges are managed in a predictable, fair and transparent manner; and

3.1.4 Unnecessary litigation in the administration of development charges is minimised.

4. PRINCIPLES OF THE POLICY

4.1 Four key principles underlie the system of development charges. These are:

4.1.1 ***Equity and Fairness***: Development charges should be reasonable, balanced and practical so as to be equitable to all stakeholders. The key function of a system of development charges is to ensure that those who benefit from new infrastructure investment, or who cause off-site impacts, pay their fair share of the associated costs.

This implies that:

4.1.1.1 The Municipality should recover from applicants a contribution that is as close as possible to be full and actual costs of the capital infrastructure assets that are needed to mitigate the impacts of land development and to provide services to new land developments;

4.1.1.2 Development charges are levied to recover the infrastructure costs incurred or to be incurred due to land development, and are thus not a form of taxation;

4.1.1.3 Costs which should be covered by development charges can be determined both in relation to the value of pre-installed capital infrastructure assets resulting from historical investments, and the provision of new capital infrastructure assets to meet new capacity requirements; and

4.1.1.4 Development charges are not an additional revenue source to be used to deal with historical backlogs in provision of services, such as backlogs that exist in some historically disadvantaged areas.

4.1.2 **Predictability:** Development charges should be a predictable, legally certain and reliable source of revenue to the Municipality for providing external engineering services, and should be clearly and transparently accounted for. In order to promote predictability in municipal finance systems the costs associated with municipal capital infrastructure assets provided expressly to benefit poor households should be established before subsidies are applied in a transparent manner to fund the liability.

4.1.3 **Spatial and Economic Neutrality:** The primary role of a system of development charges is to ensure the timely, sustainable financing of required capital infrastructure assets.

This implies that:

4.1.3.1 Development charges should be determined based on identifiable and measurable costs so as to avoid distortions in the economy and in patterns of spatial development;

4.1.3.2 Development charges should not be used as a spatial planning policy instrument;

4.1.3.3 Costs recovered should be dedicated only to the purpose for which they were raised; and

4.1.3.4 Development charges should be calculated where possible on a sectoral or geographic scale to more accurately approximate costs within a specific impact zone.

4.1.4 **Administrative ease and uniformity:** The determination, calculation and operation of development charges should be administratively simple and transparent.

5. LEGISLATIVE FRAMEWORK

Development Charges are an integral part of the broader legal framework for urban land development and municipal finance. This legal framework has undergone substantial changes at national, provincial and municipal levels with the introduction of the SPLUMA, LUPA and the By-Law.

5.1 Policy context

This policy is consistent with the Final Draft Policy for Municipal Development Charges (Version 10) issued by the National Treasury on 15 December 2015 and which reflects a broadly shared understanding of the role, purpose and legal nature of Development Charges across the country.

5.2 Applicable legislation

The Systems Act

5.2.1 The general power of the Municipality to recover charges is provided for in Section 75A. In terms of Section 75A(2) charges are levied by the Municipality by resolution passed by the Municipal Council with a supporting vote of a majority of its members.

5.2.2 All development charges levied in terms of the general power of the Municipality, as envisaged in terms of Section 75A, will be levied in terms of a Council's Resolution by virtue of which this policy is approved.

5.2.3 When the development charges are determined pursuant to a Council's Resolution envisaged in terms of Section 75A(2), regard must at least be had to the factors provided for in Section 40(3), (4) and (5) of the LUPA read with the changes required by the context. See **Paragraph 5.2.7** below.

LUPA

5.2.4 The LUPA came into force on 1 December 2015 pursuant to Proclamation No 30 of 2015 (Western Cape).

5.2.5 In terms of Section 40(2) the Municipality may, when it approves a land use application subject to conditions, impose reasonable conditions which arise from the approval relating to the provision of engineering services and infrastructure and the cession of land or the payment of money. The aforementioned type of conditions may require a proportional contribution to municipal public expenditure according to the normal need therefore arising from the approval, as determined by the Municipality.

5.2.6 Municipal public expenditure is provided for in Section 40(4) as follows:

"*40(4) Municipal public expenditure contemplated in subsection (3) includes, but is not limited to, municipal public expenditure for municipal service infrastructure and amenities relating to—*

(a) community facilities, including play equipment, street furniture, crèches, clinics, sports fields, indoor sports facilities or community halls;

(b) conservation purposes;

(c) energy conservation;

(d) climate change; or

(e) engineering services."

5.2.7 Section 40(5) provides as follows:

"*40(5) When determining the contribution contemplated in subsections (3) and (4), a municipality must have regard to at least—*

(a) the municipal service infrastructure and amenities for the land concerned that are needed for the approved land use;

(b) the public expenditure on that infrastructure and those amenities incurred in the past and that facilitates the approved land use;

(c) the public expenditure on that infrastructure and those amenities that may arise from the approved land use;

(d) money in respect of contributions contemplated in subsection paid in the past by the owner of the land concerned; and

(e) money in respect of contributions contemplated in subsection (3) to be paid in the future by the owner of the land concerned."[3]

SPLUMA

[3] Section 83(7) of the By-Law contains a similar provision.

5.2.8 In terms of Section 49, an applicant is responsible for the provision and installation of internal engineering services and the Municipality is responsible for the provision of external engineering services.

5.2.9 Section 49(4) and (5) provides as follows:

"40(4) An applicant may, in agreement with the municipality or service provider, install any external engineering service instead of payment of the applicable development charges, and the fair and reasonable cost of such external services may be set off against development charges payable.

(5) If external engineering services are installed by an applicant instead of payment of development charges, the provision of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), pertaining to procurement and the appointment of contractors on behalf of the municipality does not apply."

Stellenbosch Municipality : Land Use Planning By-Law

5.2.10 In terms of Section 83(1) of the By-Law, an applicant (as defined in Section 1 of the By-Law) must pay development charges to the Municipality in respect of the provision and installation of external engineering services. The external engineering services for which development charges are payable must be set out in the policy and be reviewed annually by the Municipality. The amount of development charges payable by such applicant must be calculated in accordance with a policy adopted by the Municipality.[4]

5.2.11 The provision of engineering services is prescribed in detail in Chapter 8 of the By-Law. Specific reference is made to Section 66(4) and (5).
National Land Transport Act 5 of 2009

5.2.12 Although public transport infrastructure is not typically included as one of the engineering services covered by development charges, this act allows the Municipality to raise a user charge from 'land, buildings or other developments that generate the movement of passengers, including land or buildings of which the State is the owner, in its area', provided that this money goes into the Municipality's 'land transport fund'.

6. OBLIGATION TO IMPOSE A DEVELOPMENT CHARGE

6.1 When the Municipality approves a land development application (as defined in this policy) which will or may result in intensified land use with an increased demand for such municipal infrastructure services, the Municipality must levy a development charge proportional to the municipal public expenditure according to the normal need arising from such approval. The instances when development charges will be levied will include:

[4] See Chapter VIII of the By-Law.

6.1.1 When the Municipality approves an application in terms of Section 15(2) of the By-Law and imposes conditions in terms of Section 66 thereof relating to the provision of engineering services and infrastructure and the cession of land or the payment of money;

6.1.2 The approval of building plans in terms of the National Building Regulations and Building Standards Act 103 of 1977.

6.2 Development Charges will not apply to the following land use applications, which are deemed to have no significant impact on provision of bulk infrastructure, and which has a social and/or economic benefit to the municipality and/or the community:

6.2.1 Home early childhood development centres

6.2.2 Community based churches and places of religious worship (it must be clear that such development will not lead to a significant additional service usage that will have an increased demand on municipal services)

6.2.3 House shops up to the lesser of 30% of the floor area of the buildings on the site or 50m^2 per erf.

6.2.4 Second dwellings – up to a total maximum of five bedrooms per erf will not trigger a Development Charges payment, any bedrooms in excess of five will be charged per bedroom at the usage rate of the "student room" category.

6.2.5 Accommodation establishments (bed and breakfast/guest rooms): up to the first five bedrooms of an existing dwelling – thereafter Development Charges will be charged per bedroom at the usage rate of the "student room" category. The assessment will be based on the total number of bedrooms in the house and not the number of bedrooms operating as guest rooms. Any additional land use that is not integral to the accommodation function – (restaurant, spa, gym, office, and conference centre) must be added as GLA (General Business) and will be additional to the Development Charges calculated per room.

6.2.6 Breaking New Ground (BNG) housing projects implemented by the municipality. These projects are approved by council prior to implementation and such approval should include financial commitments regarding the provision of bulk services for these projects. It is thus not necessary for development charges since the provision of bulk services are to be funded by alternative funding sources.

6.2.7 Development Charges will also not apply to the following land use applications. This is in order to incentivise and support private landowners and/or emerging developers to supply affordable housing units for rental or purchase as government alone cannot keep up with this demand. This incentive will be granted at the discretion of the Director: Infrastructure Services and the Developer must provide proof that the development complies with the following criteria:

The further densification on a residential erf (excluding subdivision) that comply with the following criteria:
- the intention of the development should be to cater for the housing demand in the low and middle income bracket i.e. those who qualify for the Finance Linked Individual Subsidy Programme (FLISP). Currently this means households with a max gross income of R 22 000. The cost of these units may not exceed R 5 000 per month (rental) or R 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.

6.26.3 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.

6.36.4 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 –

6.3.16.4.1 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, Tthe 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.

6.3.26.4.3 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.

6.46.5 When approving a land development application, the Municipality must stipulate at least the following matters relating to the development charge –

6.4.16.5.1 The total amount of the development charge, including its component charges as contemplated in **Paragraph 8**;

6.4.26.5.2 The dates/development milestones on which the payment or payments must be made and the amount of such payments;

6.4.36.5.3 Whether the Municipality requires the developer to install the required link services, as contemplated in **Paragraph 10**;

6.4.46.5.4 Whether the Municipality and the developer have agreed that the developer will install any bulk services, as contemplated in **Paragraph 10**; and

6.4.56.5.5 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 –

6.4.5.16.5.5.1 The nature and extent ofr the link services and/or bulk services to be installed by the developer;

~~6.4.5.2~~6.5.5.2 The timing of commencement and completion of the ~~link services and/or~~ bulk services to be installed by the developer;

~~6.4.5.3~~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

~~6.4.5.4~~6.5.5.4 The engineering and other standards to which the installed external engineering services must conform.

~~6.5~~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.

~~6.6~~6.7 The impact zones with reference to which the Municipality will calculate development charges in respect of civil services, are Stellenbosch Town, Dwars River, Franschhoek and Klapmuts~~those indicated on **Annexure A** hereto~~.

~~6.7 The development charges calculated in terms of **Annexure A** exclude development charges for electricity consumption and infrastructure as provision relating thereto shall be described in a separate policy, conditions of approval or resolution/s of Council.~~

7. PURPOSE OF DEVELOPMENT CHARGES

7.1 Money collected by the Municipality in respect of development charges must be used for purposes of funding or acquiring capital infrastructure assets in a timely and sufficient manner to support current and projected future land development in the area of jurisdiction of the Municipality, and where calculated with reference to a particular impact zone, must be used for capital infrastructures assets in that impact zone.

7.2 Development charges are not a general revenue source and money collected in respect of development charges may not be used to fund the operating or maintenance costs incurred by the Municipality in respect of municipal infrastructure services.

8. CALCULATION OF DEVELOPMENT CHARGES

8.1 Subject to the provisions of this policy, a development charge shall be calculated with reference to the estimated increased load placed on the external engineering services networks that results from the development in a specific impact zone.

8.2 The capital cost of internal engineering services is for the account of the developer.

~~8.3 The development charge shall be calculated in two parts: a *pro rata* estimate based on the project's impact on bulk services (in terms of **Annexure A**); and the actual costs of link services, where they are required. The overall development charge liability is the sum of these two parts[TK1].~~

~~8.4 The purpose of introducing the distinction between bulk services and link services is that the extent of link services is often unknown in advance and is highly variable between developments. Certain developments may require no link services as they are located on bulk networks, while peripheral '*leapfrog*' developments may require substantial amounts of infrastructure to link them to the existing or planned bulk services networks. In order to recover the true costs of development that takes place outside of the planned infrastructure networks, and to maximise on the availability of existing infrastructure, developers are to pay for link services in addition to the bulk services component[TK2].~~

~~8.5 Where the implementation of an approved land development will entail the installation of bulk services and link services, the Municipality must calculate the amount of a development charge separately for each of the bulk services and link services components, on the basis that there is no duplication of costs for the two components of external engineering services but that the total amount of the development charge reflects the aggregate amounts for bulk services and link services[TK3].~~

~~8.6 Where the implementation of an approved land development will not necessitate the provision of link services, no development charge will be imposed in respect of link services. In the event that the implementation of an approved land development requires the provision of link services and the Municipality in its entire discretion provides and installs these link services, the developer shall remain liable for the full costs thereof[TK4].~~

~~8.7~~8.3 Subject to **Paragraph 6.3~~2~~** above and for purposes of calculation of the bulk services component of a development charge, the Municipality must –

~~8.7.1~~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;

~~8.7.2~~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 ~~of~~ by iCE

Tygerberg Consulting Engineers, which report is incorporated into this policy with reference thereto and attached hereto as **Annexure A**. 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 in **Annexure A**, will be determined and calculated in terms of a separate policy, conditions of approval or Council's Resolution/s.

8.88.5 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.

1.1 For purposes of calculation of the link services component of a development charge, if any, the Municipality will use the actual costs of installation of the required link services, as the basis for determining the amount payable[TK5].

8.98.6 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.

8.108.8In 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 8.37**, 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 determined 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 Municipal Development Charges By-Law or as determined by Council from time to time.

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.

~~9.1.3~~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 ~~D~~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~~(municipality's) Engineer~~. 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 ~~D~~Development ~~C~~Charges can be based on the actual impact/demand on the bulk infrastructure.

9.2 Where the Municipality adjusts the amount of the bulk services component of a development charge on the basis of actual costs in terms of this section

9.2.1 the developer is responsible for the costs of performing the calculation of such adjustment, which must be carried out by a registered professional civil engineer appointed by the developer with appropriate experience and expertise having regard to the nature and extent of the proposed land use; and

9.2.2 the actual cost must include, where applicable and without limitation, land costs, professional fees, materials, labour, the reasonable costs of construction and any tax liabilities: provided that all such costs would otherwise have been borne by the municipality, in the provision and installation of the bulk services concerned.

10. INSTALLATION OF EXTERNAL ENGINEERING SERVICES INSTEAD OF THE PAYMENT OF DEVELOPMENT CHARGES.

10.1 The Municipality may agree with a developer that the developer installs all or part of the external engineering services required for an approved land development instead of the payment of the applicable development charge. Such external engineering services must also be a "bulk service".

10.2 Where a developer installs external engineering services to the technical standards required by the Municipality, as reflected in the applicable conditions of approval of the land development application or as agreed with the Municipality in writing, the developer may set off the fair and reasonable cost of such installation, as determined by the Municipality, against the applicable development charges.

10.3 Any capital infrastructure assets forming part of an external engineering service installed by a developer instead of payment of any part of a development charge shall, upon installation, become the property of the Municipality, and-

10.3.1 the developer shall bear the responsibility of ensuring that ownership or other relevant rights to the affected capital infrastructure assets is or are transferred to the Municipality;

10.3.2 the Municipality must include the applicable capital infrastructure asset gain in its next adjustments budget, in accordance with regulations relating to asset gains, made in terms of the Local Government: Municipal Finance Management Act 56 of 2003.

10.4 The Municipality may require that a developer installs external engineering services to accommodate a greater capacity than that which would be required for the proposed land use alone in accordance with any master plan approved by the Municipality, in order to support planned future development in the vicinity of the approved land development. Where the total fair and reasonable cost of installation of such required external engineering services exceeds the development charge payable by the developer, the Municipality may reimburse the developer the amount in excess of the development charge, in accordance with a written agreement~~d payment schedule~~, 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.

~~10.4~~10.5 If the developer elects to develop outside the municipality's capital expenditure programme that is approved by the municipal council, he or she will have to fund the provision of services to enable such development. There is no obligation on the Municipality to provide services to land simply because an owner wants to develop his/her land and the Municipality is not obligated to re-imburse the Developer for such expense. Section 152 of the Constitution emphasises the fact that the municipality must structure its administration and budgeting and planning processes to give priority to the basic needs of the community.

~~10.5~~10.6 When a developer installs external engineering services instead of payment of a development charge, he or she must adopt the most cost-effective and efficient approach to meet the Municipality's technical standards. The principles of procuring the most cost –effective and efficient services must be followed. Therefore, the installation of engineering services must be provided at a competitive bidding process. As a minimum, three quotations or tenders should be obtained and evaluated by the Developer's consultant with a recommendation for appointment. Such recommendation must be approved by the Municipality before the appointment of a contractor.

11. NON-PROVISION BY THE MUNICIPALITY.

11.1 Where the Municipality has agreed to install the required external engineering services and fails to do so within a period of twelve months from the date for completion stipulated in such agreement, the Municipality must return the development charge paid by the developer, to the developer, with interest charged at the applicable rate for debts owed to the state.

11.2 Notwithstanding the provisions of **Paragraph 11.1**, the Municipality and the developer may agree to:

11.2.1 an extension of the time period for the installation of the required external engineering services by the Municipality: provided that such extended time period may not exceed twenty-four months and provided further that where the Municipality completes the installation within such extended time period, it has no obligation to return the development charge paid by the developer, to the developer; or

11.2.2 an engineering services installation agreement, or revised engineering services installation agreement, in terms of which the developer agrees to install the required external engineering services in whole or in part and, where agreeing to install in part, the time period within which the municipality will install those external engineering services for which it remains responsible: provided that the extended time period for installation by the Municipality may not exceed twenty-four months and provided further that where the Municipality completes its portion of the installation within such extended time period, it has no obligation to return that portion of the development charge paid by the developer which pertains to the external engineering services installed by the Municipality, to the developer.

12. WITHHOLDING CLEARANCES AND APPROVALS.

12.1 The Municipality shall be entitled to withhold any consent, clearance or approval in respect of a land development in the event where development charges owed by the developer remain unpaid or the developer fails to install external engineering services in accordance with an engineering services installation agreement entered into with the Municipality.

12.2 The Municipality shall not be obliged to allow any internal or link services to be connected to the bulk services of the Municipality until all development charges have been paid by a developer.

13. SUBSIDIES AND EXEMPTIONS

13.1 ***The Stellenbosch Municipal Council*** is the approving authority for subsidies and exemptions. Applications must be in writing and addressed to the Director: Infrastructure Services for consideration, before submitting to council for approval.

13.2 As stated by the Final Draft of the Policy Framework for Municipal Development Charges being drawn up by National Treasury, the Municipality should seek to

13.2.1 Minimise the number and value of any subsidies or exemptions it provides for the payment of development charges and

13.2.2 Apply any subsidies, exemption or surcharges in an equitable transparent and administratively feasible manner

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

13.3.1 In the case of registered non-profit organisations 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 ~~in terms of this **Paragraph 13** and in accordance with the Municipality's Development Charges Exemptions Policy,~~ it must:

13.4.1 calculate the applicable development charge as if it were payable (Infrastructure Services);
13.4.2 ensure that the revenue to be forgone as a result of any exemption approved by the Municipal Council is reflected in the Municipality's budget (Finance);
13.4.3 must provide for budgetary provision for the realisation of the revenue forgone to be made, from another realistically available source of revenue (Finance);
13.4.4 ensure that the monetary value of the exemption, together with the amount of any other payment or payments received by the Municipality towards the capital costs of external engineering services for an approved land development, is at least equal to the development charge calculated in accordance with **Paragraph 13.4.1**.

~~13.1 The Municipality may only exempt a developer from the payment in full or in part of a development charge where it does so in accordance with a development charges exemption policy approved by the Municipal Council.~~

~~13.2 A development charges exemption policy referred to in **Paragraph 13.1** –~~

~~13.2.1 may permit the Municipal Council to approve individual exemptions from the obligation to pay a development charge, for developers or land development applications falling within one or more categories as specified in the policy;~~

~~13.2.2 must include a mechanism to 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; and~~

~~13.2.3 must provide for budgetary provision for the realisation of the revenue forgone to be made, from another realistically available source of revenue.~~

~~13.3 The Municipal Council may not delegate the power to approve the development charges exemption policy or an individual exemption from the obligation to pay a development charge, to an official, a Municipal Planning Tribunal or any other person or body.~~

~~13.4 Before the Municipality grants an individual exemption in terms of this **Paragraph 13** and in accordance with the Municipality's Development Charges Exemptions Policy, it must:~~

~~13.4.1 calculate the applicable development charge as if it were payable; and~~

~~ensure that the monetary value of the exemption, together with the amount of any other payment or payments received by the Municipality towards the capital costs of external~~

~~engineering services for an approved land development, is at least equal to the development charge calculated in accordance with **Paragraph 13.4.1**.~~

13.5 Any development for which exemption has been granted and is used for any purpose other than the purpose for which it was so granted an exemption, the payment of Development Charges will become applicable.

14. OTHER PRINCIPLES TO BE APPLIED

~~14.1 Where a particular service does not fall into the criteria of Par 4 and Par 6.2 of the Development Charge Calculation Report (Annexure A), it can still be DC deductible if it fits the definition of a bulk service, and at the discretion of the Engineer[TK6].~~

~~14.2~~14.1 Development Charges~~'s~~ will be applied based on the impact on services by the increase in land use rights and/or intensification of land use leading to increased demand, irrespective of the geographical location of the development. For example, the traffic generated by a development located along a provincial road, will ultimately end up on the Municipality's road network that link to the provincial roads. The same applies to the additional stormwater run-off that ends up in downstream municipal networks and river courses, increase in demand and the bulk supply of water, and sewer and solid waste disposal.

~~14.3~~14.2 Development Charges in rural areas/farms: ~~D~~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~~DC~~ tariffs will be applicable for any other development on a farm i.e. a farm stall, function venues, tourist accommodation facilities, conference facilities or other business and commercial activities including wine tasting since these land uses attract people from outside and places an additional demand on the bulk infrastructure.

~~14.4~~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~~Engineer~~, at his discretion, will determine if Development Charges from the other service categories can be utilized to cover the cost. Factors to be taken into consideration include the status of bulk services in the development area, the practicality and timing to secure alternative sources of funding, etc. Electrical Development Charges may not be used to cross fund civil engineering infrastructure and vice versa. The Community Facilities Development Charges must be ring fenced and not utilised on civil or electrical infrastructure.

~~14.5~~14.4 GLA – Gross Leasable Area – where this is not known at the time of the Development Charges calculation being done, it will be deemed to be 15% less than the total bulk i.e. 85% of the total bulk.

~~14.6~~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:

- ~~I~~nf located in the historical CDB core where buildings were approved with limit parking provision

- When a development is situated within a 500m radius of a public transport hub or facility
- When a development is situated along a primary functional public transport route – provide that the necessary embayment is provided
- When a development is situated along a primary NMT route (as defined by the NMT Masterplan) – provide that the necessary facilities is of good state
- Where public parking garage has been constructed that can cater for shortfall in parking demand.

14.6 Provincial Roads – 20% of the value of upgrades on provincial roads have been allowed for in the determination of the Development Charges tariffs and therefore this percentage will be allowed to be offset from Development Charges. The offsetting of Development Charges against the full cost of provincial road upgrades would result in an under-recovery of Development Charges for municipal roads. Exception is upgrades to intersections between municipal and provincial roads, where the full amount can be offset from Development Charges.

14.7 The use of Development Charges on non-motorised transport (NMT) facilities will be allowed as a functional and safe non-motorised transport (NMT) and public transport network will reduce the dependence on private motor vehicles and therefore relieve road congestion and free up capacity on the roads and intersections. The non-motorised transport (NMT) master plan will be used as a guideline in determining which non-motorised transport (NMT) items this applies to. A further guiding principle is that the non-motorised transport (NMT) item must be for the benefit of multiple users/developments and/or the community as a whole and not just benefit an individual private development/small cluster of private developments.

~~ANNEXURES~~

~~1. Annexure A : Development Charges Calculation Report~~

APPENDIX 19

STELLENBOSCH MUNICIPALITY

WARD ALLOCATION POLICY

2020/2021

STELLENBOSCH MUNICIPALITY

WARD ALLOCATION POLICY

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1. INTERPRETATION

1.1. Acronyms

"IDP" - Integrated Development Plan
"SDBIP" - Service Delivery and Budget Implementation Plan
"EPWP" - Expanded Public Works Programme

1.2. Definitions

"Capital budget" is expenditure relating to the purchase, upgrade or refurbishment of a Council asset (property, plant and/or equipment);

"Town / municipality" means the Greater Stellenbosch also known as WC024, a local municipality established in terms of section 12 of the Local Government Municipal Structures Act (Act 117 of 1998)

"**Municipal Manager**" means the accounting officer of the municipality of Stellenbosch, appointed in terms of section 54A of the Local Government: Municipal Systems Act (Act No. 32 of 2000) being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act (Act No. 32 of 2000);

"Council" means the municipal Council of Stellenbosch Municipality;

"Councillor" means a member of the Council of the Stellenbosch Municipality;

"Lead directorate" is the directorate whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project;

"Legacy project" is a project that is executed in a financial year and of which the benefits to the community continues into the future;

"User Department" is the department whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project;

"Operating budget" refers to expenditure, other than capital, in respect of Council activities and includes repairs and maintenance of Council assets;

"Ukey" refers to a unique numerical key consisting of 7 segments describing the allocation of funds. All budget items must be linked to a Ukey.

"Veriment" refers to the administrative process required to request and approve the transfer of funds from one cost centre to another. Apart from re-allocation of funds through the adjustment budget, transfer of funds can only be done between cost centres within a directorate.

"Ward committee" means a committee that has been established for each ward in terms of section 73 of the Local Government: Municipal Structures Act (Act No. 117 of 1998);

"Ward project" a project identified by the ward councillor in line with the identified IDP needs, in consultation with the ward committee and financed by the ward allocation;

2. INTRODUCTION

The Republic of South Africa Constitution, 1996 requires the Municipality to encourage the public participation of community members and community organizations in the matters of local government. The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) ("Structures Act") provides for the establishment of ward committees as formal mechanisms to give effect to this Constitutional obligation. Ward committees play a vital role in bridging the gap between the Community, the Municipality and its Council and also play an important role in:

a) Enhancing participatory democracy;

b) Neighbourhood and ward based planning including the encouragement of communities to take charge of their own livelihoods;

c) Assisting the Municipality in service delivery improvement;

d) Assisting in the economic empowerment of communities;

e) Enhancing local democracy and accountability;

f) Enhancing social cohesion, nation building and integration of communities across class, race, culture

Along with many other responsibilities the Municipality provide support to the Councillors and Ward Committees through the Ward Allocation policy. The policy intends to establish uniform rules and regulations in the identification, planning and implementation of ward projects. It will further encourage accountability and regulate all administrative processes in the execution phases.

3. POLICY OBJECTIVE

3.1. The objective of the Ward Allocations Policy is to create opportunities for Councillors to identify ward projects in line with the identified IDP needs, with the support of their Ward Committees, which would improve the quality of living in all wards. These projects would need to fit into the basket of

services of the relevant User Department and must comply with the following:

3.1.1. Local Government's mandate;
3.1.2. Council policies;
3.1.3. Support the pillars and objectives of the IDP;
3.1.4. Directly benefit the community.

3.2. Ward project must be:

3.2.1. Additional projects identified by Councillors as identified through the IDP community participation processes,
3.2.2. Supported by the ward committees, and
3.2.3. Approved by Council.

3.3. Ward Allocation funds must be utilised in the manner contemplated in sections

3.3.1. **7(e)** categorising municipalities according to their system of municipal government. B Municipalities include a ward participatory system which allows for matters of local concern to be dealt with by committees established for wards;
3.3.2. **72 (3)** describing the object of a ward committee as being to enhance participatory democracy in local government; and
3.3.3. **74** describing the powers and functions of ward committees

of the Local Government: Municipal Structures Act (Act No. 117 of 1998).

4. STRATEGIC INTENT

The Policy shall be governed by the underlying principle of ensuring that ward allocation projects meet the requirements of the Integrated Development Plan including specific reference to the following:

4.1. A **"valley of possibility"** that creates an environment conducive to business development and job creation. To facilitate and coordinate support to emerging entrepreneurs by utilizing internal SCM processes and linking SMME's with opportunities in the market. To provide, upgrade and maintain an effective engineering infrastructure to support effective service delivery and to ensure the provision of non-motorised transport routes as a functional mode of transport.

4.2. A **"green and sustainable valley"** that ensures the management of human use of the biosphere and its resources, enhancing the integrity of the environment as an imperative for long-term sustainability and incorporates bio-diversity into the environment as an imperative for long-term sustainability. A valley that ensures spatial sustainability and facilitate efficient use of all forms of capital available to the Town including human capacity and ability and information management.

4.3. A **"safe valley"** where integrated safety strategies with multi-stakeholder engagements are implemented to focus on institutional, situational and social crime prevention interventions that will improve law enforcement and neighbourhood watches.

4.4. A **"valley with dignified living"** inclusive of sustainable human settlements, social infrastructure through the involvement and building of capacity of stakeholders in the planning and management of the areas where they live. This includes access to basic services to households.

4.5. A **"valley of good governance and compliance"** that ensures transparency and is corruption-free, establishes an efficient and productive administration to prioritise service delivery and ensures financial prudence, with clean audits by the Auditor-General;

5. POLICY PARAMETERS

5.1. The provisions of this policy apply to Ward Councillors, Ward Committees and all Directorates and Departments of the municipality;

5.2. This policy applies to all programmes and projects within the jurisdiction of Stellenbosch Municipality that are funded through ward allocations and which are approved by Council in accordance with this policy.

6. REGULATORY CONTEXT

This Policy draws its legal mandate from the following laws and relevant policies, as amended from time to time:

6.1. Legislation:

6.1.1. The Constitution of the Republic of South Africa, 1996

6.1.2. Local Government: Municipal Systems Act, (Act No. 32 of 2000);

6.1.3. Local Government: Municipal Finance Management Act, (Act No. 56 of 2003);

6.1.4. The Municipal Budget and Reporting Regulations with specific reference to Circular 82 adopted by Stellenbosch Council on 25 May 2016.

6.2. Policies and documents

6.2.1. Stellenbosch Municipality: Integrated Development Plan (IDP);

6.2.2. Stellenbosch Municipality: Asset Management Policy;

6.2.3. Stellenbosch Municipality: Supply Chain Management Policy;

6.2.4. Stellenbosch Municipality: Virement Policy

7. ROLE PLAYERS, ROLES AND RESPONSIBILITIES

The relevant role players include, but are not limited to:

7.1. The Ward Councillors and members of Ward Committees;
7.2. Manager: Councillor Support;
7.3. Council support staff;
7.4. Directors;
7.5. Budget office;
7.6. Technical or functional representatives in User Departments;
7.7. Ward Administrators; and
7.8. IDP Department

Official / Councillor	Role and responsibility
Manager: Councillor Support	Owner and driver of Ward Allocation Policy. Collations of all ward projects. Submission of ward allocation projects for draft budget. Facilitation of meetings with councillors. Manage ward administrators in this process. Monthly and annual collations of all ward-project progress reporting on all ward projects. Elevate problems to MM.
Councillor and Ward Committee	Project identification, development, submission for draft budget inclusion to Manager Councillor Support. Signing of commitment form. Finalization and submission of project plans to lead departments. Attending meetings with lead departments. Identification of IDP link. Identification of beneficiaries. Attendance, overseeing and reporting (incl. pictures) on projects. Return service provider goods/equipment (if applicable). It is important to note that Ward Committees play a supporting and advisory role to the Ward Councillor.
Ward Administrator	Minute keeping of Ward Committee meetings and provision of said minutes relating to project identification to lead departments. Administrative support for the execution of ward projects (communication and arrangements Administrative and coordinating link between lead department, councillor and community (ie. Transport plans, attendance registers, beneficiary communication, indemnity forms, etc.). Assist with the drawing up of project evaluation reports and submission thereof to lead department. Compilation of photographic portfolio of evidence of completed projects with specific focus on goods and

	services procured. Asset registers and general asset management of furniture, tools and equipment procured.
Speaker after consultation with the Executive Mayor	Identify the annual strategic intent of ward projects. Verify that the identified projects comply with the mandate of local government, Respond in writing to the Ward Councillor if projects are approved. Has the prerogative to refuse funding for projects outside the scope of the policy. Continuously, monitor and evaluate the progress of the Ward projects. Provide advice and support to Ward Councillors where necessary in terms of the Ward Allocation projects. Keep record of all proposals and projects arrange All Wards meetings discussing the projects.
MM	The Municipal Manager as head of the administration is responsible and accountable for tasks and functions as provided for in, but not limited to the Local Government: Municipal Systems Act, No. 32 of 2000, Chapter 8 of the Local Government: Municipal Finance Management Act, No. 56 of 2003, other functions/tasks.
IDP and Public Participation	Identification of needs and priorities in the different wards through a valid public participation process. Provide ward committees and ward councillors with updated lists of community needs and ward priorities. Provide feedback to community on project implementation linked to their needs.
CFO	Submission of recommended projects as part of draft and final budget for council approval. The Finance Directorate with the approval of the Speaker may, depending on the circumstances approve the use of the Ward Allocation for projects outside this framework but within the mandate of the Municipality.
Directors	Ensure implementation ownership of projects at manager level. Recommend projects for inclusion after costing. Authorization of procurement documents. Address elevated problems with lead managers.
User department	Costing of projects. Completion of procurement plans and inclusion of ward projects in implementation planning for the year. Implementation of projects. Procurement of services. Arranging meetings with councillors to guide, and explain process to follow. Communication between procured service provider,

	Ward Administrator and Ward Councillor. Signing off and submission of invoices. Monthly reporting on overall departmental expenditure for ward projects.
SCM	Procurement of goods and services.

8. CRITERIA FOR THE SELECTION OF PROJECTS

Projects that are to be implemented under the Ward Allocations Policy must comply with the following criteria:

8.1. Be within Local Government mandate as defined in legislation.

8.2. Be aligned with the objectives and pillars of the Integrated Development Plan and with the approved strategic intent identified by the Speaker.

8.3. Comply with all the Policies of Council.

8.4. Be informed by the ward based needs of the wards and municipal infrastructure needs that have been –

8.4.1. assessed by the Ward Councillor and Manager Councillor Support, and

8.4.2. reported and supported by the ward committee in accordance with the budget and IDP timelines.

8.5. Fall within the core business activity of the Lead Directorate and shall form part of the Lead Directorate's SDBIP.

8.6. Preferably be legacy projects that will address a need and be of a sufficient scale to have a significant impact in the ward.

8.7. **Not** be projects that directly benefit an individual.

8.8. **Not** be projects that benefit a private property – including repairs and maintenance of property not owned by Stellenbosch Municipality.

8.9. Projects shall, as far as possible, be completed within the financial year in respect of which they are approved but capital funds may be rolled over to the next financial year at the August Adjustment Budget (MFMA Sec 28 (2) (e) where compelling reasons exist for such roll-over. Funds remaining after the successful completion of projects will be deemed savings and re-allocated to <u>existing approved projects</u> requiring additional funding during the adjustment budget in January of each year.

8.10. Projects may cross ward boundaries provided that the relevant ward councillors are in agreement on collaborative planning, funding and implementation of such projects.

8.11. The lead directorate must technically evaluate and cost all projects in order to ensure that they are technically feasible, cost effective and comply with budgetary priorities before council considers a project for approval.

8.12. Labour intensive approaches shall be developed to maximise EPWP opportunities wherever possible for projects in both the capital and operating budget components. Councillors should note the timelines for submission of EPWP projects as part of the National EPWP Business Plan. These requirements entail that EPWP project identification must be completed and submitted to the LED Department by March each year.

8.13. In the case of projects undertaken on the **capital budget**, the assets created must:

8.13.1. Be on council property that is appropriately zoned and reserved for the lead directorate.

8.13.2. Have a provision for maintenance and operating costs (inclusive of human resources) on the operating budget of the user directorate for subsequent years. These projects must adhere to sections 18 and 19 of the Local Government: Municipal Finance Management Act, (Act no. 56 of 2003) describing the funding sources and requirements for capital projects.

8.13.3. Be placed on the asset register of the user directorate responsible for the facility.

8.13.4. Be adequately insured and secured by the user directorate responsible for the facility.

8.14. In the case of projects undertaken on the **operating budget**:

8.14.1. Adequate supervisory control shall be provided by the user directorate.

8.14.2. Projects will be undertaken on council property, except in cases where:

8.14.2.1. A ward hosts a function or event at facilities that are not council owned - subject to adequate supervisory control provided by the relevant user directorate, or

8.14.2.2. A ward funds or supports a local government function (for example; additional law enforcement officers) that is not necessarily performed on council property.

8.14.3. All operational projects will comply with the requirements of National Treasury Circular 82 specifying requirements to be adhered to when providing catering as adopted by Stellenbosch council.

8.14.4. Community events aimed at vulnerable groups must contain an educational component that speaks to the strategic intent as identified by the Speaker.

8.15. To contribute to maximum impact through meaningful legacy projects within communities, projects must be limited to **two operational and two capital** projects per ward. (Except for wards consisting of mostly rural areas where council does not own property.)

9. OWNERSHIP AND ACCOUNTABILITY

Directors are responsible for ensuring that all ward allocation projects within their respective directorates are completed during the financial year in respect of the projects approved by Council. Capital funds may be rolled over to the next financial year where compelling reasons exist for such roll-over and after approval has been obtained.

Directors must ensure timeous monthly and annual reporting on constraints and/or progress to the Manager Councillor Support for inclusion in Council documents.

10. BASIS FOR ALLOCATING WARD ALLOCATION BUDGET

10.1. Council may allocate as part of the municipal annual budgetary process certain funding from the rates accounts towards the Ward Allocations which may be an Operating Budget allocation and/or a Capital Budget allocation. The funding provided for each ward in the municipality must be equal;

10.2. Ward allocation funding is approved annually as part of the budgeting process with a percentage distribution between capital and operational funding. All capital projects must be captured on the municipality's capital project identification, planning and prioritization system.

11. POOLING OF FUNDS BETWEEN WARDS

Subject to the clause 8.10 ward allocations may be pooled in order to achieve higher impact and enable legacy projects.

12. PROJECT SELECTION AND IMPLEMENTATION PROCESS

The different stages of selection and implementation are set out hereunder and are subject to the timelines set out in the IDP and Budget Preparation process approved by Council in August of each year. See Ward Allocation SOP for detail and roles and responsibilities. **(ANNEXURE 1~~) Note~~) Note that the stages are completed in the preceding financial year to ensure implementation of projects within one financial year.**

ACTION	RESPONSIBLE	TIME LINE
STAGE 1: STRATEGIC INTENT		
Determine and announce strategic intent of all ward projects for the ensuing financial year.	Speaker	July
STAGE 2: INTRODUCTION		
Report submitted at All Wards Meeting containing: 1. Clear strategic intent 2. Timeframes 3. Roles and responsibilities 4. Process 5. Updated ward priorities, ward plans and baseline needs	Manager: Councillor Support supported by 1. Manager IDP 2. Manager Budget Office Representation required from all user departments at meeting.	July
Documentation required for this stage: 1. Minutes of meeting 2. Attendance Register 3. Ward Allocation Policy 4. Updated IDP ward priorities	Manager Councillor Support	July
STAGE 3: WORKSHOP AND CONSULTATION PHASE		
Arrange series of workshops with Ward Councillors and Ward Committees to: 1. Discuss strategic intent, ward priorities, process, timelines and costing of proposed projects 2. Explain the project prioritisation and provide technical information regarding projects. 3. Signing of Commitment Form **(ANNEXURE 2)**	User Departments through Ward Administrator	July - August
Documentation of meetings containing the following: 1. Minutes 2. Attendance Registers 3. Completed Commitment Forms	Ward Administrator	August
STAGE 4: PROJECT IDENTIFICATION, COSTING AND TECHNICAL REVIEW		
Completed project priority list submitted to user department. **(ANNEXURE 3).** This list provides clear indication of projects ward councillors would like to have implemented in order of priority. It will minimize time spent on costing of projects that is lower on the list and that might not be implemented.	Ward Administrator – after decisions taken at ward committee meeting.	September
Costing of projects	User Department	September

Capturing of projects on planning and prioritization system	User Department	September
Documentation required for this stage include: 1. All envisaged outcomes of projects in writing by the councillor and ward committees. This does not include technical specifications, but include the following: location, what, when (operational projects), where, target beneficiaries, exactly what the councillor require assistance with, etc. Note the importance of User Departments clearly understanding exactly what the Councillor envisage with the project in order to be able to point out possible practical/technical problems that can be foreseen with implementation. 2. Minutes of meetings between user department and councillors and ward committees, site meetings inclusive of preliminary engagements with budget office on proposed projects. 3. Confirmation from user departments that projects will be finalized within the planned financial year through the submission of project management plans **(ANNEXURE 3)** to the Manager Councillor Support for collation and submission to Council for approval.	User Department and Councillor User Department and Ward Administrator User Department	September
STAGE 5: PROJECT APPROVAL AND AUTHORISATION		
Submission of all ward project plans to the Executive Mayor. **(ANNEXURE 4)**	Manager Council Support	October
Obtain recommendation from Executive Mayor and submit all ward projects to Mayco as part of draft budget.	Manager Council Support via Budget Office	November
Creation and allocation of Ukeys for all ward projects	Budget Office with support from User Departments	November
Council approval of ward project plans as part of draft and final budget.	Council	March and May
Documentation required for this stage include: 1. Completed and signed ~~Ward~~	Manager Council Support Secretariat	May

~~Project~~Ward Project Plans per ward. 2. Minutes of meetings		
STAGE 6: IMPLEMENTATION		
Monthly reporting on implementation of projects submitted to Manager Council Support ~~(ANNEXURE 5)~~	User Department	Monthly starting in July of each financial year.
Collation and monthly reporting on progress to Executive Mayor and Speaker	Manager Council Support	Monthly starting in August of each financial year.
Changes to approved Ward Allocation Projects can be done as part of the adjustment budget following the same processes and approvals as departmental adjustment budget requests. It is important to note that the adjustment budget does not allow for the creation of new projects, but only for the movement of budget between previously approved projects on the existing budget.		

13. DEVIATION FROM POLICY

13.1. Deviation from the project selection criteria as listed in section 8 above may be considered by the Municipal Manager on receipt of a written request from the Manager Councillor Support, supported by the User Directorate, detailing the motivation for such a deviation.

13.2. The basis of the Municipal Manager's consideration of a deviation shall be whether the deviation would further the Policy Objective as set out in section 3 of the Policy.

13.3. The Municipal Manager shall report to Council on the requests received for deviations from the Policy.

14. PROJECT REVIEW

14.1. After every financial year there shall be a review of the projects undertaken by the Ward Allocation process. This review will be undertaken by the Manager Councillor Support and reported to the Municipal Manager and Director's Forum. Once ~~supported the~~supported the reviewed document must be submitted to Council;

14.2. The review must cover the following for all the projects undertaken in the municipal area:

- 14.2.1. Ward number and Ward Councillor name;
- 14.2.2. List of projects per User Directorate responsible;
- 14.2.3. Budgeted cost against projects;
- 14.2.4. Whether the project was completed within the planned time by the User Directorate – if not, reasons must be supplied;
- 14.2.5. Assessment of project as to whether the original objectives of the project were achieved;
- 14.2.6. Assessment of projects in terms of quality;
- 14.2.7. Assessment of the sustainability of the projects in terms of maintenance and operating cost;

14.2.8. Check list for Asset Register and Insurance;
14.2.9. Reason for the under spending of allocated funds in order to reflect savings or over-quoting

15. ANNEXURES TO POLICY

ANNEXURE 1: Ward Allocation SOP
ANNEXURE 2: Ward Allocation Commitment Form
ANNEXURE 3: Ward Allocation Project Plan
ANNEXURE 4: Ward Allocation Project approval budget submission format
~~**ANNEXURE 5:** Ward Allocation Monthly Reporting format~~

Stellenbosch Municipality
Standard Operating Procedures

SOP #		**Version #**	**1.1**	**Date**	2018-10-19
Responsible Directorate	**Strategic and Corporate Services**	**Responsible Person**	**Manager Councillor Support**	**Author**	**Manager Community Development**
Delegation ref #		**Description/ Delegation Name**	**Determine Operational Procedures**		

SOP Title	**Ward Allocation Projects and Funding**
Purpose	This SOP explains the process to through which Ward Allocation funds are approved, starting with the identification and costing of projects through to the implementation and reporting on completed ward projects.
Scope	Council may allocate as part of the municipal annual budgetary process certain funding from the rates accounts towards the Ward Allocations which may be an Operating Budget allocation and/or a Capital Budget allocation. The objective of the Ward Allocations is to create opportunities for the Councillors to identify ward projects, with the support of their Ward Committees, which would uplift their communities. These projects would need to fit into the basket of services of the relevant User Department.

High Level Process Graph

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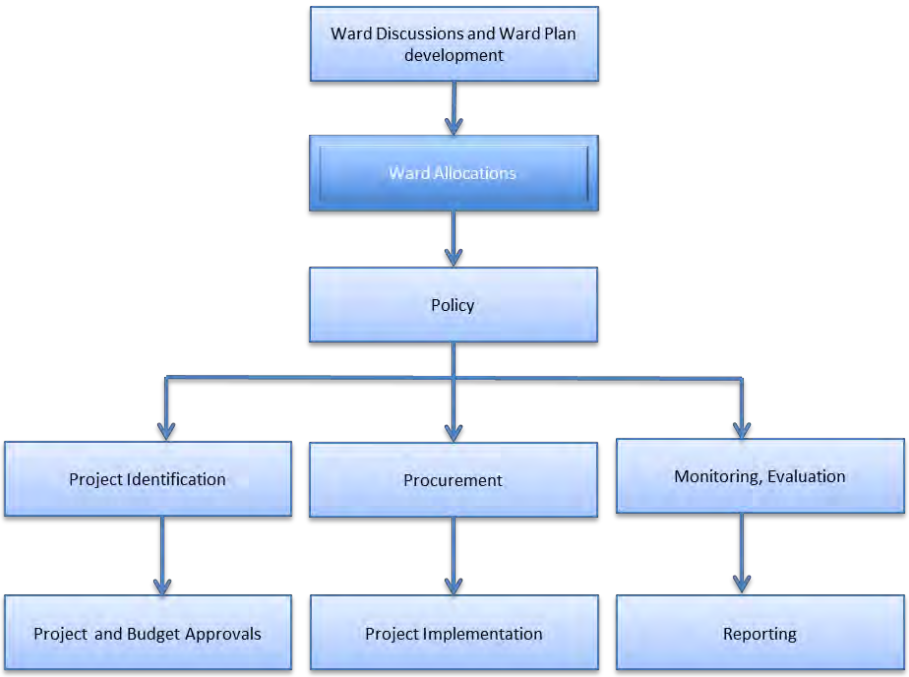

Approval Structure & Revision History Log

Responsibility	Approved by	Signature	Date approved
Head of Department			……../……../20…….
Head of Directorate	A de Beer		……../……../20…….
Municipal Manager	G Mettler		……../……../20…….

Date of first implementation
……../……../20…….

Planned Review Date	Date of Review	Reviewed by	Changes	Approved by	Signature	Date Approved	Date Implemented
Month/20..	.../.../20…					.../.../20…	.../.../20…
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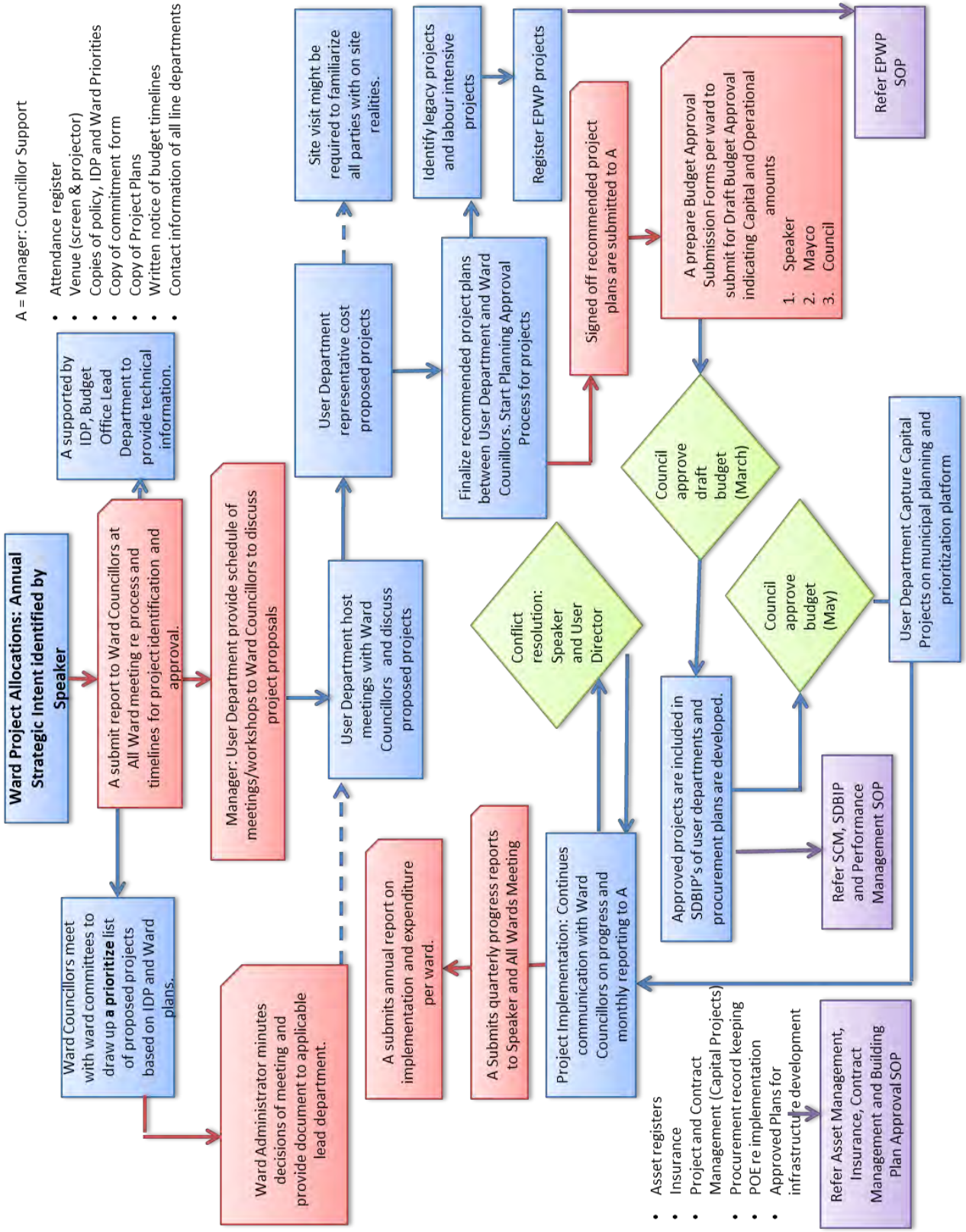
Standard Operating Procedure Process Flow:



References:

Reference #	Reference Name	Requirements
Act 56 of 2003	Local Government Municipal Finance Management Act	Section 18 and 19: Funding of expenditure and Capital funding. Section 21 (2) a: When preparing a budget the Integrated Development Plan must be taken into account.
Act 32 of 2000	Local Government Municipal Systems Act	Sections 7(e) Ward participatory system which allows for matters of local concern to wards to be dealt with by committees established for wards. Section 72(3) Object of Ward Committees to enhance participatory democracy in local government. Section 74 – Powers and Functions of Ward Committees
National Treasury	Municipal Budget and Reporting Regulations	
Stellenbosch Municipality	Asset Management Policy	Recording and safe keeping of municipal assets. Insurance of municipal assets.
Stellenbosch Municipality	Supply Chain Management Policy	Procurement of goods and services.
Stellenbosch Municipality	EPWP Policy	Registering, management and administration of EPWP projects. Recruitment and selection of beneficiaries.
Stellenbosch Municipality	Integrated Development Plan	Strategic Objectives of Stellenbosch Municipal Services, identification of ward priorities and baseline needs.

Definitions:

Name	Description
Capital budget	is expenditure relating to the purchase, upgrade or refurbishment of a Council asset (property, plant and/or equipment);
Council	means the municipal Council of Stellenbosch Municipality
Councillor	means a ward council member of the Council of the Stellenbosch Municipality
User directorate	is the directorate whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project
Legacy project	is a project that is executed in a financial year and of which the benefits to the community continues into the future
User Department	is the department whose core business encompasses the ward allocation project, which is the dominant user or beneficiary of the outcome of the ward allocation project and which accepts responsibility and ownership of the ward allocation project
Operating budget	refers to expenditure, other than capital, in respect of Council activities and includes repairs and maintenance of Council assets
Ward committee	means a committee that has been established for each ward in terms of section 73 of the Local Government: Municipal Structures Act (Act No. 117 of 1998);
Ward project	a project identified by the ward councillor in consultation with the ward committee and financed by the ward councillor ward allocation
EPWP	Expanded Public Works Programme

Procedure Outline:

Action ref	Procedure Description	Timeframe	Person(s) Responsible	Resources Required	Deliverables	Dependencies	Links to SOP
1.	**Stage 1:** Strategic Intent Identification and communication	Jul	Speaker		Strategic Intent communicated to Ward Councillors		
2(a)	**Stage 2:** Report on IDP and budget process and timelines submitted to All Wards meeting.	July	Manager Councillor Support	Information on Budget and IDP Process	All Wards Agenda, minutes and attendance registers.	Reliant on information from Budget and IDP Office. Require attendance of User Department representatives	
2(b)	**Stage 3:** Ward Committee Meetings	July	Ward Councillor	Stationery	Attendance registers and Minutes of meeting	Availability of committee members and Ward Administrator	
3.	Discussion Workshops between User Departments and Ward Councillors	August	User Department Representative	Functional experience	Minutes of workshops and attendance registers. Annexure 2: Commitment Forms.	Availability of other line departments should projects be across departments. Availability of Ward Committee Meeting minutes.	
4(a)	**Stage 4:** Costing of projects	September	User Department		Annexure 3: Project prioritization forms. Budget estimations for projects.	Receiving Quotations in time. Detail provided by councilor in draft project plan.	
4(b)	Site visits (if required)	September	User Department	Transport	Detailed sketches		
5(a)	Finalize Project Plans: Ensure appropriate Zoning and Building Plan Approval for CAPEX if required.	September	User Department	OPEX Budget if project require future operational expenditure	Signed Project Plans recommendations	Required approvals received. OPEX	
5(b)	Identify labour intensive projects and register as EPWP projects	September	User Department		EPWP project registered	OPEX to pay stipends	EPWP SOP
5(c)	EPWP Recruitment and Selection Process	April - May	User Department	Approved OPEX	EPWP Employment Contracts	OPEX	EPWP SOP
5(d)	Capture capital projects on municipal identification, planning and prioritization system	September	User Department	Approved CAPEX Access to system	Project register	Approved projects	

6	Submit signed Project Recommendation Plans to Manager: Councillor Support	September	User Department		Signed Ward Allocation Project Plans		
7	**Stage 5:** Collate recommended Ward Allocation Projects per ward and submit to Executive Mayor	October	Manager: Councillor Support		Ward Allocation Budget Approval Forms for each ward. Annexure 4: Ward Project plans	All User Departments submitting Project Plans on time.	
8	Recommended Ward Allocation Projects included in Draft Budget	Febr	Manager: Budget		Council Agenda	Receipt of all Ward Allocation Project Approval Forms	
9	Approval Draft Budget	March	Council	Funds allocated to Ward Projects	Council Minutes	Council Approval	
10	Assign UKey numbers to all projects	November	Manager: Budget		Detailed departmental budgets		
11	Incorporate projects into departmental SDBIP's	May	Manager: Budget Head: Performance Management		Departmental SDBIP's	Final Council Approval	SDBIP and Performance Management SOP
12	Final Budget Approval	May	Council	Funds allocated to Ward Projects	Approved Budget		
13	Develop Procurement Plans	June	User Departments		Approved Procurement Plans		SCM SOP
14	**Stage 6:** Project Implementation, including, but not limited to: 1. EPWP management and administration (if applicable) 2. Asset Management and Insurance registration (if applicable) 3. Procurement 4. Meetings with Councillors 5. Contract Management 6. Project Monitoring 7. Monthly progress report submission 8. Record Keeping 9. Dispute resolution	July - June	User Departments User Directors Executive Mayor and Speaker	Approved Orders Staff Capacity Overtime Budgets (OPEX functions) Support from and communication flow between User Departments and Ward Administrators	Orders, Minutes of Meetings, Contract Evaluation Reports, Monthly Progress Reports, EPWP Project Management Reports, Asset and Insurance Registers and, POE's	SCM processes	SCM, Asset Management and Insurance Register SOP Contract Management SOP
15	Combined Ward Allocation Project Implementation Monthly Progress Reports Submission	July - June	Manager Councillor Support		Minutes of Council Meeting	Receipt of Monthly reports from User Departments	

16	Quarterly progress reporting at All Ward Meetings	October, January, April, July	Manager Councillor Support		Quarterly Report	Receipt of Monthly reports from User Departments	
17	Annual Ward Project Implementation Report	June	Manager: Councillor Support	Continues monitoring and evaluation	Council Minutes	Receipt of User Department Monthly Progress Reports	

Competencies and Approvals:

Competency Category	Competency Requirement	Competency Assessment

Health & Safety Considerations:

Name	Description

Applicable Standard Forms/Documents:

Form #	Name	Description
1	Ward Allocation Commitment Form	Confirms commitment of Ward Councillor and responsible User Department regarding implementation of projects aligned with policy requirements.
2	Ward Allocation Project Plan	Provide background information on envisaged projects in order for accurate costing to be done. Completed form serve as recommendation to Council for budget approval per project.
3	Ward Allocation Budget Approval Submission Form	Provide list of recommended projects per ward to Council for approval.
4	Ward Allocation Monthly Report	Monitor, evaluation and reporting on implementation progress along with sustainability and realization of objectives to Council.

Performance Measurement:

KPI	Unit of Measurement	Target/targets
Completed Ward Allocation Project Plans received by Budget Office prior to approval of Draft Budget.	Number of completed Ward Allocation Project Plans received.	2 Capital Budget and 2 Operational Budget projects per ward.
Expenditure on Approved Ward Allocation Projects.	% Expenditure	90%

No	Proposals
1	

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WARD ALLOCATION PROCESS COMMITMENT FORM

2020~~18~~/2021~~19~~ Financial Year

CONTACT INFORMATION			
Ward No:		User Department:	
Councillor:		Official Responsible	
Email:		Email:	
Contact Numbers:		Contact Numbers:	
Ward Administrator:		Ward Committee Member	
Email:		Email:	
Contact Numbers:		Cell:	

(To be completed by Ward Councillor)	(To be completed by User Department)	(To be completed by Ward Councillor)	(To be completed by User Department)
PRIORITY RANKING	**UKEY / VOTE**	**IDENTIFIED PROJECT DESCRIPTION (Indicate IDP / Ward Priority / Baseline need linkage)**	**PROJECT COSTING**
Operational Budget			
Capital Budget			
		TOTAL	

This document serves as an agreement between the User Department and the Ward Councillor to commit to costing, planning and implementation of ward allocation projects and the agreed upon timeframes in order to achieve identified outcomes.

User Department Representative:
Name:
Date:

Ward Councillor:
Name:
Date:

I have read and understand the Ward Allocation Policy of Stellenbosch Municipality;

And thus commit as follow:

Nr:	Commitment	Councillor Initial	User Department Initial
1	That I will abide by the prescription of the all policies of Stellenbosch Municipality.		
2	As Ward Councillor, I commit to involve my ward committee members in the **written** identification of projects all projects will be captured in the minutes of the ward committee meeting and will be supplied to the User Department. The projects will be accompanied by a detailed description of what is envisaged in order to enable the User Department to cost the project accurately.		
3	The projects identified by the ward committee and the Ward Councillor will be prioritised and aligned with the IDP strategic objectives, ward based plans and identified baseline needs.		
4	As Ward Councillor and User Department, we commit to attend all agreed upon meetings and workshop to finalize project plans and ensure that we are prepared for these meetings		
5	We will identify and sign off on all agreed upon ward projects in time for the draft budget approval		
6	The submission for the draft budget will cover the total sum for the ward allocations. No projects will be identified after the approval of the draft budget.		
7	As responsible User Department representative, I commit to cost all identified projects		
8	As Ward Councillor, I understand that projects that have not been approved in the annual budget and included in the SDBIP of the User Department cannot be implemented.		
9	We will utilize the adjustment budget to ensure sufficient funding for approved projects and not identify new projects that are not included in the SDBIP of the User Department.		
10	As Ward Councillor, I commit the active involvement on the day of myself, the ward committee members and ward administrator, should operational funds be earmarked for events.		
11	Should operational funding be utilized for labour intensive projects, I commit to register the project as an EPWP project and abide by the applicable policy. As Ward Councillor, I will not interfere with the recruitment and selection of beneficiaries of the project.		
12	Should capital funding be utilized for the acquisition of moveable assets, all assets will be barcoded and registered on the asset register and insured.		
13	As User Department representative, I will take full responsibility for the procurement processes required for the identified project. I will submit requisitions in time, but cannot take responsibility for the time required by SCM to generate an order.		
14	NO instruction will be given to any service provider without first obtaining a green order slip for said services. Once a service provider has been appointed, changes to the scope of work will not be negotiated with or expected from the service provider.		
15	As User Department representative, I will keep accurate records of all procurements and meetings in order to generate monthly reports.		
16	As Ward Councillor, I will ensure that accurate minutes are kept of ward committee meetings relating to ward projects and that ward administrator will make this freely available to the User Department. I commit the cooperation of the ward administrator with the drawing up of project feedback reports and the taking of photographic evidence.		
17	To protect both the Ward Councillor and User Department representative NO petty cash or direct payments will be allowed as part of ward projects.		
18	All discussions surrounding the ward projects will be followed up with written confirmation of said discussion.		

We agree that ward projects can only be successfully implemented if there is full cooperation between all role-players. Should problems be experienced between the Ward Councillor and the responsible User Department representative, it will be referred to The Speaker and the responsible Director.

By signing this commitment form, I confirm that I have read and understand the content and commit to adhere to all the stipulations.

Signed at _____on this ____ day of _____ 20_____.

_____ _____

Ward Councillor **User Department Representative**

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WARD ALLOCATION PROJECT PLAN 20____/20____

(To be completed for submission to the Draft Budget Approval. Complete a separate plan per project.)

FOR COMPLETION BY USER DEPARTMENT REPRESENTATIVE IN CONSULTATION WITH WARD COUNCILLOR						
WARD NUMBER			Valley of Possiblity			Linked to the following IDP need/s:
Operational			Green and Sustainable Valley			
Capital funds			Safe Valley			
Pooling of Funds	Y	N	Valley with Dignified Living			
Pooling with ward:			Valley of Good Governance and Compliance			
Signature of Pooling Ward Councillor/s:						
PROJECT NAME:						
PROJECT OBJECTIVES:						
DESCRIPTION (Please be very specific. What, when, where, how, who. If an operational project and in collaboration with a local organization – specify please.) A site visit might be required for all parties to familiarise themselves with the detail.	**What:**					
	When:					
	Where:					
	How:					
	Who:					
Is this a labour intensive project?	Y	N	EPWP Registration	Y	N	Confirmed (V Swartz):
Official responsible for managing EPWP project (contracts and monthly admin):	Name and Surname: Contact Details:					Official Signature:
If capital project:	Are there operational funds linked to project?			Y	N	UKey:
	Are new assets procured?			Y	N	Location bar code:
Sustainability of Project:	Indicate how sustainability is ensured: Maintenance, ect.					
Confirmation of Ward Committee involvement in identification of project:			Ward Committee Meeting minutes attached:		Y	N

SHARING OF RESPONSIBILITY (Add additional lines if needed):		
What	**Description**	**Who**
Procurement (Detailed specifications to be attached for procurement needs.)		
Public Participation (if required)		
Transport Plan		

FOR COMPLETION BY RESPONSIBLE USER DEPARTMENT						
Procurement process to follow (Please attach departmental project plan to indicate timelines for specifications, adjudication and implementation):		Normal		FQ		Bid	
COSTING (Please attach quotations as estimate. Add additional lines if needed):		Is this a single or multi-year project?				**S**	**M**
Type of budget	**Description**	**UKey**		**Amount**			
Capital Expenditure (If capital project)	Year 1			R			
	Year 2			R			
Operational Expenditure (If Operational proj)	Item 1			R			
	Item 2			R			
	Item 3			R			
TOTAL				R			

OBSTACLES IDENTIFIED FOR IMPLEMENTATION

Recommended:

Ward Councillor	User Department	Director	Manager Councillor Support	Budget Office
Date	Date	Date	Date	Date

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ANNEXURE 4

PROJECT BUDGET APPROVAL SUBMISSION FORM (To be completed by Manager: Council Support)

WARD NO		
Councillor Name		
Completed Project Plans Received	Yes	No

Capital Budget

	Ukey No	Description	Lead Department	Amount	Pooling with Ward
1					
2					
3					
			TOTAL		

Operational Budget

	Ukey No	Description	Lead Department	Amount	Pooling with Ward
1					
2					
3					
			TOTAL		

Ward Councillor
Date:

Manager Council Support
Date:

User Director
Date:

Budget Office
Date:

APPENDIX 20

STELLENBOSCH MUNICIPALITY

VIREMENT POLICY

2020/2021

STELLENBOSCH MUNICIPALITY

VIREMENT POLICY

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1. Preamble

Cognisance taken of the need that may arise to transfer within approved votes due to the change in circumstances and priorities.

2. Definitions

"Approved budget," means an annual budget-

a) approved by a municipal council, or
b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Budget transfer" means transfer of funding within a vote subject to limitations.

"Capital budget" means a financial plan catering for large and long-term sums for investment in property, plant and machinery, over a period greater than the period considered under an operating budget.

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"Delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"Financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"Municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"Municipality"-

a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"Official", means-

a) an employee of a municipality or municipal entity;

b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"Operating budget" An operating budget is the annual budget of an activity stated in terms of Budget Classification Code, functional/sub-functional categories and cost accounts. It contains estimates of the total value of resources required for the performance of the operations in terms of revenue and expenditure including reimbursable work or services for others;

"Overspending"-

a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"Virement" refer to the definition of budget transfer

"Vote" means-

a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the
b) municipality; and
c) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. Legislative Framework

Paragraph 4.6 of Circular 51 of the MFMA states that:

"The MFMA and the Municipal Budget and Reporting Regulations seek to move municipalities away from the traditional approach of appropriating/approving budgets by line item. The aim is to give the heads of municipal departments and programmes greater flexibility in managing their budgets. To further facilitate this, each municipality must put in place a council approved virements policy, which should provide clear guidance to managers of when they may shift funds between items, projects, programmes and votes."

4. Objective of Policy

This policy shall give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the Approved budget.

The policy sets out the virement principles and processes which Stellenbosch Municipality will follow during a financial year.

These virements will represent a flexible mechanism to effect budgetary amendments within a municipal financial year.

The policy shall apply to all staff and councillors of the Stellenbosch Municipality that are involved in budget implementation.

5. Virement Clarification

Virement is the process of transferring budgeted funds from one line item number to another, with the recommendation of the relevant Director to the CFO or delegated finance official, to enable the Budget Office to effect the adjustments.

6. Virement Procedure

a) All virement proposals must be completed on the appropriate documentation and forwarded to the relevant Finance Officer for checking and implementation. (See annexure 1 and 2)

b) All virements must be signed and supported by the relevant Director of the directorate within which the vote is allocated. (Section 79 MFMA)

c) Projected cash flows in the SDBIP should be attached to all virement request and be adjusted in line with the virement.

d) Relevant corroborating documentation must be attached on the virement form to support the transfer.

e) All documentation must be in order and approved before any expenditure can be committed and incurred.

f) All virementations must be motivated and need to be approved by the CFO or a delegated official after the Director of the department has recommended said transfer. The latter requires that such application reaches the office of the CFO prior to incurring expenditure.

g) The turnaround time for processing of virementations are 72 hours, only if the virement request meets all the necessary requirements.

h) No virementations will be considered if it equates to facilitating fiscal dumping

i) No virements after the closing of orders as stipulated in the financial protocol and/or formally communicated in line with the financial year-end preparation will be considered unless in an absolute emergency that could reasonably not have been foreseen.

7. Virement Restrictions

a) Virements are not permitted in relation to the revenue side of the budget.

b) No virements of funds across votes (directorates) will be accommodated during the year; unless within the adjustments budget.

c) Virements from the capital budget to the operating budget are not permitted.

d) Virements will not result in adding ‘new’ projects to the Capital Budget.

e) Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework will not be permitted.

f) The budget savings from the following line items (necessary adjustments) may only be considered and transferred by the CFO:

(i) Employee Related Cost
(ii) Remuneration of councillors
(iii) Depreciation and asset impairment
(iv) Finance Charges (Interest on Loan)
(v) Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
(vi) Bulk Purchases (Water and Electricity)
(vii) Transfers and subsidies paid

g) An approved virement does not give expenditure authority outside of what is allowed by Council's Supply Chain Management Policy.

8. General Principle

Virements will only be approved if they facilitate and promote sound risk and financial management.

9. Accountability

Accountability to ensure that the virementation application forms are completed in accordance with Council's virement policy and are not in conflict with the directorate's strategic objectives manifests with the head of the relevant directorate.

10. Annexures

Annexure 1: Virement Form (Capital and Operating)
Annexure 2: Supporting document to Ward Allocation virement request.

TYPE	
CAPITAL	
OPERATING	

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BUDGET VIREMENTATION FORM

TO: **FINANCIAL SERVICES**

FROM:

DATE:

The following transfers are requested, as per motivation provided.

From Unique Key :	Amount
Unique Key Description:	
To Unique Key :	Amount
Unique Key Description:	

1. **Why are additional funds requested ?**

2. **Is it part of the legislative mandate of the municipality?**

   Yes/ No

3. **Which measures will be implemented to ensure expenditure are managed within the approved budget?**

4. **Where funds would be transferred from?**

5. **Reasons why funds are not needed from the transferring Unique Key?**

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Requested by

Name :

Designation :

Telephone Number :

Supported:

_____

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FOR OFFICAL USE

BUDGET OFFICE

FUNDS AVAILABLE ON UNIQUE KEY	:	YES	NO	
CASHFLOW ATTACHED	:	YES	NO	
SUPPORTING DOCUMENTS	:	YES	NO	N/A

VERIFIED BY : NAME: _____

SIGNATURE: _____

DATE: _____

COMMENTS: _____

APPROVAL

APPROVED BY CHIEF FINANCIAL OFFICER/ DELEGATED OFFICIAL : _____

DATE : _____

COMMENTS: _____

PROCESSED BY : NAME: _____

SIGNATURE: _____

DATE: _____

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WARD ALLOCATIONS

Supporting document to Virement Request

Ward: Amount: Fin Year:

Transferring Ukey:

Job number:

Project Description:

Receiving Ukey:

Job number:

Project Description:

Approved: Project Manager (Transferring)

Name:

Signature:

Approved by the Ward Councillor:

Name:

Signature:

Approved: Project Manager (Receiving)

Name:

Signature:

Approval by the CFO/Manager: Budget Office

Name:

Signature:

Budget Office Use only

Processed by: Signature: Date:

APPENDIX 21

STELLENBOSCH MUNICIPALITY

ASSET MANAGEMENT POLICY

2020/2021

STELLENBOSCH MUNICIPALITY

ASSET MANAGEMENT POLICY

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1. PREAMBLE

- Section 63 of the Municipal Finance Management Act Number 56 of 2003 governs Asset and Liability Management and states the following:

Asset and liability management

63. (1) The accounting officer of a municipality is responsible for the management of—

(a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and

(b) the liabilities of the municipality.

(2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure—

(a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;

(b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and

(c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

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

- The Municipal Council of Stellenbosch is in terms of the MFMA and GRAP obliged to adopt an Asset Management Policy to regulate the effective management of all council's assets.
- **And whereas** the municipal manager as accounting officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.
- **And whereas** these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes in meeting the municipality's operational requirements.
- **Now therefore** the municipal council of the Stellenbosch Municipality adopts this asset management policy:

2. DEFINITIONS

In this Policy, unless the context indicates otherwise

An **asset** means a resource

a) controlled by Stellenbosch Municipality
b) as a result of a past event
c) it is probable that future economic benefits or service potential associated with the assets will flow to the municipality

Property, Plant and Equipment (PPE) refers to tangible, identifiable assets that:

a) are held for-
   i. use in the production or supply of goods or services
   ii. rental, or
   iii. administrative purposes, and
   iv. are expected to be used for more than one year.

PPE should be classified according to the following definition groups:

a) **Infrastructure assets** which are defined as assets that usually display some or all of the following characteristics:

   i. they are part of a system or network,
   ii. they are specialised in nature and do not have alternative uses
   iii. they are immovable, and
   iv. they may be subject to constraints on disposal
   v. examples are road networks, sewer systems, water networks etc.

b) **Community assets** which are defined as assets that contributes to the communities' well-being. Community assets are disclosed in accordance with its nature.

c) **Heritage assets** which are defined as cultural significant resources.

d) **Investment Properties** are defined as properties (land or buildings) that are acquired for economic and capital gains or held by Stellenbosch Municipality as finance lease to earn rentals. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.

e) **Other assets** which are defined as assets utilised in normal operations.

f) **Intangible assets** which are defined as being assets without physical substance.

g) **Biological assets** are assets acquired for agricultural purposes.

Capitalization of assets means the recording of assets in the Fixed Asset Register with its historical financial cost in accordance with GRAP.

Carrying amount means the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

Classification of assets means the grouping of assets of a similar nature of functionality in an entities operation that is shown as a single item for the purpose of disclosure in the financial statements.

Cost means the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognized in accordance with specific requirements of other Standards of Generally Recognized Accounting Practices (GRAP).

Contributed assets means items received by the municipality as a donation.

Depreciation means the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount means the cost of an asset, or other amount substituted for the cost less its residual value.

Fair value means the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fixed Asset Register means a register for recording assets in accordance with GRAP

Impairment of an asset

- An impairment loss of cash - generating assets is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- An impairment loss of non - cash generating assets is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Recoverable amount means the amount that the municipality expects to recover from the future use of an asset, including the residual value on disposal.

Residual value means the estimated amount that Stellenbosch municipality would currently obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Useful life means the period over which an asset is expected to be available for use by the municipality.

Contributed Assets means items received by the Stellenbosch Municipality in the form of a donation.

3. ACRONYMS

PPE:	Property, Plant and Equipment
AMC Form:	Asset Movement Capture Form
MFMA:	Municipal Finance Management Act
GRAP:	General Accepted Accounting Practice
DIR:	Departmental Inventory Register
SCM:	Supply Chain Management
FAR:	Fixed Asset Register
NARC:	New asset receipt capture form
AT:	Asset transfer form

4. AIM

This policy will lay down broad guidelines for consistent, effective and efficient asset management principles of Stellenbosch Municipality

5. OBJECTIVES

- Specifying Council's practice regarding accounting for assets
- Ensure consistency in accounting treatment.
- To assist officials in understanding their legal and managerial responsibilities with regard to key asset functions such as:
  - safeguarding of assets,
  - maintaining assets,
  - establishing and maintaining a management, accounting and information

system
- that accounts for the assets of the municipality.
- asset valuation principles in accordance with GRAP.
- establishing and maintaining systems of internal controls over assets.
- establishing and maintaining asset registers.
- clarifying responsibilities and accountabilities for the asset management process.

6. STATUTORY AND REGULATORY FRAMEWORK

This policy must comply with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa, 1996
- Municipal Structures Act, 1998
- Municipal Systems Act, 2000
- Division of Revenue Act (enacted annually)
- Municipal Finance Management Act of 2003

Also, this policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognized accounting standards include:

- GRAP 17 Property, plant or equipment
- GRAP 16 Investment property
- GRAP 100 Non-current Assets held for Sale and Discontinued Operations
- GRAP 31 Intangibles
- GRAP 103 Heritage Assets
- GRAP 101 Agriculture
- GRAP 21 & 26 Impairment

7. RESPONSIBILITIES AND ACCOUNTABILITIES

The purpose of this section is to prescribe the responsibilities of the various functionaries within Stellenbosch Municipality.

7.1 The Accounting Officer (Municipal Manager)

The Accounting Officer (Municipal Manager) or his duly delegated representative is responsible to ensure implementation and compliance with the responsibilities prescribed in section 63 of the MFMA.

- The municipality has and maintains a management, accounting and

information system that accounts for the assets of the municipality;

- The municipality's assets are valued in accordance with standards of generally recognized accounting practice;
- The municipality has and maintains a system of internal control of assets, including an asset register; and
- The senior managers and their teams comply with this policy.
- In consultation with the asset managers, he approves the temporary or permanent transfer of a movable asset between departments as determined in the "Delegation of Authority to officials of the Stellenbosch Municipality".

7.2 The Chief Financial Officer (Director: Finance)

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipality's assets is safeguarded and maintained.

<u>The Chief Financial Officer must take reasonable steps to ensure that:</u>

i. Appropriate systems of financial management and internal control are established and carried out diligently;
ii. The financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
iii. Any unauthorized, irregular or fruitless or wasteful expenditure and losses resulting from criminal or negligent conduct are prevented;
iv. The systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained at standards sufficient to satisfy the requirements of the Auditor-General.
v. Financial processes are established and maintained to ensure that the municipality's financial resources are optimally utilized through an appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.
vi. The managers and asset champions are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets;
vii. The policy and supporting procedures or guidelines are established, maintained and effectively communicated;
viii. The Chief Financial Officer may delegate or otherwise assign responsibility for performing the functions but he/she will remain accountable for ensuring these activities are performed.

7.3 Asset Managers/ Directors

a) The manager referred to in Section 56 of the municipal systems act being someone reporting directly to the Municipal Manager and has the functional accountabilities for the physical management of a particular set of assets in order to achieve the municipalities strategic objectives relevant to their directorate.
b) Directors shall be directly responsible for the physical safeguarding of any fixed asset controlled or used by the directorate in question. In exercising this responsibility, directors shall adhere to the stipulations of this policy as well as any other written directives issued by the municipal manager to the directorate in question, or generally to all directorates, in regard to the control of or safeguarding of the municipality's fixed assets.

<u>Asset managers should:</u>

i. ensure that employees in their departments adhere to the approved Asset Management Policy;
ii. ensure that all assets are procured in terms of the SCM Policy;
iii. ensure that council are properly informed about any contributed (donated) assets and that approval from council is obtained timeously
iv. ensure that the contributed asset is recorded on the NARC form and communicated with the Asset Management Department.
v. ensure that employees with delegated authority have been nominated to implement and maintain physical control over assets in their departments. Although authority has been delegated, responsibility remains with the respective Managers of the departments and overall accountability with the Directors of relevant directorates;
vi. ensure that the termination of service asset verification form for staff, is duly completed and submitted to the Strategic and Corporate Services Directorate;
vii. ensure that assets are properly maintained in accordance with their respective asset maintenance policy;
viii. ensure that, where applicable, all their movable assets as reflected on the Fixed Asset Register are barcoded to exercise control;
ix. ensure that the Asset Management Section is notified via the AT form within 10 working days of any changes in the status of assets under the department's control;
x. ensure that transfers between departments within directorates are administered internally;
xi. ensure that a complete asset verification of all inventory and asset

items is performed annually;

xii. ensure that all obsolete, damaged and unused assets, supported by relevant asset and condemnation forms, are handed in at the Asset Management Department without delay;

xiii. be responsible for maintaining and managing their own DIR;

xiv. ensure that all assets are safeguarded against loss/theft and that they are adequately insured; and

xv. ensure that location changes are made timeously and location/room information are updated and reported on the relevant form to the Asset Management Section regularly.

7.4 Asset Champions

Asset Champions are senior officials appointed by the Asset Manager in the different Directorates.

<u>The Asset Champion must:</u>

i. Assist the Asset Manager/ Director in performing his/her functions and duties.

ii. Ensure that all new assets (purchased or donated) are recorded on the NARC form.

iii. Ensure that the NARC forms are completed in full and send with copies of the relevant documentation to the asset control department within 7 working days after receipt of the assets.

iv. Ensures that all their movable assets, where applicable, are barcoded.

v. Ensure that asset listings are verified and kept up to date in collaboration with the Finance Directorate.

vi. Assist the Finance Department with the annual verification of movable assets by making sure that the assets, as per asset listing, are at the correct locations, that these locations are accessible when the verification of assets takes place and provides a full report on any missing assets to the Asset Manager.

vii. Notify the Finance Department when he/she identifies obsolete and redundant assets so that these assets can be moved to the Write-off Store.

viii. Report all changes affecting asset listing sheets to the Director: Finance and the Finance Department: Asset Management Division

within 7 days of occurrence.

The following require the written recommendation of the Asset Manager and approval of Municipal Manager on the prescribed form:

a) The temporary or permanent transfer of all movable assets between departments.
b) The writing off or disposal of obsolete or redundant assets.

7.5 Financial Services Directorate: Asset Management Section

i. Is the asset registrar of the municipality and shall ensure that a complete, accurate and up to date asset register is maintained that conforms to the GRAP specifications.
ii. Ensures that physical asset verification is performed annually by all departments to verify the assets on the asset register. The results of this verification must be reported to the Municipal Manager and Council.
iii. Will perform reconciliations between the asset register and the General Ledger on a monthly basis.
iv. Ensures adequate bar codes and equipment to exercise the function relating to asset control is available at all times.
v. Will ensure that all audit queries are resolved in a timely manner.
vi. Dispose of asset in accordance with the SCM policy
vii. Handles the administrative functions with regards to the transfers received.

7.6 The responsibility of the Budget and Treasury

i. Ensure that a clear description is provided with each project and the appropriate funding source is identified.
ii. Release capital funds only after receiving written authority and a clear and concise description of the item to be purchased.
iii. Ensure that any changes in the capital budget, with regards to funds transferred or project description changes are communicated to the Asset Management Division.

7.7 The Strategic and Corporate Services Directorate

The Strategic and Corporate Services directorate shall ensure that no monies are paid out to the staff on termination of their service prior to receiving the relevant asset resignation form signed off by the relevant directorate- refer to Termination of

Service Asset Confirmation form.

8. SAFEGUARDING OF ASSETS

Custody and Security

i. All barcoded assets shall be tracked by physical location through the Fixed Asset Register.
ii. A physical asset verification process shall be performed every year and all directorates will be verified simultaneously.
iii. The coordination of the process and verification of the assets will rest with the Asset Management Section and all directorates are responsible to see that the assets under their control are available during the verification process.

Communication

i. Directorates are responsible to report any stolen or damage property to the Asset Management Section.
ii. All changes must be accurately recorded on the AT forms and reported to the Asset Management Section within 10 working days.
iii. Any discrepancies between the Fixed Asset Register and the physical inventory must be reconciled and motivated by the relevant directorates.

9. PROCEDURE WITH REGARD TO CONTRIBUTED ASSETS

Governance

i. The authority to endorse and approve acceptance of assets contributed to the Stellenbosch Municipality vests with Council as such assets have an impact on future operational costs.
ii. A report including the fair value/cost price of the contributed asset as well as the financial implications of acceptance of the contributed asset must be submitted to Council, so that acceptance of the asset can be confirmed.

Procedures

i. Once Council has approved the donation, the departments must:
ii. Notify the Financial Services Directorate of any assets contributed, by

submitting the Council approved report including the cost/fair value of the contributed asset so that the asset can be recorded and capitalized at the appropriate value.

10. FINANCIAL MANAGEMENT

Pre-Acquisition Planning

Before a capital project is included in the draft municipal budget for approval, the Asset Manager must prove that they have considered:

- The projected acquisition and implementation cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including tax and tariff implications;
- The financial sustainability of the project over its economic life span including revenue generation and subsidization requirements;
- The physical and financial stewardship of the asset through all stages in its economic life span including acquisition, installation, maintenance, operations, disposal and rehabilitation; and
- The inclusion of the capital project in the Integrated Development Plans and future budgets.

The Chief Financial Officer is accountable to ensure that the Asset Managers/ Directors receive all reasonable assistance, guidance and explanation to enable them to achieve their planning requirements.

Approval to acquire Property, Plant and Equipment:

Funds can only be invested with a capital project if:

- The funds have been appropriated in the capital budget;
- The project, including the total cost and funding sources, has been approved by the Council;
- The Director: Finance confirms that funding is available for that specific project; The Supply Chain Management prescripts/procedures have been adhered to.
- Any contract that will impose financial obligations more than two years beyond the budget year is appropriately disclosed.

The funding sources of Assets:

Within the municipality's ongoing financial, legislative or administrative capacity, the Chief Financial Officer will establish and maintain the funding strategies that optimize the municipality's ability to achieve its Strategic Objectives as stated in

the Integrated Development Plan.

Four main sources of finance are utilized to acquire Property Plant and Equipment for the municipality, namely:

- The Accumulated Surplus/Deficit (Capital Replacement Reserve)
- The External Financing Fund (EFF).
- Grants, Subsidies and Public
- Contributions. Fair value

The sources of finance that may be utilized to finance assets are utilized in accordance with the provisions of S19 of the Municipal Finance Management Act.

a) Accumulated Surplus/Deficit (The Capital Replacement Reserve)

The Council must annually approve the basis and the amounts for which contributions should be appropriated to the Accumulated Surplus/Deficit in conjunction with the availability of funds and the requirements of the capital program for that financial year.

The funds in the Accumulated Surplus/Deficit are accumulated by: An annual contribution from revenue

The cash backed profit on the sale/disposal of assets

When an amount is advanced to a borrowing service to finance the acquisition of an asset, the money must be transferred to the Accumulated Surplus created for the purpose of acquiring a specific asset and the accumulated funds in the Accumulated Surplus/Deficit must be reduced by the amount of the advance.

The balance of the accumulated funds in the Accumulated Surplus/Deficit will therefore represent the amount that is available to finance assets in future periods. This balance must be cash backed at all times.

The balance in the Accumulated Surplus is transferred to the income statement over the estimated life of assets financed by the Accumulated Surplus/Deficit to offset the depreciation charge included in the income statement relating to fixed assets.

b) The External Financing Fund (EFF)

When loans are obtained from external sources, they must be paid into the EFF. The corresponding cash should be invested until utilized for the purpose of acquiring assets. When the external loan is utilized to finance

assets in a service entity it should be recorded in an “advances” account in the EFF.

Where a loan has a fixed period the installments should be calculated to determine the cash that should be set aside in the EFF. This is done so that there will be sufficient money to repay the loan when it matures as well as any interest charges as they occur.

When the loan is an annuity loan, the cash required to be paid into the EFF should be based on the actual loan repayments. Once the money has been received by the EFF, the cash would be used to repay the loan.

When the EFF is consolidated with the various services, the “advances made” account in the EFF will contra with the “advances received” account in the various service entities.

Loan finance option

A municipality should ensure that a loan satisfies the requirements of legislation on incurring debt. In particular, municipalities should ensure that long-term debt is:

- Incurred only for the purposes of capital expenditure for the purpose of achieving the objectives stated in section 152 of the Constitution (MFMA S46);
- incurred in line with its capital budget (MFMA S19 and S46(2));
- Is incurred only after the anticipated debt repayment schedule has been submitted to council (MFMA S46(3)(b)(i));
- Included in the liabilities register and
- Satisfies the other requirements of sections 19, 46 and 63 of the MFMA, the MSA and the Constitution.

c) Grants, Subsidies and Public Contributions (Capital Receipts)

Unutilized conditional grants are reflected on the Balance Sheet as a Creditor called Creditor (Unspent and Receipts). They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash.
The following provisions are set for the creation and utilization of this creditor:

- The cash which backs up the creditor is invested until it is utilized.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If

it is the council's interest it is recognized as interest earned in the income statement.

- Whenever an asset is purchased out of the unutilized conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilized Capital Receipts into the income statement as revenue. Thereafter an equal amount is transferred on the statement of changes in equity to a reserve called an Accumulated Surplus/Deficit (Future Depreciation Reserve). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilized Capital Receipts. The Future Depreciation Reserve is used to offset depreciation charged on assets purchased out of the Unutilized Capital Receipts to avoid double taxation of the consumers.
- If a profit is made on the sale of assets previously purchased out of Unutilized Capital Receipts the profit on these assets sold is reflected in the notes to the income statement and is then treated in accordance with Council policy.

The acquisition of assets will not be funded over a period longer than the useful life of that asset.

Disposal of assets

- The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.
- The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.
- The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with a prescribed regulatory framework for municipal supply chain management and the Supply Chain Management Policy of the municipality.
- The transfer of assets to another municipality, municipal entity, national department or provincial department is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework. Directors shall report in writing to the Director: Finance on 31 May of each financial year on all fixed assets controlled or used by the directorate concerned which such Director wishes to alienate by public auction or public tender. The Director: Finance shall thereafter

consolidate the requests received from the various directorates, and shall promptly report such consolidated information to the council or the Municipal Manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

- Once the fixed assets are alienated, the Director: Finance shall de-recognize the asset from the accounting records and the fixed asset register.

Loss, theft, destruction or impairment of fixed assets

The different directorates shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the directorate in question is promptly reported in writing to the Director: Financial Services, to the internal auditor, and in cases of suspected theft or malicious damage, also to the South African Police Service.

11. ACCOUNTING FOR ASSETS

Capitalization of Assets

Stellenbosch Municipality does not capitalize an asset based on a capitalization cost threshold, but recognizes an asset when it complies with the definition of an asset as stipulated in GRAP 17 and the cost of the asset to the municipality can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition (GRAP 17.22).

Assets will only be capitalized in the asset register on completion or finalization of the project.

Multi Year projects

Projects to be completed over more than one financial year will be initially disclosed in the asset register and financial statements as “Work in Progress” thereafter only on completion the asset will be capitalized and depreciated.

Assets will be recorded in the asset register continuously on completion thereof and bar-coded with an aluminium label where appropriate for identification.

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized (GRAP 17.19-.20):

- Parts of some items of property, plant and equipment may require

replacement at regular intervals. For example, a road may need resurfacing every few years, a furnace may require relining after a specified number of hours use, or aircraft interiors such as seats and galleys may require replacement several times during the life of the airframe. Items of property, plant and equipment may also be required to make a less frequently recurring replacement, such as replacing the interior walls of a building, or to make a non–recurring replacement. Under the recognition principle in an entity recognizes in the carrying amount of an item property, plant and equipment the cost replacing part of such an item when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the de-recognition provision of this Standard (GRAP 17.19).

- A condition of continuing to operate an item of property, plant and equipment (for example, an aircraft) may be performing regular major inspections for faults regardless of whether parts of the item are replaced. When each major inspection is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognized. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed. If necessary, the estimated cost of a future similar inspection may be used as an indication of what the cost of the existing inspection component was when the item was acquired or constructed (GRAP 17.20)

Computer software will be capitalized and classified as intangible assets.

MAINTENANCE

Maintenance Strategy

Each directorate must develop a maintenance strategy that will ensure that the assets of Stellenbosch Municipality are maintained at an adequate operational level or standard by ensuring that all statutory, technical and operational objectives are achieved. This strategy must ensure that tangible assets under the custody and control of the relevant directors are properly maintained and repaired so that their possible maximum useful lives are realised.

Directorates Responsibilities

Each Directorate is responsible for ensuring:

i. That all tangible assets under their control are maintained in a good

working condition. The directorates must take adequate care that the working environments for the various assets are appropriate and suitable for such types of tangible assets.

ii. That their assets are not misused or used for personal use or benefit.

iii. That repair and maintenance costs incurred is reviewed and properly controlled.

iv. The development of a maintenance program according to their operating budget resources. The program must provide a schedule of the repairs and maintenance to be done. The program must also consist of planned and unplanned repairs and maintenance to be performed.

v. The following matrix will assist in distinguishing capital expenditure from maintenance expenditure:

CAPITAL EXPENDITURE	MAINTENANCE
• Acquiring a new asset	• Restoring an asset so that it can continue to be used for its intended purpose
• Replacing an existing asset	• Maintaining an asset so that it can used for the period for which it was initially intended
• Enhancing an existing asset so that its use is expanded	
• Further developing an existing asset so that its original useful life is extended	

When assets are capitalized a distinction should be made on whether the new asset is purchased to replace an existing asset or whether it is a total new asset that is purchased.

Assets held under leases

- **Finance leases** are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the fixed asset register. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.

- **Operating leases** are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

INVESTMENT PROPERTY

- An item shall be recognised as investment property if it meets the definition. Investment property is recorded at cost.
- Disclosable value measured at recognition:
  - Initially at acquisition cost plus transaction cost, or nominal value
  - Where acquired at no cost or nominal value, fair value at acquisition is deemed to be cost for disclosure
  - If held under a lease and classified as Investment Property, is the lower of fair value and the present value of the minimum lease patments
- Cost value is determined according to the requirements of the GRAP standard on Investment Property.
- Assets classified as Investment Property shall be re-defined once such assets usage changes

Cost Model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses

Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property, which is as follows:

Item	Useful life
Property – buildings	30-99 years
Property – land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable

Depreciation

- Depreciation will be done in accordance with the GRAP frame work
- The depreciable amount of an item of property, plant or equipment should be allocated on a systematic basis over its useful life.
- Stellenbosch Municipality's depreciation method will be the straight-line method for all assets of the Council unless otherwise agreed to in writing by the Director: Financial Services.
- Depreciation shall be calculated from the day the fixed asset is available for use (commissioning date) (GRAP 17.65).
- If the cost of land includes the cost of site dismantlement, removal and restoration, the portion of the land asset is depreciated over the period of benefits or service potential obtained by incurring those costs. In some cases, the land itself may have a limited useful life, in which case it is depreciated in a manner that reflects the benefits or service potential to be derived from it (GRAP 17.69).

Review of residual value and useful life

- The residual value and useful life of an asset should be reviewed at least at each reporting date (GRAP 17.61).
- If the review indicates that a change has taken place and expectations differ from previous estimates, the changes should be accounted for as a change in the accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.
- The remaining useful life of capital assets should be reviewed annually and, if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods should be adjusted.
- This review should be done by the asset manager in conjunction with the impairment review.
- The review of useful life is a check to see if there is any evidence to suggest that expected life should be changed.
- The Table of Useful Lives is provided in the MFMA Local Government Capital Asset Management Guideline (Refer to Annexure A). These should be used as a guide to the minimum useful lives only because actual asset lives experienced greatly exceed those recommend lives.
- The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount (GRAP 17.64).

Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in GRAP 17:

- The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.
- Recoverable amount is the higher of a cash – generating asset's net selling price and its value in use.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognized as an expense immediately.
- The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis.
- However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

Procedure to identify, budget and account for impairment losses:

- The following needs to be done to ensure that impairment losses that are identified by the above indicators are budgeted for during the operating budget cycle and are accounted for in the next financial year. The following steps will have to be performed during the operating budget cycle:

Financial Services Directorate - Asset Management Section shall issue a memo to all directorates requesting them to identify assets that:

a) Are in a state of damage at the start of the operating budget cycle;
b) Are technologically obsolete at the start of the operating budget cycle; This can be facilitated if directorates require that Financial Services Directorate - Asset Management - section to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
c) Have remained idle for a considerable period either prior to them being put into uses at the start of the operating budget cycle or during their useful life;
d) Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments;

- The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.
- The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.
- The impairment loss needs to be budgeted for.
- The following steps will have to be performed regularly during the year to account for impairment losses:

Directorates will identify and inform Financial Services Directorate - Asset Control section of assets that:

a) Are in a state of damage at year-end,
b) Are technologically obsolete at year-end. This can be facilitated if directorates require Finance Directorate - Asset Control section to supply them with a Fixed Asset Register printout pertaining to major assets showing the remaining useful lives of assets. The directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
c) Have remained idle for a considerable period either prior to them being put into uses at year-end or during their useful life
d) Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is Land that is purchased at market value and is to be utilized for subsidized housing developments. The recoverable amounts of these assets need to be calculated by calculating the Net selling Price per asset as defined above.

The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.

The impairment loss needs to be accounted for by identifying the relevant funding source.

Disclosure requirements relating to impairment losses:

All material impairment losses need to be disclosed in the notes to the income statement as a separately disclosed item. They are normally disclosed as part of the note on the amounts that are included in the calculation of the Net Surplus or Deficit for the year.

DISPOSAL AND RETIREMENTS

Governance

Section 14 and 90 of the MFMA governs the disposal of assets. This section provides inter alia:

- The council may not dispose of assets that are utilized to provide minimum level of basic municipal services.
- Assets other than those utilized to provide minimum level of basic service may be disposed of subject to Council approval.
- An item of property, plant or equipment should be eliminated from the Statement of Financial Position, on disposal or when the asset is permanently withdraw from use and no future economic benefits or potential service delivery is expected from its disposal, in accordance with GRAP 100.
- Gains or losses arising from the retirement or disposal of an item of property, plant or equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.

Procedures

a) Any items declared obsolete or damaged will be handed in to the Finance department - Asset Control section for safekeeping.
b) No items will be received by the Financial Services Directorate, Asset

Management section without a completed AT form and attached condemnation forms, counter signed by Finance Directorate - Asset Management section, describing the status of the item and the reason for writing-off the item.

c) Directorates must ensure that assets are disposed of in terms of the SCM policy.
d) It is the responsibility of each directorate to ensure that all such assets to be disposed of are delivered to and received at the Finance Directorate - Asset Management section.
e) Approval for the disposal of assets is considered by the Municipal Manager only after a recommendation has been obtained from the following persons:
    i. Vehicles and Plant - The Fleet Manager and applicable Directorate;
    ii. Computers -Information Technology Manager;
    iii. Other Items - Directors (Asset Managers) within the different directorates.

f) After the approval of the Municipal Manager has been obtained, any vehicle written off must be deregistered immediately.
g) All asset items lost, stolen or damaged must be reported to the Financial Services Directorate – Insurance section as well as Finance Directorate - Asset Management section by completing the AT form.
h) All asset items lost or stolen also need to be reported to the SAPS by the relevant department.

An item of property, plant and equipment should be eliminated from the balance sheet on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from when it is disposed of.

Gains and losses arising from the retirement or disposal of an item of property, plant and equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.

The accounting treatment relating to the profit or loss on the sale of property, plant & equipment is outlined in GRAP 17. The following is a summary of the relevant aspects:

Profits and losses, which are disclosed in total in the financial statements, are *calculated by use of the following formula: -*

Proceeds	Sales value, trade-in value or proceeds received from insurance if the asset was damaged or stolen.
Less: Carrying value	Cost, or if valued, revaluation amount, less accumulated depreciation up to the date of sale or when asset can no longer be used for its intended purpose.
Equals PROFIT or	If proceeds greater than carrying value, or
Equals LOSS	If proceeds less than carrying value.

12. INTERNAL CONTROL OVER ASSETS

- Establishment and Management of the Financial Asset Register:

  The Chief Financial Officer will establish and maintain the Asset Register containing key financial data on each item of Property, Plant or Equipment that satisfies the criterion for recognition as per the accounting standards.

  Each Asset Manager is responsible to ensure that sufficient controls exist to substantiate the quantity, value, location and condition of all assets in the asset register.

  Each Asset Manager must appoint an Asset Champion in each Directorate/Section which will be responsible to ensure that the asset listings are verified and kept up to date in collaboration with the Directorate: Finance Services.

- Contents of the Fixed Asset Register

  The fixed asset register shall be maintained in the format determined by the Director: Financial Services, which format shall comply with the requirements of generally recognized accounting practice (GRAP) and any other accounting requirements which may be prescribe Directors under whose control any fixed asset falls shall promptly provide Director: Financial

Services in writing with any information required to compile the fixed asset change which may occur in respect of such information. Contents of the Financial Asset Register:

The details included in the Asset Register will include:

- The depreciation methods used
- The useful live
- Depreciation charge
- The carrying amount
- The accumulated depreciation
- Additions
- Disposals and transfers
- Date of acquisition
- Date of disposal (if relevant)
- Asset description
- Historical cost of the asset
- Asset classification
- Asset ID
- Residual value

Internal Controls over the Financial Asset Registers

- Controls around their asset register should be sufficient to provide an accurate, reliable and up to date account of assets under their control to the standards specified by the Chief Financial Officer and required by the Auditor-General.
- Controls around the asset registers should be sufficient to provide Directors with an accurate, reliable and up to date account of assets under their control to the standards specified by the Director: Finance and required by relevant legislation.

  These controls will include the physical management and recording of al acquisition, assignments, transfers, losses and disposals of assigned assets as well as regular asset counts and systems audits to confirm the adequacy of controls.

Identification of fixed assets:

The Municipal Manager shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its computerized fixed asset register.

Transfers, Reallocation or Reassignment of Property, Plant or Equipment

a) An Asset Manager retains management accountability and control for a particular asset until another Asset Manager in writing does accept responsibility for that asset, and the Chief Financial Officer endorses the transfer.
b) The Asset Manager must advise the Chief Financial Officer on the prescribed form whenever an asset is permanently or temporarily reallocated or reassigned from one location to another.
c) The form must be completed and signed by both the sender and receiver
d) The Director: Financial Services will appropriately amend the Asset Register with all approved transfers.
e) Assets must solely and exclusively be used for the purpose of the
f) Council's business.

Verification of fixed assets

a) Financial Services Directorate: Asset Management Section shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the directorate concerned.
b) Finance Directorate: Asset Management Section shall promptly and fully report in writing to the Director: Financial Services in the format determined by the Director: Financial Services, all relevant results of such fixed asset verification, provided that each such asset verification shall be undertaken and completed as closely as possible to the end of each financial year, and that the resultant report shall be submitted to the Director: Financial Services not later than 30 June of the year in question.

Asset listings

a) The Chief Financial Officer must submit within six months after each financial year, asset listings of capitalised assets to all Asset Managers.
b) At all times these asset listings should indicate the assets in particular location and should be easily accessible.
c) When employees get appointed or resign from any specific post the relevant asset listings must be verified and accordingly endorsed by the Asset Champion for the specific workplace.
d) All changes on asset listing sheets must be reported in writing to the Director: Financial Services within 7 days of when change took place.

13. FINANCIAL DISCLOSURE

Assets must be disclosed in respect of each class of property, plant and equipment, in accordance with Generally Recognized Accounting Practice.

14. CLASSIFICATION OF ASSETS

Any asset recognized as an asset under this policy will be classified according to categories as per the Fixed Asset Register. All fixed assets should be classified under the following headings in the Asset Register:

Property, plant and equipment:

Other Assets

Other Assets shall be recorded under the following main categories;

- Bins and Containers;
- Emergency Equipment;
- Furniture and Fittings;
- Motor Vehicles;
- Office Equipment;
- Plant and Equipment;
- Specialised Vehicles;
- Watercraft; and
- Other Assets.

Heritage Assets

A Heritage Asset is an asset that has historical, cultural or national importance and needs to be preserved. The following is a list of some typical heritage assets encountered in the municipal environment:

- Archaeological sites;
- Conservation areas;
- Historical buildings or other historical structures (such as war memorials);
- Historical sites (for example, historical battle site or site of a historical settlement);
- Museum exhibits;
- Public statues; and

- Works of art (which will include paintings and sculptures).

Intangibles Assets

- Computer Software
- Databases

Community Assets

Community Assets shall be recorded under the following main categories;

- Recreational Facilities;
- Sporting Facilities; and
- Other Facilities.

Land and Buildings

Land and buildings shall be treated using the cost model.

Land shall be accounted for at cost, and shall not be depreciated. Land on which infrastructure and community assets are located shall be identified as land and buildings and not disclosed together with the infrastructure and community assets. Land not registered in the name of the municipality but controlled by the municipality by virtue of owner-occupied buildings thereon, shall be recognised at cost.

Buildings shall be accounted at cost, less any accumulated depreciation and any accumulated impairment losses.

Investment property

The classification of an investment property is based on management's judgement; the following criteria will be applied to distinguish investment properties from owner-occupied property or property held for resale:

Investment property	PPE	Non-current assets held for sale
the asset generates its own cash flows in the form of rentals (on a commercial basis)	rental income earned is below market value, and the asset is held for service delivery rather than to generate a commercial return	land and other properties held for sale within the next 12 months, if the criteria in GRAP 100 are met
the asset is held for capital appreciation	the asset is held to achieve service delivery objectives rather than to earn rental or for capital appreciation	
investment property that is being redeveloped for continued use as an investment property	property that is being constructed or developed for future use as investment property (until the asset meets the definition of investment property it is accounted for as PPE)	
Land held for an undetermined use	owner occupied-property such as office buildings and residential buildings occupied by staff members (assets used by employees, irrespective of whether or not the employees pay rent at market rates, are owner-occupied)	

The judgement of the Management of Stellenbosch Municipality is that the following classes of Municipal Property will be classified as Investment Property:

- Land held for long-term capital appreciation rather than for short-term sale in

the ordinary course of operations which council intends to sell at a beneficial time in the future.

- Land held for a currently undetermined future use.
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases on a commercial basis.
- A building that is currently vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

ANNUAL REVIEW ON THE POLICY

This policy will be reviewed and updated annually or whenever legislative or accounting standards amendments significantly change the requirements pertaining to asset management in general and the administration of property, plant and equipment at a sooner event.

GENERAL

This policy does not overrule the requirement to comply with other policies like supply chain management, tendering or budget policies. The Chief Financial Officer will provide guidance or recommend an amendment to this policy to comply with the essence and understanding of the policies, regulations or legislation being conflicted.

COMMENCEMENT

01 July 2015

ANNEXURE "A"

STELLENBOSCH MUNICIPALITY

ASSET MOVEMENT / WRITE OFF FORM

GENERAL INFORMATION

Type of asset movement to be recorded (indicate with X)

Asset Transfer: Interdepartmental			Asset Obsolete/Damaged/Written-Off	
Asset Transfer: Unused Asset to Stores			Asset Written-Off due to Loss (Burglary/Theft)	
Basic Asset Data				
Asset Bar Code	Location Bar Code No. from	Location Bar Code No. to	Asset Description	SERIAL NUMBER

AUTHORISATION OF TRANSACTION – LINE MANAGER

Signature	Name & Surname (Print)	Title

Recipient Confirmation

Condition of Asset when received	Received By	Date

Remarks:
Good
.....

APPENDIX 22

STELLENBOSCH MUNICIPALITY

BUDGET IMPLEMENTATION AND MONITORING POLICY

2020/2021

STELLENBOSCH MUNICIPALITY
BUDGET IMPLEMENTATION AND MONITORING POLICY

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1. PREAMBLE

In the spirit of the Municipal Finance Management Act, (No.56 of 2003) " to modernize budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents customers, users and investors" and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

In terms of the Budget and Reporting Regulations the municipality has to adopt a policy which includes the following:

1. a policy dealing with the shifting of funds within votes
2. a policy dealing with the introduction of adjustment budgets
3. policies dealing with unforeseen and unavoidable expenditure
4. policies dealing with management and oversight

Therefore the Stellenbosch Municipality revised its Budget Policy to give effect to the Budget and Reporting Regulations as set out in this policy.

2. DEFINITIONS

"Accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"**Allocation"**, means-

(a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
(b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
(c) an allocation of money to a municipality in terms of a provincial budget; or
(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget-

(a) approved by a municipal council, or
(b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-

(a) the tariff policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
(b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
(c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget transfer" means transfer of funding within a function / vote subject to limitations.

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"councillor" means a member of a municipal council;

"current year" means the financial year, which has already commenced, but not yet ended;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

"financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means-

(a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA , and which has not been condoned by Council (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;

(b) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

(c) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment/s", in relation to funds of a municipality, means-

(a) the placing on deposit of funds of a municipality with a financial institution; or

(b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

“long-term debt" means debt repayable over a period exceeding one year;

"municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipality"-

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means-

(a) an employee of a municipality or municipal entity;

(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or

(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"-

(a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

(c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"quarter" means any of the following periods in a financial year:

(a) 1 July to 30 September;

(b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

"service delivery and budget implementation plan" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

(a) projections for each month of-

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

(a) overspending of the total amount appropriated in the municipality's approved budget;
(b) overspending of the total amount appropriated for a vote in the approved budget;
(c) expenditure from a vote unrelated to the department or functional area covered by the vote;
(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
(f) a grant by the municipality otherwise than in accordance with the MFMA;

"virement" refer to the definition of budget transfer

"vote" means-

(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the
(b) municipality; and
(c) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. OBJECTIVES OF POLICY

The objective of the budget policy is to:

a) Set out the principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget

b) Outline the responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget

c) Establish and maintain procedures to ensure adherence to Stellenbosch Municipality's Integrated Development Plan (IDP) review and budget processes

d) Give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets

The policy shall apply to all staff and councillors of the Stellenbosch Municipality that are involved in budget implementation.

4. BUDGET PREPARATION PROCESS

4.1 Budget Steering Committee

a) The mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

b) The steering committee must consist of at least the following persons:

I. the councilor responsible for financial matters;
II. the municipal manager;
III. the chief financial officer;
IV. the senior managers responsible for at least the three largest votes in the municipality;
V. the manager responsible for budgeting;
VI. the manager responsible for planning; and
VII. any technical experts on infrastructure.

4.2 Roles and responsibilities

4.2.1 Executive Mayor

a) As provided in Section 21(1) of the MFMA, the Mayor is responsible for:

I. Co-ordinating the process for preparing the annual budget and for reviewing the Integrated Development Plan ("IDP") and budget related-policies;
II. Tabling in the council a time schedule outlining key deadlines.

b) In addition, as provided in Section 21(2) of the MFMA, for purposes of preparing the budget, the Mayor is required to:

I. Take into account the Municipality's IDP;
II. Take all reasonable steps to ensure that the Municipality revises the IDP;
III. Take into account the national budget, the provincial budget, the national government's fiscal and macro-economic policy, the Annual Division of Revenue Act and any agreements reached in the budget forum;

IV. Consult the relevant district municipality, if applicable, and local municipalities within the district, the provincial treasury, and when requested, the national treasury, and any national organs of state as may be prescribed;

V. Provide on request information to the National Treasury and other organs of state and other municipalities affected by the budget.

c) Pursuant to Section 52 of the MFMA the mayor must:

I. provide general political guidance over the fiscal and financial affairs of the municipality:

II. in providing such general political guidance. may monitor and. to the extent provided in

III. the MFMA, oversee the exercise of responsibilities assigned in terms of the MFMA to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;

IV. must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;

V. must within 30 days of the end of each quarter. submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and

VI. must exercise the other powers and perform the other duties assigned to the mayor in terms of the MFMA or delegated by the council to the mayor.

d) As Required by Section 53 of the MFMA, the mayor must:

I. provide general political guidance over the budget process and the priorities that must guide the preparation of a budget;

II. co-ordinate the annual revision of the integrated development plan in terms of section 34 of the Municipal Systems Act and the preparation of the annual budget, and determine how the integrated development plan is to be taken into account or revised for the purposes of the budget; and

III. take all reasonable steps to ensure that:

a. the municipality approves its annual budget before the start of the budget year;

b. the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget; and

c. the annual performance agreements as required in terms of section 57(1)(6) of the Municipal Systems Act, for the municipal manager and all senior managers comply with the MFMA and in particular, the provisions of Section 53(1)(c)(iii) of the MFMA;

iv. promptly report to the municipal council and the MEC for finance in the province any delay in the tabling of an annual budget, the approval of the service delivery and budget implementation plan or the signing of the annual performance agreements referred to above; and

v. ensure-

a. that the revenue and expenditure projections for each month and the service deliverytargets and performance indicators for each quarter. as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan: and

b. that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.

4.2.2 Accounting Officer

a. The Accounting Officer shall provide technical and administrative support to the Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.

b. The Accounting Officer shall ensure that all heads of departments provide the inputs required by the Chief Financial Officer for the purpose of preparing the budget.

c. The Accounting Officer shall delegate to the Chief Financial Officer all such powers as may be necessary for the Chief Financial Officer to prepare the budgets.

4.2.3 Chief Financial Officer

a. The Chief Financial Officer shall provide technical and administrative support to the Executive

Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.

b. The Chief Financial Officer shall be responsible for preparing the budgets, as delegated by the Accounting Officer.

c. The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determine by the mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the mayor on the revision of the IDP and the budget-related policies where these are indicated.

4.2.4 Directors directly accountable to the Accounting Officer

a. Directors shall provide technical and administrative support to the Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as the consultative process and the furnishing of information.

4.3 Public participation process

a) Immediately after the draft resolutions of the annual budget is tabled in a municipal council, the Accounting Officer of the municipality must— in accordance with Chapter 4 of the Municipal Systems Act-

I. make public the annual budget and the documents referred to in section 17(3); and
II. invite the local community to submit representations in connection with the budget; and
III. submit the annual budget—(draft budget)
IV. in both printed and electronic formats to the National Treasury and the relevant provincial treasury as prescribed by National Treasury ; and
V. in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

b) When the annual budget has been tabled, the municipal council must consider any views of-

I. the local community; and
II. the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.

c) The Municipal Manager must also make public any information that the municipal council considers appropriate to facilitate the budget consultation process, including:

i. Summaries of the annual budget and supporting documents in alternate language predominant in the community; and
ii. Information relevant to each ward in the municipality
iii. All the information contemplated in sub-regulation (c) must cover
iv. The relevant financial and service delivery implications of the annual budget; and
v. At least the previous year's actual outcome, the current year's forecast outcome, the budget year, and the following two years.

d) When submitting the annual budget to the National Treasury and the relevant provincial treasury, the municipal manager must also submit to National Treasury and the relevant provincial treasury, both in printed and electronic form –

I. The supporting budget documentation as tabled in the municipal council;
II. The draft Service Delivery and Budget Implementation Plan (SDBIP); and
III. Any other information as may be required by National Treasury.

e) The Municipal Manager must send copies of the annual budget and supporting documentation as tabled in the municipal council, in both printed and electronic form to:

I. Any other municipality affected by the annual budget within ten working days of the annual budget being tabled in the municipal council; and
II. Any organ of state on receipt of a request from the organ of state.

f) After considering all budget submissions, the council must give the Executive Mayor an opportunity-

I. to respond to the submissions; and
II. if necessary, to revise the budget and table amendments for consideration by the council.

g) Within consideration of the approval of the Annual Budget and thirty (30) days before the start of the budget year the Executive Mayor must table the following documents in the Council in consideration of the annual budget approval

I. A report summarizing the local community's views on the annual budget;

II. Any comments on the annual budget received from National Treasury and Provincial Treasury;
III. Any comments on the annual budget received from any organ of state, including any affected municipality; and
IV. Any comments on the annual budget received from any other stakeholders.

h) The Municipal Manager must assist the Executive Mayor in the preparation of the documents referred to in sub-regulation (g) and 23 (2) of the Act.

4.4 Approval of the budget

(a) Council shall consider the medium term revenue and expenditure framework budget (MTREF) for approval not later than 31 May (30 days before the start of the budget year).

(b) The council resolution must contain budget policies and the performance measures to be adopted.

(c) The council must consider the full implications, financial or otherwise, of the annual budget and supporting documentation before approving the annual budget.

(d) When approving the annual budget, the council must consider and adopt separate resolutions dealing with each of the matters contemplated.

(e) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.

(f) The budget tabled to Council for approval shall include the following supporting documents:

I. draft resolutions approving the budget and levying property rates, other taxes and
II. tariffs for the financial year concerned;
III. measurable performance objectives for each budget vote, taking into account the
IV. municipality's IDP;
V. the projected cash flows for the financial year by revenue sources and expenditure
VI. votes;
VII. any proposed amendments to the IDP;
VIII. any proposed amendments to the budget-related policies;
IX. particulars of any proposed allocations or grants to other municipalities, municipal
X. entities, external mechanisms assisting the municipality in service delivery, other

XI. organs of state, and organizations such as non- governmental organizations,
XII. welfare institutions and so on;
XIII. particulars of the municipality's investments;
XIV. particulars of any proposed service delivery agreements, including material
XV. amendments to existing service delivery agreements;
XVI. the proposed cost to the municipality for the budget year of the salary, allowances
XVII. and benefits of-

(i) each political office-bearer of the municipality;
(ii) councillors of the municipality; and
(iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;

4.5 Service Delivery and Budget Implementation Plan (SDBIP)

a) The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council, and within ten days (10) after the Executive Mayor has approved the Plan it has to be made public.

b) The SDBIP shall include the following components:

I. Projections for each month of Revenue to be collected, by source, and Operational and capital expenditure, by vote;
II. Service delivery targets and performance indicators for each quarter;
III. Monthly projections of revenue to be collected for each source;
IV. Monthly projections of expenditure (operating and capital) and revenue for each vote;
V. Quarterly projections of service delivery targets and performance indicators for each vote;
VI. Information for expenditure and delivery; and
VII. Detailed capital works plan.

5. BUDGET PRINCIPLES

a) The municipality shall ensure that revenue projections in the budget are realistic taking into account actual collection levels. The expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.

b) Stellenbosch Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) which will be reviewed annually and will be approved by Council. The MTREF budget will at all times be within the framework of the Municipal Integrated Development Plan (IDP).

c) The annual budget will consist of a Capital and Operating Budget which will be discussed below:

5.1 Capital Budgets

a) The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year.

5.1.1 Basis of Calculation

a) The zero based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.

b) The annual capital budget shall be based on realistically anticipated revenue (capital loans to be taken up will be deemed to be part of this), which should be equal to the anticipated capital expenditure in order to result in a balanced budget.

c) The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.

d) In addition, the council shall consider the likely impact of such operational expenses- net of any revenues expected to be generated by such item- on future property rates and service tariffs.

5.1.2 Financing

1. **Own Financing Sources**

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

a) unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
b) further amounts appropriated as contributions in each annual or adjustments budget; and
c) net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

2. **Other Finance Sources**

The Ad- Hoc capital budget shall be financed from external sources such as the following:

a) Grants and subsidies as allocated in the annual Division of Revenue of Act;
b) Grants and subsidies as allocated by Provincial Government;
c) External Loans;
d) Private Contributions;
e) Contributions from the Capital Development Fund (developer's contributions); and
f) Any other financing source secured by the local authority.

5.1.3 Implementation

a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) should be compiled.
b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.
c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.

e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.

f) Each directorate can use their respective vote numbers as indicated on the capital budget

5.2 Operational Budget

The operational budget refers to the funds that would be raised in the delivery of basic services, grants & subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

5.2.1 Basis of Calculation

a) A zero based approach is used in preparing the annual operating budget.

b) The annual operating budget shall be based on realistically anticipated revenue.

c) An income based approach shall be used whereby realistically anticipated income is determined first and the level of operating expenditure would be based on the determined income flows.

5.2.2 Financing

The operating budget shall be financed from the following sources:

a) <u>Service Charges</u>

(i) Electricity Charges
(ii) Water Sales
(iii) Refuse Removal Fees
(iv) Sewerage Fees

Increases in tariffs should be cost reflective.

b) <u>Property rates</u>

Increases in rates will as far as possible be limited to inflation.

c) Grants & Subsidies

Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other subsidies received by the organization.

d) Interest on Investments

The budget for interest and investment shall be in accordance with the Cash Management and Investment policy of the organization.

e) Rental Fees

Income from rental property will be budgeted for based on the percentage growth rate as determined by Financial Services for a particular budget year.

f) Fines

Income from fines will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year.

g) Other Income

All other income items will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year.

5.2.3 Implementation

a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is compiled.

b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.

c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)

d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.

e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.

f) Each directorate can use their respective vote numbers as indicated on the capital budget.

5.3 Contents of the Budget

a) The budget must comply with the provisions of Section 17(1) of the MFMA, and in particular:

i. The budget must be in the format prescribed by the regulations;
ii. The budget must reflect the realistically expected revenues by major source for the budget year concerned;
iii. The expenses reflected in the budget must be divided into the votes of the various departments of the municipality;
iv. The budget must also contain:

1. the foregoing information for the two years immediately succeeding the financial year to which the budget relates;
2. the actual revenues and expenses for the previous financial year , and
3. the estimated revenues and expenses for the current year.

b) The budget must be accompanied by all of the documents referred to in Section 17(3) of the MFMA.

c) For the purposes of Section 17(3) (k) of the MFMA, the salary, allowances and benefits of each group referred to therein must be stated individually.

5.4 Components of the Budget

a) The annual budget and adjustments budget shall, as required by Section 17(2) of the MFMA consist of:

I. the capital component, and
II. the operating component.

b) The operating component shall duly reflect the impact of the capital component on:

I. Compensation of employees & Remuneration of Councilors
II. Bulk Service Expenses
III. Depreciation charges;
IV. Repairs and maintenance expenses;
V. Interest payable on external borrowings; and
VI. Other operating expenses.

c) Before approving the capital budget component of the annual or adjustments budget, the council shall consider the impact of the capital component on the present and future operating budgets of the municipality in relation to the items referred to:

I. The projected cost covering all financial years until the project is operational;
II. The future operational costs and revenue on the project, including municipal tax and tariff implications.
III. All capital projects have an effect on future operating budgets. The following cost factors must therefore be considered before approval:

1) Additional personnel cost to staff new facilities once operational;
2) Additional contracted services, such as security, cleaning etc.
3) Additional general expenditure, such as services cost, stationery, telephones, material etc.
4) Additional other capital requirements to operate the facility, such as vehicles, plant and equipment, furniture and office equipment etc.
5) Additional costs to maintain the assets;
6) Additional interest and redemption in the case of borrowings;
7) Additional depreciation charges;
8) Additional revenue generation. The impact of expenditure items must be offset by additional revenue generated to determine the real impact on tariffs.

6. ADJUSTMENTS BUDGETS

(a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.

(b) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.

(c) Council may revise its annual budget by means of an adjustments budget as regulated.

(d) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.

(e) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with Item 2 of Section 10.

(f) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.

(g) Only the Executive mayor shall table an adjustment budget. Adjustments budget shall be done once as part of the mid-year budget performance assessment.

(h) An adjustments budget must contain all of the following:

I. an explanation of how the adjustments affect the approved annual budget
II. appropriate motivations for material adjustments; and
III. an explanation of the impact of any increased spending on the current and future annual budgets.

(i) Any unappropriated surplus from previous financial years, even if fully cash-backed, may not be used to balance any adjustments budget, but may be appropriated to the municipality's capital replacement reserve.

(j) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan and or per National Treasury Regulations.

(k) Unauthorised expenses may be authorised in an adjustments budget.

6.1 Formats of adjustments budgets

(a) An adjustment budget and supporting documentation of a municipality must be in the format specified by National Treasury and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

6.2 Funding of the adjustments budgets

(a) An adjustments budget of a municipality must be appropriately funded.

(b) The supporting documentation to accompany an adjustments budget in terms of section 28(5) of the Act must contain an explanation of how the adjustments budget is funded.

6.3 Timeframes for tabling of adjustments budgets

(a) An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time during the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

(b) Only one adjustments budget referred to in subregulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case subregulation (3) applies.

(c) If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

(d) An adjustments budget referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred within the period set in section 29(3) of the Act.

(e) An adjustments budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council by 25 August of the financial year following the financial year to which the roll-overs relate.

(f) An adjustments budget contemplated in section 28(2)(G) of the Act may only authorise unauthorised expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –

(g) dealt with as part of the adjustments budget contemplated in subregulation (1); and

(h) a special adjustments budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.

6.4 Submission of tabled adjustments budgets

(a) The municipal manager must comply with section 28(7) of the Act, read together with section 22(b)(i) of the Act, within ten working days after the mayor has tabled an adjustments budget in the municipal council.

(b) When submitting the tabled adjustments budget to the National Treasury and the relevant provincial treasury in terms of section 28(7) of the Act, read together with section 22(b)(i) of the Act, the municipal manager must submit in both printed and electronic form

i. the supporting documentation referred to in section 28(5) of the Act within ten working days of the adjustments budget being tabled in the municipal council; and

ii. any other information as may be required by National Treasury.

(b) The municipal manager must send copies of an adjustments budget and supporting documentation, in both printed and electronic form to –

I. any other municipality affected by that adjustments budget within ten working days of the adjustments budget being tabled in the municipal council; and

II. any other organ of state on receipt of a request from that organ of state.

6.5 Approval of adjustment budget

(i) A municipal council must consider the full implications, financial or otherwise, of the adjustments budget and supporting documentation referred to in section (1) (a) before approving the adjustments budget.

(j) When approving the adjustment budget, a municipal council must consider and adopt separate resolutions dealing with each of the matters listed in item 4 of Schedule B.

6.6 Publications of approved adjustment budget

(a) Within ten 10 working days after the municipal council has approved an adjustment budget, the municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved adjustments budget and supporting documentation, as well as the resolutions referred to in section 5 (a).

(b) When making public an adjustment budget and supporting documentation, the municipal Manager must make public awareness of the adjustment budget, including –

(c) Summaries of the adjustment budget and supporting documentation in alternate languages predominant in the community;

(d) Information relevant to each ward in the municipality, if that ward is affected by the adjustments budget; and

(e) Any consequential amendment of the service delivery and budget implementation plan that is necessitated by the adjustments budget.

6.7 Submission of approved adjustments budget and other documents

(a) The municipal Manger must comply with section 28(7) of the Act read together with section 24(3) of the Act within ten working days after the municipal council has approved and adjustments budget.

b) When submitting an adjustments budget to National Treasury and other relevant provincial treasury in terms of section 28(7) of the Act read together with section 24(3) of the Act, the municipal manager must also submit to National Treasury and the relevant provincial treasury, I both printed and electronic form –

i. The supporting documentation within ten working days after the municipal council has approved the adjustments budget;
ii. The amended service delivery and budget implementation plan, within ten working days after the council has approved the amended plan in terms of the section 54(1)(c) of the Act; and
iii. Any other information as may be required by the National Treasury.

(c) The municipal manager must send copies of an adjustments budget and supporting documentation, in both electronic and printed form to –

i. Any other municipality affected by that adjustments budget within ten (10) working days of the adjustments budget being tabled in the municipal council; and
ii. Any other organ of state on receipt of a request from that organ of state.

7. BUDGET IMPLEMENTATION

7.1 Monitoring (Section 71 of MFMA)

(a) The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take all reasonable steps to ensure that:

I. funds are spent in accordance with the budget;
II. expenses are reduced if expected revenues are less than projected; and
III. revenues and expenses are properly monitored.

7.2 Reporting

7.2.1 Monthly budget statements (Section 71 of the MFMA)

(b) Accounting Officer with the assistance of the Chief Financial Officer must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

(c) This report must reflect the following:

i. actual revenues per source, compared with budgeted revenues;
ii. actual expenses per vote, compared with budgeted expenses;
iii. actual capital expenditure per vote, compared with budgeted expenses;
iv. actual borrowings, compared with the borrowings envisaged to fund the capital budget;
v. the amount of allocations received, compared with the budgeted amount;
vi. actual expenses against allocations, but excluding expenses in respect of the equitable share;
vii. explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;

viii. the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and

ix. projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

7.2.2 Quarterly Reports (Section 52 of MFMA)

(a) The Executive Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality. The report submitted to National and Provincial Treasury must be both in electronic format and in a signed written document.

7.2.3 Mid-year budget and performance assessment (Section 72 and 88 of MFMA)

(a) The Accounting Officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

(b) The Accounting officer must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

(c) The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

8. REVIEW OF POLICY

(a) This shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives, good governance, prudent expenditure management and with relevant legislation.

APPENDIX 23

STELLENBOSCH MUNICIPALITY

BORROWING, FUNDS AND RESERVES POLICY

2020/2021

STELLENBOSCH MUNICIPALITY

BORROWING, FUNDS AND RESERVES POLICY

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1. INTRODUCTION

The documented **Borrowing, Funds and Reserves Policy**, sets out the framework for the prudent use of Borrowing, Funds and Reserves available to the Municipality.

This Policy should be implemented in conjunction with the approved **Liquidity Policy**. The Liquidity Policy sets out the prudent level of cash to be maintained by the Municipality as one of several factors to ensure long term financial sustainability. It is however of equal importance to protect, maintain and extend the infrastructure of the Municipality to ensure the continued provision of services at an acceptable standard.

This policy is implemented to provide guidance on the appropriation of capital funding resources on a sustainable basis in the longer term.

2. BACKGROUND AND APPROACH

With reference to the applicable legislation as referred to in paragraph 3 below. Legislation exists and prescribes the framework of a Borrowing as well as Funds and Reserves Policy and these factors will all be addressed in this Policy.

Although legislation provides guidance as to the broader framework to ensure financial management of resources to ensure the Council meets all of its obligations timeously, it is not prescriptive with regards to quantifying not only the prudent level of Borrowing, Funds and Reserves but more so the optimal level hereof.

Therefore in this Policy cognisance has been taken of the legislative guidelines whilst more prescriptive guidelines are set for the optimal management and monitoring of resources to the Municipality's avail based on sound financial practices.

3. LEGISLATIVE REQUIREMENTS

The legislative framework governing borrowings, funds and reserves are:

1.1. Local Government Municipal Finance Management Act, Act 56 of 2003 (MFMA) must be complied with; and

1.1.1. MFMA Circular 71 stipulates the following guidelines regarding borrowing:

Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure
(Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure) x100

Criteria: 6% - 8%

Debt (Total Borrowings) / Revenue
(Overdraft + Current Finance Lease Obligation + Non Finance Lease Obligation + Short Term Borrowings + Long Term Borrowings) / Total Operating Revenue

Criteria: Maximum 45%

1.2. Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.

4. FUNDING POLICY

The Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009 stipulates:

8. (1) Each municipality must have a funding and reserves policy which must set out the assumptions and methodology for estimating –

(a) projected billings, collections and all direct revenues;
(b) the provision for revenue that will not be collected;
(c) the funds the municipality can expect to receive from investments;
(d) the dividends the municipality can expect to receive from municipal entities;
(e) the proceeds the municipality can expect to receive from transfer or disposal of assets;
(f) the municipality's borrowing requirements;
(g) the funds to be set aside in reserves.

In terms of Section 18 and 19 of the MFMA an **annual budget** may only be funded from:

Cash backed accumulated funds from previous years' surpluses not committed for other purposes:

Transfers from the accumulated surplus to fund operating expenditure will only be allowed for specific once-off projects with no recurring operating expenditure resulting thereof.

Borrowed funds, but only for capital projects:

Actual capital expenditure may only be incurred on a capital project if the funding for the project has been appropriated in the Capital Budget, but has also been secured from the financial source that is not committed for another purpose.

Realistically anticipated revenues to be collected:

Realistic anticipated revenue projections must take into account projected revenue for the current year based on actual collection levels in previous financial years.

4.1. OPERATING BUDGET

The Operating Budget should be cash funded. The Operating Budget is funded from the following main sources of revenue:

a) Property Rates;
b) Surplus generated from Service Charges;
c) Government Grants and Subsidies;
d) Other revenue, fines, interest received etc.;

The following guiding principles apply when compiling the Operating Budget:

a) Growth parameters must be realistic taking into account the current economic conditions;
b) Tariff adjustments must be in line with the following approved policies: ***Tariff Policy and Indigent Policy***;
c) Revenue from Government Grants and Subsidies must be in line with allocations gazette in the Division of Revenue Act and provincial gazettes. Transfers of a conditional nature must be appropriated only as prescribed and should not be used to fund the Operating Budget;
d) Revenue from public contributions, donations or any other grants may only be included in the Budget if there is acceptable documentation that guarantees the funds and if the transfers are unconditional of nature;

e) Provision for revenue that will not be collected is made against the expenditure item bad debt and based on actual collection levels for the previous financial year and the reasonably projected annual non-payment rate;
f) Interest received from actual Long-term and or Short-term Investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends. The actual amount allocated for interest on investments is contributed to the Capital Replacement Reserve;
g) A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total as well as new and/or funded vacant positions. As a guiding principle the salary budget should not constitute more than 35% of annual Operating Expenditure;
h) Depreciation charges are fully budgeted for according to the Asset Register.
i) The annual cash flow requirement for the repayment of borrowings must fully be taken into consideration with the setting of tariffs;
j) Sufficient provision must be made for the maintenance of existing infrastructure based on affordable levels. The maintenance budgets are normally lower than the recommended levelsAs a guiding principle repair and maintenance should constitute between 5% and 8% of total operating expenditure and should annually be increased incrementally until the required targets are achieved;
k) Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over expenditure.

4.2. CAPITAL BUDGET

The capital budget provides funding for the municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments and enlargement of bulk infrastructure.

The capital budget is limited by the availability and access to the following main sources of funding:

a) Accumulated cash backed internal reserves such as the Capital Replacement Reserve;
b) External borrowings;
c) Government Grants and Subsidies;
d) Public Donations and Contributions.

The following guiding principles apply when considering sources of funding for the capital budget:

a) Government Grants and Subsidies:

a. Only Government Gazetted allocations or transfers as reflected in the Division of Revenue Act or allocations as per Provincial Gazettes may be used to fund projects;
b. The conditions of the specific grant must be taken into consideration when allocated to a specific project.

b) Public Donations and Contributions:

a. In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the funding has been received by the municipality already.

c) External Borrowing:

a. The borrowing requirements as contained in the **Borrowing Policy** in paragraph 6 are used as a basis to determine the affordability of external loans over the Medium Term Income and Expenditure Framework. The ratios to be considered to take up additional borrowings are as follows, unless in contravention with any loan covenants:
    i. Estimated long-term credit rating of BBB and higher;
    ii. Interest Paid to Total Expenditure not to exceed 5%;
    iii. Total Long-term Debt to Total Operating Revenue (excluding conditional grants and transfers) not to exceed 35%;
    iv. Operating Cash Surplus generated before loan repayments are made covers the Total Annual Repayment at least 1 time;
    v. Percentages of Total Annual Repayment (Capital and Interest) to Operating Expenditure to be less than 10%.

d) Cash backed Reserves

a. Allocations to capital projects from cash backed internal reserves will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve. With reference to Paragraph 5, **Reserves Policy.**

All capital projects have an effect on future operating budget therefore the following additional cost factors should be considered before approval:

a) Personnel cost to staff new facilities once operational;
b) Contracted services, that is, security, cleaning etc.;
c) General expenditure such as services cost, stationery, telephones, material etc.;
d) Other capital requirements to the operate facility such as vehicles, plant and equipment, furniture and office equipment etc.;
e) Costs to maintain the assets;
f) Interest and redemption in the case of borrowings;
g) Depreciation charges;
h) Revenue generation as the additional expenses incurred may be offset by additional revenue generated to determine the real impact on tariffs.

5. RESERVES POLICY

All reserves are “ring fenced” as internal reserves within the accumulated surplus, except for provisions as allowed by the General Recognized Accounting Practices (GRAP):

a) Housing Development Fund;
b) Revaluation Reserve

The municipality endeavours to effectively utilise and maintain the **Capital Replacement Reserve** for the funding of capital replacement and renewal for future financial years. This reserve needs to be cash backed. This will provide the Municipality with a more balanced capital funding approach in the longer term thereby reducing the risk of reaching its maximum gearing ability or depleting its free cash.

This Reserve can be generated as follows from the Operating Budget; the following methodology needs to be read in conjunction with the **Liquidity Policy**:

a) Cash generated from Operating Activities:

a. The Municipality has maintained a strong ability to generate surplus operational cash flow which it has used to fund most of its capital spending in the past;

b. In the past depreciation charges could be considered sufficiently cash backed based on the cash surplus generated prior to capital spending. However going forward should capital spending increase sharply it will result simultaneously with Depreciation charges increasing sharply which may therefore in future not be fully supported by cash;
c. Depreciation is a method to generate future cash. Therefore it is prudent to annually measure the cash coverage for depreciation charges until it is fully funded from cash through tariff setting;
d. As at year end it is to be determined whether the Municipality meets its **Minimum Liquidity Criteria** as stipulated in the **Liquidity Policy**, excess cash in addition to this prescribed level is to be calculated and appropriated to the Capital Replacement Reserve and no more than 80% of the balance of the Capital Replacement Reserve as at year end should be allocated to the following year's capital budget unless sufficient recommendations are made to Council to substantiate such a decision.

b) Interest received on the investment made for the Capital Replacement Reserve

6. BORROWING POLICY

It is required that the Municipality comply with the guidelines of Chapter 6 of the MFMA with regards to Debt Disclosure as detailed in Sections 46, 47, 48 and 49. This section should be read in conjunction with point c) under paragraph 4.2. on page 6. External borrowings may only be incurred for approved capital programmes and may under no circumstances be allocated to fund the Operating Budget.

Municipal infrastructure has a long-term economic life and it is appropriate to fund assets of this nature with long term external borrowing. The economic life of assets should be equal to or longer than the tenure of the external borrowing.
The following needs to be taken into consideration when accessing external borrowing:

a) Types of loan financing

a. Annuity Loans enable the Municipality to provide for the redemption of loans on an amortising basis which is generally the most cost effective method of financing often referred to as vanilla funding;

b. Bullet Redemption Loans are attractive as interest on the loan is serviced with the capital redemption only taking place at the end of the tenure of the loan. However, this method is more costly as interest is paid on the full debt throughout the term as the Capital does not reduce. This type of loan also requires an annual contribution to a sinking fund, which in essence then mimics the traits of an annuity loan although at a higher cost. The use of such structure warrants a detailed motivation based on the benefits to the implementation of the capital project;
c. Sculpted Repayment Loans offer a combination of the above two types, as loans are sculpted according to the potential cash flows to be generated from the capital project in future. For example the following can be included in a sculpted loan:
    i. A capital grace period in the first years of the development of the capital project;
    ii. An incremental annual increase in the repayment in relation to the projected growth in revenue from the project.

b) Interest Rate Risk Management

a. The impact of interest and capital redemption payments on both the current and forecasted property rates and service charges through tariffs taking into consideration the current and future capacity of the consumer to pay therefore;
b. Likely movement in interest rates for variable rate borrowings. There are benefits to be yielded from borrowing on a variable rate if rates are projected to decrease in future, however it is prudent for the Municipality to enter into fixed interest rate loans to accurately budget for expenses incurred.

c) Tenure of Borrowing

a. The tenure of external borrowings should where possible match the economic useful life of the asset.

d) Security

a. Unless sufficient motivation is provided and other than for the provision of a sinking fund for the redemption of a bullet loan, the provision of any security

against external borrowings, should be specifically motivated by the CFO for approval.

e) Loan Covenants

a. The Municipality is to maintain a Loan Covenants Register detailing the covenants entered into with each active loan agreement until date of maturity thereof;
b. Compliance with all loan covenants are to be monitored and reported on semi-annually to ensure that the Municipality does not breach any covenants;
c. Should a default be triggered based on non-compliance with loan covenants, the Municipality is to alert Council and send the related Financial Institutions a written commitment to address the matter within a reasonable timeframe.

f) Level of gearing

a. As stipulated in point c) under paragraph 4.2. on page 6, gearing is not only limited by the level of debt against the Total Operating Income (excluding conditional grants) but also limited by other operational factors including compliance with the stipulations of the approved **Liquidity Policy**.

7. CORPORATE GOVERNANCE (OVERSIGHT)

Compliance with the various stipulations as documented in this Borrowing, Funds and Reserves Policy need to be monitored by the Chief Financial Officer and reported on to the Municipal Manager on a monthly basis and to the Finance/Audit Committee on a quarterly basis.

Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Finance Committee must monitor the successful implementation of the corrective action plans and report progress to Council.

8. TRANSITIONAL ARRANGEMENT

Upon adoption of this policy by the Council, the Municipal Manager in conjunction with the Chief Financial Officer must determine the current performance levels of the Municipality against this Policy and present a plan of action towards achieving and maintaining the stipulation as set out in this policy thereby utilising a more blended funding mix for capital infrastructure investment.

The Council must approve an appropriate timeframe within which the Municipality must achieve the approved stipulations as set out in this Policy. The period between the date of the policy adoption by Council and the target date for compliance shall be known as the Transitional Period.

The Finance Committee must report progress during the approved Transitional Period to the Council.

9. POLICY MANAGEMENT

The Borrowing, Funds and Reserves Policy forms part of the Municipality's overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval.

The Policy is effective from the date it is approved by Council.

APPENDIX 24

STELLENBOSCH MUNICIPALITY

FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY

2020/2021

STELLENBOSCH MUNICIPALITY

FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY

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1. DEFINITIONS

1.1 In this policy unless the context indicates otherwise:

1.1.1 "**Accounting Officer**" means the Municipal Manager as referred to in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003 ("MFMA");

1.1.2 **"Approved Budget"** means the Municipality's annual budget approved by the Council in terms of section 24 of the MFMA and include an adjustment budget in terms of Section 28 of the MFMA;

1.1.3 **"Community"** means the residents within the Stellenbosch WCO24 area;

1.1.4 **"Constitution"** means the Constitution of the Republic of South Africa, 1996;

1.1.5 **"Director"** means a person appointed in terms of section 56 of the Systems Act who is directly accountable to the Municipal Manager;

1.1.6 **"Executive Mayor"** means the councillor elected as the Executive Mayor in terms of section 55 of the Local Government: Municipal Structures Act, 32 of 2000 ("the Structures Act");

1.1.7 **"Chief Financial Officer"** or "CFO" means an official as envisaged in section 80(2)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003 ("MFMA");

1.1.8 **"Grant"** means a grant or allocation, as referred to in section 17(3)(j(ii) and 17(3)(j(iv) of the MFMA, made by the Municipality to any organisation or body referred to in section 67(1) and to be utilised to assist the Municipality in fulfilling its constitutional mandates including local tourism, municipal health services and such other municipal functions contemplated in Part B of Schedules 4 and 5 of the Constitution;

1.1.9 **"Grant Committee"** means the Committee established in terms of clause 7 of this policy;

1.1.10 **"official"** means an employee in the service of the Municipality;

1.1.11 **"organisation or body"** means those organisations or bodies outside any sphere of government making application for Grants in terms of this Policy, Which include associations, non-profit organisations or companies or trusts;

1.1.12 **"the Systems Act"** means the Local Government: Municipal Systems Act, 32 of 2000;

1.1.13 **"the Structures Act"** means the Local Government: Municipal Structures Act, 117 of 1998;

1.1.14 **"the MFMA"** means the Local Government: Municipal Finance Management Act, 56 of 2003;

1.1.15 **"the Municipality"** means the Stellenbosch Municipality and reference to Council has a similar meaning;

1.1.16 **“the Policy”** means the Financing of External Organisation/Bodies Performing Municipal Function Policy as set out in this document.

1.1.17 **"service delivery agreement"** or "MOA" means the agreement entered into between the Municipality and any organisation or body which received a Grant in terms of this Policy.

1. PURPOSE, AIMS AND OBJECTIVES

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

1.2 The purpose of this Policy is to ensure the efficient performance of the municipal function entrusted to that external organisation/body in a manner which gives effect to the goals and objectives of the Municipality’s Integrated Development Plan ("IDP") by establishing partnerships between the municipality and the organisatons and bodies performing the functions on behalf of the Municipality.

1.3 The Municipality will favour grants for achievement of outcomes aligned to the IDP. The objective of the funding of external bodied performing municipal functions is primarily to ensure the achievement of agreed outcomes to improve the health and well-being of the citizens and not to cover administrative costs and salaries.

2. LEGAL FRAMEWORK

2.1 In terms of section 156 of the Constitution, the Municipality has executive authority in respect of and the right to administer –

2.1.1 the local government matters listed in Part B of Schedule 4 and 5; and

2.1.2 any other matters assigned to it by national and provincial legislation.

2.2 Section 16(2) of the MFMA provides that the Mayor of the Municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. Section 17(3)(j)(ii) and 17(3)(j)(iv) provides that when an annual budget is tabled in terms of section 16(2) it must include particulars of any proposed allocation or grants by the municipality to any municipal entities and other external mechanism assisting the municipality in the exercise of its functions or power and any organisation or bodies referred to in section 67(1).

2.3 Immediately after the tabling of the annual budget the accounting officer must make public the annual budget and invite the local community to submit representations in connection with the budget before the budget is approved by Council in terms of section 24 of the MFMA.

2.4 Section 67 of the MFMA provides that the Municipality implement and sustain proper and effective controls and procedures when transferring funds of the

Municipality to an organisation or body outside any sphere of government.

2.5 Section 67(1) provides that the accounting officer must be satisfied that the organisation or body has the capacity and agreed to comply with any agreement with the Municipality including all reporting, financial management and auditing requirements as may be stipulated in the agreement, to report at least monthly to the accounting officer on actual expenditure against such transfer and to submit audited financial statements for its financial year to the accounting officer promptly. The organization must implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement and has the obligation to prove in terms of previous similar transfers that it has complied with all the requirements. The accounting officer must through contractual and other appropriate mechanism enforce compliance with this policy.

2.6 All transfer of funds in terms of this Policy shall comply with the Constitution, the Systems Act, the Structures Act, the MFMA and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the aforementioned legislation.

3. PUBLIC ADVERTISEMENT AND APPLICATION PROCEDURE

3.1 Applications for funding of external bodies performing municipal functions shall be considered where organisations or bodies have responded to advertisements published in the local newspapers distributed in the Stellenbosch Municipal Area calling upon organisations or bodies to submit proposals in the prescribed form, as set out 4.3 below, to perform a specific municipal function for a period up to 3 years. Such advertisements may be published quarterly by the accounting officer.

3.2 Advertisements should clearly specify the categories for which requests are called, the closing date for applications, who they should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications, including the prescribed forms. Only applications made on the prescribed form (see Annexure A) may be considered.

3.3 The organisation/body must submit a detailed business plan with its application, confirming the envisaged outcomes their past achievements in the field and their commitment to performing that particular municipal function effectively and in line with Council's goals as set out in the IDP. Applications must be accompanied by a covering letter on the organisation/body letterhead, signed by the head of the organisation/body and must include the following information:

3.3.1 the organisation/body's legal name and a brief description of the organisation/body's business;

3.3.2 the organisation/body's registration number, if any;

3.3.3 the date of establishment, details of the organisation/body's members, founding documents, including constitution and certificates of incorporation;

3.3.4 the contact name of the person signing the application, full street address, telephone number and email address of the organisation;

3.3.5 if funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget

for and the duration of the project together with a written confirmation by the relevant municipal Director that the project is part of the IDP projects or programs;

3.3.6 references, independent of the organisation/body and the head of the organisation/body;

3.3.7 most recent audited financial statements not older than24 months;

3.3.8 a summary of its past achievements; and

3.3.9 a declaration by the head of the organisation/body to the satisfaction of the Municipal Manager that the organisation/body implements effective, efficient and transparent financial management and internal control mechanism to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds.

3.4 Individuals will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.

3.5 Organisations or bodies whose directors, managers, major shareholders or trustees are in service of the state will not be considered or appointed as an organisation/body to provide a municipal function as contemplated in this Policy.

3.6 The appointment of a particular organisation/body to perform a municipal function for a period of three (3) years does not guarantee financial support by the Municipality, which will be determined annually when the municipal budget is approved by the Municipal Council.

3.7 No late applications received, in response to an advertisement as contemplated in clause 3.1 and 3.2 above will be considered and processed by the Grant Committee.

4. OBLIGATIONS OF THE ORGANISATION/BODY

4.1 The head of the organisation/body must acknowledge in writing to the Municipal Manager that the money allocated was received in its bank account and that the money will be utilised in accordance with the completed and signed MOA, the submitted application and this Policy within 30 days of transfer of funds / payment, failing which no future grants may be considered.

4.2 The organisation / body shall submit monthly reports on actual expenditure against such transfer, the ward within which activities are conducted as well as the number of people benefiting from the activity to the Municipal Manager.

4.3 The relevant municipal Director must co-sign each monthly report to confirm monthly management and oversight of the activities.

5. RIGHTS OF THE MUNICIPALITY, CONTROL AND MONITORING

5.1 The relevant municipal Director shall be entitled, at any reasonable time from time to time, to verify and inspect the existence and activities of the organisation/body. The relevant municipal Director or his delegate has the right to physically visit the premises where the organisation/body or funded project is based, to peruse the budgets and any progress report related to the project.

5.2 The relevant municipal Director shall manage the service delivery agreement entered into between the Municipality and the organisation / body by inter alia receiving and considering monthly reports, inspecting financial records including audited financial statement.

5.3 If the organisation / body fails to comply with the terms and conditions of its service delivery agreement with the Municipality, the accounting officer may in consultation with the relevant municipal Director terminate the agreement with reasonable notice or grant the organization / body an opportunity to rectify the breach within an agreed period of not more than 90 days, failing which the accounting officer may terminate the agreement with reasonable notice.

5.4 The Municipality has the right not to give a Grant to any or all organisations/bodies applying for such Grants or to give proportional or partial grants to give. Having been awarded a Grant previously does not give an organisation/body the right to receive a Grant again.

5.5 The relevant municipal Director shall ensure that those organisations or bodies, who have received Grants in terms of this Policy:-

5.5.1 comply with all the provisions of the completed and signed MOA;

5.5.2 comply with all reporting, financial management and auditing requirements as stipulated in the MOA;

5.5.3 report at least monthly to the Municipality on actual expenditure against such transfer;

5.5.4 promptly, or no longer than 4 months after the end of their financial year, submit their audited financial statements; and

5.5.5 utilise the grant funding strictly in accordance with the approved business plan and approved budget.

5.6 The requirements in paragraphs 5.5.1 to 5.5.4 above shall not apply to organisations where the transfer does not exceed R200 000,00 (two hundred thousand rand), provided the Accounting Officer takes all reasonable steps to ensure that the targeted beneficiaries, as identified by the organisation or body in its application, receive the benefit of such grants and it certifies that compliance by that organisation or body with 5.5.1 to 5.5.4 above is uneconomical or unreasonable.

6. GRANT COMMITTEE

6.1 A Grant Committee consisting of at least the Municipal Manager, the Chief Financial Officer and one director of the Municipality, as well as any other official whom the Municipal Manager may include, shall evaluate all applications received in response to the local advertisement.

6.2 The Grant Committee will have the power to make recommendations to Council for final appointments and financial allocations.

6.3 The Grant Committee must submit a report on its decisions to the Council for final approval.

6.4 The Grant Committee shall, in terms of the Systems Act, establish a programme for community consultation and information dissemination regarding the appointment of any organisation/body and the availability of the service delivery agreement for perusal will be communicated to the local community through the media prior to any service delivery agreement being entered into between the Municipality and the organisation or body.

6.5 No payments in terms of the allocation will be made to any organisation / body until a service delivery agreement in the form approved by the accounting officer has been signed by the respective parties.

6.6 No payment can be made to an organisation/body until it has submitted its audited financial statements as contemplated in this Policy and a statement certified by its auditor that it has fully complied with its agreement with the Municipality.

6.7 Payments may be allocated as a once off amount or in tranches as determined by the CFO in consultation with the relevant municipal Director.

7. Funding acknowledgement of the Municipality

Successful applicants will be required to acknowledge the Municipality as the provider of Grant funding in their funding record as well as any public record in respect of Grants received in order to confirm that these transfers of funds are also part of the Municipality's endeavours to meet its strategic objectives and to assist it in carrying out its constitutional powers and functions.

8. COMMENCEMENT

This Policy called the **FINANCING OF EXTERNAL BODIES PERFORMING MUNICIPAL FUNCTIONS POLICY** takes effect on the date on which it is adopted by the Council.

APPENDIX A

STELLENBOSCH

STELLENBOSCH . PNIEL . FRANSCHHOEK

Municipality • Umasipala • Munisipaliteit

APPLICATION : FUNDING OF EXTERNAL BODIES PERFORMING A MUNICIPAL FUNCTION

NOTE: ONLY APPLICATIONS ON THIS PRESCRIBED FORM WILL BE CONSIDERED

PLEASE COMPLETE THE FOLLOWING:

A	**Registered name of organisation:** ……..
B	**Date and year in which the organisation was founded or incorporated (include brief description of business or activities of organisation):** …… …… …… ……
C	**Address:** (i) Street (ii) Postal ……..…… …….. …… …….. …… …… Contact details: Name and Surname: …….. Title/Position held: …… Tel: …… E-mail: ……...…….……
D	**List <u>ALL</u> the directors / board / committee members / shareholders / trustees of the organization (use additional pages if necessary):** Name and Surname: …….. Position: ……. Contact Address and tel. no: …… Name and Surname: ……..

	Contact Address and tel. no: …… Name and Surname: …….. Position: ……. Contact Address and tel. no: …… Name and Surname: …….. Position: ……. Contact Address and tel. no: …… Name and Surname: …….. Position: ……. Contact Address and tel. no: …… Name and Surname: …….. Position: ……. Contact Address and tel. no: ……
D	**Indicate in which ward the organisation is active**: Ward:_____ Is the organisation a non-profit company? Yes No If yes, provide company registration number:_____- Is the organisation a non-profit organisation as contemplated in section 13 of the Non-Profit Organisation Act, 1997? Yes No If yes, provide registration number:_____- Is the organisation a public benefit organisation as contemplated in terms of the Income Tax Act, 1962? Yes No If yes, provide registration number:_____- Is funding required for a specific project? Yes No If yes, attach details separately. Budget amount of projects: ……. Duration of project: …… Is funding required for general support? Yes No If yes, attach a copy of the organisation's overall budget and business plan.

E	**Category:** Please categorise your application (mark with x): Tourism Destination Marketing & Visitors Information Tourism Development Animal Welfare Note: For more detail, see attached Funding of External Bodies Performing a Municipal Function Policy.(general guidelines and categories) Please indicate the specific type of project/programme, as per the Funding of External Bodies Performing a Municipal Function Policy …… …… …… …… …… …… ……
F	**The following <u>MUST</u> accompany this application:** 1. A copy of the latest, audited financial statements. 2. A copy of the Organisation's Constitution or Memorandum of Incorporation as well as the resolutions/minutes adopting the Constitution or Memorandum of Incorporation. 3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. 4. An original copy of a correctly completed creditors control form of Stellenbosch Municipality. 5. If the Organisation received funding from Stellenbosch Municipality in the preceding financial year, you need to account for the expenditure of the funding received with your new application. 6. If the Organisation received funding from other bodies, please identify and list the amounts received;

	7. If the Organisation is a non-profit company as defined in the section 1 of the Companies Act, 2008, a certificate/letter issued by the Companies and Intellectual Property Commission (CIPC) confirming registration must be attached; 8. If the Organisation has been registered as a “non-profit” organisation in terms of the Non-Profit Organisation Act, 1997, a certificate/letter issued by the Department of Social Development confirming registration as a non-profit organisation must be attached; 9. If the Organisation has been registered as a “Public Benefit Organisation" in terms of the Income Tax Act, 1962, a certificate/letter issued by SARS confirming the Organisation's tax exemption status must be attached; and 10. Valid Tax Clearance Certificate issued by SARS.
G	**The following shall apply:** 1. The allocation of funds will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein. Applicants must in their submission clearly indicate / specify and motivate what the funding will be utilised for. 2. The funding must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect. 3. Applicants must in their submission satisfy the Council of their ability to execute the project successfully. 4. Organisations who have already received financial or other assistance from the Council during the previous financial year must specify same in their application. 5. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations. 6. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain. 7. Projects outside the boundaries of the Council will not be considered. 8. Subsequent requests from applicants to cover overspending on projects will not be considered. 9. Council will not pay any funds to anyone who has already procured against the perception that they will receive any municipal funds. 10. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which *inter alia* stipulates that the organisation or body has to:- • Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programmes of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion. • Report monthly on the actual expenditure of the amount allocated.

	11. The Council reserves the right not to give funding to any or all organisations applying. 12. Having been awarded funding previously does not give an applicant the right to receive a grant/funding again. 13. Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified. 14. Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year. 15. Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of section 67(1) of the Municipal Finance Management Act, 2003 (MFMA). (The Funding of External Bodies Performing a Municipal Function Policy must be consulted for the sake of completeness)
H	**Undertaking:** I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of funds as set out above have been read, understood and will be complied with. I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds. This completed and signed at Stellenbosch on this.....day of.....20…. _____ **Chairperson / Authorised Representative** _____ **Secretary / Duly Authorised Signatory**

I	**Please take note:** (i) That completed application forms together with all the required documentation must be delivered to: **Director: Planning and Economic Development** **P O Box 17** **Stellenbosch** **7599** Or delivered to: **58 Andringa Street** **Stellenbosch** **7600** (ii) That the closing date for the submission of applications is: …… at …….. (iii) That **neither late nor incomplete applications** shall be considered.

APPENDIX 25

STELLENBOSCH MUNICIPALITY

LIQUIDITY POLICY

2020/2021

STELLENBOSCH MUNICIPALITY

LIQUIDITY POLICY

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1. INTRODUCTION

The documented Liquidity Policy sets out the minimum risk management measures that Stellenbosch Municipality has to implement and adhere to in order to ensure that its current and future liquidity position is managed in a prudent manner.

Liquidity is the amount of cash and / or "near cash" (which refers to assets or security that can easily and quickly be converted to cash), available to be utilized to meet obligations and / or pay commitments. The marketability or ability to buy or sell an asset without incurring unacceptable large losses thus determines the liquidity of an asset or defines it as near cash.

This Policy is implemented to provide guidance on the minimum liquidity level that Stellenbosch Municipality has to maintain in order to comply with required legislative and / or National Treasury directives and within the overall financial management objectives as approved/reviewed by the Council from time to time.

2. BACKGROUND AND APPROACH

Various policies and procedures exist that direct the way in which the business of Stellenbosch Municipality is or should be conducted in a prudent manner. Generally these policies and procedures flow from the prescription made in Legislation i.e. the Municipal Finance Management Act ("MFMA") and/or directives issued by a national department such as National Treasury.

Guidelines provided by National Treasury indicate that an acceptable level of cash resources needs to be available for working capital requirements (see below).

It is for this reason that the need to have an official Liquidity Policy was identified.

3. LEGISLATIVE REQUIREMENTS

3.1. The MFMA circular 71 stipulates the following two prescribed ratios to manage liquidity:

Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants) is calculated as:

((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)

Criteria: 1 – 3 times

Current Ratio Current Assets / Current Liabilities

Criteria: 1.5 - 2:1

The above guidelines are noted but the proposed policy is more conservative to ensure that the municipality secures its strong financial position thereby providing comfort to investors.

4. LIQUIDITY POLICY

This policy provides guidance on the determination of the minimum liquidity requirement and the calculation of the liquidity available of Stellenbosch Municipality from time to time (see **Annexure 1**).

Notwithstanding the requirements as reflected in this policy, Stellenbosch Municipality should ensure that its Current Assets (excluding debtors older than 90 days) cover all of its Current Liabilities at least two times.

The policy encapsulates certain key aspects and considerations which have been outlined below:

4.1. KEY COMPONENTS OF MINIMUM LIQUIDITY REQUIRED:

The following constitutes the key elements to take into consideration when determining the liquidity requirement of Stellenbosch Municipality:

4.1.1. To comply with statutory requirements it is proposed that the following funds, reserves and provisions be fully covered by unencumbered cash and investments:

4.1.1.1. All earmarked or conditional grant transfers from spheres of Government or from Public Contributions made to Stellenbosch Municipality that have not yet been utilized;

4.1.1.2. All commitments resulting from the legally entrenched rights and benefits employees have, with specific reference to the Council's short term commitment to staff retirement benefits and medical fund claims payable;

4.1.1.3. All funds not yet been utilized in relation to agency services provided on behalf of Provincial or National Government should also be treated as earmarked funds;

4.1.1.4. All reserves stated by Stellenbosch Municipality on its Statement of Financial Position that have been established for the purposes of making provisions for a defined purpose.

4.1.2. Cognisance also needs to be taken of the external loan commitments and the servicing of capital and interest on these loans. Therefore provision should be made that Stellenbosch Municipality can meet its external loan/financial commitments together with the normal operational expenditure, as well as its liabilities to staff.

4.1.3. All investments ceded as security against long term loans need to be excluded from total cash and investment balances for calculation of the minimum liquidity level required.

4.1.4. In addition, a level of cash available for normal operational expenditure needs to be held in cash to ensure that, notwithstanding fluctuations in the monthly income levels of Stellenbosch Municipality, Stellenbosch Municipality will be in a position to meet its financial requirements. In this respect, the average monthly operational expenditure needs to be used as a guide of the minimum buffer required. One month's operational expenditure excluding debt impairments, depreciation and other non-cash expenses should be available for liquidity cover.

4.1.5. The "golden rule" should be to ensure that Stellenbosch Local Municipality will have adequate liquid assets (those that can be made into cash within 24 hours, weekly or monthly as the requirement might be) to meet its short term financial commitments.

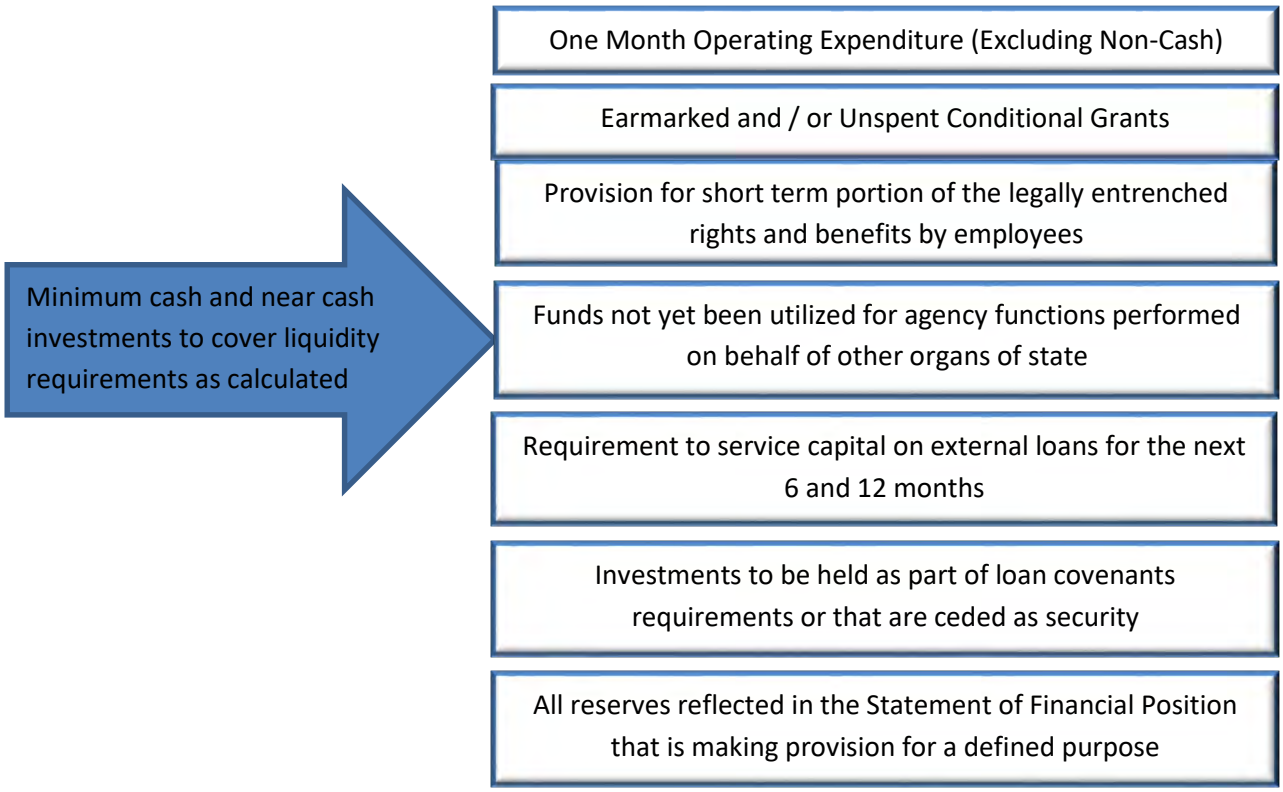
4.2. CALCULATION OF AVAILABLE LIQUIDITY

The amount of liquidity available should be determined from time-to-time. The following, should be regarded as cash and or near cash in calculating the available liquidity:

4.2.1. All cash held in a bank account or invested with a money market fund;
4.2.2. 95% of the value of all NCD's or other tradable instruments issued by a bank that are not already ceded;
4.2.3. 90% of the market value of all listed bonds on the JSE in which Stellenbosch Municipality is allowed to invest in;
4.2.4. Consumer debtors aged current to 60 days;
4.2.5. Amount of unspent conditional grants and public contributions excluded from own funds held in bank accounts;
4.2.6. Funds provided to Council for expenditure on activities executed on behalf of other spheres of Government (Provincial and / or National) as part of an agency function, excluded from own funds held in bank accounts;
4.2.7. Funds ring-fenced for cash backed reserves that are excluded from own funds held in bank accounts;
4.2.8. Cash amounts that need to be held by Council resulting from loan covenants' that are part of the conditions of loans extended, but not ceded outright to lenders;

4.2.9. The undrawn portion of unconditional bank overdraft facility or liquidity facility available to Stellenbosch Municipality.

The aforementioned in paragraphs 4.1. and 4.2. can schematically be reflected as follows:



4.3. IMPLEMENTATION AND MONITORING OF COMPLIANCE WITH LIQUIDITY POLICY:

Once the policy is approved, the CFO is to be tasked to ensure that the required cash has to be maintained to continue meeting the requirements as set out in this policy.

Firstly, the minimum required liquidity level should be calculated based on audited annual financial statements. This level of liquidity required needs to be specifically budgeted for and on a quarterly basis be reported to the Finance Committee and / or other Committees as might be stipulated by Council as well as to Council.

Notwithstanding National Treasury's three months operational expenditure guideline and the one month operational expenditure buffer proposed as a minimum by the liquidity policy, it is recommended that Council set a target of one month's operational expenditure liquidity buffer to be achieved at the end of the transitional period (reference paragraph 6).

The cash provisions made to repay external loan commitments, if specifically earmarked, should also be added to this minimum working capital liquidity, to prevent fluctuations in the working capital reserve that could put the minimum level of liquidity levels under pressure.

5. CORPORATE GOVERNANCE (OVERSIGHT)

Compliance with this policy will be monitored by the Chief Financial Officer. The Chief Financial Officer must present the liquidity compliance reports to the Finance Committee and the Audit Committee of the municipality.

Where compliance has been breached the Chief Financial Officer must present an action plan to correct the non-compliance. The Finance Committee must monitor the successful implementation of the corrective action plans and report progress to Council.

6. POLICY MANAGEMENT

The Liquidity Policy forms part of Stellenbosch Municipality overall financial objectives and therefore forms part of approved Budget Policies. The policy must be reviewed at least annually during the budget revision and presented to Council for approval.

The policy is effective from the date it is approved by Council.

ANNEXURE 1

Liquidity Requirement as per Liquidity Policy

Financial Year End: _____

Liquidity Requirement Calculation [as stipulated in Paragraph 4.1.]

All earmarked and/or conditional grants received but not yet utilised	
Value of legally entrenched short term rights and benefits of employees related to Medical benefits & Retirement benefits	
Funds held for agency services not yet performed	
Reserve funds reflected in Statement of Financial Position that are assumed to be held in cash	
Capital redemption and interest payments on external loans not reflected as part of normal operational expenditure	
Onemonth operational expenditure excluding non-cash items	
Commitments resulting from contracts concluded as part of Capex Programme, not reflected in operational budget	
TOTAL LIQUIDITY REQUIREMENT	

Actual available liquidity held [reference paragraph 4.2.]

Bank Balance at e.g.: - ABSA, FNB, Standard Bank, Nedbank, Investec, Money Market	
Bank balance sub total	
95% of all other term investments with Banks	
90% of Market value of all Bonds on the JSE that are held	
Consumer debtors (current – 60 days)	
Other reserves held in cash not reflected in bank balances mentioned above for e.g.:	
- Unspent conditional grants	
- Payments received for agency functions not yet performed	
- The cash value of reserves held	
- Cash deposits held as part of loan covenants or ceded	
- Undrawn bank overdraft facility or committed liquidity lines available	
TOTAL LIQUIDITY AVAILABLE	

LIQUIDITY SURPLUS (SHORT FALL) _____

SURPLUS TO BE APPROPRIATED TO CAPITAL REPLACEMENT RESERVE _____

(See Borrowing, Funds and Reserves Policy)

Liquidity ratio:
Current Asset/Current Liabilities _____

APPENDIX 26

STELLENBOSCH MUNICIPALITY

SCM POLICY STANDARD FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT (SIPDM)

2020/2021

STELLENBOSCH MUNICIPALITY

SCM POLICY FOR INFRASTRUCTURE PROCUREMENT AND DELIVERY MANAGEMENT

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1. SCOPE

This policy establishes the Stellenbosch Municipality's policy for infrastructure delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement for a new facility to be occupied and used as a functional entity but excludes:

a) the storage of goods and equipment following their delivery to Stellenbosch Municipality' which are stored and issued to contractors or to employees;

b) the disposal or letting of land;

c) the conclusion of any form of land availability agreement;

d) the leasing or rental of moveable assets; and

e) public private partnerships.

2. TERMS, DEFINITIONS AND ABBREVIATIONS

2.1 Terms and definitions

For the purposes of this document, the definitions and terms given in the standard and the following apply:

agent: person or organization that is not an employee of Stellenbosch Municipality that acts on the Stellenbosch Municipality's behalf in the application of this document

authorized person: the accounting officer, the accounting authority or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order

conflict of interest: any situation in which:

a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,

b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or

c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee

contract manager: person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view

family member: a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption

framework agreement: an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

gate: a control point at the end of a process where a decision is required before proceeding to the next process or activity

gateway review: an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based

gratification: an inducement to perform an improper act

infrastructure delivery: the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

infrastructure procurement: the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

maintenance: the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

operation: combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

order: an instruction to provide goods, services or any combination thereof under a framework agreement

organ of state: an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

procurement document: documentation used to initiate or conclude (or both) a contract or the issuing of an order

principal: a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984)

standard: the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury

working day: any day of a week on which is not a Sunday, Saturday or public holiday

2.2 Abbreviations

For the purposes of this document, the following abbreviations apply

CIDB: Construction Industry Development Board

SARS: South African Revenue Services

3. GENERAL REQUIREMENTS

3.1 Infrastructure procurement and delivery management shall be undertaken in accordance with the all applicable legislation and the relevant requirements of the latest edition if the National Treasury Standard for Infrastructure Procurement and Delivery Management.

3.2 No departures shall be made from the provisions of the National Treasury Standard for Infrastructure Procurement and Delivery Management without the approval of the National Treasury.

No departure shall be made from the provisions of this policy without the approval of the Accounting Officer.

4. CONTROL FRAMEWORK FOR INFRASTRUCTURE DELIVERY MANAGEMENT

4.1 Assignment of responsibilities for approving or accepting end of stage deliverables

The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

4.2 Gateway reviews

4.2.1 Gateway reviews for major capital projects above a threshold

4.2.1.1 Head: SCM shall appoint a gateway review team in accordance with the provisions of clause 4.1.13.1.2 of the standard to undertake gateway reviews for major capital projects.

Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery

Stage			Person assigned the responsibility for approving or accepting end of stage deliverables
No	**Name**		
0	Project initiation		Directors who uses Council Approved Budget (initiation report).
1	Infrastructure planning		*Council* approves the infrastructure plan
2	Strategic resourcing		*Accounting Officer* approves the delivery and / or procurement strategy via the Demand Management Plan
3	Pre-feasibility		*Relevant Director* accepts the pre-feasibility report
	Preparation and briefing		*Relevant Director* accepts the strategic brief
4	Feasibility		*Relevant Director. Review team >R50 million* accepts the feasibility report
	Concept and viability		*Relevant Director. Review team >R50 million* accepts the concept report
5	Design development		*Relevant Manager. Review team > R50 million* accepts the design development report
6	Design documentation	6A Production information	*Relevant Manager* accepts the parts of the production information which are identified when the design development report is accepted as requiring acceptance
		6B Manufacture, fabrication and construction information	The consultant accepts the manufacture, fabrication and construction information
7	Works		The contract manager certifies completion of the works or the delivery of goods and associated services
8	Handover		The owner or end user accepts liability for the works. Review team > R50 million
9	Package completion		The contract manager or supervising agent certifies the defects certificate in accordance with the provisions of the contract The contract manager certifies final completion in accordance with the provisions of the contract *Accounting Officer* accepts the close out report

End-of-stage deliverables are:

Stage			End-of-stage deliverable
No	**Name**		
0	Project initiation		An initiation report which outlines the high-level business case together with the estimated project cost and proposed schedule for a single project or a group of projects having a similar high-level scope
1	Infrastructure planning		An infrastructure plan which identifies and prioritizes projects and packages against a forecasted budget over a period of at least five years
2	Strategic resourcing		A delivery and/or procurement strategy which, for a portfolio of projects, identifies the delivery strategy in respect of each project or package and, where needs are met through own procurement system, a procurement strategy
3	Prefeasibility		A prefeasibility report which determines whether or not it is worthwhile to proceed to the feasibility stage
	Preparation and briefing		A strategic brief which defines project objectives, needs, acceptance criteria and client priorities and aspirations, and which sets out the basis for the development of the concept report for one or more packages
4	Feasibility		A feasibility report which presents sufficient information to determine whether or not the project should be implemented
	Concept and viability		A concept report which establishes the detailed brief, scope, scale, form and control budget, and sets out the integrated concept for one or more packages
5	Design development		A design development report which develops in detail the approved concept to finalize the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages
6	Design documentation	6A Production information	Production information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction
		6B Manufacture, fabrication and construction information	Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a package which enables manufacture, fabrication or construction to take place
7	Works		Completed works which are capable of being occupied or used
8	Handover		Works which have been taken over by the user or owner complete with record information
9	Package completion		Works with notified defects corrected, final account settled and the close out report issued

5. CONTROL FRAMEWORK FOR INFRASTRUCTURE PROCUREMENT

5.1 The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.

5.2 The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

a) BSC shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;

b) the authorized person may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.

5.3 The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

6. INFRASTRUCTURE DELVERY MANAGEMENT REQUIREMENTS

6.1 Institutional arrangements

6.1.1 Committee system for procurement

6.1.1.1 General

6.1.1.1.1 A committee system comprising the documentation committee, evaluation committee and tender committee shall be applied to all procurement procedures where the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements.

6.1.1.1.2 The evaluation committee shall, where competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.

6.1.1.1.3 The persons appoint in writing as technical advisors and subject matter experts may attend any committee meeting. Such advisers and experts shall not participate in the decisions making proceedings of such meetings.

6.1.1.1.4 No person who is a political officer bearer, a public office bearer, a political advisor or a person appointed in terms of section 12A of the Public Service Act of 1994 or who has a conflict of interest shall be appointed to a procurement documentation, evaluation or tender committee.

6.1.1.1.5 Committee decisions shall as far as possible be based on the consensus principle i.e. the general agreement characterized by the lack of sustained opposition to substantial issues. Committees shall record their decisions in writing. Such decisions shall be kept in a secured environment for a period of not less than five years after the completion or cancellation of the contract unless otherwise determined in terms of the National Archives and Record Services Act of 1996.

6.1.1.1.6 Committees may make decisions at meetings or, subject to the committee chairperson's approval, on the basis of responses to documents circulated to committee members provided that not less than sixty percent of the members are present or respond to the request for responses. Where the committee chairperson is absent from the meeting, the members of the committee who are present shall elect a chairperson from one of them to preside at the meeting.

Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold

Activity		**Sub-Activity** (see Table 3 of the standard)		**Key action**	**Person assigned responsibility to perform key action**
1*	Establish what is to be procured	1.3 **PG1**	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Relevant Director
2*	Decide on procurement strategy	2.5 **PG2**	Obtain approval for procurement strategies that are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	Confirm selection of strategies so that tender offers can be solicited	Relevant Director
3	Solicit tender offers	3.2 **PG3**	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	BSC
		3.3 **PG4**	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	*CFO*
4	Evaluate tender offers	4.2 **PG5**	Obtain authorization to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorize progression to the next stage of the tender process	BEC
		4.7 **PG6**	Confirm recommendations contained in the tender evaluation report	Review recommendations of the evaluation committee and refer back to evaluation committee for reconsideration or make recommendation for award	BAC / Accounting Officer>R10 million
5	Award contract	5.3 **PG7**	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Delegated Authority via delegation 5 (Relevant Director, Contract and Compliance Manager and SCM Manager)
		5.5 **GF1**	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	Database Administrator

* Applies only to goods and services not addressed in a procurement strategy developed during stage 2 (strategic resourcing) of the control framework for infrastructure delivery management

Table 2 (concluded)

Activity		Sub-Activity		Key action	Person assigned responsibility to perform key action
6	Administer contracts and confirm compliance with requirements	6.4 **PG8A**	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	*Relevant Director*
		6.5 **PG8B**	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	*Relevant Director*
		6.6 **PG8C**	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage	Approve amount of time and cost overruns up to the threshold	*0-5%: Relevant Director* *5-20%: BAC* *>20%: Accounting Officer*
		6.7 **PG8D**	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	*Accounting Officer*
		6.8 **PG8E**	Obtain approval to cancel or terminate a contract	Approve amount	*Relevant Director*
		6.9 **PG8F**	Obtain approval to amend a contract	Approve proposed amendment to contract	*Accounting Officer*

Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement

Activity		**Key action**	**Person assigned responsibility to perform key action**
1 **FG1**	Confirm justifiable reasons for selecting a framework contactor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	*Relevant Director*
3 **FG2**	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	*BSC*
4 **FG3**	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	*CFO*
6 **FG4**	Authorize the issuing of the order	If applicable, review evaluation report and confirm or reject recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	*Head: SCM*

6.1.1.2 Procurement documentation committee

6.1.1.2.1 The relevant Director shall appoint in writing on a procurement by procurement basis:

a) the persons to review the procurement documents and to develop a procurement documentation review report in accordance with clause 4.2.2.1 of the standard; and

Clause 4.2.2.1: The approval of procurement documents at Procurement Gate 3 or Framework Agreement Gate 2 shall be based on the contents of a procurement documentation review report. Where the procurement relates to the provision of new infrastructure or the rehabilitation, refurbishment or alteration of existing infrastructure, such a report shall be prepared by one or more persons who participated in the review and who are registered as:

- a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act or a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
- a professional engineer or professional engineering technologist in terms of the Engineering Profession Act; or
- a professional quantity surveyor in terms of the Quantity Surveying Professions Act.

b) the members of the procurement documentation committee.

6.1.1.2.2 The procurement documentation committee shall comprise one or more persons. The chairperson shall be an employee of Stellenbosch Municipality with requisite skills. Other members shall, where relevant, include a representative of the end user or the institution requiring infrastructure delivery.

6.1.1.2.3 No member of, or technical adviser or subject matter expert who participates in the work of the any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

6.1.1.3 Evaluation committee

6.1.1.3.1 The Accounting Officer shall appoint on a procurement by procurement basis in writing:

a) the persons to prepare the evaluation and, where applicable, the quality evaluations, in accordance with clauses 4.2.3.2 and 4.2.3.4 of the standard, respectively; and

Clauses 4.2.3.2: The evaluation report shall be prepared by one or more persons who are conversant with the nature and subject matter of the procurement documents or the framework contract, and who are registered as:

- a professional architect or professional senior architectural technologist in terms of the Architectural Profession Act;

- a professional engineer or professional engineering technologist in terms of the Engineering Profession Act;
- a professional landscape architect or a professional landscape technologist in terms of the Landscape Architectural Profession;
- a professional project manager or a professional construction manager in terms of the Project and Construction Management Professions Act; or
- a professional quantity surveyor in terms of the Quantity Surveying Profession Act.

Clause: 4.2.3.4 Submissions shall be evaluated strictly in accordance with the provisions of the procurement documents (see Annex C of SANS 10845-3 and Annex C of SANS 10845-4, as relevant). Where quality is evaluated, at least three persons who satisfy the requirements of 4.2.3.2 shall undertake such evaluation. Quality shall be scored in terms of the prompts for judgement, with fixed scores assigned to each prompt, either individually and averaged or collectively, as appropriate.

b) the members of the evaluation committee.

6.1.1.3.2 The evaluation committee shall comprise not less than three people. The chairperson shall be an employee of Stellenbosch Municipality with requisite skills. Other members shall, where relevant, include a representative of the end user or the institution requiring infrastructure delivery.

6.1.1.3.3 The evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:

a) the capability and capacity of a tenderer to perform the contract;

b) the tenderer's tax compliance status;

c) the Compulsory Declaration has been completed; and

d) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.

6.1.1.3.4 No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the procurement documentation committee or a family member or associate of such a member, may be considered by the evaluation committee.

6.1.1.3.5 The chairperson of the evaluation committee shall promptly notify the of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

6.1.1.4 Tender committee

6.1.1.4.1 The tender committee shall comprise the same persons as the BAC.

6.1.1.4.2 No member of the evaluation committee may serve on the tender committee. A member of an evaluation committee may, however, participate in the deliberations of a tender committee as a technical advisor or a subject matter expert.

6.1.1.4.3 The tender committee shall:

a) consider the report and recommendations of the evaluation committee and:

- verify that the procurement process which was followed complies with the provisions of this document;
- confirm that the report is complete and addresses all considerations necessary to make a recommendation;
- confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
- consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and

b) refer the report back to the evaluation committee for their reconsideration or make a recommendation to the authorized person on the award of a tender, with or without conditions, together with reasons for such recommendation.

6.1.1.4.4 The tender committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the accounting officer on the course of action which should be taken.

6.1.1.4.5 The tender committee shall consider the merits of an unsolicited offer and make a recommendation to the accounting officer.

6.1.1.4.6 The tender committee shall report to the accounting officer any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

6.1.1.4.7 The tender committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

a) made a misrepresentation or submitted false documents in competing for the contract or order; or

b) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

6.1.1.4.8 The tender committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper

conduct in relation to such system. The [National Treasury or the name of provincial treasury, as applicable] shall be informed where such tenderers are disregarded.

6.1.2 Actions of an authorized person relating to the award of a contract or an order

6.1.2.1 Award of a contract

The authorized person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the tender committee, or in the case of the awards for contracts below the quotation threshold, the recommendation of the BAC , and either:

a) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or

b) decide not to proceed or to start afresh with the process.

6.1.2.2 Issuing of an order

The authorized person shall, if the value of an order issued in terms of a framework contract, is within his or her delegation, consider the recommendation of the evaluation committee or the Head:SCM, as relevant, and authorize the issuing of an order in accordance with the provisions of clause 4.25 of the standard.

6.1.3 Conduct of those engaged in infrastructure delivery

6.1.3.1 General requirements

6.1.3.1.1 All personnel and agents of Stellenbosch Municipality shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

a) behave equitably, honestly and transparently;

b) discharge duties and obligations timeously and with integrity;

c) comply with all applicable legislation and associated regulations;

d) satisfy all relevant requirements established in procurement documents;

e) avoid conflicts of interest; and

f) not maliciously or recklessly injure or attempt to injure the reputation of another party.

6.1.3.1.2 All personnel and agents engaged in Stellenbosch Municipality's infrastructure delivery management system shall:

a) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;

b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;

c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;

d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;

e) ensure that resources are administered responsibly;

f) be fair and impartial in the performance of their functions;

g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;

h) not abuse the power vested in them;

i) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;

j) assist Stellenbosch Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;

k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;

l) not make false or misleading entries in reports or accounting systems; and

m) keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

6.1.3.1.3 An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

6.1.3.2 Conflicts of interest

6.1.3.2.1 The employees and agents of Stellenbosch Municipality who are connected in any way to procurement and delivery management activities which are subject to this policy, shall:

a) disclose in writing to the employee of the Stellenbosch Municipality to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and

b) not participate in any activities that might lead to the disclosure of Stellenbosch Municipality proprietary information.

6.1.3.2.2 The employees and agents of Stellenbosch Municipality shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

6.1.3.2.3 Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in Stellenbosch Municipality's interest to do so, submit a tender for work associated with such documents provided that:

a) Stellenbosch Municipality states in the tender data that such an agent is a potential tenderer;

b) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and

c) the procurement documentation committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

6.1.3.3 Evaluation of submissions received from respondents and tenderers

6.1.3.3.1 The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

a) not have any conflict between their duties as an employee or an agent and their private interest;

b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;

c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and

d) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to Stellenbosch Municipality.

6.1.3.3.2 The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of Stellenbosch Municipality and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

6.1.3.3.3 Stellenbosch Municipality personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

6.1.3.4 Non-disclosure agreements

Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect Stellenbosch Municipality's confidential information and interests.

6.1.3.5 Gratifications, hospitality and gifts

6.1.3.5.1 The employees and agents of Stellenbosch Municipality shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

6.1.3.5.2 The employees and agents of Stellenbosch Municipality as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

a) money, loans, equity, personal favours, benefits or services;

b) overseas trips; or

c) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

6.1.3.5.3 The employees and agents of Stellenbosch Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

6.1.3.5.4 All employees and agents of Stellenbosch Municipality may for the purpose of fostering inter-personal business relations accept the following:

a) meals and entertainment, but excluding the cost of transport and accommodation;

b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;

c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;

d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and

e) gifts in kind other than those listed in a) to d) which have an intrinsic value not more than R350 unless they have declared them to the [designated person].

6.1.3.5.5 Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

6.1.3.5.6 Employees and agents of Stellenbosch Municipality shall without delay report to the accounting officer any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

6.1.3.6 Reporting of breaches

Employees and agents of Stellenbosch Municipality shall promptly report to the [accounting officer / accounting authority or chief financial officer or appropriately delegated authority] any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

6.1.4 Measures to prevent abuse of the infrastructure delivery system

The accounting officer shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

a) take steps against an employee or role player and inform the relevant treasury of those steps;

b) report to the South African Police Service any conduct that may constitute a criminal offence;

c) lodge complaints with the Construction Industry Development Board or any other relevant statutory council where a breach of such council's code of conduct or rules of conduct are considered to have been breached;

d) cancel a contract if:

- it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or
- an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

6.1.5 Involvement of employees of departments in tenders

Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is an employee of a national or provincial department and does not have the written permission of the executive of that department as required in terms of Section 30(1) of the Public Service Act of1994 shall be rejected.

6.1.6 Collusive tendering

Any submissions made by a respondent or tenderer who fails to declare in the Compulsory Declaration that the tendering entity:

a) is not associated, linked or involved with any other tendering entity submitting tender offers; or

b) has not engaged in any prohibited restrictive horizontal practices including consultation, communication, agreement, or arrangement with any competing or potential tendering entity regarding prices, geographical areas in which goods and services will be rendered, approaches to determining prices or pricing parameters, intentions to submit a tender or not, the content of the submission (specification, timing, conditions of contract etc.) or intention to not win a tender shall be rejected.

6.1.7 Placing of contractors under restrictions

6.1.7.1 If any tenderer which has submitted a tender offer or a contractor which has concluded a contract has, as relevant:

a) withdrawn such tender or quotation after the advertised closing date and time for the receipt of submissions;

b) after having been notified of the acceptance of his tender, failed or refused to commence the contract;

c) had their contract terminated for reasons within their control without reasonable cause;

d) offered, promised or given a bribe in relation to the obtaining or the execution of such contract;

e) acted in a fraudulent, collusive or anti-competitive or improper manner or in bad faith towards

f) Stellenbosch Municipality; or

g) made any incorrect statement in any affidavit or declaration with regard to a preference claimed and is unable to prove to the satisfaction of Stellenbosch Municipality that the statement was made in good faith or reasonable steps were taken to confirm the correctness of the statements,

a [designated person] shall prepare a report on the matter and make a recommendation to the [accounting officer or accounting authority] for placing the contractor or any of its principals under restrictions from doing business with the Stellenbosch Municipality.

6.1.7.2 The Accounting Officer may, as appropriate, upon the receipt of a recommendation made in terms of 6.1.7.1 and after notifying the contractor of such intention in writing and giving written reasons for such action, suspend a contractor or any principal of that contractor from submitting a tender offer to Stellenbosch Municipality for a period of time.

6.1.7.3 The Head: SCM shall:

a) record the names of those placed under restrictions in an internal register which shall be accessible to employees and agents of Stellenbosch Municipality who are engaged in procurement processes; and

b) notify the relevant treasury and , if relevant, the Construction Industry Development Board, of such decision and provide them with the details associated therewith.

6.1.8 Complaints

6.1.8.1 All complaints regarding the Stellenbosch Municipality's infrastructure delivery management system shall be addressed to the Accounting Officer. Such complaints shall be in writing.

6.1.8.2 The Head: SCM shall investigate all complaints regarding the infrastructure procurement and delivery management system and report on actions taken to the Accounting Officer who will decide on what action to take.

6.2 Acquisition management

6.2.1 Unsolicited proposal

6.2.1.1 The Stellenbosch Municipality is not obliged to consider unsolicited offers received outside a normal procurement process but may consider such an offer only if:

a) the goods, services or any combination thereof that is offered is a demonstrably or proven unique innovative concept;

b) proof of ownership of design, manufacturing, intellectual property, copyright or any other proprietary right of ownership or entitlement is vested in the person who made the offer;

c) the offer presents a value proposition which demonstrates a clear, measurable and foreseeable benefit for Stellenbosch Municipality;

d) the offer is in writing and clearly sets out the proposed cost;

e) the person who made the offer is the sole provider of the goods or service; and

f) the Accounting Officer finds the reasons for not going through a normal tender processes to be sound.

6.2.1.2 The Accounting Officer may only accept an unsolicited offer and enter into a contract after considering the recommendations of the tender committee if:

a) the offer relates to known institutional requirements that cannot, within reasonable and practical limits, be acquired through a competitive or competitive negotiation procedure as provided for in SANS 10845-1;

b) the goods, service or any combination thereof is used for or relates to a matter that falls within the Stellenbosch Municipality's mandate or functions; and

c) the person who made the offer satisfies all other requirements which are conditional upon the award of a contract.

6.2.2 Tax compliance

6.2.2.1 No contract may be awarded or order issued unless a tenderer or contractor is in possession of an original valid Tax Clearance Certificate issued by SARS provided that the tenderer is not domiciled in the Republic of South Africa and the SARS has confirmed that such a tenderer is not required to prove their tax compliance status.

6.2.2.2 In the case of a partnership, each partner shall comply with the requirements of 6.2.2.1.

6.2.2.3 No payment shall be made to a contractor who does not satisfy the requirements of 6.2.2.2. An employee of Stellenbosch Municipality shall upon detecting that a tenderer or contractor is not tax compliant, immediately notify such person of such status.

6.2.2.4 Notwithstanding the requirements of 6.2.2.1 and 6.2.2.3 the following shall apply, unless a person who is not tax compliant indicates to [designated person] that it intends challenging its tax compliance status with SARS,

a) a contract may be awarded to a non-compliant tenderer if such a tenderer is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;

b) an order may be awarded to a non-compliant contractor if such a contractor is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;

c) a non-compliant contractor shall be issued with a first warning that payments in future amounts due in terms of the contract may be withheld, before the authorizing of any payment due to such contractor;

d) before authorizing a further payment due to a non-compliant contractor who has failed to remedy its tax compliance status after receiving a first warning, a second and final warning shall be issued to such contractor;

e) no payments may be released for any amounts due in terms of the contract due to a non- compliant contractor if, after a period of 30 calendar days have lapsed since the second warning was issued, the non-compliant contractor has failed to remedy its tax compliance status.

6.2.2.5 The Stellenbosch Municipality may cancel a contract with a non-compliant contractor if such a contractor fails to remedy its tax compliance status after a period of 30 calendar days have lapsed since the second warning was issued in terms of 6.2.2.4e).

6.2.3 Declarations of interest

Tenders and respondents making submissions in response to an invitation to submit a tender or a call for an expression of interest, respectively shall declare in the Compulsory Declaration whether or not any of the principals:

a) are an employee of the Stellenbosch Municipality or in the employ of the state; or

b) have a family member or a business relation with a person who is in the employ of the state.

6.2.4 Invitations to submit expressions of interest or tender offers

6.2.4.1 All invitations to submit tenders where the estimated value of the contract exceeds R500 000 including VAT, except where a confined tender process is followed, and expressions of interest shall be advertised on the Stellenbosch Municipality's website and on the National Treasury eTender Publication Portal. Advertisements shall be placed by Head: SCM.

6.2.4.2 Advertisements relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.4.1 be advertised on the CIDB website. Advertisements shall be placed by the Head: SCM.

6.2.4.3 Where deemed appropriate by Head: SCM an invitation to tender and a call for an expression of interest shall be advertised in suitable local and national newspapers as directed by such person. Advertisements shall be placed by Head: SCM.

6.2.4.4 Invitations to submit expressions of interest or tender offers shall be issued not less than 22 working days before the closing date for tenders and at least 10 working days before any compulsory clarification meeting. Procurement documents shall be made available not less than 28 days before the closing time for submissions.

6.2.5 Publication of submissions received and the award of contracts

6.2.5.1 The Head: SCM shall publish within 10 working days of the closure of any advertised call for an expression of interest or an invitation to tender where the estimated value of the contract exceeds R500 000 including VAT on the institution's website, the names of all tenderers that made submissions to that advertisement, and if practical or applicable, the total of the prices and the preferences claimed. Such information shall remain on the website for at least 30 days.

6.2.5.2 The Head: SCM shall publish within 7 working days of the next month after the award of a contract the following on the Stellenbosch Municipality's website

a) the contract number;

b) contract title;

c) brief description of the goods, services or works;

d) the total of the prices, if practical;

e) the names of successful tenderers and their B-BBEE status level of contribution;

f) duration of the contract; and

g) brand names, if applicable.

6.2.5.3 The Head: SCM shall submit within 7 working days working days of the next month after the award of a contract the information required by National Treasury on the

National Treasury eTender Publication Portal regarding the successful and unsuccessful tenders. Submissions shall be made by Head: SCM.

6.2.5.4 The award of contracts relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.5.3 be notified on the CIDB website. The notification shall be made by placed by Head: SCM.

6.2.5.5 The award of the contract shall in addition to the requirements of 6.2.4.1 to 6.2.4.3 also be published in the Government Tender Bulletin.

6.2.6 Disposal committee

6.2.6.1 The Accounting Officer shall appoint on a disposal by disposal basis in writing the members of the disposal committee to decide on how best to undertake disposals in accordance with the provisions of clause 10 of the standard.

6.2.6.2 The disposal panel shall comprise not less than three people. The chairperson shall be an employee of Stellenbosch Municipality.

6.2.6.3 The disposal committee shall make recommendations to Accounting Officer who shall approve the recommendations, refer the disposal strategy back to the disposal committee for their reconsideration, decide not to proceed or to start afresh with the process.

6.3 Reporting of infrastructure delivery management information

The Accounting Office shall submit any reports required in terms of the standard to the relevant treasury.

7. INFRASTRUCTURE PROCUREMENT

7.1 Procurement documents

The standard forms of contract that may be used are as per table 10 of the standard.

7.2 Payment of contractors

The Stellenbosch Municipality shall settle all accounts in accordance with the terms of the contract.

7.3 Approval to utilize specific procurement procedures

7.3.1 Prior approval shall be obtained for the following procurement procedures from the following persons, unless such a procedure is already provided for in the approved procurement strategy:

a) The Accounting Officer shall authorize the use of the negotiated procedure above the thresholds provided in the standard.

b) [designated person / committee] shall authorize the approaching of a confined market except where a rapid response is required in the presence of, or the imminent risk of, an extreme or emergency situation arising from the conditions set out in the standard and which can be dealt with or the risks relating thereto arrested within 48 hours; and

c) the proposal procedure using the two-envelope system, the proposal procedure using the two- stage system or the competitive negotiations procedure36

7.3.2 The person authorized to pursue a negotiated procedure in an emergency is the Accounting Officer.

7.4 Receipt and safeguarding of submissions

7.4.1 A dedicated and clearly marked tender box shall be made available to receive all submissions made.

7.4.2 The tender box shall be fitted with two locks and the keys kept separately by two senior SCM officials. Such personnel shall be present when the box is opened on the stipulated closing date for submissions.

7.5 Opening of submissions

7.5.1 Submissions shall be opened by an opening panel comprising two people nominated by [designated persons] who have declared their interest or confirmed that they have no interest in the submissions that are to be opened.

7.5.2 The opening panel shall open the tender box at the stipulated closing time and:

a) sort through the submissions and return those submissions to the box that are not yet due to be opened including those whose closing date has been extended;

b) return submissions unopened (opened by Head: SCM if no return data on the envelope) and suitably annotated where:

- submissions are received late, unless otherwise permitted in terms of the submission data;
- submissions were submitted by a method other than the stated method,
- submissions were withdrawn in accordance with the procedures contained in SANS 10845-3

c) record in the register submissions that were returned unopened;

d) open submissions if received in sealed envelopes and annotated with the required particulars and read out the name of and record in the register the name of the tenderer or respondent and, if relevant, the total of prices including VAT where this is possible;

e) record in the register the name of any submissions that is returned with the reasons for doing so;

f) record the names of the tenderer's representatives that attend the public opening;

g) sign the entries into the register; and

h) stamp each returnable document in each tender submission.

7.5.3 Each member of the opening panel shall initial the front cover of the submission and all pages that are stamped in accordance with the requirements of 7.7.3h).

7.5.4 Respondents and tenderers whose submissions are to be returned shall be afforded the opportunity to collect their submissions.

7.5.5 Submissions shall be safeguarded from the time of receipt until the conclusion of the procurement process.

7.6 Use of another organ of state's framework agreement

The Stellenbosch Municipality may make use of another organ of state's framework contract which has been put in place by means of a competitive tender process and there are demonstrable benefits for doing so. The accounting officer shall make the necessary application to that organ of state to do so.

7.7 Use of a framework agreement by another organ of state

7.7.1 An organ of state may request in writing to make use of one or more of Stellenbosch Municipality's framework contracts. Such a request signed by the accounting officer or accounting authority of that organ of state, shall:

a) outline the scope and anticipated quantum of work associated with the work that is required;

b) provide a motivation for the use of the framework agreement; and

c) detail the benefit for the state to be derived from making use of the framework agreement.

7.7.2 The Accounting Officer may approve a request made in terms of 7.9.1 to make use of the Stellenbosch Municipality's framework contract, conditionally or unconditionally, if:

a) the framework agreement was put in place following a competitive tender process;

b) confirmation is obtained that the framework contract is suitable for the intended use and the required goods, services and works fall within the scope of such contract;

c) the framework contractor agrees in writing to accept an order from that organ of state; and

d) the organ of state undertakes to pay the contractor in accordance with the terms and conditions of the agreement; and

e) the term of the framework agreement does not expire before the issuing of the required orders.

7.8 Insurances

7.8.7 Contractors shall be required to take out all insurances required in terms of the contract.

7.8.8 The insurance cover in engineering and construction contracts for loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract shall in general not be less than the value stated in Table 4, unless otherwise directed by [designated person].

7.8.9 Lateral earth support insurance in addition to such insurance shall be take out on a case by case basis.

Table 4: Minimum insurance cover

Type of insurance	Value
Engineering and construction contracts - loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract	Not less than R20 million
Professional services and service contracts - death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract or damage to property	Not less than R10 million
Professional indemnity insurance	geotechnical, civil and structural engineering: R5,0 million electrical, mechanical and engineering: R3,0 million architectural: R5,0 million other:R3,0 million

7.8.10 The insurance cover in professional services and service contracts for damage to property or death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract shall not be less than the value stated in Table 4 for any one event unless otherwise directed by the Accounting Officer.

7.8.11 SASRIA Special Risk Insurance in respect of riot and associated risk of damage to the works, Plant and Materials shall be taken out on all engineering and construction works.

7.8.12 Professional service appointments shall as a general rule be subject to proof of current professional indemnity insurance being submitted by the contractor in an amount not less than the value stated in Table 4 in respect of each claim, without limit to the number of claims, unless otherwise directed by the Accounting Officer in relation to the nature of the service that they provide.

7.8.13 Stellenbosch Municipality shall take out professional indemnity insurance cover where it is deemed necessary to have such insurance at a level higher than the levels of insurance commonly carried by contractors.

7.8.14 Where payment is to be made in multiple currencies, either the contractor or Stellenbosch Municipality should be required to take out forward cover. Alternatively, the prices for the imported content should be fixed as soon as possible after the starting date for the contract

7.9 Written reasons for actions taken

7.9.7 Written reasons for actions taken shall be provided by the Accounting Officer.

7.9.8 The written reasons for actions taken shall be as brief as possible and shall as far as is possible, and where relevant, be framed around the clauses in the:

a) ISO 10845-3, Construction procurement - Part 3: Standard conditions of tender, and, giving rise to the reason why a respondent was not short listed, prequalified or admitted to a data base; or

b) ISO 10845-4, Construction procurement - Part 4: Standard conditions for the calling for expressions of interest; as to why a tenderer was not considered for the award of a contract or not awarded a contract.

7.9.9 Requests for written reasons for actions taken need to be brief and to the point and may not divulge information which is not in the public interest or any information which is considered to prejudice the legitimate commercial interests of others or might prejudice fair competition between tenderers.

7.10 Request for access to information

7.10.1 Should an application be received in terms of Promotion of Access to Information Act of 2000 (Act 2 of 2000), the "requestor" should be referred to the Stellenbosch Municipality's Information Manual which establishes the procedures to be followed and the criteria that have to be met for the "requester" to request access to records in the possession or under the control of Stellenbosch Municipality's.

7.10.2 Access to technical and commercial information such as a comprehensive programme which links resources and prices to such programme should be refused as such information provides the order and timing of operations, provisions for time risk allowances and statements as to how the contractor plans to do the work which identifies principal equipment and other resources which he plans to use. Access to a bill of quantities and rates should be provided in terms of the Act

CONCLUSION

The Stellenbosch Municipality to ensure that there is *institutional capacity* to drive the Standard for Infrastructure and Delivery Management (SIPDM) to conduct operational day-to-day activities. The Stellenbosch municipality will follow a phased in approach in terms of the required stages pertaining to the general compliance. The phased in approach will be accordance and as per the available resources and capacity.

APPENDIX 27

STELLENBOSCH MUNICIPALITY

INVENTORY MANAGEMENT POLICY

2020/2021

STELLENBOSCH MUNICIPALITY

INVENTORY MANAGEMENT POLICY

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1. DEFINITIONS

1.1 In this Policy, unless the context indicates otherwise, the following definitions are applied:

"Accounting Officer"	means the Municipal Manager for the Municipality as contemplated in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003
"CFO"	means the Chief Financial Officer designated in terms of section 80(2) (a) of the Local Government: Municipal Finance Management Act, 56 of 2003
''Cost''	shall comprise costs of purchase, costs conversion and other costs incurred in bringing the inventories to their present location and condition
"*Delegated authority*"	means the official who is given the authority for relevant functions in terms of the municipality's written delegations;
''***Good received note''***	means a document which is used to acknowledge the receipt of goods in good condition and correct quantities
"***Inventories***"	are assets: In the form of material or supplies to be consumed in the production process, In the form of materials or supplies to be consumed or distributed in the rendering of services Held for sale or distribution in the ordinary course of operations, or In the process of production for sale or distribution
"Municipality"	shall mean the Stellenbosch Municipality;
"Net Realisable''	Is the estimated selling price in the ordinary course of operations less the estimated costs of completion and estimated costs necessary to make the sale exchange or distribution.

"Obsolete inventory"	means items that have expired, are redundant or damaged;
"Re-order level"	means the level of inventory at which inventory is re-ordered;
"*Requisition form*"	means a written request to supply specified inventory;
"Store"	means a place where inventory is stored and reserved for future use, or a source from which supplies may be drawn;
"Inventory Controller"	means an official responsible for the requisition, receipt, issue, recording, safeguarding of inventory and cost-effective and efficient management of inventory.
''Stock Issue Register''	means a document which is used to authorize the removal or issue of stock items from stores.

2. OBJECTIVE OF THE POLICY

2.1 The policy aims to achieve the following objectives which are to:-

a) Provide guidelines that employees of the Municipality must follow in the management and control of inventory, including safeguarding and disposal of inventory.

b) Procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy.

c) Eliminate any potential misuse of inventory and possible theft.

3. SCOPE

3.1 This policy applies to Stellenbosch Municipality's inventory received by the Inventory Controller and issued to users.

3.2 This policy specifically excludes:

a) Pharmaceutical inventory, livestock and face value forms; and

b) Equipment and other assets not defined as inventory;

4. LEGAL FRAMEWORK

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

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

b) Take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and other losses as per section 62(1)(d);

c) Be responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the municipality as per section 63 (1)(a) and (b).

4.2 In terms of GRAP 12:

4.2.1 Inventories shall be recognized as an asset if, and only if,

a) it is probable that future economic benefits or service potential associated with the item will flow to the entity ,and

b) the cost of the inventories can be measured reliably.

4.3 MEASUREMENT AT RECOGNITION

4.3.1 Inventories that qualify for recognition as assets shall initially be measured at cost,

4.3.2 Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition.

4.4 MEASUREMENT AFTER RECOGNITION

4.4.1 Inventories shall be measured at the lower of cost and net realization value, except where paragraph .18 of GRAP 12 applies.

4.4.2 Inventories shall be measures at the lower of cost and current replacement cost where they are held for:

a) distribution at no charge or for a nominal charge ,or

b) consumption in the production process of goods to be distributed at no charge or for a nominal charge.

4.5 RECOGNITION AS AN EXPENSE

4.5.1 When inventories are sold, exchanged or distributed, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any writes –down of inventories arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

4.5.2 Some inventories may be allocated to other assets accounts, for example, inventory used as a component of self-constructed property, plant or equipment. Inventories allocated to other assets in this way are recognized as an expense during the useful life of that asset.

5. INVENTORY PROCEDURES

5.1 The procedures for inventory must be followed to ensure that:

a) Inventory is safeguarded at all times;

b) There are accurate records of quantities on hand at all times;

c) Optimum inventory levels are maintained to meet the needs of users;

d) Only authorised issues of inventory are made to users; and

e) Items placed in store are secured and only used for the purpose for which they were purchased.

5.2 APPOINTMENT OF RESPONSIBLE OFFICIALS

5.2.1 The CFO must appoint, in writing, officials to perform the duties of an Inventory Controller in terms of this Policy.

5.2.2 Adequate segregation of duties between the requisition, receipt, recording, storage and safekeeping of inventory and the management and control thereof must be maintained to avoid the potential occurrence of errors and fraud.

5.3 ORDERING OF INVENTORY

Standard Supply Chain Management procedures as per approved Supply Chain Management policy are to be implemented.

5.4 RECEIPT OF INVENTORY

All inventory must be received by the completion of a goods received note and processed on the financial management system.

5.5 STORAGE OF INVENTORY

5.5.1 Inventory must be stored in a secured, exclusive use area, under lock and key, furthermore the inventory must be insured in terms of the Risk Management Policy of the municipality.

5.5.2 The area must be used exclusively for the storage of inventory, with limited authorised access only.

5.5.3 Inventory must be positioned to facilitate efficient handling and checking.

5.5.4 All items must be stored separately, with proper segregation.

5.5.5 Inventory must be clearly labeled for easy identification. Inventory tag/bin cards or inventory labels may be used to identify each item and to aid in the physical verification of the items.

5.5.6 Where practically possible, all items of the same type and reference must be stored together as per the description on the inventory records.

5.5.7 Items with limited shelf life must be rotated on a first in first out basis, in accordance with paragraph .35 of GRAP, to reduce the occurrence of expired or obsolete stocks.

5.5.8 Due diligence and care must be exercised to prevent damage of, or deterioration of inventory.

5.5.9 Due regard must be given to any safety standards which may apply to the storage of certain inventories.

5.5.10 Steps must be taken to ensure safe custody of items, including precautions against loss or theft.

5.5.11 The Inventory Controller or Delegated Official responsible for the custody and care of inventory must ensure that in his/her absence such items, where applicable, are securely stored.

5.5.12 The responsibility for the custody of the storeroom keys must be allocated by the delegated authority to an official who is accountable for its use.

5.5.13 No unauthorised persons/officials shall obtain entry to premises, buildings or containers where inventory is kept, unless accompanied by the responsible official.

5.5.14 Whenever a change in the Inventory Controller occurs, an inventory count must be conducted.

5.5.15 An independent official shall be nominated in writing by the delegated authority to assist the official handing and taking over with the checking of the inventory and any discrepancies.

5.5.16 Should the above not be complied with, the official taking over shall be liable for any discrepancies.

5.5.17 A handing-over certificate as prescribed by the CFO, must be completed by the handing and taking over officials and a copy retained for record purposes.

5.5.18 The following fire protection precautions must be adhered to:

a) Inventories of an inflammable or dangerous nature shall be stored and handled in such a manner that persons or property are not endangered and in compliance with the requirements of any local authority;
b) The area must be clearly signposted; and
c) Fire extinguishing equipment must be placed in the area where inventories are held and must be serviced regularly.

5.6 ISSUE OF INVENTORY

5.6.1 Only the Inventory Controller is authorised to issue inventory from the storeroom.

5.6.2 Inventory must only be issued in terms of the approved requisition form of the Municipality.

5.6.3 All requisition forms must be ruled off immediately below the last item to prevent items being added once the requisition is authorised by the responsibility manager.

5.6.4 The Inventory Controller must prepare the Stock Issue Register once stock items to be issued have been picked up from the shelves

5.6.5 The official receiving the inventory must acknowledge the receipt of stock items requested, by signing the Stock Issue Register prepared by the Inventory Controller.

5.6.6 Inventories must be issued and used for official purposes only.

5.7 OBSOLETE INVENTORY

5.7.1 The preparatory work for the disposal of obsolete inventory must be undertaken by the Inventory Controller and verified by the Assets Accountant.

5.7.2 The Accounting Officer or delegated authority must convene a Disposal Committee for the disposal of obsolete inventory.

5.7.3 The Disposal Committee should consist of at least three officials, one of whom must act as the chairperson.

5.7.4 The delegated authority may approve the write-off of inventory, if satisfied that: -

a) The inventory has expired and is redundant;
b) The inventory is of a specialised nature and has become outdated due to the introduction of upgraded and more effective products;
c) The inventory cannot be used for the purpose for which it was originally intended; or
d) The inventory has been damaged and is rendered useless.

5.7.5 All disposed of items must be updated in the inventory records/register/database for the purposes of proper management and control.

5.8 INVENTORY COUNT

5.8.1 Items may be subject to an inventory count on a quarterly basis.

5.8.2 Where the quantity of inventory is too large for the count to be completed on a single occasion, inventory counts may be carried out on a rotational basis with a full inventory count at the end of each financial year.

5.8.3 All approved Municipal procedures and processes must be complied with during the inventory count.

5.8.4 The Inventory Controller must submit a report to the CFO after investigating any discrepancies between the inventory records/register/database, bin/tag cards or inventory labels and the physical inventory.

5.8.5 The CFO must submit a report with the findings to the Accounting Officer, in order to have the matter reported to the Council of the Municipality for the write-off of any inventories losses, or the write –up of surpluses.

5.8.6 The appropriate disciplinary action must be instituted when applicable.

5.8.7 The inventory record, register, database or system must be updated accordingly.

6. INVENTORY RECORDS

6.1. An inventory record/register/database must be maintained for all inventory items, either manually and / or electronically.

6.2 All relevant information must be included for the proper management and control of all inventory items. It is recommended that details include but are not limited to:

a) Order number/date;
b) Item description;
c) Quantity and value of stock on hand;
d) Quantity and value of stock received;
e) Quantity and value of stock issued;
f) Re-order level;
g) Optimum inventory level;
h) Quantity and value of obsolete stock; and
i) Opening/closing balance.

6.3 An inventory register/database must be printed monthly and the hard copy filed in a chronological order to maintain a proper audit trail.

7. REPORTING

7.1 A report must be submitted at least quarterly to the Chief Financial Officer and/or the Assets Manager detailing the following:

a) Any inventory shortages or surpluses and the reasons for such;

b) Any inventory deficits proposed to be written-off; and

c) Any obsolete inventory items.

7.2 Inventories purchased during the financial year must be disclosed at cost or net realizable value in the disclosure notes of the Financial Statements of the Municipality.

7.3 In terms of GRAP the financial statements shall disclose:

a) the accounting policies adopted in measuring inventories, including the cost formula used,

b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity,

c) the carrying amount of inventories carried at fair value less costs to sell,

d) the amount of inventories recognized as an expense during the period,

e) the amount of any write-down of inventories recognized as an expense in the period in accordance with paragraph .43,

f) the amount of any reversal of any write-down that is recognized as a reduction in the amount of inventories recognized as an expense in the period in accordance with paragraph .43,

g) the circumstances or events that led to the reversal of a write-down of inventories in accordance with paragraph .43,and

h) the carrying amount of inventories pledged as security for liabilities.

8. CLASSIFICATION OF INVENTORY

As per National Treasury Standard Chart of Accounts, inventory shall be classified as follows:

Inventory Categories	Consumable Categories
Ammunition & Security Supplies	Consumable Supplies (level 4)
Clothing Material & Accessories	Agricultural Supplies (level 5)
Farming & Gardening Supplies	Gifts & Awards
Fuel, Oil & Gas	Fuel Supplies
Crockery & Linen	Media Collections
Learning & Teaching Support Material	Building & Construction
Assets for Distribution	Contraceptives
Materials & Supplies	First Aid Kit
Medical Supplies	Laboratories
Medicines	Security Accessories
Military Stores	Bags & Accessories
Laboratory Chemicals & Supplies	Stationary

9. POLICY ADOPTION

This policy has been reviewed and approved by the Council of Stellenbosch Municipality and is applicable with effect from 1 July 2019.

APPENDIX 28

STELLENBOSCH MUNICIPALITY

PREFERENTIAL PROCUREMENT POLICY

2020/2021

STELLENBOSCH MUNICIPALITY

PREFERENTIAL PROCUREMENT POLICY

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1. PREAMBLE

1.1 The Constitution of the Republic of South Africa, 1996 in section 217 requires an organ of state to contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive and cost effective and to grant preferences within a framework prescribed by National Legislation.

1.2 A National Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)- [PPPFA] was promulgated in response to the Constitutional provision and allow for an organ of state to develop a preferential procurement policy and to implement such policy within the PPPFA framework.

From the preamble from the Constitution:

We therefore, through our freely elected representatives, adopt this Constitution as ***the supreme law of the Republic*** *so as to*

- *Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;*
- ***Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;***
- ***Improve the quality of life of all citizens and free the potential of each person; and***
- *Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.*

From Chapter 7 of the Constitution:

152. Objects of local government

1. The objects of local government are -

a. to provide democratic and accountable government for local communities;

b. to ensure the provision of services to communities in a sustainable manner;

c. to promote social and economic development;

d. to promote a safe and healthy environment; and

e. to encourage the involvement of communities and community organisations in the matters of local government.

2. A municipality must strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1).

153. Developmental duties of municipalities

A municipality must

a. structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and

b. *participate in national and provincial development programmes.*

2. FOREWORD

The policy of Stellenbosch Municipality – in respect of Preferential Procurement is that:

2.1 State expenditure is recognised as an instrument of government policy to achieve economic, socio-economic and development objectives.

2.2 Procurement can be applied as an instrument of secondary redistribution to alter primary income distribution and as a means to address historic imbalances by means of creating employment and business opportunities for historically disadvantaged groups in the South African society.

2.3 Preferential Procurement is recognised as a valid instrument for such social reform.

2.4 It is recognised that preferential procurement cannot be applied without cost and that such cost should be subject to the Municipal Budget and the prioritisation processes applicable to all Municipal expenditure.

2.5 Ultimately, preferential procurement could go some way to providing a springboard to encourage redistribution and reducing economic concentration, which in turn would foster competition and promote effective and appropriate resource allocation.

2.6 The Stellenbosch Municipality Preferential Procurement Policy will be reviewed regularly.

2.7 This Policy marks the beginning of a long term path the Stellenbosch Municipality intends to walk with the citizens of Stellenbosch and that this Policy represents the first phase of implementation. With the increase in maturity of the Stellenbosch Municipality as well as its suppliers, it is further accepted that this Policy will also mature to the extent that visible socio- and economic benefits can be experienced by all citizens living in Stellenbosch.

3. PURPOSE AND OBJECTIVES

The broad purpose of the Preferential Procurement Policy is to:

3.1 Validate Stellenbosch Municipality's commitment to Preferential Procurement.

3.2 Ensure effective and efficient application of resources.

3.3 Promote accountability, transparency and fairness.

3.4 Create opportunities for local small, medium and micro enterprises.

3.5 Enhance quality of services.

3.6 Stimulate socio-economic development.

3.7 Eliminate and counter corruption.

3.8 Contribute towards reduction of unemployment, especially within the Stellenbosch Municipal Area.

3.9 Broadening the tax base within the Stellenbosch Municipal Area.

3.10 Encourage linkages between small and large enterprises.

3.11 Promote skills transfer and training of the historically disadvantaged.

3.12 Protect local industry against unfair competition.

4. LEGISLATIVE FRAMEWORK

Constitution, 1996 (Act 108 of 1996)

4.1 Section 217(1) of the Constitution, 1996 (Act 108 of 1996) provides that when contracting for goods and services, organs of state must do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective.

4.2 Section 217(2) and (3) of the Constitution allows organs of state to grant preferences when procuring for goods and services within a Framework prescribed by National legislation.

Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003) – [MFMA] and related SCM Treasury Regulations, 2005 [SCM TR]

4.3 The MFMA aims to regulate financial management and Supply Chain Management [SCM] of local government to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively.

4.4 Sections 110 – 119 of the MFMA deals with SCM requirements and must be read together with the SCM TR's 1 – 52 issued in terms of section 168 of the MFMA through GG 27636 effective form 30 May 2005. Both these sets of prescripts supports the application of the PPPFA.

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) – [PPPFA]

4.5 The PPPFA, 2000 took effect on 3 February 2000. The main thrust of the PPPFA, 2000 is that an organ of state must determine its preferential procurement policy and implement such within the preferential procurement framework, the latter which is commonly called the '80/20 of 90/10 principle'.

4.6 The National Treasury, in consultation with the Department of Trade and Industry, reviewed the Regulations issued in terms of the PPPFA, in 2001, and issued new Regulations that become effective on 01 April 2017

5. PRINCIPLES

5.1. The principles that underpin this policy are as follows:

5.1.1 Sound commercial principles will underlie all transactions. There will be no compromise on quality, service delivery or any other commercial aspects related to the delivery of business objectives.

5.1.2 All preferential procurement processes will be transparent and subjected to audit in accordance with sound business principles and practices.

5.1.3 Stellenbosch Municipality will only conduct business with service providers that comply with legal requirements (registered with SARS; municipal taxes are not in arrears for more than three months; not on the restricted suppliers or tender defaulters lists; suppliers not deemed as in the service of the State, etc.)

5.2. The Policy is founded upon the following core principles:

5.2.1. Value for money

Price alone is often not a reliable indicator and will not necessarily obtain the best value for money by accepting the lowest price offer that meets mandatory requirements. Best value for money means the best available outcome when all relevant costs and benefits over the procurement cycle are considered.

5.2.2. Open and effective competition

All procurement laws, policies, practices and procedures must be readily accessible to all parties involved in the procurement process. The procurement process must be open and transparent and reasons must be provided for decisions in terms of current legislation.

5.2.3. Ethics and fair dealing

All procurement officials must comply with the municipal ethical standards to promote mutual trust and respect and an environment where business can be conducted in a fair and reasonable manner. The following is regarded as an acceptable ethical behaviour:

- Open, honest and co-operative business relations.
- Confidentiality of commercial information.
- Avoidance of conflict of interest or a perception of bias.
- Disclosure of conflict of interest as soon as they arise.
- Fair dealing and impartiality in the conduct of tender evaluations.
- Avoidance of combative or collusive practices.

5.2.4. Accountability and reporting

Procurement officials and other officials involved in SCM must be answerable for their decisions and actions to the public.

5.2.5. Equity

Stellenbosch Municipality will at all times strive to enhance the development of SMME's and B-BBEE enterprises' to allow them to contribute meaningfully in the economy of the Stellenbosch Municipal Area.

6. POLICY STATEMENTS

6.1 Application

6.1.1. This Policy will apply to all active industry sectors in the Stellenbosch Municipal Area. It is accepted that through the population of reliable data, trends will be evident which will continuously require a review of the Policy to ensure its relevance of all active industry sectors.

6.1.2. This Policy must be read with the Stellenbosch Municipality's SCM Policy

6.1.3. Construction tenders will also have to adhere to the requirements of the CIDBA.

6.2 Targeting

6.2.1. Targeting will be regarded as a specific goal identified by Stellenbosch Municipality and will be reflected in Part 7 to this Policy.

6.2.2. These targets will be determined prior to the invitation of tenders and reflected as special conditions.

6.3 Payment cycles

6.3.1. The payment of invoices is dependent on timely invoicing, approval of invoices and on the payment administration. Responsible officials must process approved invoices within 30 days of receiving the invoice, unless otherwise provided for in the contract.

6.3.2. Reasons for not approving an invoice must be communicated to the tenderer prior to the lapsing of the said 30 days.

6.3.3. Officials must endeavour to, where feasible, process invoices of SMME's within 7-15 days in order to promote their cash flow position.

7. PREFERENCE TARGETS IDENTIFIED

7.1 Considering all the data available this Policy for the 2019/20 financial years will strive to achieve the following targets linked to its identified opportunities listed in paragraph 7.1 above:

POLICY OBJECTIVE	TARGET
Improve the **local economic market**	➢ Make 10%appointments to local businesses through Formal Quotations for appointments below R200,000
Improve the **local economic market**	➢ Obtain 30% quotations from local businesses for appointments below R30,000
Employment of local **semi-& unskilled workers**	➢ Identify 10% of SCM tenders that are labour intensive to include specific conditions of a practical content of local semi-& unskilled workers from LED database / Indigent list.

Methodology to achieve targets in the short term is to include specific conditions in the SCM documents for Formal Quotations and Bids similar to the following two examples:

Example No 1:

"SPECIFIC CONDITIONS: TOTAL MAINTENANCE OF PARKS AND P.O.S WITH MANUAL MACHINES AS WELL AS ALL FLOWERBEDS AND YOUNG TREES IN THE MUNICIPAL AREA:

The intention of the municipality is to promote development of all enterprises. Suitably qualified contractors will be expected to spend at least **80%** of the value of the work on local people to ensure that local economic development is promoted. For this purpose the municipal area is divided into 5 smaller areas. For each area the service provider will be required to appoint a supervisor, and a team of at least **6** people."

Monitoring will be based on the following methods by the End user dept.

1. Local Municipal accounts / Affadavits with ID numbers certified
2. Training and skills development certificates issued

Example No 2:

TENDER DATA: SPECIAL CONDITIONS RELEVANT TO PROJECT.

The following Conditions shall be adopted as per the Municipal PPPFA Policy

SPECIAL CONDITIONS OF TENDER		
	Comply Y/N	**Ref in proposal**
A. CONDITIONS APPLICABLE TO THE PROMOTION OF MUNICIPAL LOCAL AND SOCIO-ECONOMIC DEVELOPMENT		
The full portion budgeted for unskilled labour will be executed by unskilled, unemployed labourers who are beneficiaries of this project. The service provider must provide evidence of the identity and addresses of these labourers within 14 days after award of the contract. Minimum prescribed wages must be paid. In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.		
All materials procured for this project MUST be sourced from local suppliers In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.		
Use a local EME sub-contractor in for all manual labour in regards to excavations, filling and compaction of cable trenches, pole holes road crossings etc. Suppliers must submit sub-contracting agreement with the tender proposal, together with an indication of the payment arrangements. In the event that this condition cannot be adhered to the contractor must obtain prior approval from the Municipality.		
Suppliers must submit sub-contracting agreement with the tender proposal, together with an indication of the payment arrangements		
B. CONDITIONS APPLICABLE AFTER CLOSING OF TENDER BUT BEFORE A SELECTED SERVICE PROVIDER IS ANNOUNCED		
Any additional information upon request must be submitted in writing within 48 hours of receipt.		
C. CONDITIONS APPLICABLE AFTER AWARDING OF THE TENDER		
The service provider must provide the Municipality with a completed list of local labourers to be used, within 14 days after final award of the tender for approval by the Municipality.		
The aforesaid list must be updated and submitted together with the service providers progress report and invoice, inclusive of the following details: a) Salary / wages spent on local employees versus total wages / salary budget at site b) Number of local employees employed versus per total workforce at site c) Payments made to the subcontractor and his performance		

Any amendments prior approval from the Municipality. The service provider must provide local labourers with basic on-the-job training and provide them with a reference letter after completion of their services.		

8. IMPLEMENTATION

8.1 This Policy is effective from 1 July 2019.

8.2 It is the responsibility of the Office of the CFO and various Line Department Managers to bring the content of this Policy to the attention of all parties concerned.

8.3 This Policy marks the beginning of a long term path the Stellenbosch Municipality intends to walk with the citizens of Stellenbosch and that this Policy represents the first phase of implementation. With the increase in maturity of the Stellenbosch Municipality as well as its suppliers, it is further accepted that this Policy will also mature to the extent that visible socio- and economic benefits can be experienced by all citizens living in Stellenbosch.

8.4 In order to achieve the above, the following immediate implementation steps are required:

By 30 September 2019:

a. Increased capacity in the SCM Unit.
b. Identification and appointment of a PPPFA Champion.

9. DEFINITIONS

The words in this policy shall bear a meaning as prescribed and/or ascribed by applicable legislation, and in the event of a conflict, the meaning attached thereto by National Legislation shall prevail.

9.1 **"Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);

9.2 **"Black people"** as defined in the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003), is a generic term which means Africans, Coloured and Indians.

9.3 **"B-BBEE"** means broad-based black economic empowerment defined as the economic empowerment of all black people including women, workers, youth, people with

disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to:

- Increasing the number of black people that manage, own and control enterprises and productive assets;
- Facilitating ownership and management of enterprises and productive assets by communities, workers cooperatives and other collective enterprises;
- Human resource and skills development;
- Achieving equitable representation in all occupational categories and levels in the workforce;
- Preferential procurement; and
- Investment in enterprises that are owned or managed by black people.

9.4 **"B-BBEE status level of contributor"** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.

9.5 **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);

9.6 **"Collusion"** means an intentional and unlawful agreement by two or more companies/firms which is intended or calculated to misrepresent facts or defraud with the sole purpose of influencing the procurement process thereby prejudicing the interests of the service provider;

9.7 **"Companies and Shares"** shall be read so as to include Close Corporations and members interests mutatis mutandis;

9.8 **"Comparative price"** means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;

9.9 **"Consortium or Joint Venture"** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

9.10 **"Contract"** means the agreement that results from the acceptance of a tender by an organ of state;

9.11 **"CFO"** means Chief Financial Officer

9.12 **"Disability"** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being;

9.13 **"Executive Management Committee"** shall mean a committee comprising the Agency's Heads of Divisions and any other Manager so invited.

9.14 **"Firm price"** is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, 'levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;

9.15 **"Individual"** an individual shall mean a natural person;

9.16 **"Indigent"** any person who appears on the Municipality's indigent register as of 1 July of the year under consideration;

9.17 **"Local Labour"** means South African residents who permanently resides in the Stellenbosch Municipal area;

9.18 **"Local Business"** means an enterprise which has its sole office or head office located within the Stellenbosch Municipal area;

9.19 **"Local Content"** means local manufacturing as contemplated in PPPFA Regulations 2011, Regulation 1;

9.20 **"Local economic development"** means local and socio-economic development as contemplated in section 152 of the Constitution, 1998;

9.21 **"Management"** in relation to an enterprise or business, means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director;

9.22 **"Non-firm prices"** means all prices other than "firm" prices;

9.23 **"Person"** includes reference to a juristic person;

9.24 **"Rand value"** means the total estimated value of a contract in Rand denomination which is calculated at the time of tender invitations and includes all applicable taxes and excise duties;

9.25 **"Sub-Contracting"** means the primary contractor's assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract;

9.26 **"Nominated Sub-contractor"** means contractors accredited on the Municipal database for construction related work as contemplated in the CIDBA.

9.27 **"Tender"** means a written offer or bid in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services or goods;

9.28 **"Tender format/strategy"** means the special conditions describing the tender strategy approach in order to achieve identified targets.

9.29 **"Trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

9.30 **"Trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

APPENDIX 29

STELLENBOSCH MUNICIPALITY

GRANTS-IN-AID POLICY

2020/2021

STELLENBOSCH MUNICIPALITY

GRANT-IN-AID POLICY

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1. DEFINITIONS

"**Appendix A**" means the application for Grant-in-Aid, detailed more fully below, and provided for in clause 5.2.

"**Appendix B**" refers to the memorandum of agreement (MOA), detailed more fully below, and provided for in clause 10.

"**Capacity building**" Capacity building refers to a process which enables human beings to realize their potential, build self-confidence and lead lives of dignity and fulfillment. These Capacity Building programs have to align to the basket of services of the Directorate: Social Development and Early Childhood Development i.e. Early Childhood Development, Youth Development, Substance Abuse, Poverty Alleviation, Vulnerable Groups and Street People.

"**Community Based Organization (CBO)**" are nonprofit groups that work at a local level to improve life for residents. The focus is to build equality across society in all streams – health care, environment, quality of education, access to technology, access to spaces and information.

"**Early Childhood Development ("ECD") Facility**" means any place, building or premises, including a private residence, maintained or used partly or exclusively, for the reception, protection and temporary or partial care of more than six children that shall be registered, managed and maintained in terms of the Children's Amendment Act, 41 of 2007.

"**Grant-in-aid**" means a grant-in-aid or allocation, as referred to in Section 12, 17 (3) (j) (iv) of the MFMA, made by the municipality to any organisation or body referred to in Section 67(1) and to be utilised to assist the municipality in fulfilling the Constitutional mandates including social developmental and arts and culture programmes as set out therein.

"**Local Agenda 21**" means the international program, adopted by South Africa to put sustainable development into practice.

"**Memorandum of agreement (MOA)**" means the agreement entered into between the municipality and any organisation or body which receives a Grant-in-Aid in terms of this Policy and **Appendix A.**

"**Non-governmental organisation (NGO)**" means a non-governmental organisation (NGO) that is a legally constituted non-profit organisation that operates independently from any form of government.

"**Non-profit company (NPC)**" means a company whose Memorandum of Incorporation must set out at least one object of the company and each such object must be either a public benefit object or object relating to one or more cultural or social activities, or communal or group interests as required by Item 1(1) of Schedule 1 of the Companies Act, 71 of 2008.

"**Non-profit organisation (NPO)"** means a non-profit organisation registered in terms of Section 13 of the NPO Act, 71 of 1997, established for public purpose and which income and

property thereof is not distributable to its members or office-bearers, except as reasonable compensation for services rendered.

"**Stellenbosch Environmental Management Framework (SEMF)**" means legal and moral obligations of Stellenbosch Municipality as it relates to the environment, and provides a dynamic vision, goals and objectives, and spatial and strategic directives towards giving effect to such obligations.

2. PURPOSE, AIMS AND OBJECTIVES

2.1. This policy aims to provide a framework for Grant-in-Aid to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12, 17 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

2.2. The purpose of the Grant-in-Aid Policy is to complement the goals, objectives, programmes and actions of the Stellenbosch Municipality's Integrated Development Plan (IDP), in order to create a sustainable, credible and caring municipality by empowering and building communities and enhancing growth and sharing through partnerships. Priority ward needs as identified through Council's IDP MUST be the guiding factor in developing these partnerships.

2.3. Grant-in-Aid should not duplicate services already provided for by Council or which falls within the geographical jurisdiction in which Council operates, being WC024.

2.4. Grant-in-Aid should improve the opportunity for Council to elicit the support of external organisations to deliver those services to communities which fall within the Council's area of responsibility in a way that allows the Stellenbosch community and town to create an enabling environment for community development.

3. LEGAL FRAMEWORK

All transfers of funds in terms of this policy shall comply with the: Constitution of the Republic of South Africa, 1996 as amended (Constitution); Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended (MSA); Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA); and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the above.

4. RESTRICTIONS

4.1. The Policy applies to all transfers of grants made by the Municipality towards support of services for the poor, marginalized or otherwise vulnerable people. Individuals may not apply for Grant-in-Aid and no payment may be made under this policy to individuals. Council may however set aside a specific amount from

which the Municipal Manager, after consultation with the Executive Mayor, may, at his/her discretion, make donations to support individual, meritorious cases in order to assist and/or recognise individual excellence in whichever field. Bursaries to individuals are treated according to the Council's Bursary Policy.

4.2. The total expenditure on grants may not exceed 1% of the operational budget of the Municipality.

4.3. Grants will only be made for services rendered in the WCO24.

4.4. Transfers made to categories A and B

4.4.1. Transfers provided for those listed in Category A below may be made to a maximum of R40 000-00 per organisation or body per annum.

4.4.2. Transfers in Category B may exceed this amount where funding relates to night shelters or addresses specific ward priorities identified and specified in the IDP and upon proper motivation contained in a business plan to address said issue. Consideration for grants larger than R 40 000, 00 requires audited financial statements, schedule of estimated annual costs and a business plan as provided for in 6 below. The decision to grant an amount more than R 40 000,00 is solely at the discretion of council and subject to available funds.

4.5. Grant-in-Aid transfers/payments shall be restricted to deserving organisation and bodies serving, especially those working with the poor/aged/youth/disabled/women, as per the eligible categories in 6.2, provided that such organisations or bodies:

4.5.1. Operate as a separate legal entity and are recognised as such by South African legislation;

4.5.2. Are governed by their constitutions, have regular meetings with their membership and subscribe to sound accounting practices; and

4.5.3. Are located and serve communities and individuals who are most in need within the jurisdiction of the Municipality.

4.6. No Grant-in-Aid may be made to any political body, rate payers association or for any religious purposes.

4.7. No grant will be allocated, under this policy, to organisations or bodies in cases where a member of Council, an official of Stellenbosch Municipality or close relatives of said individuals receive any financial or other gain.

4.8. Funds may only be transferred to an organisation or body if provision has been made for the expenditure on the budget or appropriations budget.

4.9. An organisation or body is only entitled to one allocation per financial year, but disbursements can be made more often.

5. PUBLIC ADVERTISEMENT

5.1. The advertisements must meet the following requirements:

5.1.1. The Municipal Manager must, place a public advert in local newspapers distributed in the Stellenbosch Municipal area, calling for proposals.

5.1.2. This advert must be placed in time to complete all relevant processes prior to the approval of the annual draft budget or any adjustment budget in order to invite public comment on the proposed donations prior to the approval of the final or adjustment budget.

5.1.3. Advertisements should clearly specify the categories for which proposals are called, the closing date for applications, who the proposal should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications/proposals, including the prescribed forms.

5.1.4. Advertisements should also clearly reflect the Municipality's right not to make an award, as well as the fact that awards will not be made to organisations that have received funds in the previous year but have not submitted a final report on the projects or previous expenditure.

5.1.5. The advertisement should also clearly state that final approval is reliant on the approval of the budget and that **no late submissions will be considered.**

5.2. Only applications made on the prescribed form, being **Appendix A**, may be considered.

5.3. Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement and after the attendance of a compulsory briefing session and that have not signed a Memorandum of Agreement with the Municipality.

6. GENERAL GUIDELINES AND CATEGORIES

6.1. General Guidelines

Funding of applications shall proceed on the basis listed below in response to an advertisement issued after the expiry of the relevant period associated with the specific category and after a compulsory workshop explaining the policy, application process and the required documentation has been attended by the applicants. Subject to the MOA provided for in clause 10, all funding is unrequited, provided there is compliance with said MOA. Funding of application in –

6.1.1. Category A will be considered on an annual basis ; and

6.1.2. Category B shall be considered on a three year basis subject to a monthly review at the discretion of the Municipality which may result in early termination for unsatisfactory and reckless expenditure.

6.1.3. Council in 6.1.1 and 6.1.2 reserve the right not to fund an organisation for two periods in succession and to cancel said funding in accordance with the MOA concluded.

6.1.4. Funding however will not be considered in the following instances:

(i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding;
(ii) Where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year;
(iii) Where only an individual will benefit;
(iv) For political or ratepayers organisations/groupings;
(v) Projects outside the boundaries of the Municipality;
(vi) Where expenses have already been incurred, and
(vii) Where applications were received after the due date and time for submissions.

6.1.5. Funding of projects and to organisations shall exclude travel costs, subsistence, accommodation, food or entertainment expenses of any kind, staff salaries, bursaries, payments in lieu of rates or other municipal charges except for where the transport and nutrition is intended for beneficiaries/participants in the projects in question. The Municipality may also exercise their discretion to allow funding to extend to the above costs on a needs basis for the organisation or body clearly motivated for in the application.

6.1.6. Subsequent requests from applicants to cover overspending on projects will not be considered.

6.2. Categories Eligible for Grant-in-Aid

The following categories currently apply. Cognisance should be taken that these categories are not exhaustive. Other than the general guidelines and conditions set out above, categories now indicated may require specific criteria applicable to its projects/programmes:

Category A

6.2.1. Health

Projects/programmes include the following but are not limited to:

(i) Public Health interventions inclusive of TB, STDs and HIV/Aids;
(ii) Preventable lifestyle diseases e.g. drug/alcohol abuse, tobacco related illnesses; and

(iii) Promotive and preventative services to infants, children and women.

6.2.2. Environment

Purpose: To stimulate the development of sustainable leisure, aesthetic and environmental projects within the municipal area; to increase the awareness of the environment by promoting "Greening of the City"; to promote swimming skills and water safety.
Projects/programmes include the following but are not limited to:

(i) Voluntary rescue organisations;
(ii) Lifesaving clubs and swimming organisations;
(iii) Environmental groups/organisations; and
(iv) Organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.
(v) Projects which further the Council's aims and the strategies of SEMF (Strategic Environmental Management Framework) and including but not limited to the sustainable management of:
    - Riverine corridors;
    - Biodiversity;
    - Natural and built environment;
    - Heritage resources;
    - Quality urban spaces;
    - Ecological conservation areas;
    - Urban agricultural complexes;
    - Bioregional planning;
    - Nature area management;
    - Wetlands;
    - Local Agenda 21 projects

6.2.3. Solid Waste (Cleansing)

Purpose: Waste Reduction and awareness.
Projects/programmes include the following but are not limited to:

(i) Waste reduction and awareness;
(ii) Educational programmes/projects addressing litter and waste handling; and
(iii) Waste minimisation solutions.

6.2.4. Social Development

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing especially on the needs of the most marginalised sectors in the greater Stellenbosch as identified in the ward priorities.
Projects/programmes include the following but are not limited to:

(i) Poverty alleviation;
(ii) Urban renewal;
(iii) Capacity building of communities;

(iv) Youth development;
(v) Women and gender development;
(vi) Early childhood development;
(vii) Street people programmes;
(viii) Arts and culture programmes
(ix) Facilitation of public participation processes; arts and culture programmes
(x) Development of disabled persons, and
(xi) Development of elderly people

6.2.5. Sports and Recreation

Purpose: To stimulate the development of sustainable Sport and Recreation infrastructure and programmes within the municipal area especially targeting disadvantaged communities; encourage creativity and self-reliance on the part of grassroots sport and recreation bodies or groups; to increase participation in sport and recreation programmes and activities.

Projects/programmes include the following but are not limited to:
(i) Local sport and recreation clubs;
(ii) School sport teams
(iii) Local sport and recreation councils or associations
(iv) Informal sport and recreation groups; and
(v) Community and non-government organisations.

Category B

6.2.6. Night Shelters

Purpose: Provision of shelter for vulnerable individuals living on the street, without homes, in the need of shelter at night. Shelter is provided on a temporary basis and residency should not be provided for on a permanent basis. The Municipality aims to reduce the number of people living on the streets of Stellenbosch and as such the organisation or body's goals should align with this vision. Further the Municipality aims to reduce the socio-economic effects of poverty on the community of Stellenbosch. The organisation or body must therefore present to Council a clear business plan with a comprehensive response to the prevention, reduction, outreach and stabilisation of street people. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred. Street people programmes listed in Category A shall fall under this category if provision is made for overnight stay.

Projects/programmes must include the following but are not limited to:
(i) Provision of basic services (overnight facility, shower, morning and evening meals
(ii) Provision of social work services inclusive of referrals

(iii) Family re-integration services
(iv) Social support
(v) Community work programme
(vi) Facility maintenance (Infrastructure and operational equipment)

6.2.7. Projects aligned to the strategic objectives of the municipality as described in the IDP

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing on the strategic objectives of the Municipality and identified ward priorities. The organisation must therefore present to Council not only a clear business plan detailing how they intend to address the specific issue but how they intend to partner with other organisations to achieve a unified approach to that particular challenge. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred.
Projects/programmes include the following strategic objectives but are not limited to:
Those listed in Category A that address specific ward priorities identified and specified in the IDP and upon proper motivation contained in a potential plan to address said issue.
(i) Valley of Possibility
(ii) Green and Sustainable Valley
(iii) Dignified Living
(iv) Safe Valley
(v) Good Governance and Compliance

7. APPLICATION PROCEDURE

Applications and proposal for Grant-in-Aid must be on the prescribed form stated in 5.2 above, a copy of which is attached hereto as **Annexure A for Category A and B**. Applications must be accompanied by a covering letter on the letterhead of the organisation or body, signed by the head of the organisation or body and must include the following information. Should an applicant wish to submit a Category B application, but would want to be considered for a Category A application in the event that the Category B application is declined, this must be clearly stated in the covering letter and supporting documents MUST be submitted for both types of applications:

7.1. The applicant's legal name and a brief description of the applicant organisation's or body's business;

7.2. if the applicant claims to be a non-profit organisation, the registration number and the certificate;

7.3. the date of establishment, details of the applicant's member founding documents, including constitution and certificates of incorporation;

7.4. a contact name, full street address, telephone number and an e-mail address;

7.5. if funding is required for a specific project, a brief description of the project what it aims to achieve, as well as the detailed budget for and duration of the project;

7.6. a description on how the project aligns with the needs identified in the community through the IDP process and which ward priorities will be addressed through the project;

7.7. if the request is for general support, the organisation's or body's overall budget must be included;

7.8. references, independent of the applicant and its executive;

7.9. most recent audited financial statements (subject to MFMA, section 67(4)) statements; or at least statements signed off by the treasurer and chairperson of the organization in the case of small emerging organizations;

7.10. a summary of past achievements;

7.11. a declaration by the head of the organization to the satisfaction of the Municipal Manager, that the organisation or body implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds; and

7.12. notwithstanding the above requirements, the CFO after considering the merits of an application not complying with the minimum application criteria and after consulting the Municipal Manager, may for the purpose of this policy approve a deviation from the norm;

7.13. Applications for Category B **must** include a schedule of annual costs for a three year period, business plan and audited financial statements.

8. OBLIGATIONS OF THE APPLICANT

8.1. The head of the organisation or body must acknowledge in writing to the Municipal Manager that the money was received in its bank account and that the amount is/will be utilised to the benefit and in accordance with the role of the organisation or body in society. The funds should be used as outlined in the application form.

8.2. The organisation or body shall regularly report, if and when required but at least once a year, to the Municipal Manager regarding the activities conducted, the ward within which activities are conducted, as well as the number of people benefiting from the activities.

8.3. If funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget for and duration of the project.

8.4. The applicant must attend a compulsory workshop on the Grant-in-Aid policy and application procedure prior to submission of the application.

8.5. If successful with the application, the applicant must spend funds according to the approved Grant-in-Aid funding request. Should the need change over the funding period, written consent needs to be obtained from the municipality prior to spending the funds on alternative needs. Failure to spend funding on approved projects can result in the applicant being required to return the funding and/or the applicant being excluded from future applications for a period of 5 years.

9. RIGHTS OF THE MUNICIPALITY

9.1. The Municipality shall be entitled, from time-to-time, to verify and inspect the existence and activities of the organisation or body. The municipality will therefore have the right to physically visit the premises where the organisation, or the funded project, is based; to peruse the budgets and any progress reports related to the project (in contract).

9.2. The Municipality shall manage contracts entered into with organisations or bodies by receiving reports and doing the necessary site visits and inspections to ensure that this policy and contract are being complied with.

9.3. The Municipality has the right not to give a Grant-in-Aid to any or all organisations applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.

9.4. The Municipality will run proposed donations through a public participation process before final awards are made.

10. AGREEMENT

Before any funds are transferred to an organisation an agreement **(Annexure B)** must be concluded by the Municipal Manager with the beneficiary to protect the interest of the Municipality.

11. DEVIATION

This policy constitutes the entire framework for Grant-in-Aid and no deviation will be entertained.

12. COMMENCEMENT

This Policy takes effect on the date on which it is adopted by the Council of Stellenbosch Municipality.

APPLICATION FOR GRANT-IN-AID: 2021/22

NOTE: ***ATTENDANCE OF THE GRANT-IN-AID WORKSHOP IS COMPULSORY***

PLEASE COMPLETE THE FOLLOWING					
A	**REGISTERED NAME OF ORGANISATION**				
B	**DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED:** (include a brief description of the business or activities of the organization)				
C	**ADDRESS OF REGISTERED ORGANISATION**				
	PHYSICAL ADDRESS		**POSTAL ADDRESS**		
	CODE:		**CODE:**		
D	**CONTACT DETAILS** (Details of the person to contact regarding this GIA application)				
	NAME & SURNAME:				
	POSITION:				
	TEL:	( )	**FAX:**	( )	
	MOBILE:		**ALTERNATIVE:**		
	EMAIL ADDRESS:				

E	REGISTRATION:				
	Is the organization a NP/NG Organisation?	**YES**		**NO**	
	If YES, please provide the Registration Number: (Attach a copy of the registration certificate or proof of other affiliation where applicable)				

F	**BOARD/COMMITTEE MEMBERS OF THE ORGANISATION:** (List **ALL** Board/Committee Members of the Organisation) Insert a separate page if the space is not enough).	
1	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
2	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
3	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
4	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	

5	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
6	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
7	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
8	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	
9	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	

10	**NAME & SURNAME:**	
	POSITION:	
	ADDRESS:	
	CONTACT NUMBER:	

G	**PREVIOUS FUNDING:**	
	Have you successfully applied and received Stellenbosch Municipal Grant-In-Aid funding previously?	
	If yes for which financial year?	
	What amount was received?	
	Did you submit Financial Reports for the funds received?	
	Do you receive any other sources of funding? (If YES please provide details)	

H	**CATEGORY A:** For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)	
	HEALTH	
	ENVIRONMENT	
	SOLID WASTE	
	SOCIAL DEVELOPMENT	
	SPORTS & RECREATION	
	CATEGORY B: For more information refer to the Grant-In-Aid Policy for general guidelines and categories (Please categorize your application by marking the appropriate category with X)	
	NIGHT SHELTER	
	OTHER (Please specify)	

I	**REQUEST FOR FUNDING:**				
	Is funding required for the ensuing year?	**YES**		**NO**	
	Is funding required for a specific project? (If YES attach details separately)	**YES**		**NO**	
	Is funding required for general support? (If YES, attach a copy of the Organisation's Overall Budget)	**YES**		**NO**	
	Budgeted amount requested				
	Duration of project?				

	If Category B Application						
	Total amount requested for 3 year period						
	Annual amounts requested:	Year 1		Year 2		Year 3	

J	**SERVICE FOCUS**	
	Ward number/s in which services are delivered:	
	Which Ward Priority/ies are addressed through the service: (Please provide details below)	
	Which Municipal Strategic Goal/s is linked to the services: (Please mark with a X)	
	Valley of Possibility	
	Safe Valley	
	Dignified Living	
	Good Governance and Compliance	
	Green and Sustainable Valley	
K	**THE FOLLOWING MUST BE ATTACHED TO THIS APPLICATION: (Category A and B applications)** (Please use this form as a check-list, to ensure that you comply to the specified requirements)	
1	**AUDITED FINANCIAL STATEMENTS** (A copy of the latest audited financial statements. Should the organization be classified as an emerging organization, the financial statements MUST be dated and signed by the Treasurer and Chairperson and MUST include a monthly income and expense statement for the months that the organization has been in existence or for the last 12 months)	
2	**ORGANISATIONAL CONSTITUTION** (A signed and dated copy of the Organisation's Constitution, as well as a signed copy of **the Minutes of the AGM/Special Meeting**, to verify the acceptance of the Constitution.)	
3	**PROJECT PROGRAMME/BUSINESS PLAN** (A copy of the project/program description and/or a business plan for the ensuing financial year. Please ensure that the following is included in the project/program and or business plan, by using the below mentioned bullet points as a guide).	
	❖ Full details of the proposal/project/business plan including objectives;	
	❖ The number of people who will benefit and how the project/program will contribute or enhance the strategic objectives of Stellenbosch Municipality;	
	❖ The project/program commencement and completion dates;	
	❖ Information on the total costs of the project/program budget;	
	❖ A breakdown of costs and an outline of any contributions by fundraising and / or own contributions;	
	❖ A list of all other sources of funding together with the assessments;	
	❖ A summary of past achievements;	
	❖ Reference independent of the applicant and its executive/board or committee members.	
4	**SIGNED AND STAMPED CREDITOR CONTROL FORM** (An original signed copy of a correctly completed Creditors Control form of the Stellenbosch Municipality)	
5	**ACCOUNT ON EXPENDITURE FOR PRECEDING FUNDING** (If you have received funding from Stellenbosch Municipality in the preceding financial year, expenditure of the funds received needs to be accounted for with this new application). Please refer to Section M for the format.	
6	**PROOF OF REGISTRATION/AFFILIATION** (Attach a copy of the organisation's Registration Certificate of Affiliation)	

L	**REQUIREMENTS CATEGORY B APPLICATIONS** (Please note that Category B applications **MUST** adhere to the following requirements **and** those listed under section K, except where indicated otherwise.)	
1	**AUDITED FINANCIAL STATEMENTS** A copy of the latest audited financial statements must be included in the application. Category B applications **MUST** submit their latest audited financial statements. Statements signed off by the treasurer, chairperson or other delegated party will not be accepted.	
2	**THREE YEAR BUSINESS PLAN** See the requirements for the business plan as listed under section K as guideline. NOTE: Category B applications MUST provide a clear proposal for a period of three years. Each year must be indicated separately and be costed per annum indicating all expenditure against the projected measurable outcomes. Outcomes must be listed ito how they will be reported on and measured on a monthly basis.	
M	**FORMAT FOR FEEDBACK REPORT** (Please ensure that your feedback of previous funding received, includes the following)	
1	Narrative report on the project including numbers reached, outcomes reached, outcomes reached, evaluation of the project indicating successes and failures/lessons learned.	
2	Pictures of the project/program.	
3	Financial report on expenditure regarding previous donation separate from the annual financial statements. (Attach proof of expenditure).	
N	**THE FOLLOWING SHALL APPLY:**	
1	The allocation of Grant-In-Aid will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein.	
2	An applicant who has been registered as a non-profit organization in terms of Section 13 of the Non-Profit Organisation Act, 1997, and the necessary proof thereof is submitted together with this application.	
3	Applicants must in their submission clearly indicate/specify and motivate what the funds will be utilized for.	
4	The Grant-In-Aid must be exclusively utilized for the purpose defined and the successful applicant must submit the necessary undertaking to this effect.	
5	Applicants must in their submission satisfy the Council of their ability to execute the project successfully.	
6	Organisations who have already received financial or other assistance from the Council during the previous financial year MUST specify same in their application.	
7	No funding will be considered for political groupings, churches or ratepayers organisations.	
8	No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain.	
9	Projects outside the boundaries of the Council will not be considered.	
10	Expenditure that will not be funded includes: travel costs (unless it is for the transport of beneficiaries), subsistence, accommodation, food (unless intended for the beneficiaries) or entertainment expenses of any kind, staff salaries including bonuses, bursaries and payments in lieu of rates or other municipal charges.	
11	Subsequent requests from the applicants to cover overspending on projects will not be considered.	
12	Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance management Act no. 56 of 2003 which inter alia stipulates that the organization or body has to:-	
	❖ Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting financial management and auditing requirements as may be contained in such an agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with municipal programs of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion.	
	❖ Report monthly on the actual expenditure of the amount allocated to it. Should monthly allocations be made.	
13	The Council reserves the right not to give a Grant-In-Aid to any organization applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.	
14	Funding will not be considered where a project or organization is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.	
15	Funding will not be considered where in Council's opinion, an organization received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.	
16	Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attach to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of Section 17 of the Non-profit Organisation Act, 1997 and Section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).	
17	Funding will not be considered where expenses have already been incurred on a project by the applicant. (The Council's Grant-In-Aid Policy must be consulted for the sake of completeness).	

O	DECLARATION OF INTEREST:
The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations:	
Name & Surname:	
Designation:	
Name & Surname:	
Designation:	

P	UNDERTAKING:
	I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of a Grant-in-Aid as set out above and in the GIA Policy have been read and is understood and will be complied with. I/We also declare that the organization implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds. Thus completed and signed at Stellenbosch on this day of _____ 20 . _____ _____ **Chairperson/Authorised Representative** **Secretary/Duly Authorised Signatory**

Q	PLEASE TAKE NOTE: (Completed application forms, together with all the required supporting documentation must be posted to):
	The Director: Planning & Economic Development **P O Box 17** **Stellenbosch** **7599** **Or hand delivered to:** **The Manager: Community Development** **58 Andringa Street** **Stellenbosch** **7600** **The submission of applications closes at 13H00 on the closing date as per the advertisement.** **PLEASE NOTE: Neither LATE nor INCOMPLETE applications shall be considered.**

STELLENBOSCH
STELLEN BO SCH • PN I E L • FR ANSC HHOE K

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

MEMORANDUM OF AGREEMENT

Entered into and between

STELLENBOSCH MUNICIPALITY

(hereafter called the "***MUNICIPALITY***")

Herein represented by **Geraldine Mettler**, in her capacity as **Municipal Manager**, being duly authorised

and

_____

(hereafter called the "***BENEFICIARY***")

Herein represented by_____in his/her capacity as_____, being duly authorised.

WHEREAS Section 67(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA) oblige the Accounting Officer of a **MUNICIPALITY** to satisfy himself that, before transferring funds of the **MUNICIPALITY** to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, that such organisation or body:-

(a) has the capacity and has agreed-

(i) to comply with any agreement with the **MUNICIPALITY**;

(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;

(iii) to report at least monthly to the Accounting Officer on actual expenditure against such transfer (should transfers be done on a monthly basis); and

(b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and

(c) has in respect of previous similar transfers complied with all the requirements as set out above; and

(d) give permission to site visits done by the **MUNICIPALITY.**

WHEREAS the **MUNICIPALITY** has approved a Grants-in-Aid Policy, in terms whereof applications are considered;

WHEREAS the **BENEFICIARY** has applied for a grant-in-aid as per the official grant-in-aid application form; and

WHEREAS the **MUNICIPALITY** has approved such application, subject to certain conditions;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. TRANSFER OF FUNDS

1.1 The **MUNICIPALITY** hereby undertakes to transfer an all-inclusive amount of

R……. (…….), being a donation for the period **01 July 20...** to **30 June 20…** to the **BENEFICIARY**.

1.2 Bank Account details: (The following are confirmed through a correctly completed Creditors Control Form.)

Account number : _____

Name of financial institution : _____

Name of account holder : _____

Branch code : _____

Type of account : _____

1.3 The all-inclusive amount will be transferred in equal amounts on the following dates (if applicable):

_____

2. OBLIGATIONS OF BENEFICIARY

2.1 The **BENEFICIARY** must acknowledge in writing to the Municipal Manager that the amount(s) was(were) received in its bank account.

2.2 The **BENEFICIARY** hereby certifies that the money will be utilised in accordance with the role of the organisation or society, to the benefit of the community and in accordance with the project(s) / programme(s) as indicated in the application form.

2.3 The **BENEFICIARY** undertakes to regularly report on a monthly basis to the Municipal Manager regarding the activities conducted, actual expenditure against such transferred funds, as well as the number of people benefiting from the activities should monthly payments be made. If not, an annual report on the expenditure will be provided.

2.4 The **BENEFICIARY** further undertakes to submit an audited financial statement for its financial year to the Municipal Manager by not later than **30 April 20…**

3. SPECIFIC CONDITIONS

3.1 The parties specifically agree on the following:

That the organization will commit to active involvement in any programme run by the municipality in the area of operation of the organization when such a programme is active in the community.

Other conditions:

_____

_____

4. DECLERATION OF INTEREST

The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations: (Name and designation)

_____

_____

5. ACQUISITION OF ASSETS

5.1 Should the **BENEFICIARY** wish to acquire any moveable or immovable assets with the money donated in terms of this Agreement, the **BENEFICIARY** hereby undertakes to:-

5.1.1 adhere to the principles as per the **MUNICIPALITY'S** Supply Chain Management Policy, and

5.1.2 take all reasonable steps to ensure that such assets are maintained and that a system of internal control of such assets is in place.

6. RIGHTS OF THE MUNICIPALITY

6.1 The **MUNICIPALITY** shall be entitled, from time to time, to verify the existence and to inspect the activities of the **BENEFICIARY**, having regards for its right to privacy as entrenched in terms of the Constitution of the Republic of South Africa..

6.2 The **MUNICIPALITY** shall further be entitled to peruse the budgets and any progress reports related to the project / programme as per this Agreement.

7. FAILURE TO COMPLY

7.1 Failure by the **BENEFICIARY** to comply with the obligations as set out in Clause 2 of this Agreement, may lead to the cancellation of this Agreement, in which case the **MUNICIPALITY** may demand that the organisation pays back any unspent funds as per this Agreement. The **MUNICIPALITY** may even, depending on the circumstances leading to the non-compliance by the **BENEFICIARY**, demand that the organisation pays back the full amount paid to the **BENEFICIARY**.

8. INDEMNIFICATION

8.1 The **BENEFICIARY** hereby acknowledges that it receives the grant voluntarily and that it shall keep the **MUNICIPALITY** indemnified at all times against any loss, cost, damage, injury or liability suffered by the **MUNICIPALITY** resulting from any action, proceeding or claim made by any person (including themselves) against the **MUNICIPALITY** caused directly or indirectly by the use/spending of the grant.

9. DISPUTE RESOLUTION

9.1 Any dispute arising from this Agreement shall be mediated between the Parties by a mutually agreed upon and suitably skilled mediator. Should the mediator be unsuccessful and the Parties fail to reach agreement, the dispute may be referred by

the aggrieved Party to the arbitration of a single arbitrator, to be agreed upon between the Parties, or failing agreement, to be nominated on the application of any Party, by the President for the time being of the South African Association of Arbitrators. The decision of the single arbitrator shall be final and binding on the Parties.

10. NOTICES AND DOMICILIA

10.1 The parties choose as their *domicilia citandi et executandi* their respective addresses as set out in this clause for all purposes arising out of or in connection with the agreement at which addresses all processes and notices arising out of or in connection with this Agreement, its breach or termination, may validly be served upon or delivered to the Parties.

10.2 For purposes of this Agreement the Parties' respective addresses shall be:

10.2.1 The **MUNICIPALITY:**

Town House
Plein Street
Stellenbosch
7600
Fax: 021 – 808 8025

10.2.2 The **BENEFICIARY:**

_____

_____

_____

_____

email address: _____

or at such other address of which the Party concerned may notify the other(s) in writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or poste restante.

10.3 Any notice given in terms of this Agreement shall be in writing and shall-

10.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

10.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (eighth) day following the date of such posting;

10.3.3 if transmitted by facsimile be deemed to have been received by the addressee on the day following the date of dispatch;

10.4 Notwithstanding anything to the contrary contained or implied in this Agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such party.

11. ENTIRE AGREEMENT

This Agreement, including the **Grant-in-Aid policy and application form**, reflects the entire Agreement between the Parties and no variation, amendment or addendum shall be of any force and effect between the Parties unless contained in writing, signed and agreed on by both Parties.

Signed at Stellenbosch on this_____day of_____20….

…….
for the **MUNICIPALITY**

WITNESS: 1. ……..

2. ……..

Signed at Stellenbosch on this_____day of_____20….

2. ……
……
…..

WITNESS: 1. ……..

…….. for the

BENEFICIARY

APPENDIX 30

STELLENBOSCH MUNICIPALITY

MFMA Circular No.98

MUNICIPAL BUDGET CIRCULAR FOR THE 2020/2021 MTREF – 6 DECEMBER 2019

Municipal Budget Circular for the 2020/21 MTREF

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1. Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2020/21 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR); and strives to support the budget preparation processes of municipalities so that the minimum requirements of the MBRR promulgated in 2009 are achieved.

In 2010, the National Treasury introduced the local government budget and financial reform agenda. Since then several projects to further this agenda have been introduced. The recent implementation of the municipal Standard Chart of Accounts *(m*SCOA*)* and the accompanying "game changers" signals a smarter way forward to strengthening local government finances.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake the annual budget preparation in accordance with the budget and financial reform agenda and the associated "game changers".

Municipalities are reminded to refer to the previous annual budget circulars for guidance on budget preparation issues that are not covered in this circular.

2. The South African economy and inflation targets

In the 2019 Medium Term Budget Policy Statement (MTBPS) tabled by the Minister of Finance on 30 October 2019, he stated that, he is tabling the 2019 MTBPS in a difficult global and domestic environment. The global growth forecast for 2019 is the lowest since the 2008 financial crisis, weighed down by mounting trade tensions and political uncertainty. Economic activity in two engines of the world economy, namely China and India, is also slowing this year. Policy makers have taken a number of steps to support growth, but there is a risk that these measures will create new vulnerabilities, as interest rates in advanced economies decline. About a quarter of government bonds in these countries have negative yields.

In South Africa, economic growth has continued to stagnate and weaknesses in the world economy are likely to amplify our own challenges. The discussion paper termed the Economic transformation, inclusive growth, and competitiveness released by the National Treasury has proposed a number of economic reforms that might boost GDP growth over the medium and longer term, and support increased investment and job creation. These measures have been broadly agreed on within government. The next step is to implement the reforms urgently. Nevertheless, the economy has continued to weaken with the economic growth projected to grow at 1.2 per cent in the 2020/21 financial year, while long term estimates have fallen prompting government to review its outer year's estimates.

In addition to low growth, South Africa's biggest economic risk is Eskom. Ongoing problems with the utility's operations continue to disrupt the supply of electricity to households and businesses. Government has allocated significant resources to assist Eskom. With the immediate financial restraints lifted, the focus must be on operational problems and restructuring Eskom into three separate entities. Doing so will mark the beginning of a transition to a competitive, transparent and financially viable electricity sector.

South Africa's public finances deteriorated over the past decade; a trend that accelerated in recent years as low growth led to large revenue shortfalls. For 10 years, the country has run large budget deficits. This has put us deeply in debt, to the point where interest payments have begun crowding out social and economic spending programmes. This cannot be sustained.

Government proposed a range of expenditure reductions to restore the public finances to a sustainable position, some of which are likely to be painful. We owe it to future generations to ensure that we are good stewards of our country's resources and that they do not have to pay for faults in our decision-making.

The following macro-economic forecasts must be considered when preparing the 2020/21 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2018 - 2022

Fiscal year	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Estimate	Forecast		
CPI Inflation	4.7%	4.3%	4.9%	4.8%	4.8%

Source: Medium Term Budget Policy Statement 2019.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

3. Key focus areas for the 2020/21 budget process

3.1 Division of Revenue outlook

Municipal governments face multiple pressures over the period ahead with local government expected to expand access to free basic service to poor households, while ensuring that those who can afford to pay for services do so.

The 2020 MTEF includes large reductions in planned transfers to municipalities. The implication of these reductions is that municipalities will be required to reprioritise projects. Larger reductions in grants are mainly affecting urban municipalities which have the capacity to offset the effects of these cuts from their own revenue investments.

A notable revision is that of the Public Transport Network Grant (PTNG) which has funded 13 cities over the past decade, yet only six have launched operations. In the 2020 MTEF, the grant will be allocated only to 10 cities and these cities will be required to reduce their costs and to demonstrate their effectiveness to receive PTNG funding.

3.2 Local government conditional grants and additional allocations

The proposed division of revenue is still biased towards prioritising funding services for poor communities. Allocations to local government subsidise the cost of delivering free basic services to the less fortunate and the poorest of the poor households, and the infrastructure needed to deliver those services, as well as the maintenance of the infrastructure to ensure the sustainable delivery of these services.

The 2019 Medium Term Budget Policy Statement (MTBPS) projects transfers for local government for the 2020 MTREF at R397 billion, of which 62.2 per cent comprise unconditional allocations while the remainder is conditional grant funding. The allocations for local government over the medium term represent 8.6 per cent of non-interest expenditure and a slight decrease from the 8.9 per cent realised in the 2018 budget.

The equitable share and the allocation of the general fuel levy to local government constitutes unconditional funding. Municipalities are reminded that this funding allocation is formula driven and designed to fund the provision of free basic services to disadvantaged communities. Conditional grant funding must be utilised for the intended purpose within the timeframes, as specified in the annual Division of Revenue Bill. Monies not spent must be returned to the fiscus and requests for roll-overs will only be considered in extenuating circumstances.

The annual Division of Revenue Bill will be published in February 2020 after the budget speech by the Minister of Finance. The grant allocations will be specified in this Bill and municipalities must reconcile their budgets to the numbers published therein.

Municipalities are advised to use the indicative numbers presented in the 2019 Division of Revenue Act to compile their 2020/21 MTREF. In terms of the outer year allocations (2021/22 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2019 Division of Revenue Act for 2021/22. The DoRA is available at http://www.treasury.gov.za/documents/national%20budget/2019/default.aspx

3.3 Changes to the structure of local government allocations

The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the MTEF period.

Large urban municipalities continue to underinvest in infrastructure, primarily because of poor programme and project preparation practices, leading to long delays, higher costs and breakdowns in service delivery. While public and private capital funding is available, these weaknesses translate into low levels of effective demand from the municipalities.

To address these problems, from 2020/21 government will introduce dedicated grant funding for large urban municipalities. Eligible municipalities will receive co-financing on a declining basis over three years. Financing will be conditional on establishing a municipal project preparation fund and an infrastructure delivery management system, and achieving targets for programmes and projects under preparation. Funding for this new facility will be reprioritised from existing allocations to municipalities.

Government is also working with municipalities to increase their revenue raising potential. The Municipal Fiscal Powers and Functions Amendment Bill, which will be tabled shortly, will standardise the regulation of development charges. Development charges are the mechanism by which municipalities recover the capital costs of connecting new developments to infrastructure for water, roads, electricity and other services. Currently, these charges are frequently below cost, so municipalities effectively subsidise the provision of infrastructure to businesses and other developments, reducing their ability to subsidise infrastructure directly for lower-income residents.

The change could increase municipal revenues for capital spending by an estimated R20 billion a year. Several efforts are also under way to improve the effectiveness of transfers to rural municipalities. The possibility of using municipal infrastructure grant funds to buy waste management vehicles, which must be purchased through a contract facilitated by the National Treasury to minimise costs, is being investigated to expand services in rural areas. Funds may be reprioritised between water and sanitation grants to accelerate the completion of regional bulk water schemes.

The Department of Energy will complete an electrification master plan to guide the future allocation of funds between the Eskom, municipal, and non-grid components of the Integrated National Electrification Programme. The Department of Transport will establish a national database for all road traffic and condition data to inform the prioritisation and monitoring of road maintenance across all roads.

3.4 Addressing unfunded budgets in local government

A revised strategy to address municipal financial performance failures has been endorsed by the Budget Council and Budget Forum (the respective intergovernmental forums for provincial and local government finances). This strategy is based on an analysis of performance failures in governance, financial management, institutional capabilities and service delivery. As part of this strategy, municipalities must ensure that their budgets are adequately funded.

The number of councils adopting unfunded budgets, where realistically anticipated revenue is insufficient to cover planned spending sustainably, increased from 74 in 2016/17 to 126 in 2019/20. The National Treasury, alongside provincial treasuries, has provided extensive advice and support to ensure that municipalities plan affordable expenditure and collect all the revenue owed to them. All municipalities are able to table a funded budget. This is easier for transfer-dependent municipalities as they have more predictable revenue and can plan their spending accordingly.

The 126 municipalities with unfunded budgets were required to table special adjustments budgets to align their spending plans with projected revenues and ensure they have plans in place to pay their creditors (including Eskom and the water boards). Those municipalities that did not table funded adjustments budgets by 15 November 2019 had their December 2019 tranche of the local government equitable share withheld as the MFMA requires that a municipality must table a funded budget.

Municipalities who are finding it difficult to table funded and sustainable budgets should contact National or their respective provincial treasury for assistance to reprioritise their budgets.

3.5 Municipal Standard Chart of Accounts (*m*SCOA)

3.2.1 Release of Version 6.4 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.4 is released with this circular (see Annexure A). Version 6.4 of the chart will be effective from 2020/21 and must be used to compile the 2020/21 MTREF and is available on the link below:

http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

3.2.2 Budgeting, transacting and reporting in an mSCOA environment

The *m*SCOA Regulations[1] prescribes the uniform recording and classification of municipal budget and financial information at a transaction level. All municipalities and municipal entities had to comply with the Regulations by 01 July 2017.

This standard classification framework enforces the link between planning (IDP) and the budget through the project segment and enables annual reporting and performance management linked to strategic service delivery objectives.

By now, all municipalities should:

- Have acquired, upgraded and maintain the hardware, software and licences required to be and remain *m*SCOA compliant;

[1] The Minister of Finance promulgated the Municipal Regulations on a Standard Chart of Accounts in government gazette Notice No. 37577 on 22 April 2014.

- Budget, transact and report on all six (6) legislated *m*SCOA segments and directly on the core financial system and submit the required data strings directly from this system to the Local Government Portal;
- Lock down the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the local government portal;
- Closed the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the local government portal; and
- Generate regulated Schedules (A, B, C) directly from the core municipal financial systems.

If your municipality has not achieved the above level of implementation as yet, then the implementation of *m*SCOA in your municipality should be accelerated. Towards this end:

- A road map must be provided to the National and respective provincial treasury to indicate how the municipality will be become *m*SCOA compliant;
- The municipality's *m*SCOA Project Steering Committee (chaired by the Accounting Officer) must meet at least monthly (if not more often) to track the progress against the road map and take corrective action where required;
- The National Treasury (in the case of non-delegated municipalities) and respective provincial treasury (in the case of delegated municipalities) should be invited to the *m*SCOA Project Steering Committee meeting; and
- Progress against the road map should be presented at the Mid-Year Budget and Performance and Budget Benchmark engagements.

3.2.3 Changing of the Core Financial System

Municipalities are reminded to follow the required due diligence processes in terms of MFMA Circulars No. 80 and 93 and *m*SCOA Circulars No. 5 and 6 when they procure a core financial system.

In addition, if a municipality enters into a contract with a system vendor for the maintenance of the procured system that will impose financial obligations on the municipality beyond the three years covered in the MTREF budget, then the provisions of Section 33 of the MFMA should be adhered to.

Service level agreements (SLA) with system vendors must also be managed properly. Penalties, including the termination of the SLA in cases of persistent non-compliance, should be imposed if the agreed upon milestones are not met by the system vendor. Likewise, if a system vendor has delivered on the services agreed upon in the SLA, then the municipality should pay all money owing to the system vendor within 30 days of receiving the relevant invoice or statement, as per the requirements of Section 65(2)(e) of the MFMA.

The National Treasury will conduct independent audits on all municipal core financial systems in 2020 to determine to what extend these systems comply with the functionality requirements and 15 business processes required in terms of *m*SCOA. These results will also inform the new transversal tender for the procurement of municipal financial and internal control systems in 2021. Until these audits have been concluded and the results have been released, municipalities should exercise caution when changing their financial system to avoid purchasing a system that do not comply with the necessary *m*SCOA functionality requirements.

Municipalities are advised to use their internal audit function to ensure that the correct process was followed. Internal audit must ensure that the municipality has complied with the requirements of MFMA Circulars No. 80 and 93, *m*SCOA Circulars No. 5 and 6 and Section 33 of the MFMA when they procure a core financial system and/or enter into an SLA with a

system vendor. The reports on these matters of internal audit must be tabled to the audit committee and at municipal council for consideration.

3.2.4 Submission of Borrowing Monitoring and Investment Monitoring Data Strings

Chapter 3 of the *m*SCOA Regulations provides that the Minister of Finance may determine minimum business processes and system requirements through issuing a gazette. MFMA Circular No. 80 provided guidance on these requirements for all categories of municipality (A, B and C). The Request for Proposal (RFP) issued on 4 March 2016 for the appointment of service providers for an integrated financial management and internal control system for local government (RT25-2016 published in Tender Bulletin No. 2906), provided further guidance on the requirements applicable to a specific category of municipality.

It should be noted that National Treasury will expand the requirements applicable to categories B and C municipalities in 2020 to include business processes and system functionality relating to investment, borrowing or performance management. The expanded requirements will provide the basis for the new transversal contract for the appointment of service providers for an integrated financial management and internal control system for local government that might be issued in 2021, as well as the minimum business and system requirements that will be gazetted at a future date, as envisaged in the Regulation.

In the interim, categories B and C municipalities that have not procured investment, borrowing or performance management modules, will have to prepare and submit their quarterly Investment Monitoring and Borrowing Monitoring data strings to the Local Government Portal manually.

3.2.5 Cash Flow Reconciliation

The cash flow information presented on Table A7 of Budget Schedule A and Table B7 of Adjustments Budget Schedule B did not reconcile to the corresponding data strings for the past two financial years. One of the contributing factors to this was that there were errors in the linkages in the segment item: asset and liabilities on the Local Government Database. National Treasury has now corrected these linkages in the segment item: asset and liabilities.

It was further noticed that a number of municipalities do not use the movement accounts correctly in the *m*SCOA chart which distorts the figures reported in the cash flow tables. Guidance on the use of movement accounts is provided in **Annexure A**.

4. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. Even as demand for services rises, weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them, and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Municipalities are reminded that the local government equitable share allocation is mainly to fund the costs of free basic services and to subsidise the administrative costs of the smaller and more rural municipalities. The increasing unemployment and growth in the number of

persons per household means that the revenue foregone in respect of free basic services will likely increase and it will become even more difficult to collect revenue. The household budget will be under pressure and trade-offs will be applied as it may be unaffordable to pay all household expenses with regularity.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore, municipalities are required to ***justify all increases in excess of the*** **projected inflation target for 2020/21** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

4.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circular No. 93, item 3.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2020/21 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities not attaining their desired collection rates.

It is therefore essential that municipalities pay attention to reconciling the valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities are encouraged to undertake this exercise as a routine practice. The list of exceptions derived from this reconciliation will provide an indication of where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this with the deeds office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit the required information to the National Treasury by no later than 7 February 2020.

The above information must be submitted on a CD or USB to the National Treasury, for attention:

For couriered documents
Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents
Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

4.2 Setting cost reflective tariffs

Cost reflective tariff setting is a requirement of Section 74(2) of the Municipal Systems Act, 2000 (Act No.32 of 2000) which states that tariffs must "*reflect the costs reasonably associated with rendering the service*". This is meant to assist municipalities to generate sufficient revenue to fully recover their costs, deliver services to customers sustainably and invest in infrastructure that promotes local economic development.

The starting point for sound tariff setting is a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (FFC, 2011). Credible budgets are critical for local government to fulfil its mandate to sustainably provide services. **If the budget is not credible then tariffs will not result in financial sustainability even if they are set using a sound methodology**.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively:

- An *effective* budget is one that is adequate to deliver a service of the necessary quality on a sustainable basis.
- An *efficient* budget is one that delivers services at the lowest possible cost.

In many cases, municipal budgets have costs that are bloated in some areas (high governance and administration costs are one commonly cited example) but inadequate in other areas (inadequate allowance for maintenance is an example). This means that a budget may be both ineffective and inefficient. Before embarking on the tariff setting process, a municipality must assess its budget to determine its efficiency and effectiveness. Ideally, a budget should be zero-based, at least periodically. This would typically require an assessment of what infrastructure is in place and what is needed to operate and maintain this infrastructure.

There are several tools and methodologies to support municipalities in setting tariffs. The common observation is that these tools and methodologies are not aligned. This creates confusion on the approach to be applied. Research has further identified that many municipalities set tariffs through an incremental method and not a scientific method. As a result, many municipalities do not recover the cost of providing that service.

Against this background an exercise was undertaken to bring certainty when setting tariffs. A tool and guide has been developed by National Treasury for this purpose and caters for all categories of municipalities. It also assists those municipalities that lack credible data which is the corner stone for setting a proper tariff. The emphasis is on setting tariffs for the four trading services namely water, sanitation, electricity and solid waste. The methodology follows an approach to tariff setting consistent with existing methodologies developed by SALGA, the NERSA Cost of Supply Framework for electricity, and the DWS Norms and Standards for water services.

The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08

Setting cost reflective tariffs is the start to improved budgeting and financial sustainability.

How will reducing Non-Revenue Water and Non-Revenue Electricity bring down the tariffs required?

Many municipalities have very high levels of Non-Revenue Water (NRW), and some also have high levels of Non-Revenue Electricity (NRE). NRW and NRE can be broken down into 'technical' and 'non-technical' losses*.

Technical losses are related to physical losses out of the system. In the case of water, this is

due to pipe bursts and leakages or due to overflows on storage tanks. In the case of electricity, these are due to resistive losses and other similar effects. The cost of real losses sits in the bulk portion of the bulk purchases cost or if a municipality is performing the bulk water function internally, a portion of the costs associated with bulk water treatment and supply. If a municipality reduces its real losses, it will lose less water and electricity from the system and the cost of purchasing water and electricity or treating bulk water will be reduced.

Non-technical losses refer to losses due to theft or to metering inaccuracies. In these cases, there is no physical loss of water or electricity: someone is using the water or electricity and simply not paying for it. Reducing non-technical losses will have no effect on the cost of supplying a service but it will have an effect on the volumes sold. Since the tariff is calculated as the revenue required divided by the volume sold, increasing the volume sold will reduce the tariff required.

Reducing technical losses will thus reduce the tariffs required because the cost of supplying the service will be reduced. Reducing non-technical losses will reduce the tariffs required because the volumes sold will be increased.

Note that the International Water Association (IWA) uses the term 'real losses' and not technical losses, and 'apparent losses' in place of 'non-technical losses'.

4.3 Bulk electricity tariffs

Final electricity bulk price increases for 2020/21 are uncertain at this stage. Although the National Energy Regulator of South Africa (NERSA) has approved a Multi-Year Price Determination (MYPD) for the period from 1 April 2019 to 31 March 2022, Eskom has submitted an urgent application to the courts to revise the bulk tariffs allowed under the MYPD. In their most recent MYPD decision, NERSA allowed for tariff increases of 9.41 per cent in 2019/20, 8.1 per cent in 2020/21 and 5.22 per cent in 2021/22 (for national financial years). However, Eskom disagrees with the way NERSA accounted for the R23 billion per year in fiscal support from government in determining Eskom's allowable revenue for this MYPD period. Eskom has requested that the court to allow revised tariff increases of between 16.6 and 16.72 per cent in 2020/21 and 2021/22. The application has been made on an urgent basis, and a decision could be handed down as soon as early in February 2020.

The difference between municipal and national financial years means that in 2020/21, bulk tariff increases for municipalities will be slightly lower than the figures cited above for increases applicable in the national financial year. NERSA has not yet published guidance on the exact tariffs for the 2020/21 municipal financial year. National Treasury's advice to municipalities is to prepare scenarios for electricity bulk price increases in 2020/21 of between about 7 per cent and 15 per cent (to account for the difference in financial years and the potential outcomes of the court case).

Municipalities should also note that if a court decision is made in February 2020 to allow a higher bulk electricity tariff increase, the decision is likely to be too late for National Treasury to make any changes to the equitable share allocations which will be tabled in the Division of Revenue Bill on 19 February 2020.

4.4 Levying of surcharges

Municipal Surcharges are regulated through the Municipal Fiscal Powers and Functions Act (MFPFA) and Local Government Municipal Systems Act (MSA). Section 8 of the MFPFA gives power to the Minister of Finance to prescribe compulsory national norms and standards for imposing "municipal surcharges". Municipal surcharges are defined as: "a charge in excess of the municipal base tariff that a municipality may impose on fees for a municipal service provided by or on behalf of a municipality, in terms of section 229(1)(a) of the Constitution;".

Section 75A of MSA empowers municipalities to "levy and recover fees, charges or tariffs in respect of any function or service of the municipality". Municipalities must also adopt and implement a tariff policy on the levying of fees for municipal services in terms of section 74 of the Systems Act. The tariff policy should then guide the exercise of power given under section 75A. In section 74(2)(f) the Act provides that the tariff policy must reflect at least the following principles:

"provision may be made in appropriate circumstances for a surcharge on the tariff for a service;".

Furthermore, Section 9 of the MFPFA requires a municipality to comply with processes in section 75A (2), (3) and (4) of the Systems Act in levying a surcharge.

In terms of the process, the Minister of Finance determines the norms and standards that municipalities must comply with in the exercise of their powers in terms of section 75A of the Systems Act. Approval for surcharges is done by the municipality in terms of section 75A of the Systems Act but subject to the norms and standards prescribed by the Minister of Finance in terms of the MFPFA.

The Minister of Finance has not yet prescribed the norms and standards (the power to prescribe is discretionary). The absence of norms and standards does not prevent municipalities from including surcharges in their tariffs as the power to impose a surcharge is given in the Municipal Systems Act. However, if a municipality decide to levy a surcharge, an approval is done by the municipal council in terms of section 75A of the Municipal Systems Act which gives power to municipalities to levy and recover fees, charges or tariffs in respect of any function or service of the municipality.

A surcharge is normally treated as part of the tariff. When a municipality determines a base tariff, it can include a surcharge (added as a separate variable). The municipal base tariff and a surcharge (if applicable) collectively becomes the tariff for a municipal service (such as electricity). The collective tariff must be approved by the municipal council and published for public comments in terms of section 75A of the Municipal Systems Act (MSA). It must also be subjected to the prescribed budget processes in terms of the MFMA.

In the case of electricity, NERSA only approves the base tariff. However, the final tariff that is published for public comments in terms of MSA and MFMA should include the surcharge if the municipality opted to levy it and is approved by the municipal council.

5. Funding choices and Budgeting issues

The Circular clearly outlines that, as a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2020/21 MTREF budgets:

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

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings promulgated on 30 May 2014.

5.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 30 June 2021 is still in operation, therefore municipalities need to budget for their employee related costs in line with the multi-year wage agreement, and also ensure the agreement is correctly implemented and applied as per clauses of the agreement.

5.2 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councillor(s) concerned.

5.3 Budgeting for water under inventory

GRAP 12, paragraph .07 defines inventory as follows:

"Inventories are assets:
(a) in the form of materials or supplies to be consumed in the production process,
(b) in the form of materials or supplies to be consumed or distributed in the rendering of services,
(c) held for sale or distribution in the ordinary course of operations, or
(d) in the process of production for sale or distribution."

In terms of this definition water should be treated as inventory and should be budgeted and accounted for accordingly. Annexure B to MFMA Circular No. 70 (Municipal Budget Circular for the 2014/15 MTREF) included guidance on the treatment of non-revenue water and electricity. To date the National Treasury has allowed municipalities to either budget for bulk purchasing of water as a direct expense in the Statement of Financial Performance as an interim measure or to account for water under inventory.

Municipalities were cautioned in MFMA Circular No. 93 for the 2019/20 MTREF that the A1 Schedule for the 2020/21 MTREF will be amended in line with the prescripts of GRAP 12. The draft amendments to the A1 Schedule to cater for water under inventory in line with GRAP 12 is attached to the budget circular as **Annexure B**. The amendments are circulated for comments and will be implemented with effect from the 2021/22 MTREF.

In terms of the *m*SCOA definition ***"Inventory consumed water"*** water stock should be treated as follows:

Water stock must be accounted for as inventory. This will include water purchased and not yet sold at reporting date insofar as it is stored (controlled) in reservoirs and pipes at year end. Water stock also includes any water purification costs incurred for non-purchased water. Pre-purified, non-purchased water should not be capitalised as part of inventory. The cost of water purchased and not yet sold at reporting comprises the purchase price, import duties, and other taxes (other than those subsequently recoverable by the municipalities from the taxing

authorities, such as VAT) and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Importantly, trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Substantial changes to the A1 schedule were required to accommodate this approach to account for water under inventory.

5.4 Budgeting for debt impairment in *m*SCOA

Municipalities are incorrectly using the line item for bad debts written-off under the Item Expenditure segment when budgeting for debt impairment. It should be highlighted that bad debts written-off is not the same as debt impairment. Debt impairment is the provision that the municipality makes for non-payment while bad debt written-off is the irrecoverable debts written off during the financial year as approved by Council per type of service. Therefore, municipalities are advised to use impairment loss under the Item Gains and Losses segment for debt impairment. This provides a breakdown for the different categories that can be impaired, for example, trade and other receivables from exchange transactions: water.

6. Conditional Grant Transfers to Municipalities

6.1 Non-compliance of in year monitoring

In terms of Section 74(1) of the Municipal Finance Management Act, 2003 (Act No. 56. of 2003) (MFMA), municipalities must submit to the transferring officers, National and Provincial treasuries documents and monthly grant reports as may be prescribed or required. Furthermore, section 12(2) of the Division of Revenue Act, 2019 (Act No. 16 of 2019) (DoRA) states that the municipality, as part of the report required in terms of section 71 of the MFMA, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant Transferring Officer.

There are municipalities that have not been complying with the reporting requirements as stipulated above. Municipalities are reminded that non-submission of monthly reports translates to non-compliance with the MFMA and DoRA. The National Treasury and Transferring Officer will be implementing stringent measures to municipalities that do not comply with the prescripts. This includes, but is not limited to, the stopping and reallocation of conditional grants funding away from municipalities that are non-compliant. Municipalities are encouraged to comply with the reporting requirements in order to avoid withholding or stopping of an allocation. Reporting for conditional grants will also be extended in future to include the information from National Transferring Officers in the *m*SCOA format.

In terms of performance reporting on conditional grants, municipalities and Transferring Officers are urged to pay particular attention to the contents of money spent against conditional grants. Government is not realizing full value for money against the substantial investments it makes through grants. While financial reporting has become a routine matter on reporting, output/outcome based reporting has become important and it requires attention by all stakeholders. Workshops must be initiated across all government institutions to ensure value for money on conditional grants.

6.2 Stopping and reallocation in terms of the Division of Revenue Act

National Treasury as part of its in-year monitoring on conditional grants has through the Minister of Finance approved requests from the transferring officers to publish a gazette on stopping and reallocations between grants early in the beginning of the year, 2019/20. The gazette addresses shifting of allocations from underperforming local municipalities to their respective district municipalities, correction of errors against allocations made during the main budget and the conversion of allocations between schedules.

Integrated National Electrification Programme

The Department of Energy (DoE) is stopping and re-allocating funds from the Masilonyana Local Municipality (LM) to Lejweleputswa District Municipality (DM) under the Integrated National Electrification Programme (INEP 5B). The Masilonyana LM and the Lejweleputswa DM have entered into a Memorandum of Understanding wherein it was agreed that the district municipality will implement the electrification project on behalf of the local municipality with the assistance of the Municipal Infrastructure Support Agent (MISA) to verify the work done.

Conversion of allocations

According to Section 21(2)(a) of the 2019 DoRA, National Treasury may, after consultation with the relevant transferring officer, receiving officer and provincial treasury, convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6 if it is satisfied that the conversion shall prevent under-expenditure or improve the level of service delivery in respect of the allocation in question or convert any portion of an allocation listed in Part B of Schedule 6 to one listed in Part B of Schedule 5.

Neighbourhood Development Partnership Grant

The Neighbourhood Development Partnership Programme within the National Treasury is converting funds under the Neighbourhood Development Partnership Grant (NDPG) due to anticipated underspending. The 2019/20 NDPG 5B allocations for West Rand DM and Emfuleni LM will be converted from Part B of Schedule 5 to Part B of Schedule 6.

The Municipal Emergency Housing Grant

An amount of R149.1 million is allocated to Eastern Cape and KwaZulu-Natal municipalities after the Department of Human Settlements (DHS) declared a disaster in municipalities in these provinces. The allocation is done through the Municipal Emergency Housing Grant (MEHG) for the emergency relief to fund the temporary shelters following various disaster incidents namely fire and severe rain that caused damages and affected home owners. Funding for the MEHG remains unallocated in the Division of Revenue Act it only gets allocated upon disaster declaration.

Correction of errors in the Division of Revenue Act

According to Section 16(2) of the 2019 DoRA, for purposes of correcting an error or omission in an allocation or framework published, the National Treasury must on its initiative and after consultation with the relevant transferring officer by notice in the Gazette amend the affected allocation or framework.

The Magareng, Emthanjeni and Prince Albert local municipalities in the Northern Cape and Western Cape province respectively had their 2019/20 MIG erroneously allocated in the Section 16 gazette. The MIG allocation for the Prince Albert LM did not take into account the final sport allocation of R3.6 million which was allocated to the Magareng (R2 million) and the Emthanjeni (R1.6 million) local municipalities.

6.3 Invoice Verification against conditional grant expenditure/ Cost reimbursement

National Treasury has over the past two years introduced a system of monitoring all invoices that are paid by municipalities against the transferred conditional grants. The process involves a team of various stakeholders to be periodically placed in municipalities and facilitate verification on all issued invoices to check whether the work done is compliant to the conditional grant framework. This initiative was necessitated by the extent of unauthorized,

irregular and unrecognized expenditure that was being recorded by municipalities through the Auditor General's report. This process will also reduce and ultimately seek to eliminate the extent of misuse of conditional grant allocations.

A selected number of municipalities are earmarked on an annual basis to be supported through this process and transfers are only made to these municipalities once the team is satisfied after verification of the invoices has taken place. These processes assist against the transfer of funds for projects that are not ready for implementation, but at the same time recognizes municipalities that are spending well and incentivizes them for the good work.

Furthermore, in instances where a local municipality is unable to deliver the current year's projects, this process allows for the funds be rechanneled through their district municipalities as part of the District Development Model launched in November 2019. The District Development Model allows for government to allocate funding to the district for implementation on behalf of the local municipality until such time that capacity is built within the local municipality to implement projects on their own.

A process map for invoice verification/or cost reimbursement is attached as **Annexure C**.

7. Preparation of Municipal Budgets for 2020/21 MTREF

7.1 Schedule A1 version to be used for the 2020/21 MTREF

National Treasury has released Version 6.4 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.4 of the *m*SCOA classification framework and must be used when compiling the 2020/21 MTREF budget. Refer to Annexure B for the changes to this version of the Schedule A1.

ALL municipalities **MUST** prepare their 2020/21 MTREF tabled and adopted budgets using the A1 schedule version 6.4.

It is imperative that all municipalities prepare their 2020/21 MTREF budgets **in their financial systems and that the Schedule A1 be produced directly from their financial system**. Vendors have demonstrated their budget modules to the National Treasury and provincial treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed Schedule A1 directly from the financial system. Therefore, there is no reason why the 2020/21 MTREF budget must be done manually which has been found to create alignment problems.

Municipalities **must** start early enough to capture their tabled budget (and later the adopted budget) in the budget module provided and **must** ensure that they produce their Schedule A1 directly out of the budget module.

Ultimately the aim is to get to a point where all municipalities budget and transact directly in and report from their core financial system. This will result in one version of the '**truth'** where the financial performance reported to Council will not differ from the financial performance information submitted to and published by National and provincial treasuries. This will also reduce the reliance on consultants and system vendors to prepare municipal reports.

The National Treasury has indicated in MFMA Circular No. 93 that in future all A1 Schedules must be submitted in PDF format only. Some vendors have expressed concerns regarding the layout of some of the worksheets and the presentation thereof in PDF. Given the fact that the *m*SCOA classification framework makes it possible to generate the financial data required in the A1 schedule directly from the data strings and to promote the *m*SCOA approach for additional data needed and prescribed in the MBRR from sub-systems, the National Treasury will only accept a prescribed data string containing the supporting data, populated and

uploaded by each municipality (refer to the attachment to this MFMA Budget Circular No 98 on the website for the layout of the data string) from the **2020/21 MTREF**. The publication in the 2020/21 MTREF of non-financial data will be done using the supporting data uploaded from these data strings.

The National Treasury will no longer gather supporting data from the MBRR A1 Schedules, but will expect each municipality to submit the prescribed supporting data strings containing the required data using the LG Upload Portal.

The detail of supporting data strings is available as attachments to this circular.

Version 6.4 of Schedule A1 is available on the following link and is accompanied a comparison between mSCOA vs 6.3 and vs 6.4, highlighting changes made.

http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:
http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

7.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape Buffalo City	Matjatji Mashoeshoe Mandla Gilimani	012-315 5553 012-315 5807	Matjatji.Mashoeshoe@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng Johannesburg & Tshwane	Kgomotso Baloyi Kevin Bell Willem Voigt	012-315 5866 012-315 5725 012-315 5830	Kgomotso.Baloyi@treasury.gov.za Kevin.Bell@treasury.gov.za WillemCordes.Voigt@treasury.gov.za
KwaZulu-Natal eThekwini	Kgomotso Baloyi Johan Botha Una Rautenbach Abigail Maila	012-315 5866 012-315 5171 012-315 5700	Kgomotso.Baloyi@treasury.gov.za Johan.Botha@treasury.gov.za Una.Rautenbach@treasury.gov.za Abigail.Maila@treasury.gov.za
Limpopo	Willem Voigt Sifiso Mabaso	012-315 5830 012-315 5952	WillemCordes.Voigt@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani Musa Mnguni	012-315 5807 012 315 5072	Mandla.Gilimani@treasury.gov.za Musa Mnguni@treasury.gov.za
Northern Cape	Mandla Gilimani Phumelele Gulukunqu	012-315 5807 012 315 5539	Mandla.Gilimani@treasury.gov.za Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Cape Town George	Kgomotso Baloyi Willem Voigt & Mandla Gilimani	012-315 5866 012-315 5830 012-315 5807	Kgomotso.Baloyi@treasury.gov.za WillemCordes.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National and provincial treasuries, will undertake a completeness check on the data string submissions and will analyse the supporting data strings. Where municipalities have not provided complete supporting information, the municipality will be informed and will be required to make the necessary corrections and resubmit the data strings.

7.3 Verification process and period of 2020/21 MTREF budgets

As the *m*SCOA reporting requirements state that a budget must be locked into the financial system by latest 30 June before the start of the new municipal financial year, in the previous timeframes provided, there was no opportunity to evaluate the adopted budget to be funded and complete BEFORE the start of the municipal financial year. The traditional verification period from July to September can no longer be applied as the municipalities are already transacting against the adopted and locked budget. Amending an unfunded and incomplete budget in an adjusted budget is also not the solution as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes.

The verification period of all municipal budget will therefore be brought forward to the period 31 May to 30 June. In this one-month period, the National and provincial treasuries will be required to evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution, as well as a budget locking certificate (in the case of adopted budgets) in accordance with the format specified in Regulation 31 of Schedule A of the Municipal Budget and Reporting Regulations.

The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to go back to the municipal Council and table a complete budget document aligned to the requirements of the Municipal Budget and Reporting Regulations and the Municipal Standard Chart of Accounts Regulations. In addition, where municipalities have adopted an unfunded budget, they will be required to correct the budget to ensure they adopt and implement a funded budget***.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D schedule.

Annually during the budget verification process, it is noted that municipalities have challenges to align the audited years, which results in amendments to the Schedule A. Municipalities

must ensure that the audited figures and adjusted budget figures captured on the Schedule A aligns to the annual financial statements and Schedule B respectively.

8. Budget process and submissions for the 2020/21 MTREF

8.1 Submitting budget documentation and schedules for 2020/21 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2020**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 April 2020**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the Municipal Budget and Reporting Regulations, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. E.g. if the council approves the annual budget on **29 May 2020**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 1 June 2020**.

Municipalities are no longer expected to submit hard copies of budget related documents to National Treasury from the 2020/21 MTREF.

8.2 Expected submissions for 2020/21 MTREF

- The budget documentation as set out in the Municipal Budget and Reporting Regulations (MBRR). The budget document must include the main Tables (A1 - A10) and the supporting tables in the A1 schedule must be submitted in the prescribed *m*SCOA data string in the format indicated in an attachment as part of this circular.
- the draft and final service delivery and budget implementation plan in electronic PDF format;
- the draft and final integrated development plan;
- the council resolution for the tabled and adopted budgets;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations for the tabled and adopted budgets;
- schedules D specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

Budget related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: https://lguploadportal.treasury.gov.za/.

Please note that the LG Upload Portal does not have the same size restrictions previously encountered but requires all documents to:

1. be in PDF format only; and

2. each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified and uploaded separately.

Any problems experienced in this regard can be addressed with Elsabe Rossouw at Elsabe.Rossouw@treasury.gov.za.

In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 31 March 2020 to Yasmin.coovadia@treasury.gov.za. If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to yasmin.coovadia@gmail.com or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with Yasmin.Coovadia@treasury.gov.za. Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3rd floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001. (Yasmin to confirm if she still needs hard copies.)

8.3 Retirement of the Budget reform returns (Appendix B)

Municipalities must conclude all reporting for 2018/19 up to restated audit outcomes on the Appendix B (old electronic returns) to lgdatabase@treasury.gov.za before we can retire the returns.

Ensure that each municipality also submit the pre-audit and audited data strings in the *m*SCOA classification framework as data strings and that the figures are aligned to the Appendix B returns. Pre-audit and audited outcomes will only be submitted in the *m*SCOA data strings prescribed from 2019/20 onwards.

8.4 Publications from the *m*SCOA classification framework

The 2019 MTREF and the preliminary Quarter 1 Section 71 results for the 2019/20 financial year that has recently been published, have exposed that the credibility of the *m*SCOA data strings is a concern. At the core of the problem is:

- The incorrect use of the *m*SCOA and municipal accounting practices by municipalities;
- A large number of municipalities are not budgeting, transacting and reporting directly in/from their core financial systems. Instead they prepare their budgets and reports on excel spreadsheet and then import the excel spreadsheets into the system. Often this manipulation of data leads to unauthorised, irregular, fruitful and wasteful (UIFW) expenditure and fraud and corruption as the controls that are built into the core financial systems are not triggered and transactions are processed that should not be processed; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2020/21, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

To improve the credibility of these data string, National and provincial treasuries are analysing the accuracy of the data strings and the use of the six regulated segments. The National Treasury has developed tools to analyse the segment/chart use and trained budget analysts from both National and provincial treasuries on the use thereof.

The data strings are also verified against the Council adopted budget (A1 Schedule), adjustments budget (B Schedule) and monthly performance against the budget (C Schedule) to ensure that these figures reconcile.

Quality improving focus areas for the 2020/21 MTREF:

- Pay specific attention to the funding of the capital budget and expenditure. The total capital expenditure must balance with the total funding used. Currently the expenditure is much higher than the funding reported.
- Opening balances, especially for capital projects, will always be DEFAULT projects as it will remain a system activity governed by council decision. In the current publications, capital expenditure is highly overstated due to incorrect use of opening balances for capital projects and presents a very inflated view of the actual capital expenditure.
- The cash flow data supplied by municipalities is not credible. This is partly due to the different ways in which the vendors treat actual cash collected but also is a result of the National Treasury not giving clear guidance on the procedures and processes to follow to get credible cash flow figures. In this budget circular signals have been given as to the treatments the National Treasury wants all municipalities to follow to get credible figures from the *m*SCOA data stings. The National Treasury will implement these guidelines in March 2020 in time for the receipt of the 2020/21 MTREF budget data strings. It will affect the third and fourth quarter Section 71 publications of 2019/20 as well.
- It is imperative that vendors assist municipalities to populate SA30 / SC30 when submitting cash flow figures. The detail that is required to ring fence functions and to determine actual cash collections are in the mentioned MBRR supporting worksheets and not in A7 / C7 which is a summarised version. When transferring payments made from sub-system to the general ledger, please ensure that these transfers are done using the prescribed 6 segments at the detailed level prescribed in SA30 / SC30.
- Municipalities are not using the FUND, REGION and COSTING segment correctly. In many instances these segments are simply defaulted and hence the true power of the *m*SCOA classification framework cannot be demonstrated.
- The National Treasury is currently developing Municipal Money Phase II. The first step is to interactively show all capital projects municipalities have budgeted for and are reporting on monthly to all citizens. It has become apparent that many municipalities are not using the correct GPS coordinates when reporting on the capital projects. Many are simply using the GPS coordinates of the municipal building or using 0 coordinates. Special attention must be given to the correct location and the proper description of projects as citizens will now be able to drill down and follow what is happening in their own wards.

8.5 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Link to all previous circulars

K:\CD - LGBA\Municipalities\20. Budget Regulations\04. Budget Circulars\2020 MTREF

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
06 December 2019

Annexure A – Cash Flow Reconciliation

The following movement accounts should only be used for cash inflow and outflow transactions:

Item Assets:

- *Collections:* Collections received pertaining to a respective account (example is collection on receivables from non-exchange (property rates) and non-exchange (service charges electricity) transactions.
- *Acquisitions:* Purchases of assets and other expenditure.
- *Disposal:* Sale of non-current assets (example land).
- *Earned:* Interest earned on a bank account.

Item Liabilities:

- *Receipts:* Current year receipts on transfer and subsidies.
- *Advances:* Advances taken for the year, example for borrowing.
- *Repayments:* Repayments for the year, example for borrowing.
- *Payments:* Payments made; example defined benefits.
- *Withdrawals:* Payments made, examples are for bulk purchases for electricity and bulk purchases water.

Funding segment

Most municipalities are transacting incorrectly on the funding segment and accordingly overstate the cash balances available per function (example energy sources (electricity), water management (water treatment) etc. for the payment of services.
The "Funding" segment in the financial system identifies the various sources of funding available to municipalities for financing expenditure relating to the operation of the municipality for both capital and operational expenditure.

The intent with the Funding segment is to assist municipalities in the management of available funds to use in running the municipality (working capital), capital expanding, maintenance programmes and operational projects intended for the benefit of the community. **The underlying principle in recording of transactions in this segment is therefore cash based or funds available to utilise.**

The key question in finding the appropriate classification code for this segment is: "against which source of funding is the payment allocated and against which source is revenue received?"

The primary sources of funding for a municipality are property rates, service charges, equitable share and own revenue. Further to these sources of revenue a municipality also spend funds transferred from other sectors within government, namely transfers and subsidies such as appropriated by national and provincial government in terms of the Division of Revenue Act (DORA). A further source of funds available for utilisation is "cash backed reserves" as directed by the municipality's financial policy on the utilisation of the reserves.

The projects as defined within the Project segment together with the "funding" and "Item" segments provide information on how funds have been spent and on what. The Funding segment's structure distinguishes between "Operational, Capital and Non-Funding Transactions".

Operational: Operational revenue provides for funds from all other sources of income such as taxes, service charges, commercial services, transfer and subsidies, etc.

Capital: Funds to finance capital projects.
Non-funding Transactions: This is items that does not relate to a cash transaction.
Examples of non-funding transactions are:

- Billing for services on consumer accounts issued;
- Recording of invoices;
- Depreciation; and
- Debt provision.

Example 1: A municipality has issued a consumer account (billing) to a client for electricity consumption amounting to R100 in Ward X.

The transaction will be recorded as follows:

Segment	Dt	Cr
Project	Default	Default
Function	Function: Energy Sources: Non-core Function: Electricity	Function: Energy Sources: Non-core Function: Electricity
Item	Assets: Current Assets: Trade and other Receivables from Exchange Transactions: Trading Service and Customer Service Debtors: Electricity: Monthly Billing	Revenue: Exchange Revenue: Service Charges: Electricity: Electricity Sales :Domestic Low: Conventional
Funding	Non funding transaction	Non funding transaction
Region	Ward X	Ward X
Costing	Default	Default
Amount	100	100

The monthly billing of a consumer does not relate to any cash inflow, the funding segment therefore a non-funding transaction.

Example 2: The client pays the municipality R100 on the consumer account received.

The transaction will be recorded as follows:

Segment	Dt	Cr
Project	Default	Default
Function	Function: Energy Sources: Non-core Function: Electricity	Function: Energy Sources: Non-core Function: Electricity
Item	Assets: Current Assets: Cash and Cash Equivalents: Cash at Bank: Bank Account: Specify (replace with account description): Deposits	Assets: Current Assets: Trade and other Receivables from Exchange Transactions: Trading Service and Customer Service Debtors: Electricity: Collections
Funding	Fund: Operational: Revenue: General Revenue: Service Charges: Electricity	Fund: Operational: Revenue: General Revenue: Service Charges: Electricity
Region	Ward X	Ward X
Costing	Default	Default
Amount	100	100

The payment received will be recorded as a cash inflow against revenue service charges electricity for the function electricity. The electricity function will now have R100 funding (cash inflow) available for the payment of expenditure.

Example 3: The municipality receives an invoice from Eskom for the usage of electricity amounting to R50.

The transaction will be recorded as follows:

Segment	Dt	Cr
Project	Municipal Running Cost	Municipal Running Cost
Function	Electricity	Electricity
Item	Expenditure: Bulk Purchases: Electricity: ESKOM	Liabilities: Current Liabilities: Trade and Other Payable Exchange Transactions: Electricity Bulk Purchase: Deposits
Funding	Non funding transaction	Non funding transaction
Region	Mun	Mun
Costing	Default	Default
Amount	R50	R50

The recording of an invoice in the financial system does not relate to any cash outflow, no payment has been made, the funding segment therefore is a non-funding transaction.

Example 4: The municipality pay Eskom R50 on the invoice received.

The transaction will be recorded as follows:

Segment	Dt	Cr
Project	Default	Default
Function	Electricity	Electricity
Item	Liabilities: Current Liabilities: Trade and Other Payable Exchange Transactions: Electricity Bulk Purchase: Withdrawals	Assets: Current Assets: Cash and Cash Equivalents: Cash at Bank: Bank Account: Specify (replace with account description):Withdrawals
Funding	Fund: Operational: Revenue: General Revenue: Service Charges: Electricity	Fund: Operational: Revenue: General Revenue: Service Charges: Electricity
Region	Mun	Mun
Costing	Default	Default
Amount	R50	R50

The payment made will be recorded as a cash outflow against revenue service charges electricity for the function electricity. The electricity function will now have a balance of R50 cash available (funding) which is the difference between the cash received of R100 from a consumer on electricity consumption (example 2) and the payment of R50 to Eskom for the usage of electricity (example 4).

The electricity function will have a net balance of R50 positive cash (funding) which reconcile to the net cash in the bank account of R50.

Annexure B – Amendments to the A1 Schedule to cater for water under inventory in line with GRAP 12

Substantial changes to the A1 schedule were required to accommodate the approach to account for water under inventory. The draft adjustment to the A1 Schedule (Excel version) is attached to this published circular with amendments highlighted in light orange. The Excel document has been populated for one financial year to demonstrate the accounting treatment of the proposed changes. These changes are not for implementation during the 2020/21 MTREF but are included in the circular for comments prior to final implementation during the 2021/22 MTREF. The main changes were to Table SA3 that required further changes to some other worksheets as indicated below.

Table SA3

Changes to this table included the addition of water and other inventory items to enable municipalities to fully budget for the acquisition, issuing, adjustment, write-off, transfer and sale of all inventories. This will provide a detail reconciliation for the disclosure of inventory on the Statement of Financial Position (Table A6). This section has been aligned to the mSCOA chart - Item Assets – Inventory and, as it relates to water inventory, also to the IWA Modified Water Balance utilised by the DWS. The layout of the section includes the following inventory items:

- Water (separate item)
- Agricultural, Consumables, Finished Goods, Materials and Supplies (consolidated into one item)
- Work-in-progress (separate item)
- Housing Stock (separate item)
- Land (separate item)

It is important to note that, as a result of these changes, bulk purchasing of water will be processed as a cash transaction in the Statement of Financial Position – Acquisition of Inventory (Table A6). Acquisitions of water stock should include the following:

- Bulk purchases - Supply from bulk or other water service providers recognised by the amount paid.
- Water purified - Potable supply from Water Treatment Works. Value is to be determined by calculating primary and secondary cost components.
- Natural sources - Supply from boreholes, springs, fountain if not supplied through the water treatment plant. Value is to be determined by calculating primary and secondary cost components.

Currently the Statement of Financial Performance (Table A4) reflected the bulk purchasing of water as a cash expense. In terms of the change to treating water as inventory the cost of sales (water inventory consumed) is disclosed as a separate non-cash expense included under “Other materials & inventory consumed” on Table A4.

The cost of water losses and any write-down of inventory are expensed as a non-cash entry under “Expenditure by type Losses” on Table A4. When there is clear evidence of an increase in net realisable value of inventory adjustments are accounted for as a non-cash entry under “Revenue by source Gains” on Table A4.

Water Inventory consumed (cost of sales) included under “Other materials & Inventory Consumed” on Table A4 should include the following:

Billed Authorised Consumption

Billed Metered Consumption

- Free Basic Water
- Subsidised Water
- Revenue Water

Billed Unmetered Consumption

- Free Basic Water
- Subsidised Water
- Revenue Water

Un-Billed Authorised Consumption

- Unbilled Metered Consumption
- Unbilled Unmetered Consumption

The above-mentioned amendments to Table SA3 also necessitated adjustments to the following other tables as indicated below:

Table SA1

In order to adequately account for inventory, including water inventory, the following detail calculations were added on Table SA1:

Addition of Other materials & Inventory Consumed

- Inventory Consumed - Water
- Inventory Consumed - Other material
- Other materials

Total Other Material & Inventory Consumed

Bulk purchases: Electricity & Waste Water (previously Electricity & Water - now water changed to “Waste Water)

The change of terminology

- Electricity Bulk Purchases (no change)
- Waste Water Bulk Purchases (previously Water Bulk Purchases now water changed to “Waste Water”)

Table A4

The change of terminology:

- Bulk purchases now ***“Bulk purchases: Electricity & Waste Water”***
- Gains on disposal of PPE now ***“Gains”***
- Loss on disposal of PPE now ***“Losses”***
- Other Material changed to ***“Other materials & inventory consumed”***

Table SA 30

The changes of terminology to cash payments by type:

- Bulk purchases - Electricity now changed to ***“Bulk purchases - Electricity & Waste Water”***
- Bulk purchases - Water & Sewer" now changes to ***“Acquisition Inventory - Water & other inventory”***

Annexure C – Process map for invoice verification/cost reimbursement

ACTIVITY	INSTITUTION	INDIVIDUAL
Step 1: Municipality receives invoices from the contractors and consultants	Municipality	Technical Director and PMU Manager
Step 2: Check completeness and all documents included and update the verification list/implementation plan	Municipality	PMU Manager
Step 3: Invoices and verification list submitted to Province (PT, Transport, CoGTA province, DWS, Energy, human settlement and MISA)	Municipality	Technical Director
Step 4: Province coordinates the site verification meeting/s with all stakeholders (Prov CoGTA and Treasury, MISA and municipality	Province	Provincial selected lead official
Step 5: Municipality arranges with consultants and contractors to be on site and prepares the necessary progress report	Municipality	Technical Director and PMU
Steps 6: Site meeting/s held	(Prov CoGTA/Treasury, MISA and municipality	Verification Team
Step 7: Transferring National Officer/MISA prepares the verification report and shares with all the verification team members. It recommends the amount to be released to municipality or recommends a refer back	Transferring National Officer/MISA	Transferring National Officer/MISA
Step 8: Verification team (coordinated by Province) to consider the recommendations by Transferring National Officer/MISA and submit recommendations to NT/Sector department	Province	Transferring National Officer/MISA with Provincial Treasury

ACTIVITY	INSTITUTION	INDIVIDUAL
Step 9: Transferring National Office reviews all documentation submitted and: (i) either refer back to Province for corrections; or (ii) submits report to NT	Transferring National Officer	Director: Grant Administration in national department
Step 10: NT evaluates and provides go ahead to Transferring National Officer and confirms amount for the transfer	National Treasury	Municipal Grant Monitoring and Analysis (MGMA) Unit within NT
Step 11: Transferring National Officer prepares sundry payment advise for Finance and confirm the date with NT	Transferring National Officer	Transferring National Officer
Step 12: Finance confirms transfer details with National Treasury (date amount) and loads transfer NT loads transfers on Safety Web	Finance	Finance Grant Administration Unit with NT
Step 13: Transferring National Officer confirms transfer with receiving officer	Finance	FINANCE
Step 14: Municipality effects the payments to contractors and submit Proof of Payment (POP)'s Transferring National Officer	Municipality	Technical Director / CFO
Step 15: Next transfer of funds may be effected once the previous POP has been verified	National Treasury and Transferring National Officer	National Treasury and Transferring National Officer

APPENDIX 31

STELLENBOSCH MUNICIPALITY

MFMA CIRCULAR NO.99

MUNICIPAL BUDGET CIRCULAR FOR THE 2020/2021 MTREF – 9 MARCH 2020

Municipal Budget Circular for the 2020/21 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 98 that was issued on 06 December 2019. It aims to provide further guidance to municipalities with the preparation of their 2020/21 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2020 Budget Review and the 2020 Division of Revenue Bill are also key focus areas in this circular.

1. The South African economy and inflation targets

Over the past year, economic growth has been weaker than forecasted and is only expected to reach 0.9 per cent in 2020. The 2020 budget highlights the difficult economic and fiscal choices confronting government over the next several years.

It is projected that revenue to be collected for the 2020/21 financial year will amount to R1.5 trillion which equates to 29.2 per cent of the Gross Domestic Product (GDP), whereas expenditure is projected to be at R1.95 trillion which is equivalent to 36 per cent of GDP. This means that there is a consolidated budget deficit of R370.5 billion or 6.8 per cent of GDP in 2020/21. The gross national debts by the end of 2020/21 is projected to be R3.56 trillion which is 65.6 per cent of GDP.

It is evident that determined action is required to reverse the deterioration of the public finances by narrowing the budget deficit, containing debt and growing the economy faster and in a sustainable manner. Municipalities therefore need to exercise caution when they prepare their 2020/21 MTREF budgets to ensure synergy with national economic and fiscal prudency.

The declining economic growth which might be impacted on further by the Corona virus pandemic and international companies closing down as a result, the deteriorating state of the finances for state-owned entities, continued high unemployment and water and electricity shortages will put pressure on the ability of municipalities to raise revenue. Municipalities are therefore advised to follow a conservative approach when projecting their revenue and to eliminate any waste and unnecessary expenditure. Importantly, municipalities should ensure that they adopt realistic and funded 2020/21 MTREF budgets, collect the debts owed to them and pay their creditors within 30 days of receipt of invoice.

The following macro-economic forecasts must be considered when preparing the 2020/21 MTREF municipal budgets.

Table 1 Macroeconomic performance and projections

	2019	2020	2021	2022
Percentage change	**Estimate**		**Forecast**	
Real GDP growth	**0.3**	**0.9**	**1.3**	**1.6**
CPI inflation	4.1	4.5	4.6	4.6

Source: 2020 Budget Review.
Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2020/21 municipal budget process

After budgeting for debt-service costs, the contingency reserve and provisional allocations, 48.2 per cent of the nationally raised funds are allocated to national government, 43 per cent to provinces and 8.8 per cent to local government. This is a reduction from the 9.1 per cent allocated to local government when compared to the 2019/20 financial year.

Local government continue to receive the least share of the division of nationally raised revenue because it has extensive powers to raise its own revenue. On aggregate; the local government sphere raises about 70 per cent of its own revenue. However, municipalities should make every effort to improve the collection rates through improved billing and collection practices. In the present current economic climate, municipalities cannot afford to provide municipal services without recovering the cost of providing these services.

Spending outcomes for 2018/19 varied across the 257 municipalities. Many municipalities adopted unrealistic spending plans. As a result, 211 municipalities underspent their operating budgets and 214 municipalities underspent their capital budgets. This was a slight improvement from the previous year.

Of the R33.6 billion in conditional grants transferred to municipalities in 2018/19, R27.2 billion (80.1 per cent) was spent, compared to 93 per cent spent in 2017/18. This decline was partly due to underspending on drought relief funds allocated in the middle of the financial year.

2.1 Local government grants and municipal revenue strength

The conditional grants to municipalities have been reduced and most conditional grants have been reduced as part of efforts to limit growth in government expenditure and ensure that public debt is sustainable. To manage the effect on services, these reductions take into account:

- Past spending and performance;
- Whether the conditional grant funds salaries, and other related costs; and
- Whether there has been significant real growth in allocations in recent years.

Where possible, the National Treasury has reduced transfers that are more likely to go unspent or to be spent less effectively. Accordingly, grants that have persistently underperformed have been reduced by larger amounts. The largest proportional reduction to local government grants in 2020/21 has been made in respect of the public transport network grant, because only six of the 13 cities receiving the grant have successfully launched public transport systems. The three cities that have shown the least progress, namely Buffalo City, Msunduzi and Mbombela have been suspended from the grant and will not receive allocations in the 2020 MTEF period.

Legislation governing local planning and budgeting emphasises community participation in decision-making. The partnership between municipalities and communities relies on households and businesses recognising the value of, and paying for, municipal services. While government subsidises municipal services for low-income households, these services are only sustainable if people who can afford them and use larger quantities thereof pay their bills. Therefore, the sustainability of municipalities depends on how they collect and spend their own revenues.

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:
http://www.treasury.gov.za/documents/national%20budget/2020/default.aspx

2.1. Changes to local government allocations

2.1.1. Unconditional grants

Over the next three years, above-inflation growth in allocations to the local government equitable share continues, while growth in conditional grants is slower as a result of the reductions announced in the 2020 Budget. The local government Equitable Share continues to receive above inflation increases because it allows municipalities to offer free basic services to indigent residents who cannot afford to pay for services. The total direct allocations to local government grow at an annual average rate of 6.6 per cent over the MTEF period.

2.1.2. Conditional grants

The 2020 Division of Revenue Bill has technical adjustments which were effected through the shifting of funds between different municipal allocations. However, it should be noted that the technical adjustments do not change the total amount allocated to local government. These changes to the grants include the shifting of:

- R400 million in 2020/21 from the municipal infrastructure grant, the water services infrastructure grants and the urban settlements development grant to the indirect regional bulk infrastructure grant to assist in funding the rehabilitation of wastewater treatment infrastructure in the Vaal River System;
- R160 million from the direct *neighbourhood development partnership grant* to the indirect component of the grant over the MTEF period;
- R3 billion that had been indicatively allocated to the new *informal settlement upgrading partnership grant* in 2020/21. This amount is shifted back to the *urban settlements development grant* following the decision to extend the informal settlements window within this grant for another year; and
- R166 million over the 2020 MTEF period from the *municipal infrastructure grant* to the *integrated urban development grant* for the entry of one additional municipality into the grant.

In addition to funds shifted from other local government grants, R250 million has been added to the indirect *regional bulk infrastructure grant* in 2020/21 to assist with addressing pollution in the Vaal River System. These funds were reprioritised from allocations in other spheres of government.

2.2 Response to the Finance and Fiscal Commission (FFC)'s recommendations

The Finance and Fiscal Commission Act, 1997 (Act No. No 99) requires that the FFC tables their recommendations on financial and fiscal matters at least 10 months before the start of each financial year. The FFC tabled its *Submission for the Division of Revenue 2020/21* to Parliament in May 2019. This year's theme is "reprioritising local government finances". The 2020/21 recommendations cover the following areas: local government financing framework, municipal government capacity building, local government sustainability, infrastructure management and efficiency, investment and developmental challenges in the local government sector.

2.2.1 Supplementary revenue sources for local government

The FFC recommended that the Minister of Finance should take steps (including piloting) to add supplementary revenue sources to the list of allowable taxes for different types of municipalities in a differentiated manner. National government supports this recommendation that additional revenue sources to municipalities should be fully explored. In response, various reforms have been prioritised to supplement the revenue sources of municipalities.

These include: amending the Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007) to ensure development charges are uniformly regulated and updating the municipal borrowing policy framework to clarify the funding instruments that municipalities are allowed to use to leverage their borrowing including clarifying the role of development finance institutions in this regard.

The Municipal Fiscal Powers and Functions Act already allows municipalities to apply to the Minister of Finance to levy additional taxes such as the tourism levies and fire levies recommended by the FFC. This Act also allows the Minister of Finance to introduce new municipal taxes on his own initiative. Applications from municipalities to implement new revenue sources provide a good mechanism for piloting new revenue sources like these as it ensures that the pilot municipalities are ready and willing to implement the new taxes. To be considered by the Minister of Finance, an application to introduce additional taxes must include the following:

- What the revenue from the proposed new municipal tax will be used for;
- Its compliance with section 229(2)(a) of the Constitution, which requires that municipal taxes do not prejudice national economic policy;
- The tax base, the desired tax rate, people liable for the tax and tax relief measures;
- The tax collecting authority; and
- Particulars of any consultations conducted, including consultations with a provincial government and organised local government and other municipalities where applicable, and the outcomes of these consultations.

2.2.2 Local government infrastructure management and efficiency

Government continues to provide responses to the FFC's recommendations on an annual basis. These annual recommendations by the FFC are required in terms of section 9 of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997). The FFC recommended that the Ministers of Cooperative Governance and Traditional Affairs (CoGTA) and Finance should jointly strengthen the linkage between technical project planning processes and budgeting and foster smooth intergovernmental infrastructure coordination as part of the ongoing local government infrastructure grant reforms.

Government acknowledges the need to consolidate municipal infrastructure grants and to strengthen the linkages between the technical project planning process and the budgeting. The review of local government infrastructure grants has identified consolidation and rationalisation in the number of grants received by each municipality as a key area for reforming the grant system. As the various grants in the system serve different purposes, the consolidation and rationalisation process requires extensive consultation before grants can be merged. As a result, there is no definitive dates set on when the consolidation of grants will take place. However, government is committed to achieving the vision of a differentiated grant system.

2.3 Building capability for infrastructure delivery

The National Treasury continues to expand the tools available for provinces and municipalities to improve spending. Weaknesses in preparing and authorising projects and programmes are one of the main causes of poor performance on infrastructure transfers. The Infrastructure Delivery Management System (IDMS) has assisted provinces to build infrastructure units with qualified staff and institutionalise best practices. In the 2020/21 MTEF, cities will receive grant funding through the *integrated city development grant* to institutionalise an effective system for preparing programmes and projects. Metros will only be eligible for this funding if they:

- Have not had an adverse or disclaimed audit opinion in the last two financial years;

- Have formally adopted the Cities' Infrastructure Delivery and Management System (CIDMS) guidelines;
- Establish a programme and project approval committee to authorise work; and
- Commit to co-financing contributions and budget management arrangements.

National government provides a broad range of capacity-support grants and programmes for local government. These grants and programmes are under review and reforms to improve its effectiveness are likely to be implemented from 2021/22.

2.4 Development Charges reforms

National Treasury continues to explore how municipalities can use a broader package of infrastructure financing sources to meet their developmental mandate. One of these sources is development charges.

A development charge is a once-off charge imposed by a municipality on a land owner as a condition of approving a land development application that will substantially result in increased demand for municipal infrastructure services. These charges are imposed to cover the costs incurred by the municipality when installing new infrastructure or upgrading an existing infrastructure that is required to service the proposed development. It is based on the concept that urban growth and expanded land use creates the need for additional infrastructure services, therefore the developer should pay the incidence costs.

Municipalities have not fully used development charges due to uncertainty surrounding the regulatory frameworks. National Treasury is therefore amending the Municipal Fiscal Powers and Functions Act, 2007 (Act No. 97 of 1997) to incorporate the regulation of development charges. Cabinet has approved the publication of the draft Amendment Bill for public comment. The due date for submitting comments is 31 March 2020.

The draft Bill can be accessed on the National Treasury website at: http://www.treasury.gov.za/legislation/draft_bills/default.aspx.

3. Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. However, there has not been any determination by NERSA since the impasse around Eskom's application.

While the court case between NERSA and Eskom is still pending, municipalities should use the tariff increases previously (March 2019) approved by the regulator of 8.1 per cent for 2020/21, 5.2 per cent 2021/22 and 8.9 per cent for 2022/23.

4. Budgeting issues

4.1 The wage bill

The 2020 Budget Review highlighted the proposed wage bill reduction for the public service. Similar to national and provincial government, municipalities must ensure that compensation demands are balanced with the broader needs of society. In this context, municipalities should start taking decisive action to address bloated organisational structures and above inflation wage increases.

Wage bill increases are crowding out spending on capital projects for future economic growth and impacts on service delivery.

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

4.2 Pension fund and SARS contributions

In terms of section 13A of the Pension Funds Act, 1956 (Act No. 24 of 1956), an employer must pay contributions it collected from employees' salaries to the relevant pension fund by the 7th day after the end of the month in respect of which the contributions were payable.

According to the latest annual report by the Pension Fund Adjudicator (PFA), it is especially concerned about non-payment of contributions in the municipal sector, thereby putting members' benefits at risk for extended periods of time. Over and above, there is interest on contributions that an employer is liable to pay if pension fund contributions are not paid over timeously. The Financial Services Laws General Amendment Act, 2013 (Act No. 45 of 2013) makes the employer's failure to pay contributions to a retirement fund a **criminal offence**. The amendment to this Act now provides for personal liability of persons who are entrusted with managing the overall financial affairs of the employer.

Section 65(2)(f) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) states that the accounting officer must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees, and their statutory commitments. Section 171(1) of the MFMA provides that the accounting officer commits financial misconduct if that accounting officer fails to comply with a duty imposed by a provision of the Act on the accounting officer of a municipality. In addition, section 173(1)(a)(i) of the MFMA than provides that an accounting officer is guilty an offence if that accounting officer deliberately or in a grossly negligent way amongst other, contravene or fails to comply with the provision of section 65(2)(f) of the MFMA. We will therefore be monitoring whether municipalities are addressing this failure by accounting officers consistent with the legal framework provided for in the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and take the necessary action where there is failure on the part of municipalities to address this matter.

4.3 Water

Access to clean and potable water is a mandatory imperative in terms of the country's Constitution, the National Water Act, 1998 (Act No. 36 of 1998) and priorities set by the government in the National Development Plan (NDP). Water is also recognised as a fundamental human right and there is no doubt about the important role that water plays in human existence, the environment, economic development and sustainability.

Municipalities should take strategic action to ensure effective water management and resilience to drought, including the security of water supply, environmental degradation, and pollution of resources to achieve economic growth, development and socio-economic priorities in an equitable and sustainable manner.

4.4 Attracting economic investment

Maintaining clean cities underpins economic activity and wellbeing. Investors are not interested in investing in filthy cities. Therefore, municipalities should place emphasis on sensible land use planning and development and building plan control for housing,

commercial, industrial and recreational uses. Investments in waste collection and treatment infrastructure should be made in tandem with industrial and urban developments to minimise pollution to our land and waters.

4.5 Borrowing for multi-year capital projects

In terms of sections 16(3) of the MFMA, money for capital expenditure may be appropriated for a period not exceeding three financial years, provided that a separate appropriation is made for each of those financial years.

Section 19(1) of the MFMA further states that *a municipality may spend money on a capital project only if —*

(a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2)(b) the project, including the total cost, has been approved by the council;
(b) section 33 has been complied with, to the extent that that section may be applicable to the project; and
(c) the sources of funding have been considered, are available and have not been committed *for other purposes.*

Before approving a capital project, the municipal council must consider:

a) the projected cost covering all financial years until the project is operational; and
b) the future operational costs and revenue on the project, including municipal tax and tariff implications.

A municipality must adjust the revenue and expenditure estimates in an approved annual budget downwards through an adjustments budget if there is material under-collection of revenue during the current year in terms of section 28(2) of the MFMA. It may also appropriate additional revenues that have become available over and above those anticipated in the annual budget, ***but only to revise or accelerate spending programmes already budgeted*** for. New capital projects can therefore not be included in the adjustments budget, unless provided for in terms of section 28(2) of the MFMA.

With regard to the shifting of funds between multi-year appropriations, section 31 of the MFMA requires that *when funds for a capital programme are appropriated in terms of section 16(3) for more than one financial year, expenditure for that programme during a financial year may exceed the amount of that year's appropriation for that programme, provided that –*

(a) the increase does not exceed 20 per cent of that year's appropriation for the programme;
(b) the increase is funded within the following year's appropriation for that programme;
(c) the municipal manager certifies that -
  (i) actual revenue for the financial year is expected to exceed budgeted revenue; and
  (ii) ***sufficient funds are available for the increase without incurring further borrowing beyond the annual budget limit****;*
(d) prior written approval is obtained from the mayor for the increase: and
(e) the documents referred to in paragraphs (c) and (d) are submitted to the relevant provincial treasury and the Auditor-General.

Considering the above sections of the MFMA, it is clear that section 16(3) allows for a multi-year capital appropriation not exceeding three financial years, while section 31 allows for:

- A maximum increase of 20 per cent in the appropriation for the year provided that it is funded within the following year's appropriation for that programme. By implication it

must be a multi-year programme and the increase should also fit within the limit of the next year's appropriation;

- Sufficient funds are available for the increase **without incurring further borrowing beyond the approved annual budget limit**. This means that additional revenues should be available in the year that the municipality intends to accelerate the expenditure or that a project saving that was funded from the borrowing that was approved for the current year should be used to prevent borrowing to exceed the annual budget limit; and
- This further implies that additional revenues should be available and prohibits the use of accumulated cash backed reserves from previous years for the acceleration of the programme.

Section 28(2)(b) prescribes that additional revenues that have become available may be used to revise or accelerate programmes already budgeted for. The same section further indicates that an adjustments budget process will be required to accelerate a capital programme. The municipal manager must provide certification that the additional revenues will be available within the financial year that the programme will be accelerated in terms of section 31 of the MFMA.

The legislation is not clear as to the timeframes for section 31 other than to state that prior written approval should be obtained from the Mayor. A prudent approach would be to include the documentation as part of the adjustments budget process and the dates set out in the Municipal Budget and Reporting Regulations.

This part of the Circular should also be read in conjunction with MFMA Circular No. 58 issued on 14 December 2011.

4.6 Refinancing of existing loans

Section 46(5) of the MFMA allows a municipality to re-financing existing long-term debt, provided that —

(a) the existing long-term debt was lawfully incurred;
(b) the re-financing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed;
(c) the net present value of projected future payments (including principal and interest payments) after re-financing is less than the net present value of projected future payments before re-financing; and
(d) the discount rate used in projecting net present value referred to in paragraph (c), and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

If the re-financing of an existing loan does not comply with the above requirements, then the municipality should consider going to the market for a new loan that offers more affordable terms and/or negotiate a payment arrangement with the financial institution until the loan can be repaid as per the original terms.

5. Conditional Grant Transfers to Municipalities

This section provides guidance to municipalities with regard to the preparation for the 2019/20 unspent conditional grant and roll-over process and should be referenced against previous annual budget circulars.

5.1 Criteria for the rollover of conditional grant funds

Section 22 of the 2019 Division of Revenue Act (DoRA) requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer, provincial treasury and transferring national officer proves to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 22(2) of the 2019 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer must be addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2019 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

    a) Proof that the project tender was published and the period for tender submissions closed before 31 March;
    b) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
    c) Proof of a project tender, appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project;
    d) Incorporation of the Appropriation Statement;
    e) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2021 (attach cash flow projection for the applicable grant).

4. A progress report (also in percentages) on the status of each project's implementation that includes an attached, legible **implementation plan**);
5. The value of the committed project funding, and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
7. Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
8. An indication of the time-period within which the funds are to be spent if the roll over is approved; and
9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy, this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2020, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2019 DoRA, **including the municipal manager and chief financial officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements information to National Treasury by 31 August 2020;
3. Accurate disclosure of grant performance in the 2019/20 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS); and
4. Cash available in the bank (net position including short term investments) as at 30 June 2020 is equivalent to the amount that is unspent as at the end of the financial year. If the amount that is requested for roll over is not entirely cash backed, such a roll over will not be approved. National Treasury will not approve portions of roll over requests.

It should be noted that under no circumstances will the National Treasury consider requests to roll-over:

1. The entire 2019/20 allocation to the municipality, in cases whereby the roll over request is more than 50 per cent of the total allocation National Treasury will approve the roll over amount up to 50 per cent of the 2019/20 allocation;
2. Roll Over request of the same grant for the third consecutive time;
3. Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the roll over application is linked to invoices that were issued before or on 31 May 2020.

5.2 Unspent conditional grant funds for 2019/20

The process to ensure the return of unspent conditional grants for the 2019/20 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their June 2020 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;

Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2020. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately;

Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2018 DoRA that the unspent funds are committed to identifiable projects, the roll over application pack must be submitted to National Treasury by 31 August 2020.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 23 October 2020;

Step 5: National Treasury will communicate the unspent conditional grants amount by 06 November 2020. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 20 November 2020; and

Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 20 November 2020, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 04 December 2020 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved roll overs are addressed in the Annexure to MFMA Circular No. 86.

6. The Municipal Budget and Reporting Regulations

National Treasury, together with the provincial treasuries, are rolling out training on budgeting and transacting in the *m*SCOA environment to all provinces to improve the credibility of the 2020/21 MTREF budgets.

6.1 Assistance with the compilation of budgets

In cases where the municipality requires advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	**Responsible NT officials**	**Tel. No.**	**Email**
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Kgomotso Baloyi Kevin Bell	012-315 5866 012-315 5725	Kgomotso.Baloyi@treasury.gov.za Kevin.Bell@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi Johan Botha	012-315 5936 012-315 5171	Kgomotso.Baloyi@treasury.gov.za Johan.Botha@treasury.gov.za
Limpopo	Willem Voigt Sifiso Mabaso	012-315 5830 012-315 5952	Willem.Voigt@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	Willem.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge	012-315 5661	Vuyo.Mbunge@treasury.gov.za
Technical issues Local Government Database	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in regulation 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the *m*SCOA data strings will be assessed to determine whether the municipalities are compliant.

The National Treasury herewith emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to return to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations***.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The Schedule A that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. Schedules D must be submitted for each entity.

7. Municipal Chart of Accounts (*m*SCOA)

7.1 Release of Version 6.4.1 of the Chart

Version 6.4.1 was released to include the amendments in conditional grants as per the 2020 DoRA. Version 6.4.1 of the chart will be effective from 2020/21 and must be used to compile the 2020/21 MTREF. It is available on the link below:

Link to *m*SCOA

7.2 Use of funding segment to populate the cash flow tables

It is critical that municipalities undertake balance sheet and cash flow budgeting to provide accurate cash flow information. The general rule that applies is that the “funding” and “Item” segments must be combined to provide cash flow information on how funds have been spent and on what.

This means that the budget is available at a cash flow level (A1 Schedule Budget Table SA30 and A7) and not when billing is done or when invoices are processed (A1 Schedule Budget Table A4: Statement of Financial Performance). Municipalities must apply the budgeted assumed collection rate to determine the cash flow budgets. Therefore, expenditure can only be processed against items with funding in line with the anticipated cash inflow and not billing. Municipalities should therefore identify the relevant source in the funding segment where revenue is received from and identify the funds to be used when payments are made. Guidance on this was provided in MFMA Circular No. 98.

However, there are still challenges to populate the detail of cash payments by type in the A1 Schedule Budget Table SA30 from Item Liabilities: Current Liabilities: Trade and other payables from exchange transactions as payables and accruals are not broken down by type (e.g. other materials, contracted services etc.). This omission of detail in the *m*SCOA chart will be addressed through chart amendments in version 6.5 of the chart.

As an interim measure the cash flow will be populated as follows:

For Cash Receipts:
The **cash receipts by source** will be populated using Item Assets: Current Assets: Cash and cash equivalents: Cash at bank: Bank account: Deposits in conjunction with the Funding Segment.

For Cash Payments:
The **cash payments** by type will be populated using Item Liabilities: Current Liabilities: Trade and other payables Exchange and Non- Exchange Transactions: Withdrawals in conjunction with the Funding Segment.

The cash payments that are not classified by type, will be grouped together as other payments on table SA30. This will enable population of suppliers and employees on the cash flow (Table A7).

National Treasury will share the linking of A1 Schedule Budget Tables SA30 and A7 to the *m*SCOA chart items to ensure that the cash flow information is populated correctly with municipalities and system vendors.

7.3 Capital Projects using Internally Generated Funding

Capital Projects in acquiring Assets using Internally Generated Funding must use: Funding: Capital: Transfer from Operational Revenue. This will ensure that table A5 will be populated correctly.

8. Budget process and submissions for the 2020/21 MTREF

8.1 Submitting budget documentation and schedules for 2020/21 MTREF

Accounting officers are reminded that Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in PDF and electronic formats. However, in cases where Council requires amendments to the tabled budget prior to consultation, municipalities should inform he National Treasury and the relevant provincial treasury *immediately* and submit the required budget documents and corresponding *m*SCOA data strings ***within three working days*** after the Council meeting.

The approved annual budget must still be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget.

8.2 Document uploads to the Local Government Upload Portal

Due to the number of queries received on the document upload process using the Local Government Upload Portal, a full guideline will be issued in due course to explain the process and to outline which documents will be required to upload.

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
09 March 2020

STELLENBOSCH MUNICIPALITY

JONKERSHOEK SRA

REPORT ON 2ND FIVE YEAR TERM

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Collaborator No: **Files**
IDP KPA Ref No:
Meeting Date: **???**

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1. SUBJECT:

JONKERSHOEK SPECIAL RATING AREA: APPLICATION FOR EXTENSION OF TERM FOR A FURTHER FIVE YEARS, 1 JULY 2020 – 30 JUNE 2025.

2. PURPOSE

2.1 Council to approve in terms of paragraph 15(a) of the Special Rating Area By-law, the extension of the Jonkershoek Special Rating Area for a further period of five years, with effect from 1 July 2020 to 30 June 2025.

3. DELEGATED AUTHORITY

3.1 Council to approve.

4. EXECUTIVE SUMMARY

4.1 Jonkershoek Special Rating Area (SRA) was first established in 2015 and has been successfully operating for the past five years. The management body has now applied for the SRA to be extended for a further period of five years, ending 30 June 2025.

4.2 There are no financial implications for the municipality. SRAs are community driven initiatives and are financed by the property owners within the boundaries of the SRA. The municipality pays the approved budget over to the management body in twelve equal, monthly instalments and recovers the money from property owners via the monthly consumer accounts. Normal

credit control and debt collection processes are followed in instances of non-payment and retention is also withheld from the budget to offset any potential losses of the municipality. In the first five years of the SRA being in operation, this measure has not necessary.

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

5. RECOMMENDATIONS

Recommendations are included in the main Item. And consist of:

5.1 That council notes the Jonkershoek SRA application for the extension of the SRA for a further period of five years and exempts the management body in terms of paragraph 15(a) of the SRA By-Law, from compliance with the provisions of Chapter 1 of the SRA By-Law.

5.2 That council approves the extension of the Jonkershoek SRA for a further period of five years beginning 1 July 2020 and ending 30 June 2025.

5.3 That Council approves the proposed five year budgets with a combined total of R30 943 773.35 (VAT included) as detailed in in Annexure 32 (c) of the report.

6. DISCUSSION / CONTENTS

6.1. <u>Background</u>

Special Rating Areas (SRAs) are established by council in terms of section 22 of the Municipal Property Rates Act, 6 of 2004 as amended.

The Jonkershoek SRA in Technopark was originally established by council by means of resolution on 30 April 2015 for a five year term beginning 1 July 2015 and ending 30 June 2020.

6.2. Discussion

6.2.1 Since first being established in 2015, Jonkershoek SRA has functioned very well and has proven its viability by implementing the strategic business objectives within budget. However, the needs continue to be present and therefore it has been agreed by stakeholders that the SRA should be renewed for a further period of 5 years.

6.2.2 The SRA is a sustainable and established organisation within the community and continues to provide a service in addition to municipal activities in the area. Management of the SRA has fulfilled its mandate as outlined in the business plan and the SRA has been well accepted by property owners of Technopark. This is clearly proven by the fact that payment levels of the SRA levies are regular and high.

6.2.3 Attached as Annexure 32 (a) is a Letter of Application received from the SRA. This application:

a) Points out that the continued operation of the SRA will not reinforce previously existing inequalities nor be a substitute for municipal services and that it aligns with the IDP.

b) Provides a summary of the documentation attached to the application.

6.2.4 Annexure 32 (b) is the Business Plan itself that is compiled in line with the requirements of the SRA Policy and By-law.

6.2.5 Annexure 32 (c) being the 5 year budgets provides details with regards to the financial plan of the SRA for the next 5 years.

6.2.6 Annexure 32 (d) is Minutes of the Annual General Meeting held on 25 November 2019 where the following resolutions relevant to this application were adopted:

a) That application must be made to extend the SRA for a further period of 5 years.

b) That the 5 year budget is approved.

c) That the Municipal Council must be requested to exempt the SRA in terms of paragraph 15(a) of the SRA By-Law from compliance with the provisions of Chapter 1 of the SRA By-Law.

6.2.7 Application for the extension of a Special Rating Area is done in terms of paragraph 15(a) of the SRA By-Law. It can only be approved by Council in accordance with the provisions of Chapter 1 of the By-Law. The Council may however, and for good reason, on written application by the management body, exempt the management body from complying with any such provisions.

6.2.8 Chapter 1 of the By-Law deals with the process to be followed when first making application for the establishment of a SRA. As this is not a new SRA being established for the first time but an extension of term for an existing SRA, Council should find good reason to consider exempting the management body from these provisions:

a) The concept of the SRA is well established, the management of the SRA being done effectively and all initial teething problems have been taken care of.

b) The SRA is accepted and well supported by the community and property owners as is clear from the excellent payment of SRA levies.

c) The SRA management body is providing a service to the community in line with the business plan and in addition to any municipal services being rendered. The need for these SRA services is on-going and will continue to be met by the management body.

d) The application, business plan and budget has been supported and adopted at the AGM.

6.3 <u>Financial Implications</u>

6.3.1 There are no financial implications for the municipality. The approved budget of the SRA is paid over to the management body in 12 equal monthly instalments by the municipality and recovered from the residents by means of the monthly consumer accounts. Retention of 3% is withheld by the municipality to offset any possible irrecoverable debt. In the first five years of the SRA's existence, this has not been necessary.

6.4 Legal Implications

None.

6.5 Staff Implications

None.

6.6 Previous / Relevant Council Resolutions:

Establishment of the Jonkershoek SRA was first approved by Council on 30 April 2015, Item 7.5.

6.7 Risk Implications

None.

6.8 Comments from Senior Management:

6.8.1 Director: Corporate Services:

***6.8.1* Chief Financial Officer:**

Compiled the Item.

***6.8.2* Municipal Manager:**

ANNEXURES: **32 (a)- Application Letter**
32 (b)- Business Plan and Budget
32 (c)- 5 Year Budget
32 (d)- Minutes of AGM

FOR FURTHER DETAILS CONTACT:

NAME	***A Treurnich***
POSITION	
DIRECTORATE	***Finance***
CONTACT NUMBERS	***021 808 8016***

E-MAIL ADDRESS	***Andre.treurnich@stellenbosch.org.za***
REPORT DATE	**27 January 2020**

CLLR PATRICIA CRAWLEY
PORTFOLIO HOLDER:FINANCE

_____
DATE

ANNEXURE 32(A)

STELLENBOSCH MUNICIPALITY

JONKERSHOEK SRA

APPLICATION LETTER- 2ND FIVE YEAR TERM

ANNEXURE A

APPLICATION FOR THE EXTENSION OF JONKERSHOEK SRA FOR A FURTHER PERIOD OF FIVE YEARS

Valeridasentrum 210 Valerida Centre, Piet Retiefstraat / Street, Stellenbosc
Posbus / PO Box 3075, Matieland, 760

7 January 2020

Directorate:
Municipality Manager
Stellenbosch

Dear Sir,

RE: APPLICATION LETTER FOR EXTENSION OF THE NEXT 5 YEARS JONKERSHOEK SPECIAL RATINGS AREA

1. The JonkershoekSRA NPC, hereby wish to apply for Stellenbosch Town Council approval of the extension of the JSRA term for the period 2020 – 2025.

2. This application is made to Council in terms of Section 15 of the Stellenbosch Municipality Special Rating Areas By-Law, read together with the Stellenbosch Municipality Special Rating Areas Policy.

3. The vision of the JSRA:

   The continued operation of the JSRA will not reinforce the previously existing inequalities nor be a substitute for Municipal services. The services of the JSRA will be 'over and above and on top of' the services provided by the Municipality

4. Consistency with Integrated Development Plan:

   It is believed that the continued operation of the JSRA will support the vision of the Stellenbosch IDP as follows:

   - The JSRA initiatives will enhance the security and cleanliness of the area and hence contribute to the safe and dignified living of residents and visitors.
   - The JSRA initiatives will stimulate employment creation as a result of the appointment of contractors to attend to the cleaning and greening 'top up' services and safety and security patrols.
   - The JSRA is subject to the Companies Act and the Stellenbosch Municipal By-Law and oversight by the Municipality and as such contribute to good governance and compliance

JONKERSHOEK SRA

Valeridasentrum 210 Valerida Centre, Piet Retiefstraat / Street, Stellenbosc
Posbus / PO Box 3075, Matieland, 760

5. In support of the application, the following documentation is attached:

5.1 The new Business Plan (Motivation report, Implementation plan and Budget), marked "A"; and

5.2 Notices of the Annual General Meeting (AGM), marked "B".

5.3 Resolutions as per the draft AGM minutes, marked "C" stipulating:

5.3.1 The renewal of the JSRA for another 5 year term and the Business Plan approved; and

5.3.2 The Budget included in the Business Plan approved; and

5.3.3 The submission of a written application to the Stellenbosch Town Council for the renewal of the JSRA for another 5 year term and for exemption from compliance with certain of the provisions of Chapter 1 of the Stellenbosch Municipality By-Law approved

We trust that this application will meet with the Stellenbosch Town Council approval and thank you for your kind consideration thereof.

Yours faithfully,

D M (NIEL) HOOGENHOUT
CHAIRMAN: JONKERSHOEKSRA NPC

ANNEXURE 32(B)

STELLENBOSCH MUNICIPALITY

JONKERSHOEK SRA

BUSINESS PLAN- 2ND FIVE YEAR TERM

ANNEXURE B

JONKERSHOEK SRA NEW BUSINESS PLAN

"A"

BUSINESS PLAN FOR THE JONKERSHOEK

Special Rating Area

Renewal September 2019

Compiled in accordance with the By-Law for establishment of Special Rating Areas, promulgated in the Provincial Gazette 7015/2012

This Business Plan covers the period 1 July 2020 to 30 June 2025 as set out in the following parts:
Part 1: Background and Introduction
Part 2: Motivation
Part 3: Implementation Plan and Budget

JONKERSHOEK SPECIAL RATING AREA Information:

Name:	Jonkershoek Special Rating Area
Contact Person:	Ms Thea Jordaan
Contact Telephone No:	021 8872486
Commencement Date:	1 July 2020
Municipality:	Stellenbosch
Principal Contacts	Ms Thea Jordaan (administration) thea@jpstrust.co.za Ms Belinda Hattingh (manager) manager@jonkershoeksra.co.za Mr D M (Niel) Hoogenhout (chairman of the board of directors) dmhoogenhout@gmail.com

Directors

Charl Daniel Cillie	Michael John Ehret
Daniel Marais Hoogenhout	Michiel Wilhelm Dreijer
Frans Krone Krige	Petrus Johannes Dirkse Bekker
Martin Noel Heunis	Willem Jacobus van Aswegen

Boundaries of the JONKERSHOEK Special Ratings Area (Also to Map 1 & 2 below)

The boundaries are outlined below:

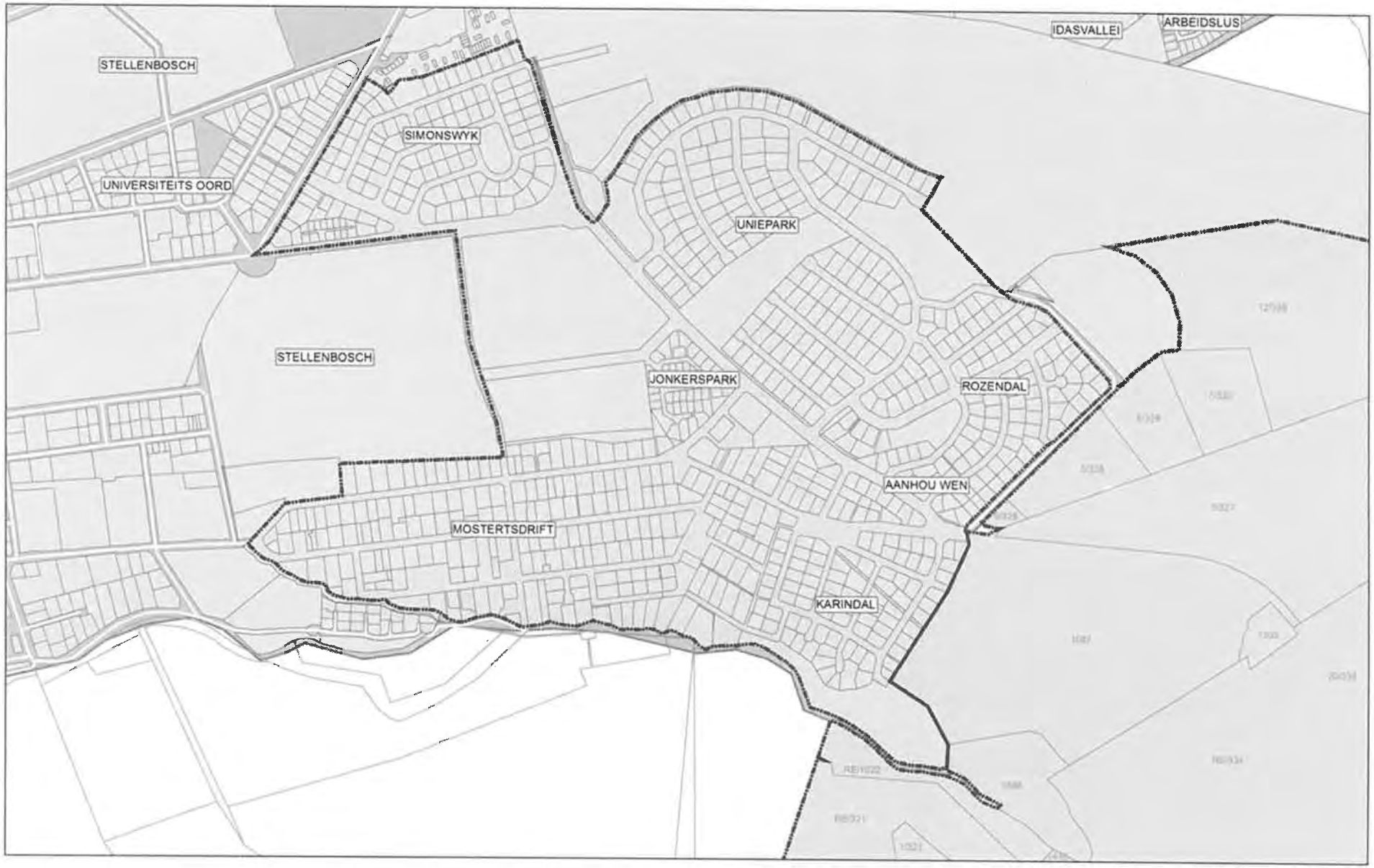
Northern Boundary – From the intersection of Merriman Avenue and Cluver Road along Cluver Road then following the northern boundary of erf 4165 and all erven facing Commanders Avenue up to Simonsberg Street and then along Simonsberg Street and the northern boundary of erven bordering Union Avenue and Rozendal Avenue up to Omega Street.

Eastern Boundary – From the intersection of Rozendal Avenue and Omega Street along the watershed boundary of all agricultural properties in the Jonkershoek Valley to include all residential and agricultural erven to the west until the boundary intersects with the Eerste River at the Karindal neighbourhood.

Southern Boundary – Along the Eerste River westward up to the South Eastern corner of the Koloniesland housing estate, along the border of the Koloniesland estate up to the Meulsloot and along the Meulsloot to where the boundary intersects with Van Riebeeck Street.

Western Boundary – From the intersection of Van Riebeeck Street and Jonkershoek Road, along Jonkershoek Road and from erf 1540 along the northern boundary of the erven on the northern side of Jonkershoek Road to Jannasch Street and northwards up to the intersection with Merriman Avenue and along Merriman Avenue to the intersection with Cluver Road.

Map 1 Jonkershoek Special Rating Area agricultural area



Map 2 Boundary of the residential component of the Jonkershoek Special Rating Area

Executive Summary

Over a number of years the Stellenbosch area increasingly became the target of criminal elements wishing to exploit the area and its residents. Property owners adjacent to nature reserves, green belts and rivers have been hit by criminals accessing neighbourhoods from these areas.

In 2012 the Stellenbosch Municipality approved the Special Rating Area By-law for the town thereby setting the platform for property owners to establish such areas in Stellenbosch. The first Business Plan for the Jonkershoek Special Rating Area was drawn up in 2014, approved by the requisite 60%+ majority of property owners within the boundaries and its first five year term started on 1 July 2015. The JSRA has been substantially successful in addressing problems and countering any potential for further urban decay and the further increase of crime in the area. The main purpose of the JSRA is to manage and implement additional public safety and urban management operations in addition to those services provided by the Stellenbosch Municipality. The additional municipal services typically include the provision of additional public safety, cleansing services, maintenance and/or upgrading of the urban public environment and/or infrastructure and social services that addresses social issues in the area. The area of the JSRA includes the rural farming area of the Jonkershoek valley.

The Jonkershoek SRA NPC was incorporated on 6 August 2015 as a Non Profit Company in terms of the Companies Act 71 of 2008. This Business Plan is the first renewal for the second 5 year term of the JSRA for the period 1 July 2020 to 30 June 2025

The boundaries as per the maps of the area of the JSRA in this renewal 5 year business plan are exactly the same as in per the original 5 year business plan.

Vision, and Goals of the JSRA

The vision of the JSRA is to establish and maintain a safe, clean, and attractive residential area. The continued operations of the JSRA will support the vision of the Stellenbosch Integrated Development Plan (see part 3.3 below).

The JSRA has the following goals:

- Reducing crime significantly by proactive visible patrolling and cooperation with existing SAPS and Stellenbosch Municipality Law Enforcement efforts as well as other security service providers in the area.
- Creating a safe and clean public environment by addressing issues of maintenance and cleaning of streets, pavements and public spaces.
- Manage existing and new public infrastructure for the future benefit of all the users of the area.
- Protect property values.
- Support the promotion of the area as a safe and clean environment by promoting greening, energy efficiency and recycling.
- Support and promote social responsibility in the area
- The sustained and effective management of the area.

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Part 1 : BACKGROUND AND INTRODUCTION

Stellenbosch has grown to be recognised today for its wine production and it is also renowned for its academic institutions. The University of Stellenbosch has approximately 32,000 students, and the surrounding communities and agricultural industries interact with the town and its business and academic institutions on a daily basis. While the central business district and industrial nodes offer support to industry the residential neighbourhoods offer a unique lifestyle opportunity for residents linked to spectacular mountain and rural scenery, access to nature on their doorstep and supported by all the modern amenities that this town can offer.

Unfortunately the area also became the target of criminal elements wishing to exploit the area and its residents. Most residents are aware of crime, concerned about crime or have been directly affected by crime in the area. Property owners adjacent to nature reserves, green belts and rivers have been hit by criminals accessing neighbourhoods from these areas and even the student community have experienced its fair share of criminal activity.

Figure 1 Locality map showing the position of the JSRA relative to the greater Stellenbosch area.

Together the residential communities of a number of Stellenbosch residential suburbs established Stellenbosch Watch with the intention to increase cooperation between neighbourhood watches and to ensure a coordinated fight against crime in Stellenbosch through improved communication between the Stellenbosch Watch, the South African Police Service (SAPS) and other law enforcement agencies.

In 2012 the Stellenbosch Municipality approved the Special Rating Area By-law for the town thereby setting the platform for property owners to establish such areas in Stellenbosch. Certain suburbs in cooperation with Stellenbosch Watch has identified the Special Rating Area (SRA) model as a basis to address problems and counter any potential for further urban decay and the further increase of crime in the area. The first Business Plan for the Jonkershoek Special Rating Area was drawn up in 2014, approved by the requisite 60%+ majority of property owners within the boundaries and its first five year term started on 1 July 2015. The main purpose of the JSRA is to manage and implement additional public safety and urban management operations in addition to those services provided by the Stellenbosch Municipality. The property owners from the area pay an additional rate (JSRA Levy) to fund additional municipal services for that specific area as set out in this business plan. The additional municipal services typically include the provision of additional public safety, cleansing services, maintenance and/or upgrading of the urban public environment and/or infrastructure and social services that addresses social issues in the area.

The Jonkershoek SRA NPC was incorporated on 6 August 2015 as a Non Profit Company in terms of the Companies Act 71 of 2008. This Business Plan is the first renewal for the second 5 year term of the JSRA for the period 1 July 2020 to 30 June 2025.

The JSRA Levy is collected by the Municipality from property owners in the area and paid over to the JSRA Non Profit Company (NPC). The budget is dedicated to the specific area only. The JSRA Levy paid by the property owners in the area means an equitable split based on municipal property valuation. The cost of the additional services allows individual property owners to benefit from a well-managed and safe neighbourhood including a shared sense of communal pride, safety and social responsibility.

The implementation of a properly managed SRA most often results in:

- A safer public environment to the benefit of all residents, visitors, businesses and property owners.
- Proactive and co-ordinated communication and direct consultation with the Municipal service directorates regarding service delivery to the area.
- An equitable distribution of the cost to all property owners for providing supplementary and additional services in the area in proportion to the municipal valuation of the property.
- The protection and tangible growth in property values and capital investments which encourages economic development in the area.

Part 2 : HISTORIC MOTIVATION

2.1 Urban Challenges

During 2014 and as part of the process to develop the first business plan, the Steering Committee commissioned a perception survey amongst property owners of the then proposed area. The survey focused on five general urban issues namely:

- Safety and security
- Litter and cleanliness
- Area lighting & traffic
- Urban management
- Social environment

Participants were also asked to rank the importance of the above listed issues at the end of the survey questionnaire. The survey questionnaire also provided the opportunity to express general comments and concerns in writing. The results of the perception survey along with additional research, newspaper reports and information available to the Steering Committee was used to develop an overall analysis of the urban challenges of the area.

Safety and Security

The survey results indicated a substantial concern amongst participants that crime was on the increase in the area. Overall reported crime showed an upward trend in Stellenbosch and property related crime such as residential burglaries and theft from motor vehicles showed significant increases. In general, crimes such as property related crime, house robberies and theft out of motor vehicles have a negative impact on the sense of safety in a neighbourhood. These are typically crimes that directly and negatively influence the attraction to and perception of safety in the area and significantly detract from the desirability of the area. Crime statistics illustrated the fact that the area experienced crime, high incidents of which could occur or originate from the public domain including assault, theft, theft from motor vehicles, robbery and house and business burglaries.

The survey also tested participant's opinion on the effectiveness of the then current policing efforts and also asked participants to provide a reason for their rating. 70% Regarded the security situation as fair to poor and noted the lack of SAPS visibility most frequently as a reason for the ineffectiveness of the SAPS.

Litter and cleanliness of the public environment

Most participants regarded the general state of cleanliness as very good. Only isolated incidents of litter were found in the area. Some participants indicated illegal dumping of mostly household and garden waste and builders' rubble was problematic.

The survey also indicated some problems with bin picking: Bin picking is mostly associated with the presence of homeless and unemployed people that frequent the area, especially on refuse collection days, to find food and recyclable materials from refuse bins. Sadly, this practice also results in additional littering when bin pickers sort the waste on sidewalks leaving the area littered and dirty. Significant numbers of homeless people and bin pickers frequent the Stellenbosch residential areas, especially on waste collection days.

Area lighting and traffic

The lighting of streets and pavements and the standards of traffic signs and road markings were regarded as mostly sufficient. Isolated incidents of poor lighting on public open spaces (parks) and overgrown street signage were mentioned.

Urban Management

Further to the issues of lighting, signage and cleaning in the public environment, some urban management problems were present in some of the public spaces in the area. Street furniture such as litter bins and benches were in a state of disrepair and some public open spaces had long grass and trees and shrubs that needed pruning and maintenance. It is clear that sidewalks were mostly maintained by the property owners themselves and the general impression of the area was of a green, attractive and well- maintained residential neighbourhood.

The social environment

50% of survey participants perceived homelessness as a problem in this part of Stellenbosch. The most frequently identified issues in the area in order of priority was begging, bin picking, theft and alcohol and drug abuse.

Bin picking creates various problems in any urban area as it supports vagrant communities through recycling of small amounts of material from bins. This in turn leads to anti-social behaviour including littering, aggressive begging and opportunistic criminal activity such as theft.

Conclusion of survey

The perception survey concluded with an opportunity for participants to rank each of the general themes of the survey in terms of its importance. 93% of the respondents ranked safety and security as the most important issue. The cleanliness of public areas was selected as the second highest priority area.

2.2 Establishment of the JSRA and the first business plan

2.2.1 What is an SRA?

The SRA model is based on international best practice aimed at preventing the degeneration of neighbourhoods and facilitating their upliftment, economic growth and sustainable development. The continuing success of this model is demonstrated by the fact that there are an increasing number of SRA's being established in Cape Town, currently numbering 43.

The Stellenbosch Municipality's first Special Rating Area By-Law was approved in 2012. It was designed to enable self-funded community initiatives within a clearly defined geographic area that aim to improve and or upgrade neighbourhoods by making use of a non profit company to manage the implementation supported by property owners in the SRA in accordance with the procedure set out in the By-Law and approved by the Town Council.

In the Stellenbosch Municipal area the JSRA and Techstel SRA(Technopark area) were both established in 2015. Other Stellenbosch residential and business areas are currently investigating the possibility of establishing SRA's.

2.2.2 JSRA established

After the survey mentioned in 2.1 above, the steering committee drew up the first 5 year business plan for the Jonkershoek Special Rating Area which was approved by the Stellenbosch Municipality. After the required public meetings and written approval from the requisite 60%+ majority, the Stellenbosch Town Council approved the business plan to commence on 1 July 2015.

Jonkershoek Special Ratings Area NPC was incorporated on 6 August 2015 as a non profit company in terms of the Companies Act 71 of 2008 of which the main purpose is to provide Community Based Private Urban Management within the public areas of the Special Ratings Area. The first board of directors was appointed and operations in accordance with the approved business plan commenced. Just prior to the final approval of the business plan the Northern boundary of the area was slightly amended by excluding the Simonsrust shopping centre and the Simonsrust cluster housing estate.

In order to vote at the members' meetings of the JSRA, property owners need to apply to become members of the JSRA. Membership ceases, inter alia, when the property is sold and hence new owners would need to apply to become members. Voting at the meetings of the JSRA occurs by show of hands, or if required, by each member having one vote per R5m of municipal valuation of their property. Owners in arrears with their municipal accounts by more than 60 days are not allowed to vote, unless a payment arrangement is in place with the Municipality. Full details of the legal requirements surrounding membership, eligibility to vote and the manner of voting are contained in the Memorandum of Incorporation which is available on request and will be on the JSRA website soon.

The JSRA manages its own finances and appoints its own auditors. The interests of members of the JSRA NPC are protected by the provisions of the Companies Act and the Special Rating Area By-Law which include the following:

- The JSRA retains control over the funds received for the implementation of the business plan, which monies may only be spent within the JSRA and only in accordance with the approved budget and business plan.
- The responsibility for the collection of rates and additional rates in terms of the JSRA business plan vests with the Municipality.
- The Municipality monitors the compliance of the Board with the provisions of the SRA By-Law and the Companies Act and the Finance agreement concluded between the Municipality and the JSRA.
- A councillor of the town council appointed by the Executive Mayor as observer is entitled to attend the board meetings (but not vote) of the JSRA.
- The JSRA is required to submit a 5 year business plan for approval by the Town Council.
- The JSRA is required to prepare audited annual financial statements and submit this to the Municipality.

2.2.3 How are the additional rates (JSRA Levy) calculated?

The current municipal valuation roll is used to determine the properties comprising the JSRA and the JSRA additional rate (levy) payable by each property owner is calculated using the current municipal valuation of that specific property.

The JSRA management prepares an annual budget taking into account the additional supplementary services required as identified in the business plan. The individual contributions by each property owner accordingly represents the value of that property owner's municipal valuation of his property, divided by the total municipal valuation of all properties within the geographic boundary of the JSRA multiplied by the total expenditure budget of the JSRA for a particular year commencing on 1 July.

The JSRA budget and proposed additional rates (levy) must be approved by the Town Council and advertised for comments and objections as part of the Council's budget process for implementation on 1 July.

2.2.4 Term renewal process

Each business plan under the SRA By-Law has a duration of 5 years. The initial business plan of the JSRA was in respect of the period 1 July 2015 to 30 June 2020. Approval by members of a new business plan for the period 1 July 2020 to 30 June 2025 is therefore required. This will occur as follows:

- The JSRA management compiles a new 5 year business plan, consisting of a motivation report, implementation plan and budget.
- The new plan is approved by the Board and submitted to the Municipality for comment.
- Once reviewed by the Municipality, the renewal is advertised along with the notice of the annual general meeting in year 5 of the JSRA 's term.
- At the AGM, the members can then vote to adopt the new 5 year plan and budget and approve the intention to renew.
- Formal application is lodged with the Municipality for approval by the Town Council and exemption by the Council from the compliance of certain of the provisions of Chapter 1 of the By-Law.
- The renewal plan is considered by the full Stellenbosch Town Council.
- Once the renewal plan has been approved by the Town Council, the JSRA commences with the new term on 1 July.

Part 3 : IMPLEMENTATION PLAN AND BUDGET

3.1 Focus for the first 5 years.

The Jonkershoek Special Rating Area NPC ('JSRA') has been in existence since 2015 and focused on the following areas:

- The management of the JSRA operations
- The provision of extensive safety and security measures
- The cleaning, greening and maintenance of the public spaces in the area
- Monitor urban management issues related to public infrastructure in the area in co-operation with the relevant Municipal departments
- Assist with social upliftment in the area

It is proposed that these main areas of focus be retained, although the extent, content and budget allocation for the different areas will change as set out in the proposed budget.

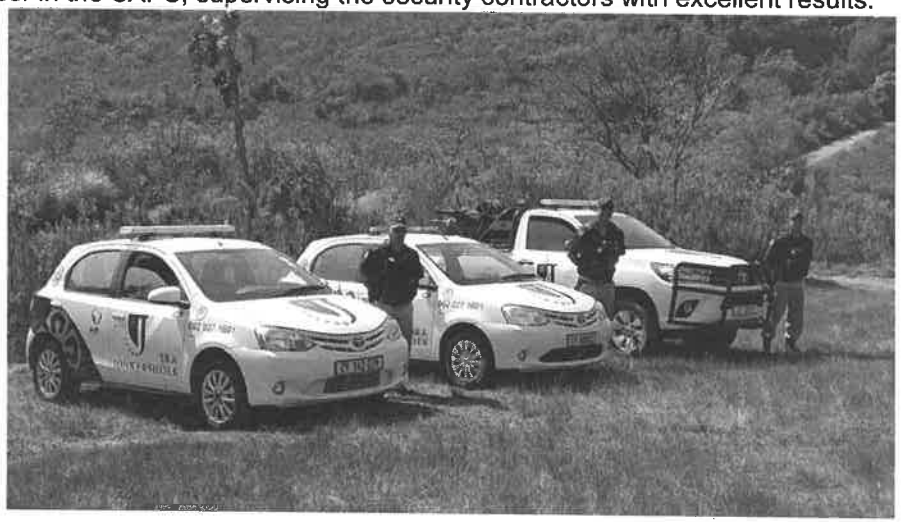
3.2 Operational results for the 4 years 1 July 2015 to 30 June 2019

Management

After incorporation of the Jonkershoek SRA NPC and the appointment of the first Board of Directors, JPS Trust (Ms Thea Jordaan) was appointed to attend to the JSRA administrative functions: in particular to deal with financial matters including arrangements with the Stellenbosch Municipality regarding the levy collection, banking arrangements, payments, secretarial work etc. A manager with the specific focus on the security operations was appointed in March 2016. Ms Belinda Hattingh joined the team in this capacity and brought her extensive experience as an officer in the SAPS, supervising the security contractors with excellent results.

Safety and security

Patrol vehicles:
The contracted security company started out with 2 vehicles and 2 bicycles on patrol in the area. It was soon found that the bicycles were not very effective and the arrangement was changed to 3 vehicles. The current arrangement is for the security company to supply 3 dedicated vehicles with an armed officer per vehicle patrolling 24/7 in two shifts. The vehicles are highly visible and have been branded with the JSRA logo and signage. Two of the vehicles (cars) mostly patrol the residential areas and the third (a pick-up truck) concentrate on the agricultural areas in the Jonkershoek valley. The 9 dedicated officers have undergone extensive training and operate under the supervision of the JSRA manager. The vehicles are in constant radio and mobile phone contact with the operational control room and can respond to any emergency within minutes.



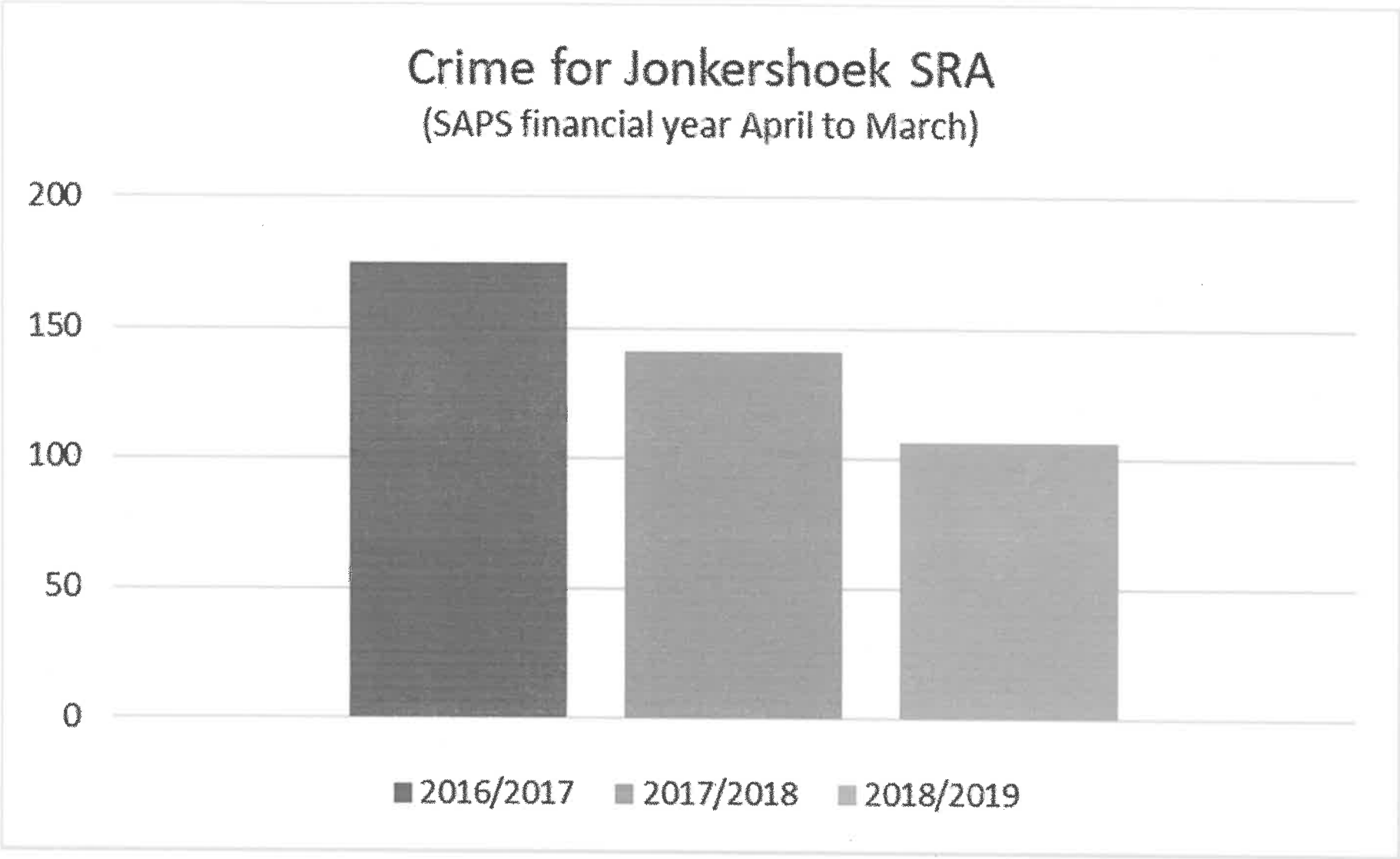
Control Room:

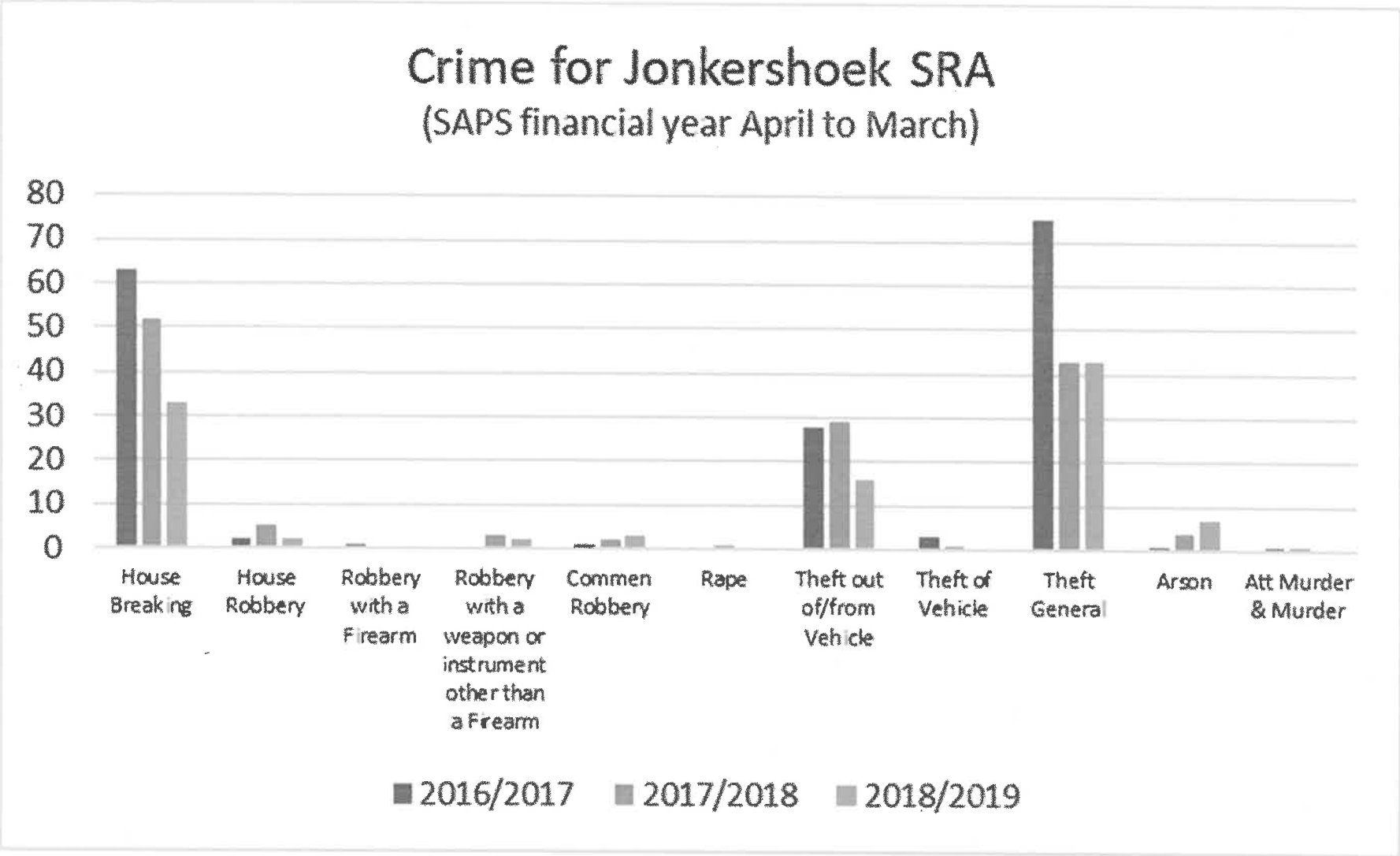
At first the JSRA used the services of the Stellenbosch Watch control room. When our security cameras became fully functional and online in 2018 we had to set up a dedicated control room for the JSRA. The control room is currently situated at the University of Stellenbosch Campus Security premises where we have 3 operators doing shift duty 24/7 (one operator per shift). These operators are employed and have been trained by our contracted security company under supervision of our JSRA Manager. The control room operators monitor our security cameras, monitor our WhatsApp groups and telephones and react to suspicious activities and complaints/ information received from residents. They are in constant radio contact with the 3 security patrol vehicles and dispatch them accordingly. They also monitor various other crime alert groups linked to the SAPS and Law Enforcement and react if needed in our area. They arrange emergency units as required by incidents. All incidents and patrols are captured in an incident management system.

Security cameras:

The steering committee setting up the JSRA in 2015 realised that the JSRA operational budget would not be able to fund the capital cost of a security camera network and they approached JSRA members and residents for donations to fund the initial purchase thereof. Some R4.5 million was contributed by individuals and businesses. The first cameras were installed in 2016 with communication to the control room via wireless data links. This proved to be problematic as broadband, speed, weather, trees etc all affected the stability and quality of the images communicated. Fiber was the only option and the JSRA initiated the installation of a fiber network by Frogfoot, one of the bigger fiber operators. Frogfoot agreed to supply camera points at a nominal fee if the number of fiber internet users justified such a business model. Although the installation of the fiber network was disruptive in the neighbourhood, residents now have access to fast and reliable fiber internet service. The security cameras had to be reconfigured for fiber and the improved communication made a big difference to the effectiveness and stability of our camera surveillance. We currently have 63 cameras at 41 positions linked to the JSRA control room. The camera surveillance substantially improved the effectiveness of our security and crime prevention.

The original camera project envisaged the installation of License Plate Recognition (LPR) cameras at certain entry points to the JSRA area but it proved too expensive to acquire and maintain the software required to run a LPR system. The Stellenbosch Municipality installed a number of LPR cameras in and around the Stellenbosch area and the JSRA control room has access to the information and alerts generated of wanted and suspicious vehicles entering and exiting the area.

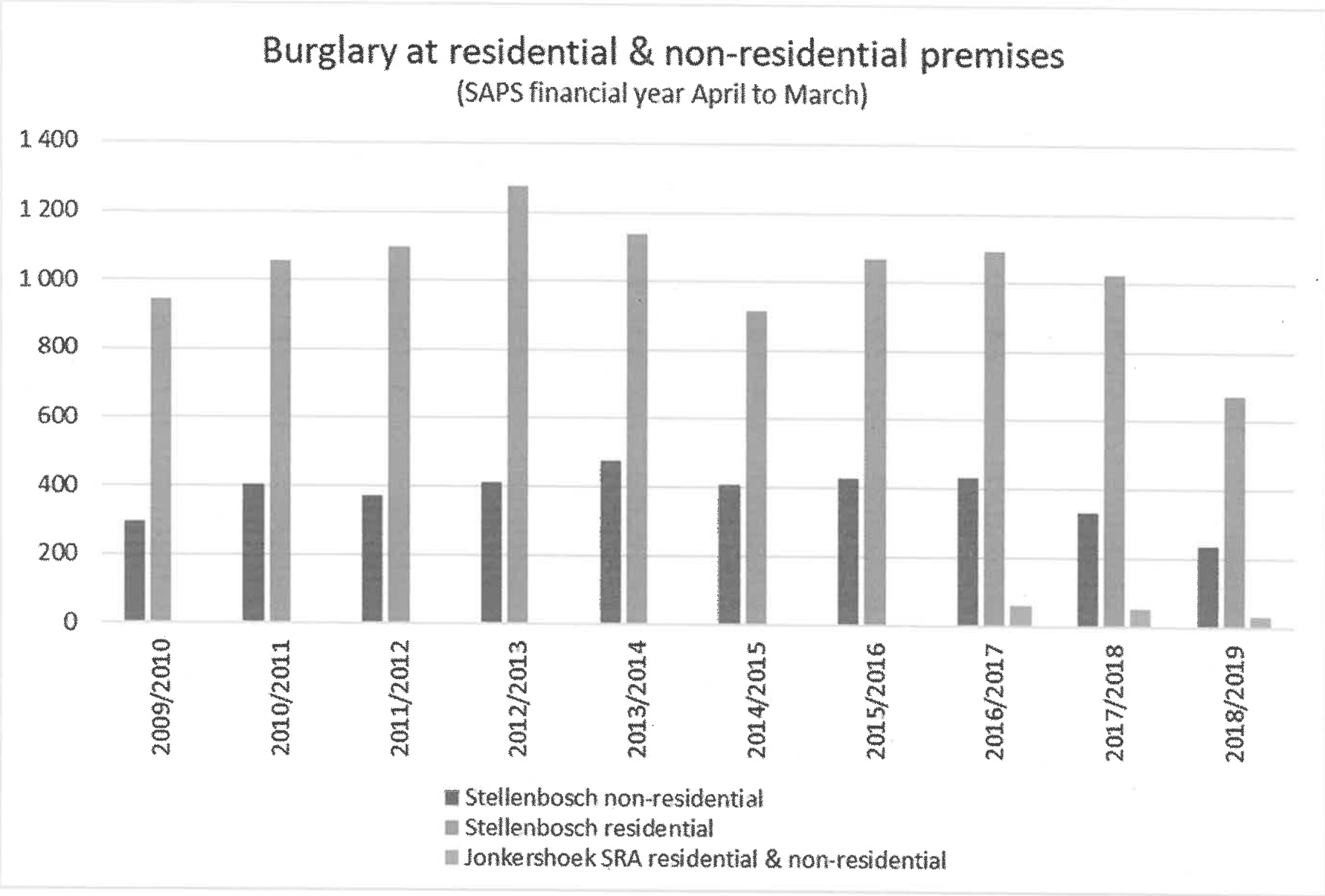

Crime for Jonkershoek SRA
(SAPS financial year April to March)
200
150
100
50
0
2016/2017
2017/2018
2018/2019

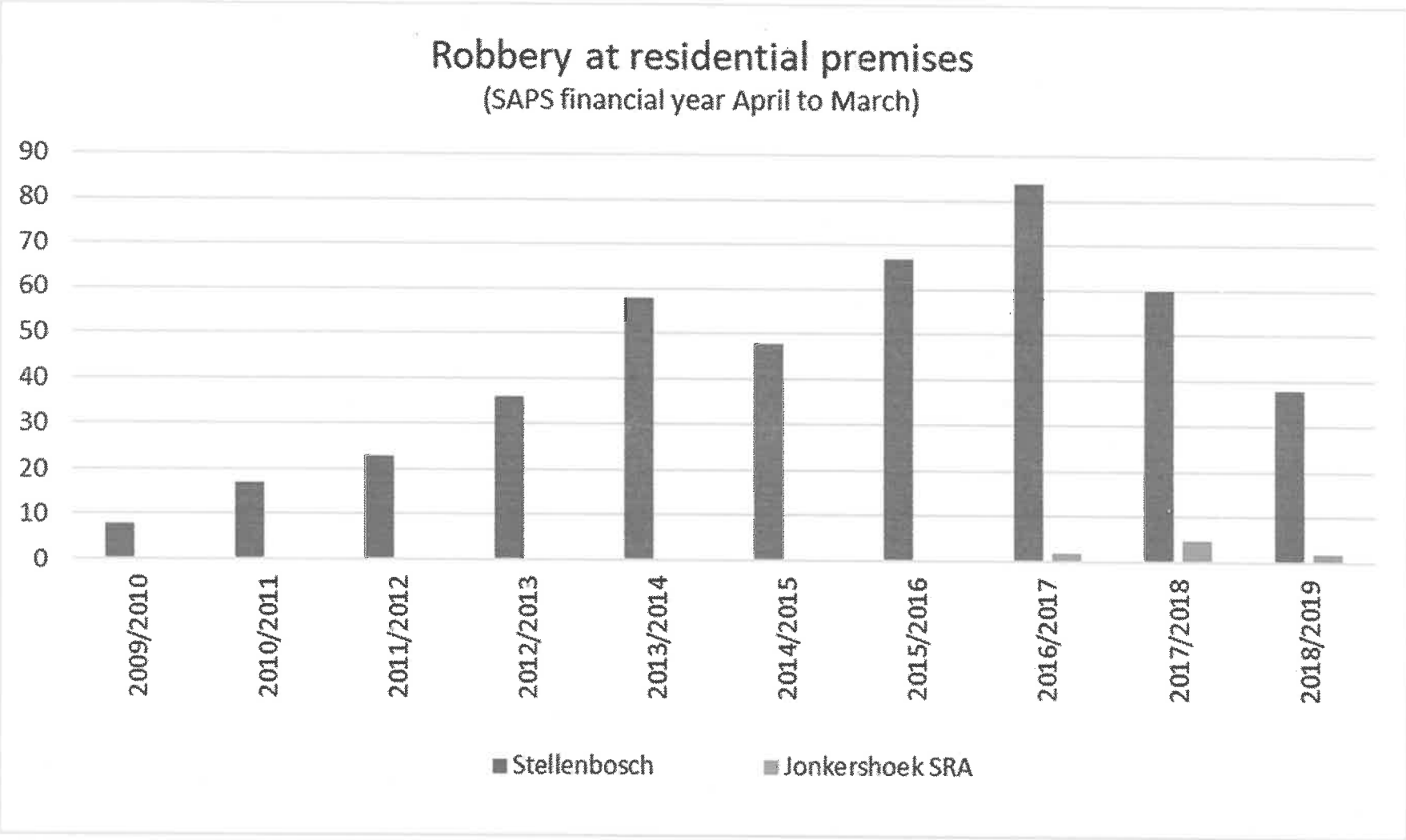


Reduction in crime:

The success in reducing crime in the area during the 3 years of the JSRA existence can be clearly seen from the bar charts above. These figures have been compiled on the SAPS financial year basis by the JSRA staff from its own incident management system. Reliable statistics for the JSRA area for the period before the introduction of the JSRA is not available but all indications are that crime reduced considerably. In comparison to other areas in the Stellenbosch district, the JSRA seems to have significantly less crime. This can be seen from the following charts compiled from information (also on SAPS financial year basis) obtained

from cimestatssa website regarding the whole of Stellenbosch with the JSRA's own information on crime in its area in the last 3 years (other crime categories show similar trends):





Another indicator of the success the establishment of the JSRA had, is insurance companies reporting significant reduction in insurance claims from our area and improvement in their loss ratio (relationship between premium and claims) since the establishment of the JSRA. The JSRA area is regarded as a "low risk" area and this should lead to a reduction in insurance premium cost to residents.

Cleaning and greening

Langverwacht Landscaping has been contracted to assist in the maintenance of the 5 parks in the JSRA area. A team of 10 staff are on duty one day a week and rotate the parks and other ad hoc areas as required.

Urban management

The JSRA Manager is in frequent contact with the relevant municipal departments regarding infrastructure such as road sign maintenance, picking up rubbish in streets and on sidewalks etc. In 2016 a fence was erected on the North-eastern border of the JSRA area. The JSRA was also instrumental in the Stellenbosch Municipality erecting improved lighting at a number of public parks in the JSRA area. The JSRA staff participate in a number of urban management and security initiatives and committees in the Stellenbosch area.

Social upliftment

Workshops for domestic workers regarding safety and security have been held for workers in the area. Funding was provided to the Prochorus Community Development project in the Jonkershoek valley enabling them to tile their facility, upgrade ablution facilities, repair damage from riots and install new shelves in their library. Recently the LAP Neighbourhood Watch (patrolling the areas of Lavanda, Aurora, Phyllaria Flats and the surrounding residential area) was supplied with windbreaker jackets sponsored by the JSRA.

Communication

The 8 Security WhatsApp groups are well supported by residents in the area and give a quick indication of any security related problem that may arise. There are also 4 Social WhatsApp groups, a Facebook page and website (http://www.jonkershoeksra.co.za) . Crime bulletins are published monthly via email and WhatsApp groups.

3.3 Operational plan for the next 5 years: 1 July 2020 to 30 June 2025

Vision, and Goals of the JSRA

The vision of the JSRA is to establish and maintain a safe, clean, and attractive residential area.

The goals:

- Reducing crime significantly by proactive visible patrolling and cooperation with existing SAPS and Stellenbosch Municipality Law Enforcement efforts as well as other security service providers in the area.
- Creating a safe and clean public environment by addressing issues of maintenance and cleaning of streets, pavements and public spaces.
- Manage existing and new public infrastructure for the future benefit of all the users of the area.
- Protect property values.
- Support the promotion of the area as a safe and clean environment by promoting greening, energy efficiency and recycling.
- Support and promote social responsibility in the area

- The sustained and effective management of the area.

Intention of the JSRA

The continued operation of the JSRA will not reinforce previously existing inequalities nor be a substitute for Municipal services. The services of the JSRA will be 'over and above and on top of' services provided by the Municipality.

Consistency with Integrated Development Plan:
It is believed that the continued operation of the JSRA will support the vision of the Stellenboch IDP as follows:

- The JSRA initiatives will enhance the security and cleanliness of the area and hence contribute to the safe and dignified living of residents and visitors.
- The JSRA initiatives will stimulate employment creation as a result of the appointment of contractors to attend to the cleaning and greening 'top up' services and safety and security patrols.
- The JSRA is subject to the Companies Act and the Stellenbosch Municipal By-Law and oversight by the Municipality and as such contribute to good governance and compliance

Operations:

Management

The management will continue to build on its successes from the first 5 year term. Directors are elected by members for a 3 year term. Directors are not remunerated. The board will endeavor to ensure that all the required skills are contributed by directors. The appointed Manager and contractors will continue to contribute to the smooth running of operations.

Safety and security

Patrol vehicles:
It is not envisaged to change the number of patrol vehicles in the foreseeable future but it may be necessary to increase the km travelled by vehicles during a shift. Visibility of armed patrols are of the utmost importance and routes, standing time and patrolling time will be closely monitored by the JSRA Manager.

Control Room:
Although the JSRA are very thankful for the University of Stellenbosch Campus Security for allowing our control room operators to share their facilities, it is envisaged that we may have to increase our operators from one per shift currently to two per shift. With the increase in the number of cameras to be monitored it is becoming difficult for one operator to monitor effectively. Limitations on space at Campus Security may result in the JSRA setting up its own control room at other premises and provision has been made in the budget for this.

Security cameras:
The cameras and related equipment purchased with the funds raised from donations were acquired in 2016. Most of these cameras are now reaching the end of their useful lives and will require replacement. It has also become evident that some of the original cameras will require upgrading to more up to date technology with better clarity and zoom functionality. In particular, some cameras require night vision technology and it will be more cost effective to install new cameras in certain positions and move the older cameras to other positions. The installed cameras also require maintenance from time to time i.e. cleaning, adjustments, focus etc. The expected cost of the replacement, upgrading and maintenance has been included in the JSRA operational budget.

Certain high risk areas are not sufficiently covered by the existing cameras. As for the initial camera project, the plan is to again obtain donations for these additional cameras. Residents in a particular street or section of a street, may wish to fund a camera point in that particular area. Members and residents are invited to contact the JSRA should they have such a need. In general, a camera point with two cameras, control box and equipment will cost around R40,000 depending on the proximity of power and fiber connections. The JSRA management is continuously looking at areas that require improved coverage. Residents in such areas may be approached for funding contributions.

Reduction in crime:
As mentioned above, the JSRA has succeeded in its first 4 years to substantially reduce crime in our neighborhoods. We should build on this success with the objective to reduce crime ever further and aim at having a totally crime free JSRA.
Property owners and residents should note that the JSRA may only focus on the public areas within the JSRA boundaries. The work of the patrol vehicles and cameras are to keep the streets and other public areas safe and free from crime. The JSRA will never replace the alarm companies and their armed response services to individual properties and residents.

Cleaning and greening

The JSRA landscaping contractor will continue to provide services in addition to the normal services provided by the Stellenbosch Municipality.

Urban management and social upliftment

The JSRA management will continue its good relationship with the various Municipal departments and continually look at projects to improve the social environment.

Communication

The successful WhatsApp groups and email communications will be continued. The JSRA website will be upgraded and in the near future provide members and residents with access to a number of JSRA documents.

3.4 Financial

3.4.1 The first 5 years: 1 July 2015 to 30 June 2020

The original 5 year plan and budget was compiled by the steering committee at that time with the assistance of a consultant from Cape Town who assisted a number of newly established SRA's in the Cape Town area. They had no historical data to work from and the SRA concept was also new to Stellenbosch Municipality (the JSRA was the first residential SRA established in the Stellenbosch Municipal area).
The final 5 year budget approved by the JSRA members and the Stellenbosch Town Council was (minor adjustments were made to the first 2 years after a late change in the final Northern boundary):

2015/16	2016/17	2017/18	2018/19	2019/20
R 3,105,567	R 3,392,328	R 3,668,927	R 3,965,568	R 4,237,461

	+9.2%	+8.1%	+8.1%	+6.9%

This budget was compiled without taking VAT (14% at that time) into account. A misunderstanding/mistake then resulted in the municipality deducting 14% VAT from these numbers in calculating the amounts levied on property owners and paid over to the JSRA. The reason for this was the fact that property tax rates are by law exempt from VAT and additional rates (such as SRA levies) are subject to VAT. The payments from the municipality to the JSRA was thus reduced by the VAT amount. This resulted in a shortfall in JSRA funding for the first 3 years of some R850,000. This was reduced by approx. R313,000 excess collected by the municipality in 2016/17. After discussion agreement was reached with the municipality to increase the budgets in the last two years in an attempt to recover some of this shortfall. All these mistakes and corrections resulted in the actual year on year increase property owners saw in their JSRA Levy as per their individual municipal bills not matching the gradual increase as per the above percentages.
The amended annual budget for the final year (2019/20) excluding VAT amounted to R4,418,614 (R5,081,406 VAT inclusive)

The main factor that influences individual property owner's JSRA Levy as per their municipal bills is the property valuations. As explained in 2.2.3 above the Levy is calculated with reference to individual property valuations. The Stellenbosch Municipality annually compiles the valuation roll from then current valuations. During the JSRA's first 5 year term there was a general property re-valuation, which took effect on 1 July 2017. If a particular property received an above average increase in valuation it would have noted a larger increase in property tax and in JSRA levy. If a particular property did not receive an increase in valuation its property tax and JSRA levy would have reduced.

The rate of SRA Levy paid expressed as a Rand amount per month (excluding VAT) per R1million of property valuation is usually a good indicator of how the SRA levy compares to property tax. In the first 5 years the the amounts were approximately:

2015/16	2016/17	2017/18	2018/19	2019/20
R 69	R 87	R 65	R 79	R 82

Audited annual financial statements

The Audited annual financial statements for the first 3 years have been completed and received a clean and unqualified audit report. Copies are available and will soon be on the JSRA website. The statements for year 4 (year ended 30 June 2019) is currently being finalized and will be presented at the AGM on 26 November 2019.

3.4.2 The next 5 years: 1 July 2020 to 30 June 2025

The budget for the next 5 year period has been prepared on the same basis as for the first 5 years, again exclusive of VAT. Security services again make up the biggest expense item. It is estimated that there will be some R1m in cash in the bank accounts of the JSRA on 1 July 2020. This resulted from the adjustments made to the budgets of the last two years of the first 5 year period. It is proposed to utilise that cash to reduce the annual budgets in next 5 years by R200,000 per year resulting a modest 3.1% increase for the first year (2020/21) over the last year of the first term (2019/20)

2020/21	2021/22	2022/23	2023/24	2024/25
R 4,555,685	R 4,849,690	R 5,162,024	R 5,493,842	R 5,846,387

+3.1%	+6.5%	+6.4%	+6.4%	+6.4%

The rate of SRA Levy paid expressed as a Rand amount per month (excluding VAT) per R1million of property valuation. These amounts are based on the current valuation roll. Another general property re-valuation is expected in 2021 which will affect these amounts.

2020/21	2021/22	2022/23	2023/24	2024/25
R 84	R 89	R 95	R 101	R 107

Stellenbosch monthly Municipal accounts are presented on a basis of including the VAT in the amounts shown and then indicating the amount of VAT included in a column to the right. If the table above is presented on the basis of including VAT it would amount to the following:

2020/21	2021/22	2022/23	2023/24	2024/25
R 96	R 102	R 109	R 116	R 124

Budget

The 5 year budget is attached as annexure A

ANNEXURE 32(C)

STELLENBOSCH MUNICIPALITY

JONKERSHOEK SRA

BUDGET - 2ND FIVE YEAR TERM

ANNEXURE C

JONKERSHOEK SRA NEW FIVE YEAR BUDGET

JSRA
5 Yr Budget 2021 to 2025

	Year 1 Total Excluding VAT	Year 2 Total Excluding VAT	Year 3 Total Excluding VAT	Year 4 Total Excluding VAT	Year 5 Total Excluding VAT
EXPENDITURE					
1. Employee Related	**420 036**	**453 639**	**489 930**	**529 124**	**571 454**
Salaries	387 725	418 743	452 243	488 422	527 496
Bonus Provision	32 310	34 895	37 687	40 702	43 958
2. Core Business	**3 669 570**	**3 889 744**	**4 123 129**	**4 370 517**	**4 632 748**
Landscaping & Environmental Upgrade	243 461	258 068	273 553	289 966	307 364
Security Services	3 410 440	3 615 066	3 831 970	4 061 888	4 305 602
- Patrols	*2 837 011*	*3 007 232*	*3 187 666*	*3 378 926*	*3 581 661*
- Camera Monitoring	*448 675*	*475 595*	*504 131*	*534 379*	*566 442*
- Camera Maintenance	*124 754*	*132 239*	*140 174*	*148 584*	*157 499*
Social Upliftment	15 670	16 610	17 606	18 663	19 782
3. Depreciation	**30 414**	**32 238**	**34 173**	**36 223**	**38 396**
4. General Expenditure	**262 562**	**278 316**	**295 015**	**312 716**	**331 479**
Accounting & administration Fee	88 583	93 898	99 532	105 504	111 834
Advertising, Marketing & Promosions	4 973	5 271	5 588	5 923	6 278
Auditor's remuneration	14 930	15 826	16 776	17 782	18 849
Bank charges	3 173	3 364	3 566	3 780	4 006
Computer expenses (including Website)	13 738	14 562	15 436	16 362	17 343
Insurance	22 571	23 925	25 361	26 882	28 495
Meeting expenses	3 352	3 553	3 766	3 992	4 232
Printing and stationery	4 973	5 271	5 588	5 923	6 278
Vehicle Expences	54 755	58 040	61 523	65 214	69 127
Telephone and fax	26 074	27 638	29 297	31 055	32 918
Other	25 440	26 966	28 584	30 299	32 117
5. Capital Expenditure	**230 435**	**244 261**	**258 916**	**274 451**	**290 919**
6. Bad Debt Provision 3%	**142 669**	**151 492**	**160 861**	**170 811**	**181 392**
TOTAL EXPENDITURE	**4 755 685**	**5 049 690**	**5 362 024**	**5 693 842**	**6 046 388**
INCOME					
	-4 755 685.47	**-5 049 690.17**	**-5 362 023.83**	**-5 693 842.20**	**-6 046 387.55**
Estimated surplus 01 July 2020	**200 000.00**	**200 000.00**	**200 000.00**	**200 000.00**	**200 000.00**
1 Nett revenue - SRA Levy	**-4 555 685.47**	**-4 849 690.17**	**-5 162 023.83**	**-5 493 842.20**	**-5 846 387.55**
% Increase	3.10%	6.45%	6.44%	6.43%	6.42%

ANNEXURE 32(D)

STELLENBOSCH MUNICIPALITY

JONKERSHOEK SRA

AGM MINUTES - 2ND FIVE YEAR TERM

ANNEXURE D

JONKERSHOEK SRA MINUTES OF ANNUAL GENERAL MEETING

"B"

JONKERSHOEK SRA NPC
Registration number 2015/279913/08
("the Company")

CIRCULAR TO MEMBERS

1. NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting for the Members of the Company will be held at Laerskool Stellenbosch on **Monday, 25 November 2019 at 18:00**.

2. MEMBERS

In terms of paragraph 9.2 of the MOI of the Company, Membership of the Company is limited to persons (including trustees of trusts) who are registered owners of a Property situated within the SRA. Persons who qualify for Membership in terms of paragraph 9.2 of the MOI will furthermore be required to apply for Membership in writing, which must be done by completing and submitting the Application for admission of Membership as per Annexure A.

All property owners may attend but only admitted Members will have voting rights at the Annual General Meeting. Tenants do not have Membership of the Company, nor will they have voting rights, unless appointed as a proxy by an owner (see 3 below). A list of admitted members is available at the offices of JPS Trust and will be available before the start of the AGM.

Please note: Owners who have already applied for membership in prior years do not need to apply again. Owners who still need to apply must complete Annexure A and send it to JPS Trust before the 22 November 2019 to enable them to confirm authentication and make sure that all financial obligations towards the SRA have been met.

3. VOTING RIGHTS AND PROXIES

Each Member present at a Member's Meeting, whether in person or by proxy, may exercise his / her right to vote. Voting at the meeting will be by show of hands unless voting by ballot is indicated. An appointed proxy need not be a Member of the Company.

If you are unable to attend the Annual General Meeting you should complete and return the attached Proxy Form (Annexure B) by no later than 13:00 on 22 November 2019 to JPS Trust.

4. DIRECTORS

In terms of the Company's Memorandum of Incorporation (MOI), the minimum number of directors are 3 with the maximum number of directors being 10.

The current directors registered with the CIPC are as follows:

1. DANIEL MARAIS HOOGENHOUT
2. CHARL DANIËL CILLIÉ
3. MICHIEL WILHELM DREIJER
4. MICHAEL JOHN EHRET
5. MARTIN NOEL HEUNIS
6. PETRUS JOHANNES DIRKSE BEKKER
7. WILLEM JACOBUS VAN ASWEGEN
8. FRANS KRONE KRIGE

The following directors retire by rotation ito the MOI and will be available for re-election:

1. CHARL DANIËL CILLIÉ
2. MICHIEL WILHELM DREIJER
3. MICHAEL JOHN EHRET

Should you wish to nominate a Member for election as director of the Company, you must complete your Nomination of Director as per attached Annexure C and send it to JPS Trust by no later than 13:00 on FRIDAY the 22nd November 2019.

JONKERSHOEK SRA NPC

Registration number 2015/279913/08
(Non Profit Company incorporated in terms of the Companies Act 2008)
("the Company")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting for the Members of the Company will be held at Laerskool Stellenbosch on Monday, 25 November 2019 at 18:00 for the purpose of considering and, if deemed fit, of passing, with or without modification, the following resolutions:

1. **Ordinary Resolution Number One**

   "IT WAS RESOLVED THAT the Annual Financial Statements for the year ended 30 June 2019 were noted."

2. **Ordinary Resolution Number Two**

   "IT WAS RESOLVED THAT Smith and Associates be appointed as auditors for the ensuing financial year"

3. **Ordinary Resolution Number Three**

   "IT WAS RESOLVED THAT the following persons for whom nominations were received, be and are hereby elected and / or re-elected as directors of the Company."

   (List of Nominated Directors will be made available at the Annual General Meeting. Also see Circular to members)

4. **Ordinary Resolution Number Four**

   "IT WAS RESOLVED THAT the renewal of the Jonkershoek SRA for another 5 year term (2020 to 2025) and the Business Plan as presented for that term be approved."

5. **Ordinary Resolution Number Five**

   "IT WAS RESOLVED THAT the Budget for the next 5 year term (2020 to 2025) as presented be approved.

6. **Ordinary Resolution Number Six**

   "IT WAS RESOLVED THAT the submission of a written application to the Stellenbosch Town Council for the renewal of the Jonkershoek SRA for a another 5 year term and for exemption from compliance with certain of the provisions of Chapter 1 of the Stellenbosch Municipality By-Law, be approved

By order of the directors of JONKERSHOEK SRA NPC.

Chairman: DM (Niel) Hoogenhout
Date: 1 November 2019

Registered office:
JPS TRUST
Valerida Center 210
Piet Retief Street Stellenbosch

Postal address
PO Box 3075
Matieland 7602

JONKERSHOEK SRA NPC

Registration number 2015/279913/08
(Non Profit Company incorporated in terms of the Companies Act 2008)
("the Company")

AGENDA FOR ANNUAL GENERAL MEETING ON MONDAY, 25 NOVEMBER 2019

1 **Welcome and Apologies**

2 **New members and resignations**

3. **Confirmation of Quorum present**

4. **Ordinary Resolution One – Noting of the Annual Financial Statements**

   Please note that copies of the Annual Financial Statements are available from JPS Trust, on the website (www.jonkershoeksra.co.za) and at the meeting.

5. **Ordinary Resolution Two - Appointment of the Auditors**

6. **Ordinary Resolution Three – Election of Directors**

7. **Chairman's Report**

8. **Presentation of the renewal 5 year Business Plan**

9. **Ordinary Resolution Four - Approval of the New Business Plan for the term 2020 – 2025**

10. **Ordinary Resolution Five - Approval of the New 5 Year Budget**

11. **Ordinary Resolution Six – Approval for written application to Council for the renewal term and exemption from compliance with provisions of Chapter 1 of the By-Law**

12. **General**

13. **Adjournment**

ANNEXURE A

JONKERSHOEK SRA NPC

Registration number 2015/279913/08

APPLICATION FOR ADMISSION OF MEMBERSHIP BY JURISTIC PERSON / OTHER BODY

To the Board of the JonkershoekSRA NPC

_____ hereby applies for membership and to be
Insert name of Juristic Person/Other Body
entered into the NPC's Membership Register.

General Note on Information

In terms of the Companies Act, the Members' Register must contain the following information in respect of each member: (a) name; (b) business, residential or postal address; (c) email address (*unless person has declined to provide an email address*); and (d) an identifying number unique to that person (*e.g. in the case of a company, the company registration number or representatives ID number*).

However, the JonkershoekSRA NPC will keep any email address provided confidential when any member or outside third party requests access to the Members' Register under the Companies Act, unless you give your written consent.

Details of Juristic Person / Other Body

Name of Company/ Close Corporation/ Trust/ Sectional Title Body Corporate/ Partnership/ Other Body (*circle whichever is applicable*):

_____
Insert name

Registration no. (*if any*): _____

Physical Address: _____ Postal Address: _____

_____ _____

_____ _____

_____ _____

NOTE: Where the body's physical address differs from its postal address, only its postal address will be recorded in the Members' Register.

Website address (*if any*): _____

Details of Representatives

Representative: _____ Designation: _____

ID number: _____

Contact Details of Representative:

Business tel.: _____ Fax: _____

Cell. No.: _____

Email address: _____

Notices and communication need to be addressed to the (tick appropriate choice):

The physical address ____
The postal address ____
The email address ____

Details of Property

The aforesaid body is the registered owner/ co-owner (*strike through whichever is not applicable*), of the following property located within the JonkershoekSRA NPC.

Erf No. _____

Physical Address _____

_____

Warranty by Signatory
I am the authorised signatory of the abovementioned juristic person/ body (by resolution or letter of authorisation, a copy of which is attached hereto), and warrant that I have the necessary authority to apply for membership of the JonkershoekSRA NPC

Name: _____ **Surname:** _____

Email address: _____

ID number: _____ **(Note: your identity number will be kept confidential and not disclosed to third parties, without your written consent).**

Signature: _____

Signed at _____ **on this the** _____ **day of** _____ **20** ___

Submission of application

Completed forms and documents to be sent to JPS Trust by Friday, 23 November 2018 at thea@jpstrust.co.za or by hand at Valerida Center 210, Piet Retief Street, Stellenbosch.

Any registration or administrative queries to be addressed 30 minutes prior to the meeting at the venue.

ANNEXURE A

JONKERSHOEK SRA NPC

Registration number 2015/279913/08

APPLICATION FOR ADMISSION OF MEMBERSHIP BY A PRIVATE INDIVIDUAL

To the Board of the JonkershoekSRA NPC,

I,_____ hereby applies for membership and to be
Insert name
entered into the NPC's Membership Register.

General Note on Information

In terms of the Companies Act, the Members' Register must contain the following information in respect of each member: (a) name; (b) business, residential or postal address; (c) email address (*unless person has declined to provide an email address*); and (d) an identifying number unique to that person

However, the JonkershoekSRA NPC will keep any email address provided confidential when any member or outside third party requests access to the Members' Register under the Companies Act, unless you give your written consent.

Details of Owner Representing the property

Name _____ Surname _____

ID nr. _____

Physical Address: _____ Postal Address: _____

_____ _____

_____ _____

_____ _____

NOTE: Where the residential address differs from your postal address, only your postal address will be recorded in the Members' Register.

Contact Details of Representative:

Home tel.: _____ Work Tel.: _____

Cell. No.: _____ Fax.: _____

Email address: _____

Notices and communication need to be addressed to the (tick appropriate choice):

The physical address ____
The postal address ____
The email address ____

Details of Co-owner (s)

Owner 2 – Name (s): _____ Surname: _____

ID number: _____ Email address: _____

Notices and communication to be mailed: Yes ___ No ___

Owner 3 – Name (s): _____ Surname: _____

ID number: _____ Email address: _____

Notices and communication to be mailed: Yes ___ No ___

Details of Property

I, _____, am the registered owner/ co-owner (*circle whichever is applicable*), of the following property located within the JonkershoekSRA NPC.

Erf No. _____

Physical Address _____

_____

Signed at _____ **on this the** _____ **day of** _____ **20** ___

Signature: _____

Submission of application

Completed forms and documents to be sent to JPS Trust by Friday, 23 November 2018 at thea@jpstrust.co.za or by hand at Valerida Center 210, Piet Retief Street, Stellenbosch.

Any registration or administrative queries to be addressed 30 minutes prior to the meeting at the venue.

ANNEXURE B

PROXY APPOINTMENT FORM

"I/We _____ being a Member of JONKERSHOEK SRA

(NPC) and owners of property _____ , Erf nr. _____
(Street and nr.)

do hereby appoint _____

or failing him/her _____

or failing him/her, the chairperson of the meeting as my/our proxy to vote or abstain from voting on my/our behalf at the meeting of the Company to be held at Laerskool Stellenbosch on Monday, 25 November 2019 at 18:00 and at any adjournment thereof as follows:-

	In favour of	Against	Abstain
Ordinary Resolution 1	.....	.....	.....
Ordinary Resolution 2	.....	.....	.....
Ordinary Resolution 3	.....	.....	.....
Ordinary Resolution 4	.....	.....	.....
Ordinary Resolution 5	.....	.....	.....
Ordinary Resolution 6	.....	.....	.....

(Indicate instruction to proxy by way of a cross in space provided above). Except as instructed above or if no instructions are inserted above, my/our proxy may vote as he/she thinks fit.

SIGNED this _____day of _____ 2019.

_____

MEMBER'S SIGNATURE

(Note: A Member entitled to attend, speak and vote is entitled to appoint a proxy to attend, speak and vote in his/her stead, and such proxy need not be a Member of the Company.)

Proxy forms to be sent to JPS Trust by Friday, 23 November 2018 at thea@jpstrust.co.za by or by hand at Valerida Center 210, Piet Retief Street, Stellenbosch

ANNEXURE C

JONKERSHOEK SRA NPC

Registration number 2015/279913/08

DIRECTORS NOMINATION

A. Member Declaration

I, ..., registered owner of property situated within the boundaries of the special ratings area of JONKERSHOEK SRA NPC, hereby nominate the following person with details below to be appointed as a director of the Company.

Signed: ..... Date: 2019
(To be signed by Member personally)

B. Person Nominated to act as Director

1. Surname: .....

2. Full forenames: .....

Nomination accepted: .....

A member may nominate more than one director, but each nomination must be on a different nomination sheet to be sent to JPS Trust before the Friday, 22 November 2019 to thea@jpstrust.co.za or by hand at Valerida Center 210, Piet Retief Street, Stellenbosch

DRAFT!!

"C"

JONKERSHOEK SRA

Valeridasentrum 210 Valerida Centre, Piet Retiefstraat / Street, Stellenbosch
Posbus / PO Box 3075, Matieland, 7602

JONKERSHOEK SRA NPC

Registration number 2015/279913/08

(Non Profit Company incorporated in terms of the Companies Act 2008)
("the Company")

MINUTES OF THE ANNUAL GENERAL MEETING ON MONDAY 25TH NOVEMBER 2019 HELD AT STELLENBOSCH LAERSKOOL, STELLENBOSCH

ATTENDANCE

The required notice had been given and meeting was duly constituted in terms of the Company's MOI (10% of the Members to be present in person or by proxy)

Members Registered by Acceptance of Membership - 402

- Proxies received 66 with Membership Acceptance
- Present in person 26 with Membership Acceptance

1. INTRODUCTION AND WELCOME

Niel Hoogenhout, as chairman, welcomed everybody present.

2. CONFIRMATION OF QUORUM

It is duly established that the requirement of 10% of members for quorum is met and the meeting is duly constituted.

3. ACCEPTANCE OF MEMBERS

For the benefit all attendees, The Chairman explained the membership and company structure:

- NPC incorporated i.t.o. Companies Act 2008
- Company pays no Income Tax
- Not registered to issue Sec 18A tax certificates
- Membership limited to property owners in JSRA
- Must apply for membership in writing
- Only registered members may vote
- Members may appoint a proxy

4. FINANCIAL REPORT

4.1 ACCEPTANCE OF THE FINANCIAL STATEMENTS

Highlights from the Annual financial Statements were presented by Mr M Heunis
Summary Income Statement:

	R'000	2019	2018
Levy Income		4 209	3 430
Expenditure		3 921	3 336
Management costs		362	334
Garden & Lawn maint		210	276
Security Services		3 066	2 476
Other		283	250
Over recovery for year		288	94

Ordinary Resolution Number one: approved unanimously

"IT WAS RESOLVED THAT the Annual Financial Statements for the year ended 30 June 2019 were noted."

4.2 BUDGET 2019/20

The Chairman provided an overview of the funding of the Company since inception, including the under recovery of levy income due to problems with inclusion of VAT in the original 5 year plan.

The budget for the year 1 July 2019 to 30 June 2020 is the final year of the first 5 year Business Plan which started on 1 July 2015. A new 5 year Business Plan will start on 1 July 2020.

	R'000	Budget (Excl. Vat)	Budget (Incl. Vat)
Levy Income		4 419	5 081
Expenditure		4 419	5 081
Management cost		389	447
Garden & Lawn maint		230	264
Security Services		3 194	3 674
Other		606	696
Over recovery for year		0	0

5. APPINTMENT OF AUDITORS

Ordinary Resolution Number two: approved unanimously

"IT WAS RESOLVED THAT Smith & Associate Incorporated be appointed as auditors for the ensuing financial year."

6. APPOINTMENT OF DIRECTORS

Ordinary Resolution Number three: approved unanimously

"IT WAS RESOLVED THAT the following persons for whom nominations were received, be and are hereby elected and/or re-elected as directors of the Company.

Directors to be re-elected are:

1. CHARL DANIËL CILLIÉ
2. MICHIEL WILHELM DREIJER
3. MIKE EHRET

7. CHAIRMAN'S REPORT

The main focus areas of the JSRA are:

- Public Safety
- Environmental Improvement
- Social Responsibility
- Communication
- Security Cameras

7.1 Public Safety

Patrol Vehicles:
There are 3 patrol vehicles in area 24/7 on 2 shifts
AM Security is the appointed contractor

Control Room:
In July 2018JSRA established its own control room.
Currently 1 operator per shift on 3 shifts 24/7
Operators contracted by AM Security

An overview of crime statistics, crime tendencies and the successes of the JSRA for the period January to October 2019 was given.

7.2 Environmental improvement and Social Responsibility

Langverwacht Landscaping contracted to clean and beautify JSRA parks.
Workshop was held for Domestic Workers to make them aware of security measures
Winter jackets were donated to a Neighbourhood Watch.

7.3 Communication

Security WhatsApp Groups: 8 with 1,211 members. Monitored by Control Room & JSRA Vehicles, SAPS & Law Enforcement.
Social WhatsApp Groups: 3 with 548 members
Crime Bulletin (monthly)
Facebook page: 308 members
Website: http://www.jonkershoeksra.co.za/

7.4 Security Cameras

The camera system is now operating smoothly.
64 Cameras monitored live:

- 43 directly on fiber
- 20 via wi-fi to nearest fiber point
- 1 via CAT5 to nearest fiber/wi-fi point

Control room operational since 1 July 2018
All images recorded and kept for 5 days
Cameras assist patrol vehicles with surveillance
Increasing incidents where operators identified suspicious activity on camera and dispatched patrol vehicles to investigate. Details and examples were presented
Surveillance of public areas only
Ongoing requirement of upgrading and expansion

8. PRESENTATION OF THE RENEWAL 5 YEAR BUSINESS PLAN: 1 July 2020 to 30 June 2025

First 5 years: 1 July 2015 to 30 June 2020
Renewal Plan next 5 years approved by JSRA Board on 15 Oct 2019
Boundaries will remain exactly as in first Business Plan
Details were given of the reduction in crime since the inception of the JSRA, the Operational plan for the next 5 years as well as the financial implications of the plan.

9. APPROVAL OF THE NEW BUSINESS PLAN 2020 to 2025

Ordinary Resolution number four: approved unanimously

"IT WAS RESOLVED THAT the renewal of the Jonkershoek SRA for another 5 year term (2020 to 2025) and the Business Plan as presented for that term be approved."

10. APPROVAL OF THE NEW 5 YEAR BUDGET

Budget prepared on the same basis as first 5 yr (Excl VAT)
Security services again the biggest expense item
Estimated R1mil cash on 1 July 2020 proposed to be utilised to reduce annual budgets by R200,000 p.a.

JSRA
5 Yr Budget 2021 to 2025

	Year 1 Total Excluding VAT	Year 2 Total Excluding VAT	Year 3 Total Excluding VAT	Year 4 Total Excluding VAT	Year 5 Total Excluding VAT
EXPENDITURE					
1. Employee Related	420 036	453 639	489 930	529 124	571 454
Salaries	387 725	418 743	452 243	488 422	527 496
Bonus Provision	32 310	34 895	37 687	40 702	43 958
2. Core Business	3 669 570	3 889 744	4 123 129	4 370 517	4 632 748
Landscaping & Environmental Upgrade	243 461	258 068	273 553	289 966	307 364
Security Services	3 410 440	3 615 066	3 831 970	4 061 888	4 305 602
- Patrols	*2 837 011*	*3 007 232*	*3 187 666*	*3 378 926*	*3 581 661*
- Camera Monitoring	*448 675*	*475 595*	*504 131*	*534 379*	*566 442*
- Camera Maintenance	*124 754*	*132 239*	*140 174*	*148 584*	*157 499*
Social Upliftment	15 670	16 610	17 606	18 663	19 782
3. Depreciation	30 414	32 238	34 173	36 223	38 396
4. General Expenditure	262 562	278 316	295 015	312 716	331 479
Accounting & administration Fee	88 583	93 898	99 532	105 504	111 834
Advertising, Marketing & Promosions	4 973	5 271	5 588	5 923	6 278
Auditor's remuneration	14 930	15 826	16 776	17 782	18 849
Bank charges	3 173	3 364	3 566	3 780	4 006
Computer expenses (including Website)	13 738	14 562	15 436	16 362	17 343
Insurance	22 571	23 925	25 361	26 882	28 495
Meeting expenses	3 352	3 553	3 766	3 992	4 232
Printing and stationery	4 973	5 271	5 588	5 923	6 278
Vehicle Expences	54 755	58 040	61 523	65 214	69 127
Telephone and fax	26 074	27 638	29 297	31 055	32 918
Other	25 440	26 966	28 584	30 299	32 117
5. Capital Expenditure	230 435	244 261	258 916	274 451	290 919
6. Bad Debt Provision 3%	142 669	151 492	160 861	170 811	181 392
TOTAL EXPENDITURE	4 755 685	5 049 690	5 362 024	5 693 842	6 046 388
INCOME					
	-4 755 685.47	-5 049 690.17	-5 362 023.83	-5 693 842.20	-6 046 387.55
Estimated surplus 01 July 2020	200 000.00	200 000.00	200 000.00	200 000.00	200 000.00
1 Nett revenue - SRA Levy	-4 555 685.47	-4 849 690.17	-5 162 023.83	-5 493 842.20	-5 846 387.55
% Increase	3.10%	6.45%	6.44%	6.43%	6.42%

Ordinary Resolution number five: approved unanimously

"IT WAS RESOLVED THAT the Budget for the next 5 year term (2020 to 2025) as presented be approved."

11. APPROVAL OF WRITTEN APPLICATION TO COUNCIL FOR THE RENEWAL TERM AND EXEMPTION FROM COMPLIANCE WITH PROVISIONS OF CHAPTER 1 OF THE MUNICIPALITY OF STELLENBOSCH SPECIAL RATINGS AREAS BY-LAW

Ordinary Resolution number six: approved unanimously

"IT WAS RESOLVED THAT the submission of a written application to the Stellenbosch Town Council for the renewal of the Jonkershoek SRA for another 5 year term and for exemption from compliance with certain of the provisions of Chapter 1 of the Stellenbosch Municipality By-Law, be approved."

12. GENERAL

The Chairman thanked all the members for their attendance and support.

Chairman: D M (Niel) Hoogenhout
Date: th January 2020

Registered office:
JPS TRUST
Valerida Center 210
Piet Retief Street
Stellenbosch,7600

Postal address
PO Box 3075
Matieland
7602

ANNEXURE 33

STELLENBOSCH MUNICIPALITY

TECHSTEL SRA

REPORT ON 2ND FIVE YEAR TERM

STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK
MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Collaborator No: **Files**
IDP KPA Ref No:
Meeting Date: **???**

---

1. SUBJECT:

TECHSTEL SPECIAL RATING AREA: APPLICATION FOR EXTENSION OF TERM FOR A FURTHER FIVE YEARS, 1JULY 2020 – 30 JUNE 2025.

2. PURPOSE

2.1 Council to approve in terms of paragraph 15(a) of the Special Rating Area By-law, the extension of the Techstel Special Rating Area for a further period of five years, with effect from 1 July 2020 to 30 June 2025.

3. DELEGATED AUTHORITY

3.1 Council to approve.

4. EXECUTIVE SUMMARY

4.1 Techstel Special Rating Area (SRA) was first established in 2015 and has been successfully operating for the past five years. The management body has now applied for the SRA to be extended for a further period of five years, ending 30 June 2025.

4.2 There are no financial implications for the municipality. SRAs are community driven initiatives and are financed by the property owners within the boundaries of the SRA. The municipality pays the approved budget over to the management body in twelve equal, monthly instalments and recovers the money from property owners via the monthly consumer accounts. Normal credit control and debt collection processes are followed in instances of non-

payment and retention is also withheld from the budget to offset any potential losses of the municipality. In the first five years of the SRA being in operation, this measure has not necessary.

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

5. RECOMMENDATIONS

5.1 That council notes the Techstel SRA application for the extension of the SRA for a further period of five years and exempts the management body in terms of paragraph 15(a) of the SRA By-Law, from compliance with the provisions of Chapter 1 of the SRA By-Law.

5.2 That council approves the extension of the Techstel SRA for a further period of five years beginning 1 July 2020 and ending 30 June 2025.

5.3 That Council approves the proposed five year budgets with a combined total of R15 713 218.21 (VAT included) as detailed in in Annexure 33(c) of the report.

6. DISCUSSION / CONTENTS

6.1. <u>Background</u>

Special Rating Areas (SRAs) are established by council in terms of section 22 of the Municipal Property Rates Act, 6 of 2004 as amended.

The Techstel SRA in Technopark was originally established by council by means of resolution on 30 April 2015 for a five year term beginning 1 July 2015 and ending 30 June 2020.

6.2. Discussion

6.2.1 Since first being established in 2015, Techstel SRA has functioned very well and has proven its viability by implementing the strategic business objectives within budget. However, the needs continue to be present and therefore it has been agreed by stakeholders that the SRA should be renewed for a further period of 5 years.

6.2.2 The SRA is a sustainable and established organisation within the community and continues to provide a service in addition to municipal activities in the area. Management of the SRA has fulfilled its mandate as outlined in the business plan and the SRA has been well accepted by property owners of Technopark. This is clearly proven by the fact that payment levels of the SRA levies are regular and high.

6.2.3 Attached as Annexure 33(a) is a Letter of Application received from the SRA. This application:

a) Points out what the key goals and objectives of the SRA are and also that these align with the IDP.

b) Provides a summary of the documentation attached to the application.

6.2.4 Annexure 33(b) is the Business Plan itself that is compiled in line with the requirements of the SRA Policy and By-law.

6.2.5 Annexure 33(c) being the 5 year budgets provides details with regards to the financial plan of the SRA for the next 5 years.

6.2.6 Annexure 33(d) is Minutes of the Annual General Meeting held on 25 October 2019 where the following resolutions relevant to this application were adopted:

a) That application must be made to extend the SRA for a further period of 5 years.

b) That the 5 year budget is approved.

c) That the Municipal Council must be requested to exempt the SRA in terms of paragraph 15(a) of the SRA By-Law from compliance with the provisions of Chapter 1 of the SRA By-Law.

6.2.7 Application for the extension of a Special Rating Area is done in terms of paragraph 15(a) of the SRA By-Law. It can only be approved by Council in

accordance with the provisions of Chapter 1 of the By-Law. The Council may however, and for good reason, on written application by the management body, exempt the management body from complying with any such provisions.

6.2.8 Chapter 1 of the By-Law deals with the process to be followed when first making application for the establishment of a SRA. As this is not a new SRA being established for the first time but an extension of term for an existing SRA, Council should find good reason to consider exempting the management body from these provisions:

a) The concept of the SRA is well established, the management of the SRA being done effectively and all initial teething problems have been taken care of.

b) The SRA is accepted and well supported by the community and property owners as is clear from the excellent payment of SRA levies.

c) The SRA management body is providing a service to the community in line with the business plan and in addition to any municipal services being rendered. The need for these SRA services is on-going and will continue to be met by the management body.

d) The application, business plan and budget has been supported and adopted at the AGM.

6.3 <u>Financial Implications</u>

6.3.1 There are no financial implications for the municipality. The approved budget of the SRA is paid over to the management body in 12 equal monthly instalments by the municipality and recovered from the residents by means of the monthly consumer accounts. Retention of 3% is withheld by the municipality to offset any possible irrecoverable debt. In the first five years of the SRA's existence, this has not been necessary.

6.4 <u>Legal Implications</u>

None.

6.5 <u>Staff Implications</u>

None.

6.6 Previous / Relevant Council Resolutions:

Establishment of the Techstel SRA was first approved by Council on 30 April 2015, Item 7.6.

6.7 Risk Implications

None.

6.8 Comments from Senior Management:

6.8.1 Director: Corporate Services:

***6.8.1* Chief Financial Officer:**

Compiled the Item.

***6.8.2* Municipal Manager:**

ANNEXURES: **33(a)- Application Letter**
33(b)- Business Plan and Budget
33(c)- 5 Year Budget
33(d)- Minutes of AGM

FOR FURTHER DETAILS CONTACT:

NAME	*A Treurnich*
POSITION	
DIRECTORATE	*Finance*
CONTACT NUMBERS	*021 808 8016*
E-MAIL ADDRESS	*Andre.treurnich@stellenbosch.org.za*
REPORT DATE	**27 January 2020**

CLLR PATRICIA CRAWLEY
PORTFOLIO HOLDER:FINANCE

_____
DATE

ANNEXURE 33(A)

STELLENBOSCH MUNICIPALITY

TECHSTEL SRA

APPLICATION LETTER- 2ND FIVE YEAR TERM

ANNEXURE A

APPLICATION FOR THE EXTENSION OF TECHSTEL SRA FOR A FURTHER PERIOD OF FIVE YEARS

JPS TRUST

p/a JPS Trust
Valeridasentrum 210 Valerida Centre
Piet Retiefstraat · Street, Stellenbosch
Posbus · PO Box 3075, Matieland, 7602

TECHNO PARK

TECHSTELSRA NPC
Reg No · 2015/259104/08
Tel · 021 887 2486, Fax · 021 883 9540
info@technopark.org.za · www.technopark.org.za

9th January 2019

Directorate:
Municipality Manager
Stellenbosch

Dear Sir,

RE: APPLICATION LETTER FOR EXTENSION OF THE NEXT 5 YEARS TECHSTEL SPECIAL RATINGS AREA

1. The TechstelSRA NPC, hereby wish to apply for Stellenbosch Municipality approval of the extension of the SRA term for the period 2020 – 2025.

2. This application is made to Council in terms of Section 15(b) of the Stellenbosch Municipality Special Rating Areas By-Law, 2019, as amended (the "By-law"), read together with the Stellenbosch Municipality: Special Rating Areas Policy.

3. The key goals and objectives and functions of the new Business Plan are:

   The goal of TechstelSRA is to ensure The Park increases it value as a high quality business, innovation and technology address in South Africa. This can be done by increase security in and around the area, improve public areas and contribute to social upliftment in the area.

4. Consistency with Integrated Development Plan (IDP)

   The continues operation of the TechstelSRA will support the vision of lthe Stellenbosch IDP as follows:

   4.1. Public safety and monitoring of public open spaces

   4.2. The provision of additional cleaning services as a top up to existing municipal services to contribute to employment creation.
   4.3. Environmental initiatives to support all workers access and ways through the park from drop-off points.
   4.4. Communication within the community of community related matters
   4.5 Water resilience investigations and creative usage of the current dams and dam areas.
   4.6. Contribute and support social development and upliftment actions

5. In support of the application, the following compulsory documentation is attached:

   5.1. The new Business Plan (Motivation report, Implementation plan and Budget), marked "A"; and

   5.2. Notices of the Annual General Meeting (AGM), "B".

JPS TRUST

p/a JPS Trust
Valeridasentrum 210 Valerida Centre
Piet Retiefstraat · Street, Stellenbosch
Posbus · PO Box 3075, Matieland, 7602

TECHNO PARK

TECHSTELSRA NPC
Reg No · 2015/259104/08
Tel · 021 887 2486, Fax · 021 883 9540
info@technopark.org.za · www.technopark.org.za

5.3. Resolutions as per the draft AGM minutes "C" stipulating:

5.3.1 The renewal of TechstelSRA for another 5 year term and approved new 5 year Business Plan; and

5.3.2 The approved 5 Year Budgets as in the Business Plan for 5 years.

5.3.3 The submission of a written application to the Stellenbosch Town Council for the renewal of the JSRA for another 5 year term and for exemption from compliance with certain of the provisions of Chapter 1 of the Stellenbosch Municipality By-Law approved as per the Minutes of the AGM.

We trust that this application will meet with the Stellenbosch Municipality approval and thank you for your kind consideration thereof.

Yours faithfully,

FRANCOIS SMUTS
CHAIRMAN: TECHSTELSRA NPC

ANNEXURE 33(B)

STELLENBOSCH MUNICIPALITY

TECHSTEL SRA

BUSINESS PLAN- 2ND FIVE YEAR TERM

ANNEXURE B

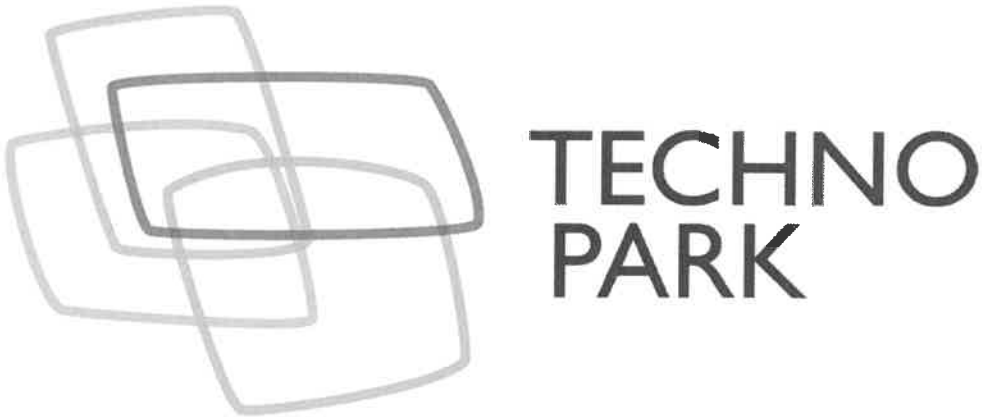
TECHSTEL SRA NEW BUSINESS PLAN

"A"

Stellenbosch Technopark Special Ratings Area (SRA) Business Plan

[RENEWAL: 1 July 2020 - 30 June 2025]

Compiled in accordance with the By-Law for establishment of Special Rating Areas, promulgated in the Provincial Gazette 7015/2012



Compiled by Francois Smuts

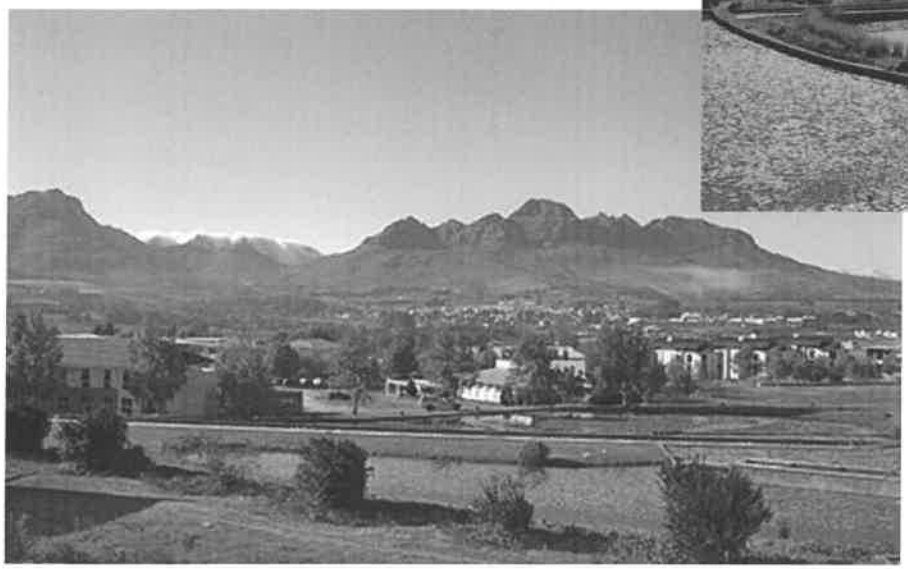
September 2019

Principal Contacts:

Francois Smuts (Chairman of TechstelSRA)
francois@evesis.com
Thea Jordaan (Administrating body JPS Trust)
thea@jpstrust.co.za

Directors:

1. Barbara Fassler
2. Francois Smuts
3. Jacob Jacobus Cornelis Pietersen
4. Alan Geoff Manning
5. Anna Maria Cloete
6. Marié Hilda Schutte
7. Deleur Stander
8. Ilzemarie Knoetze
9. Frederik Jakobus Erasmus
10. Gustav Wilhelm Bester



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Appendix A 14

List of Terms & Abbreviations

AGM – Annual General Meeting
CID – City Improvement District
ICT - Internet & Communications Technology
IDC – Industrial Development Cooperation
IDP – Integrated Development Plam
NPC – Not for profit company
SID – Stellenbosch Innovation District
SRA – Special Ratings Area

Executive Summary

Application for the renewal of the current 5 year SRA term in terms of **Chapter 15** of the Special Rating Area By-law and the application under Sec.15a of the Bylaw for exemption from complying to Chapter 1 of the Special Rating Area Bylaw. Renewal of the Special Ratings Area (SRA) in Technopark for a further 5 year term is being pursued and this business plan outlines the implementation strategy of the various portfolios over the next 5 years.

The major importance of the renewal is to maintain the owners' rights. There is an existing budget which have only been updated, there will also be no change in the borders and all the requirements of **Section 5** of the Special Rating Area Policy were already met during the initial 5 year tenure

The renewed SRA, namely TechstelSRA, will be managed by the existing Not for Profit Company (NPC) with a dedicated manager, CEO or management company to ensure accountability of the spending, and implementation of the tasks at hand. The goals drawn up by the Integrated Development Plan (IDP) were tabulated for Technopark (The Park) as follows:

- Valley of Possibility
- Green and Sustainable Valley
- Safe Valley
- Dignified Living
- Good Governance & Compliance

We therefore define the broad goals of TechstelSRA to fall in line with the goals of the IDP

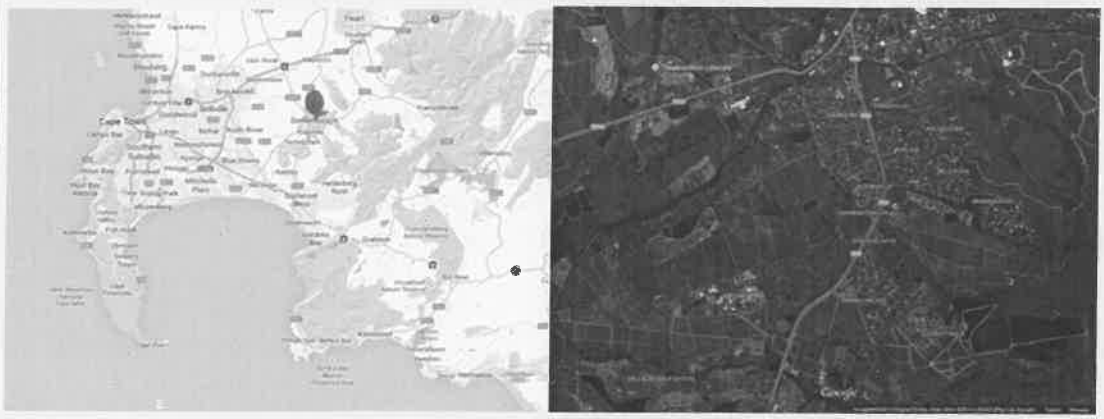
1 Introduction

This business plan is intended as a motivation and financial guiding framework for the continuation of TechstelSRA over the next 5 years. This business plan consists of an explanation and demarcation of the existing geographic areas named Technopark, situated in Stellenbosch. The Park is currently zoned as a Special Zone-one or science and technology park, having a mix of commercial tenants in The Park. Institutionally TechstelSRA is responsible for all planning and management in partnership with the municipality (who must continue to perform their normal service duties). Significant gains have been made by the current SRA over the past few years, with a limited budget. This business plan makes the case for the rationale for additional investment and ramping-up operations in The Park for the future benefit of all owners and the town. It is envisioned that maintaining Technopark as an SRA, is necessary for a variety of factors. This includes pressure to maintain property values, and ensure a demand for The Park continues. Currently a low level of maintenance of The Park makes this increasingly difficult. Poor aesthetics of The Park and the increasing challenge of crime, maintenance and a general disrepair of the open spaces and infrastructure is problematic.

Transforming Technopark through the implementation of this business plan, which has clearly stipulated goals and a vision to improve the public face and services in The Park will be of benefit to the Stellenbosch society. The investment into the SRA will not only increase property values and demand for The Park, but also ensure Technopark, one of Stellenbosch's economic assets, remains a driver of growth and jobs.

1.1 Location & boundary of existing SRA

Stellenbosch Technopark is located on the urban edge of Stellenbosch town, and about 7km from the University of Stellenbosch. It has easy access to the R44, a main corridor connecting the Southern Cape Metropolitan areas (Somerset-West and Strand) with northern areas such as Paarl and Belville via the N1. The Park is also situated approximately half an hour drive from Cape Town international, and 45min from Cape Town CBD. Additionally it is well located as a business innovation park surrounded by vineyards and breath-taking views of the Stellenbosch Mountains. Its location and attributes makes it a very attractive home for business.



Technopark is located in Stellenbosch Town, in a neighbouring municipality to Cape Town Metropol. The SRA boundary is equal to the current Technopark boundary depicted below.

1.2 Background & Current Situation

Technopark was originally conceived of as a Science Park in the late 1970's when Prof Christo Viljoen, then dean of the engineering faculty at Stellenbosch University, went to Taiwan. There he visited Shinshu Science Park, one of the world's revered successes. He brought over the concept to Stellenbosch, and managed to obtain buy-in from the local and national government. The Park was established in 1985, and was supported by the Industrial Development Corporation (IDC) and housed an incubator and innovation lab. The Park was managed by a committee and the local municipality. The entering of firms into The Park was very slow for numerous reasons, including rigid control and a poor business community understanding of the concept and benefit of a science park. Other external factors such as an economic slowdown forced the management to allow it to become market-oriented in the 1990's and the strict criteria of firms entering The Park were relaxed. Today The Park is well developed, albeit not as a traditional science park, and consists of a variety of businesses ranging from satellite manufacturers, engineering, banks and finance institutions to design schools. There are a number of Internet & Communications Technology (ICT) businesses, technology engineering firms, financing firms and more.

The Park consists of almost three hundred individual businesses, of which many are owners of their own properties and buildings in The Park. Technopark remains a special zone-one, or science park – where each property divides the municipal land. Thus the municipal land, and open areas are meant for parks and recreation to be serviced by the municipality. Such area is depicted in the photo below, where the open spaces, meant to be park and recreational areas are not sufficiently maintained by the municipality as a pedigree business park.

The establishment of an SRA has proven fruitful over the last 5 years and the owners would like to continue benefiting from the productivity of such an organization over the next 5 years.

1.3 Vision

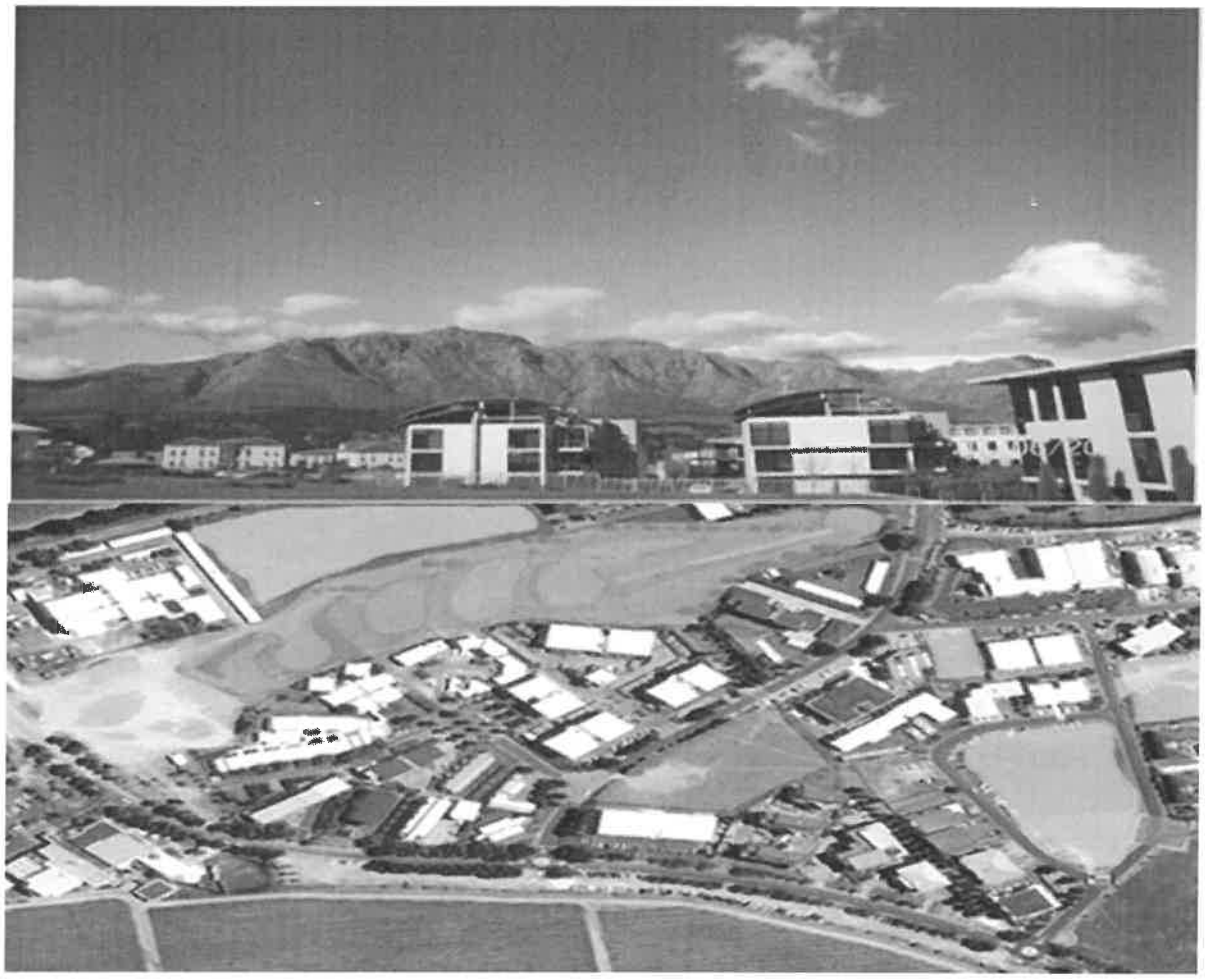
The vision for TechstelSRA is to achieve a competitive, innovative and sustainable business community.

1.4 Mission

The mission of TechstelSRA is to promote, manage and maintain The Park to ensure a prosperous, innovative and sustainable business community.

1.5 Goal

The goal of TechstelSRA is to ensure The Park increases it value as a high quality business, innovation and technology address in South Africa. This can be done by increase security in and around the area, improve public areas and contribute to social upliftment in the area.



2 Motivation for renewal of Technopark SRA

The establishment of the TechstelSRA has had far reaching benefits for The Park. We highlight the benefits by placing focus on the problem areas and how the TechstelSRA address these areas through allocation of their budget.

2.1 Problems in Technopark

Safety and security: in the past, and more recently despite attempts to patrol The Park, there have been numerous break-ins and theft within The Park. This is not only petty theft, but theft of expensive equipment such as computers, and even vehicles. If tenants and business people leave The Park later at night after work, there is a general feeling of being unsafe, as The Park has no activity after 5pm. People have reportedly been seen doing drug deals late at night in The Park, because it is dark and empty. This is certainly not the kind of elements that are favourable for a top-class business park. As the TechstelSRA we have implemented drastic measures to ensure a safe and secure working environment and we would like to maintain this environment through renewal of the SRA.

At current we have implemented approximately 15 security cameras for surveillance purposes, have an armed security guard on scooter 24/7 and another armed security guard on motor cycle from 6pm at night until 6am the following morning on a 5 day work week basis and full time over weekends.

General Maintenance (Infrastructure): despite attempts to partner with the Municipality and provide some funding to maintain aspects of The Park, there remain problems with infrastructure. This includes, the roads themselves, and the brick edging, which comes loose. The newly installed circles require maintenance due to the poor brick-work and design. In the rainy seasons there are serious problems with drainage, which results in the top-soils of The Park areas to wash away. There are blockages of leaves, and this causes erosion within the ad-hoc parking spaces. This increases the unattractiveness of The Park, and requires constant maintenance.

Parking: this is another major issue in The Park, as the number of cars that enter The Park, require consolidated parking areas. At the moment, cars are parking on open properties, and on municipal land along the edges of roads, which is scarring The Park. Furthermore, it is dangerous as cars parking need to be cautious for other cars travelling down the road. Parking is of major importance to visitors, who also struggle to find which building to navigate to by foot. Thus a public or visitor parking with security guards and a map of The Park would help tremendously.

We are engaging with the Municipality on an ongoing basis to better parking and general maintenance of The Park and have established a committee to address this area as a matter of concern. Already and in agreement with the Municipality we have completely redesigned the 6 dams which make out a large part of the green area pertaining to the Park. This was necessary, due to non-maintenance and extreme drought suffered during the past 5 years. We also ensure removal of shrubs and grass posing a fire hazard during the dry months, as well as maintain the green areas to the best of our allowable budget.

Access and Mobility in The Park: currently there is one entrance for access and egress into and out of The Park. The TPOA had commissioned a traffic study to assist the municipality to provide a temporary solution for traffic timing (which was well received). A section of the entrance road is currently being widened, however, there is a need to assist the municipality with a solution that becomes integrated as part of the spatial development framework for the town. Furthermore, there are potential plans for an additional road entrance into Technopark from the South. This would enhance the safety, and escape route in case of fire, natural or any other disaster or threat (whereas at the moment there is only one escape route).

Mobility, however, also refers to on-foot mobility which is at the moment non-existent. Traffic within The Park is problematic, as people drive extremely fast, and there will be a need for traffic calming measures. Footpaths connecting the various buildings and between the open spaces would enhance the attractiveness and sociability of The Park. This also would have a positive impact on safety, as visibility and eyes on the look-out would increase. This is extremely important for innovation, and community building which is part of the vision for The Park.

To date, we have enhanced access and mobility to the Park through establishment of a well paved footpath leading from the R44 to the second traffic circle up Electron Road. We'd like to further extend this footpath throughout The Park during the next couple of years and require additional budget to do so.

Dams, Gardens and Open-spaces: in 2011, a study was conducted on the state of health of the dams in Technopark, by a Stellenbosch University student (which showed a willingness to collaborate with the University). These dams were found to be unhealthy and required urgent assistance to rehabilitate not only the life in the dams, but the water quality as well. The primary reason was, due to the lack of flow of water into the dams, which at the time was connected to a pipeline from Theewaterskloof dam and since been discontinued . Furthermore the irrigation system, and pump, that is meant to circulate water in the dams was broken.

Ensuring the dams and irrigation systems (linked to them) work on a constant basis will require continued maintenance, which it seems is not happening. Solving the dam issue would also solve many of The Park's problems in terms of beautification. In summer The Park becomes extremely dry and dusty, which is a nuisance for tenants, and potentially devalues the properties. Furthermore, providing irrigation to The Park, would allow for the recovery of shrubs, and trees that are currently battling, and will allow for the beatification of the open-space. This would attract tenants and business people to use the public spaces, which at present are not used. Once again this is extremely important for enhancing the ethos of The Park, and making it an attractive and quality place to work.

Lighting: although there is street lighting in Technopark, there could be a gradual replacement of these with LED lights which would reduce electricity consumption during peak hours when the lights come on. Lighting has been applied to dark areas and along all footpaths to allow for evening use, and provide safety when people return to their cars after work (especially in winter time, when it is dark).

Marketing: a space like Technopark, requires marketing because of its unique set-up, as well as being close to the University of Stellenbosch. Currently a proper marketing and communication plan has been put into practice and is being maintained on an ongoing basis. We would like to market Technopark more aggressively and on a larger scale to make it more attractive, especially as an innovation and technology park which is aligned with the broader goals of The Municipality.

General issues: Various problems arise on a continuous basis that are beyond the mandate and capacity of the municipality and the TechstelSRA was formed specifically for this reason to deal with these issues. The contributions made by property owners toward the SRA is a short-term investment with long-term benefits for the property value of the space, which would have a positive multiplier effect for the whole town.

2.2 Benefits pertaining to the renewal of the TechstelSRA

Below is a list of general benefits pertaining to SRA's which could translate into improving the current situation in Technopark:

- ✓ Improved property values,
- ✓ Improved investor confidence,
- ✓ Improved community atmosphere,
- ✓ Stakeholder collaboration,
- ✓ Capacity to investigate, document and deal with local problems affecting the area,
- ✓ Provide authority to engage with local municipality,
- ✓ A clear and dedicated plan, as well as budget to improve the local area,
- ✓ Improved accountability of performance, and development of the area.
- ✓ The SRA programme usually creates a positive sentiment, which attracts additional support and investment into the area.

2.3 Tasks and Milestones

The various problem areas that were identified, have been allocated to a specific portfolio. Portfolio committees are organized by 1 or many Directors on the Board of Directors of TechstelSRA. JPS Trust, as the management agent, assists with the day to day running of TechstelSRA for which decisions are taken at a 6 weekly Directors' Meeting. Annual General Meetings (AGMs) are held annually during October.

The following Portfolio committees enjoy budgets as allocated to spend on tasks as identified:

2.3.1 Administration and JPS

JPS Trust was appointed in terms of the requirements of the Financial Agreement as Executive Officer to administrate and operate the affairs of the SRA. Although not limited to their main responsibility will be the financial and secretarial administration of the SRA.

A. Financial governance

1. JPS Trust, as Executive Officer of the SRA, and who is accountable to the Board of Directors, administer the bank account and all monthly income and payments.

2. JPS Trust calculate and pay the monthly VAT obligations and provide all contractors and consultants with a VAT registration number. They also submit a copy of the SRA's VAT 103 certificate yearly to the Municipality.
3. JPS Trust monitor that the Municipality pay all SRA income into a bank account in the name of the SRA on a monthly basis.
4. JPS Trust conduct a yearly audit after which the audited financial statements are presented to the board of directors for approval.
5. Once approved by the Board of Directors in respect of the SRA's previous financial year, JPS Trust must submit a set of financial statements to the Municipality.

B. Administration

JPS Trust as Executive Officer of the SRA is responsible for the financial management of the SRA. This responsibility includes implementing and monitoring the SRA's annual budget and ensuring-

1. that resources are used effectively;
2. full and proper financial records are kept, including the monthly reconciliation of all revenue received and accounts to be paid;
3. the development and maintenance of appropriate expenditure management systems;
4. that a monthly income and expenditure progress report is submitted to the Municipality by the 15th of the following month;
5. that audited financial statements, approved by the board of directors, are submitted to the Municipality annually;
6. that a tax clearance certificate is submitted to the Municipality annually;
7. that a reviewed property database is submitted to the Municipality by 31 December annually;
8. that appropriate control systems are maintained;
9. that unauthorised, irregular or fruitless and wasteful expenditure is prevented;
10. that disciplinary or other legal proceedings are instituted when required;
11. that the Annual General Meeting be advertised as per section 8.2.6(d) of the Special Rating Area Policy; and
12. that within two months after Annual General Meeting was held, the Executive Officer reports to the Municipality the SRA's annual financial statements and annual report.

JPS Trust is responsible for all secretarial and meeting requirements which includes:

1. Scheduling, arranging and recording the yearly Annual General Meeting.
2. Scheduling, arranging and recording the Bi-monthly Directors meetings.
3. Advising the board of directors of all procedural matters required for meetings, notices , quorum and voting.
4. JPS Trust to keep all records for minimum of 5 years and make it available on request to the Municipality.

2.3.2 Events, Business Forum and Future Planning

Park events and administrative coordination of tenants in The Park are regularly orchestrated by the Business Forum portfolio. It is important to maintain an up to date database of tenants in The Park, for purposes related to:

- Marketing of events
- Security communication
- Functions for communal benefit

2.3.3 Marketing and Communications

The TechstelSRA marketing and communications committee services Technopark by creating, communicating and delivering content that creates value for Technopark's target market:

- Owners

- Potential owners
- Tenants

The goal is achieved through managing written and visual communications of the Technopark brand.

Marketing supports TechstelSRA's goals:

- Improving the property values of Technopark
- Improving the marketing and image of Technopark (as a top business address)
- We do this by building awareness through social media, newsletters, advertising, blogs etc. and in turn this creates value for investors by informing them on current affairs

In order to achieve awareness and add value, we work on several different platforms:

- Management of Technopark's website
- Content creation, general website updates and maintenance
- Update new Business Directory entries
- Manage Technopark's Facebook and LinkedIn accounts
- Structure new content. Source and design curated content for Social Media platforms
- Schedule Social Media posts. Respond to messages on Facebook
- Manage Website and Social Media advertisers
- Schedule & boost posts for advertisers on Social Media
- Customer communication
- News Articles/Blog Posts
- Create supportive marketing collateral
- Compile and send email newsletters

2.3.4 Projects

All forms of project are contained herein, such as projects related to specific events: art, new footpaths, special security, etc. This section also makes provisioning for appointment of consultants for use in more professional park related activities.

2.3.5 Parking and Roads

Our goal is to improve the access to Techno Park, and to formalise The Parking in Technopark.

Communications with the Municipality are in progress with respect to the Adam Tas Link road as well as formalising of The Parking in Technopark. Approximately 1 000 vehicles are currently parking on municipal land, open space and other property owners' verges. This is due to the inadequate parking ratio set out by the Municipality in the original zoning scheme of Technopark being 1 parking bay for every 30 square meters of lettable office space.

The first step is to identify areas where we can relocate and develop formal parking pockets in order to accommodate the 1 000 odd and increasing, illegally parked vehicles. TechstellSRA will budget R100 000 per year in order to put a proposal forward with which to engage with the municipality and to develop these parking areas.

2.3.6 Finances

The past 4 year's finances where managed with precision. The Audited annual financial statements for the first 4 years passed the requirements and was reported on as a clean audit. Copies are available from JPS Trust as Executive Officer as well as from the Manager, Treasury Office in the Finance Directorate at the Municipality. The same accuracy and precision will be followed to ensure ease of mind to the owners within the SRA ,regarding management of the funds.

2.3.7 Security

There has been a drastic increase in break-ins and theft incidents not only in Technopark, but throughout the Western Cape, during 2019 thus far.

In an endeavour to counter, as far as possible, the negative impact of crime on property values as well as making Technopark a safer place for business operations, we have allocated additional funds from our current budget in August 2019 to the deployment of visible security officers until August 2020.

We anticipate that going forward, we will need to continue with the current approach of having visible security in Technopark and budget as per the numbers below:

Item	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Total	Comments
Night Shift Guard	R660 000	R706 200	R755 634	R808 529	R 865 125	R3 795 488	Armed guard Patrolling 24 hours x 7 days per week and additional night armed guard patrolling from 6pm to 6am.
Monitoring of cameras	R81 408	R86 292	R91 464	R96 960	R102 780	R458 904	Monitoring of 16 Technopark cameras
Repairs	R12 000	R12 000	R12 000	R12 000	R12 000	R60 000	R&M to cameras system
	R753 408	R804 492	R859 098	R917 489	R979 905	R4 314 392	
Additional		R 24 256	R 52 525	R 85 297	R123 159	R 285 239	
Security Total	R 753 408	R 828 748	R911 623	R1 002 786	R1 103 064	R4 599 631	

2.3.8 Maintenance and Garden

This budget will be spent on

1. The chronic maintenance of the areas that fall under the jurisdiction of the SRA, eg the green areas around the dams, sidewalks, cleaning of waterways

2. Maintenance and cleaning of the dam areas, as well as the continuous planting of new plants as needed.

3. Planting trees on green areas

4. Application of irrigation so that specific points can be wetted. (Supplies (hardware) required for this to be provided by the Municipality.

5. Providing specific benches and seating areas around and on green areas for recreation

6. Improving the footpaths around the dams to be more secure.

3 Budget Plan & Financial Impact

The budget line-items associated to the above goals and milestones are as per Appendix 1.

	Year1	Year2	Year3	Year4	Year5
Marketing and communication	R134 800.00	R141 540.00	R148 617.00	R156 047.85	R163 850.24
Events	R20 407.50	R21 427.88	R22 499.27	R23 624.23	R24 805.44
Admin	R 171 610.50	R180 191.03	R189 200.58	R198 660.61	R208 593.64
Business forum	R20 407.50	R21 427.88	R22 499.27	R23 624.23	R24 805.44
Future planning	R20 599.50	R21 629.48	R22 710.95	R23 846.50	R25 038.82
JPS	R156 000.00	R163 800.00	R171 990.00	R180 589.50	R189 618.98
Projects	R428 537.24	R449 964.10	R472 462.30	R496 085.42	R520 889.69
Parking and roads	R 100 000.00	R105 000.00	R110 250.00	R115 762.50	R121 550.63
Security	R 753 408.00	R828 748.80	R911 623.68	R1 002 786.05	R1 103 064.65
Maintenance & Garden	R 588 000.00	R617 400.00	R648 270.00	R680 683.50	R714 717.68
TOTAL (ex VAT)	**R2 393 770.24**	**R2 551 129.15**	**R2 720 123.04**	**R2 901 710.38**	**R3 096 935.20**
TOTAL (incl VAT)	R2 752 835.77	R2 933 798.52	R3 128 141.50	R3 336 966.94	R3 561 475.48

4 Conclusion

Currently Technopark is functioning very well under the establishment of TechstelSRA who has proved their viability by implementing their strategic business objectives within budget over the last 5 years. It is for this reason, that owners and stakeholders should view the proposed SRA renewal, and this business plan, as an investment into the future of Technopark, and their individual properties over the next 5 years.

ANNEXURE 33(C)

STELLENBOSCH MUNICIPALITY

TECHSTEL SRA

BUDGET - 2ND FIVE YEAR TERM

ANNEXURE C

TECHSTEL SRA NEW FIVE YEAR BUDGET

Appendix 1: Budget Cost

	Year1	Year2	Year3	Year4	Year5
Marketing and communication	R134 800.00	R141 540.00	R148 617.00	R156 047.85	R163 850.24
Events	R20 407.50	R21 427.88	R22 499.27	R23 624.23	R24 805.44
Admin	R 171 610.50	R180 191.03	R189 200.58	R198 660.61	R208 593.64
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TOTAL (ex VAT)	**R2 393 770.24**	**R2 551 129.15**	**R2 720 123.04**	**R2 901 710.38**	**R3 096 935.20**
TOTAL (incl VAT)	**R2 752 835.77**	**R2 933 798.52**	**R3 128 141.50**	**R3 336 966.94**	**R3 561 475.48**

ANNEXURE 33(D)

STELLENBOSCH MUNICIPALITY

TECHSTEL SRA

AGM MINUTES - 2ND FIVE YEAR TERM

ANNEXURE D

TECHSTEL SRA MINUTES OF ANNUAL GENERAL MEETING

"B"

TECHSTELSRA NPC

Registration number 2015/259104/08
(Non Profit Company incorporated in terms of the Companies Act 2008)

("the Company")

CIRCULAR TO MEMBERS OF THE ANNUAL GENERAL MEETING

Regarding:

- The application of Membership & Voting Rights
- The appointment and election of Directors
- The approval of the New 5 Year Budget
- The approval of the New Business plan 2020 – 2025
- Approval for written application to Council for exemption to comply to Chapter 1's provisions as per the Special Ratings Area By-Law

and Including:

- Notice of the Annual General Meeting of members
- Agenda for Annual General Meeting of members
- Acceptance of Membership (Annexure A)
- Proxy Form (Annexure B)
- Nomination of Director (Annexure C)

1. INTRODUCTION

The purpose of this document is to provide members of the Company with all the necessary information in order to enable them to make an informed decision at the forthcoming Annual General Meeting to be held at 13:00 Friday, 25th October 2019 at the Protea Hotel, Technopark.

2. MEMBERS

In terms of paragraph 10.2 of the MOI of the Company, Membership of the Company is limited to, persons (including trustees for the time being of trusts or sectional title bodies corporate) who are registered owners of a Property situated within the SRA, for so long as they are owners of such property. These Members will have voting rights in the Company.

Persons who qualify for Membership and subscribe to the objects of the Company as set out in paragraph 5 of the MOI, will furthermore be required to confirm their Membership in writing, which must be done by completing and submitting the Acceptance of Membership as per Annexure A. Member who have already signed up as a member in the previous year do not need to do this again.

3. VOTING RIGHTS

Each Member present at an Annual General Meeting, whether in person or by proxy, may exercise his / her right to 1 (one) vote.

For the passing of an ordinary resolution or decision, a majority (more than 50%) of votes by the Members in support of such resolution or decision will be required.

For the passing of a special resolution, at least 75% of the votes by the Members in support of such resolution will be required.

4. DIRECTORS

In terms of the Company's Memorandum of Incorporation (MOI), the minimum number of directors are 6 (six), with the maximum number of directors being 10 (ten).

The current directors registered with the CIPC are as follows:

1. BARBARA FASSLER
2. FRANCOIS SMUTS
3. JACOB JACOBUS CORNELIS PIETERSEN
4. ALAN GEOFF MANNING
5. ANNA MARIA CLOETE
6. MARIÉ HILDA SCHUTTE
7. DELEUR STANDER
8. ILZEMARIE KNOETZE
9. FREDERIK JAKOBUS ERASMUS
10. GUSTAV WILHELM BESTER

The following directors have tendered their resignations and will not stand for re-election:

1. ANNA MARIA CLOETE
2. MARIE SCHUTTE

The following directors have been nominated to act as directors:

1. ERNST WOLFAARDT
2. ERIC LOUBSHER
3. JOHAN SCUTTE
4. PIET VAN BLERK

Should you wish to nominate a Member to act as director of the Company, you must complete your Nomination of Director as per attached Annexure C by no later than 13:00 on Wednesday the 23rd October 2019.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

1. **If you are uncertain as to what action to take, you are advised to consult your attorney or other professional advisors.**

2. **You must complete and submit your Acceptance of Membership (Annexure A) at the Annual General Meeting so that we have all your details for the Members Register if you had not done so in the past.**

3. **Should you wish to nominate a Member to be appointed as a director of the Company, you must complete and submit your Nomination of Director (Annexure C) by no later than 13:00 on Wednesday the 23rd October 2019.**

4. **If you are unable to attend the Annual General Meeting to be held on Friday, 25th October 2019 at 13:00 at the Protea Hotel Stellenbosch, you should complete and return the attached Proxy Form (Annexure B) by no later than 13:00 on Wednesday the 23rd October 2019.**

5. **All forms are to be submitted for the attention of Thea Jordaan to the office of JPS Trust, situated at Valerida Center 210, Piet Retief Street, Stellenbosch, by hand, or by email to the following email address: thea@jpstrust.co.za.**

TECHSTELSRA NPC

Registration number 2015/259104/08
(Non Profit Company incorporated in terms of the Companies Act 2008)
("the Company")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of Members of the Company will be held at Protea Hotel Stellenbosch at 13:00 on Friday the 25th October 2019 for the purpose of considering and, if deemed fit, of passing, with or without modification, the following resolutions –

1. **Ordinary Resolution Number One**

   "IT WAS CONFIRMED THAT the registered owners of Property within the boundaries of the SRA are the Members of the Company in terms of paragraph 10.2.1 of the MOI of the Company."

   (The Members Register will be made available within 14 days after the Annual General Meeting in order to confirm the Members of the Company in terms of paragraph 10.5 of the MOI)

2. **Ordinary Resolution Number Two**

   "IT WAS RESOLVED THAT the Financial Statements for the financial Year July 2018 – June 2019 were noted."

3. **Ordinary Resolusion Number Three**

   "IT WAS RESOLVED THAT the following persons for whom nominations were received, be and are hereby elected and / or re-elected as directors of the Company."

   (List of Nominated Directors will be made available at the Annual General Meeting)

4. **Ordinary Resolusion Number Four**

   "IT WAS RESOLVED THAT owners approve of the renewal of the SRA for another 5 year term and accept the budget as presented."

5. **Ordinary Resolusion Number Five**

   "IT WAS RESOLVED THAT owners approve of the new proposed Business Plan for the next 5 year term .

6. **Ordinary Resolusion Number Six**

   "IT WAS RESOLVED THAT owners approve of the written application to Council for exemption to comply to Chapter 1's provisions as per the By-Law

By order of the directors of TECHSTELSRA NPC.

Chairman: Francois Smuts
Date: 2nd October 2019

Registered office:
JPS TRUST
Valerida Center 210
Piet Retief Street,
Stellenbosch, 7600

Postal address
PO Box 3075
Matieland
7602

TECHSTELSRA NPC

Registration number 2015/259104/08
(Non Profit Company incorporated in terms of the Companies Act 2008)

("the Company")

AGENDA FOR ANNUAL GENERAL MEETING ON FRIDAY 25TH OCTOBER 2019 AT 13H00 AT THE PROTEA HOTEL, TECHNOPARK

1. **Welcome and Apologies**
2. **Ordinary Resolution One- Acceptance of Members**
3. **Ordinary Resolution Two – Notice of the Audited Financial Statements**
4. **Appointment of the Auditors for the ensuing financial Year**
5. **Acceptance of the Chairman's Report**
6. **Ordinary Resolution Three– Election of Directors**
7. **Ordinary Resolution Four - Approval of the New 5 Year Budget**
8. **Ordinary Resolution Five - Approval of the New Business Plan for the term 2020 – 2025**
9. **Ordinary Resolution Six – Approval for written application to Council for exemption to comply to Chapter 1's provisions as per the By-Law**
10. **General**

ANNEXURE A

TECHSTELSRA NPC

Registration number 2015/259104/08

ACCEPTANCE MEMBERSHIP

A. Member Declaration

I, ..., registered owner of property situated within the boundaries of the special ratings area of TECHSTELSRA NPC, with property details below, hereby confirm that I am a member of the Company in terms of paragraph 10.2 of the Memorandum of Incorporation (MOI) of the Company.

I further confirm that I understand the objects of the Company as set out in paragraph 5 of the MOI of the Company, and that I accept and subscribe to those objects.

Signed: ..... Date: .....
(To be signed by Member personally)

B. Details of Member and Property

1. Surname:
   .....
2. Full forenames:
   .....
3. Nationality:
   .....
4. Identity number: .....
5. Passport number, if not South African .....
6. Residential address:
   .....
7. Business address:
   .....
8. Postal address:
   .....
9. Occupation:
   .....
10. Property owned within the SRA: .....
11. Email address: .....

C: Proof of Ownership of Property and South African ID / Passport to be attached in support of application.

ANNEXURE B - PROXY APPOINTMENT FORM

"I/We _____

being a Member of TechstelSRA (NPC) do hereby appoint

_____

or failing him/her

_____

or failing him/her, the chairperson of the meeting as my/our proxy to vote or abstain from voting on my/our behalf at the meeting of the Company to be held at .....on and at any adjournment thereof as follows:-

	In favour of	Against	Abstain
Ordinary Resolution 1	.....	.....	.....
Ordinary Resolution 2	.....	.....	.....
Ordinary Resolution 3	.....	.....	.....
Ordinary Resolution 4	.....	.....	.....
Ordinary Resolution 5	.....	.....	.....
Ordinary Resolution 6	.....	.....	.....

(Indicate instruction to proxy by way of a cross in space provided above). Except as instructed above or if no instructions are inserted above, my/our proxy may vote as he/she thinks fit.

SIGNED this _____day of _____ 2019

_____

MEMBER'S SIGNATURE

(Note: A Member entitled to attend, speak and vote is entitled to appoint a proxy to attend, speak and vote in his/her stead, and such proxy need not be a Member of the Company)

ANNEXURE C

TECHSTELSRA NPC

Registration number 2015/259104/08

DIRECTORS NOMINATION

C. Member Declaration

I, ..., registered owner of property situated within the boundaries of the special ratings area of TECHSTELSRA NPC, hereby nominate the following person with details below to be appointed as a director of the Company.

Signed: ..... Date: 2019
(To be signed by Member personally)

D. Person Nominated to act as Director

Surname:

.....

Full forenames:

.....

Nomination accepted: .....

Email: .....

Cellphone nr. : .....

DRAFT

"C"

p/a JPS Trust
Valeridasentrum 210 Valerida Centre
Piet Retiefstraat · Street, Stellenbosch
Posbus · PO Box 3075, Matieland, 7602

TECHSTELSRA NPC
Reg No · 2015/259104/08
Tel · 021 887 2486, Fax · 021 883 9540
info@technopark.org.za · www.technopark.org.za

TECHSTELSRA NPC

Registration number 2015/259104/08
(Non Profit Company incorporated in terms of the Companies Act 2008)
("the Company")

MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF TECHSTELSRA NPC WHICH WAS HELD ON 25 OCTOBER 2019 AT THE PROTEA HOTEL, STELLENBOSCH

1. INTRODUCTION AND WELCOME

All necessary information was provided to the members of the Company to enable them to make an informed decision at this Annual General Meeting.

The Chairman welcomed everybody present.

2. ATTENDANCE AND ACCEPTANCE OF MEMBERSHIP

For the benefit all attendees, The Chairman explained the membership and company structure:

- NPC incorporated i.t.o. Companies Act 2008
- Company pays no Income Tax
- Membership limited to property owners in TechstelSRA
- Must apply for membership in writing
- Only registered members may vote
- Members may appoint a proxy

The required notice had been given and meeting was duly constituted in terms of the Company's MOI (10% of the Members to be present in person or by proxy)

Members Registered by Acceptance of Membership - 186

- Proxies received 51 with Membership Acceptance
- Present in person 146 with Membership Acceptance

Ordinary Resolution Number ONE - Approved unanimously

"IT WAS CONFIRMED THAT the registered owners of Property within the boundaries of the SRA are the Members of the Company in terms of paragraph 10.2.1 of the MOI of the Company."

(The Members Register will be made available within 14 days after the Annual General Meeting in order to confirm the Members of the Company in terms of paragraph 10.5 of the MOI)

3. FINANCIAL REPORT

3.1 ACCEPTANCE OF THE FINANCIAL STATEMENTS

Highlights from the Annual financial Statements were presented by the chairman, Francois Smuts. It was made clear that the main source of income is levies.

Ordinary Resolution Number TWO - Approved unanimously

"IT WAS RESOLVED THAT the Annual Financial Statements for the year ended 30 June 2019 were noted."

3.2 BUDGET 2019/20

The Chairman provided an overview of the funding of the Company since inception, including the under recovery of levy income due to problems with inclusion of VAT in the original 5 year plan.

Details of the budgets of the various years were given.

	Year1	Year2	Year3	Year4	Year5
Marketing and communication	R134 800.00	R141 540.00	R148 617.00	R156 047.85	R163 850.24
Events	R20 407.50	R21 427.88	R22 499.27	R23 624.23	R24 805.44
Admin	R 171 610.50	R180 191.03	R189 200.58	R198 660.61	R208 593.64
Businessforum	R20 407.50	R21 427.88	R22 499.27	R23 624.23	R24 805.44
Future planning	R20 599.50	R21 629.48	R22 710.95	R23 846.50	R25 038.82
JPS	R156 000.00	R163 800.00	R171 990.00	R180 589.50	R189 618.98
Projects	R428 537.24	R449 964.10	R472 462.30	R496 085.42	R520 889.69
Parking and roads	R 100 000.00	R105 000.00	R110 250.00	R115 762.50	R121 550.63
Security	R 753 408.00	R828 748.80	R911 623.68	R1 002 786.05	R1 103 064.65
Maintenance & Garden	R 588 000.00	R617 400.00	R648 270.00	R680 683.50	R714 717.68
TOTAL (ex VAT)	**R2 393 770.24**	**R2 551 129.15**	**R2 720 123.04**	**R2 901 710.38**	**R3 096 935.20**
TOTAL (incl VAT)	R2 752 835.77	R2 933 798.52	R3 128 141.50	R3 336 966.94	R3 561 475.48

4. APPOINTMENT OF AUDITORS

"IT WAS RESOLVED THAT Smith & Associate Incorporated be appointed as auditors for the ensuing financial year."

5. ACCEPTANCE OF THE CHAIRMAN's REPORT

The main focus areas of the TechstelSRA are:

- Public Safety and Roads
- Environmental Improvement and Aesthetics
- Social Responsibility and upliftment of communal areas
- Communication through website and Whatsup-group
- Security for all tenants in the park

BUSINESS FORUM

The Business Forum focused on strengthening relations with the Maties Alumni Office during 2019. We established a firm protocol for participation both ways in terms of:

- Opportunities for businesses to get involved in at the US
  - Company bursaries on offer
  - Fields of research offered at the US for companies to explore more fully
  - Business information sharing for teachings at the US

- Participation events advertised by the US
  - Ongoing event information
  - Launch lab initiative for new startups & hubs which act as community information portals across business communities in the Stellenbosch/Somerset West footprint (Bottelary, Technopark, Somerset West, Koelenhof, etc.)

Prof Piet Naude (Director: University of Stellenbosch Business School (USB)) opened this initiative at a breakfast meeting during April 2019.

MARKETING

In 2019 Techno Park continued with its predominantly digital approach to marketing and communications. Key platforms used include the Technopark Website, Facebook Page and Email Newsletter.

The Website, www.technopark.or.za, offers visitors access to information on Technopark. It hosts the business directory where tenants can advertise their location and services. It also is a platform for advertising along with Facebook.

Technopark posts daily on Facebook, focusing on work/business related themes such as security tips, health tips, work ethics, productivity hacks and motivational quotes. We also use the platform to share/promote services in the Park, distribute news articles that we write, as well as communicate important information. Finally Facebook is one platform for generating some advertising revenue along with the website.

AESTHETICS

We're fostering close collaboration with the Municipality to:

- Extend the newly built footpath along the entire course of Techno Avenue.
- The sourcing of more and bettered lighting for Technopark in general and to curb crime.
- A Labyrinth is planned for Technopark, that will be managed and financed by Heart Capital, and the green area for this is still to be determined by the municipality in collaboration with SRA board.

PARKING, TRAFFIC & ROADS

In discussion with the Stellenbosch Municipality the following has been done and are on the cards for the future of Technopark.

- The widening of the entrance is underway and aimed for completion any day now.
- The TechstelSRA has appointed Alan Manning and Gustav Bester (with Piet van Blerk in his capacity as consultant) to drive potential parking and access route solutions with the Stellenbosch Municipality and convert them to executable project plans.

- The Technopark/Adam Tas link road, has been approved in principle and funding is available, providing somewhat of a guarantee for the construction thereof. The Municipality is in the process of appointing a consultant and the projected completion date will be towards the end of 2022.
- Approximately 1 000 "illegally" parked vehicles need parking space due to the historical allocation of 3 parking bays per 100 sqm developed. A more realistic approach of 5 parking bays per 100 sqm developed property has now been instituted, but the change is a small adjustment a little too late. We are therefore working on feasible solutions with the Stellenbosch Municipality a alleviate this problem. The Municipality is looking at ways to relieve the entire town of it's parking constraints and one such solution would be to build a large parking garage to service Stellenbosch town (as well as Technopark) inside of Technopark, with shuttles conveying workers to the center of town. This is a long term project and in the meanwhile we are identifying and formalizing municipal areas for property owners to develop parking garages at their own cost. We will be submitting a formal application to the Stellenbosch Municipality in this regard.

SECURITY

Crime through the country is on the increase and even though, our incident rates are still well below that of other suburbs and areas in Stellenbosch efforts were initiated to address this increase and to appoint a new preferred security provider to take over from Thorburn (who has been the preferred to Technopark since 2014). ABC security was selected at the end of 2018.

Having one preferred security provider throughout the Park will force that security company to take ownership, deliver exceptional service while keeping security costs for all businesses and owners as low as possible.

Initially it was envisioned to only lobby Technopark businesses so that they in turn could move their armed response, alarms and the rest of their security needs over to ABC, but due to the increase in security incidents, ABC's role expanded by the appointment of a nightshift armed response guard by the SRA. This guard would patrol the park on a motorcycle, meaning that, not only is he able to respond quicker to emergencies and alarms, but he is also able to drive/patrol in between buildings and in areas without formalized roads. The patrols were Monday to Friday from 18h00 to 06h00 and 24 hours over a Saturday and Sunday.

The need soon became apparent that the SRA needed to further increase the visibility of armed guarding in the park and the patrols were expanded to a permanent 24-hour guard as well as a second night guard operating between 18h00 to 06h00. An electric three-wheel scooter was brought in by ABC to assist during the night as it is quieter than the motorcycle and can patrol the park without creating unnecessary noise.

We have already seen success in that arrests have been made in conjunction with the SAPS.

Current businesses in the park need to understand that if they are **not** contracted with ABC Security, that there will be a long delay with these armed guards responding as there are simply no way for them to know when an alarm or panic button is activated and even should they respond or witness an incident, they do not have the authority to enter the premises of a business in the park if that business is not also contracted with ABC.

The SRA have also installed 10 cameras throughout Technopark and these are monitored by ABC Security at their control room. With the current roadworks project, we have however had to remove the LPR camera at the entrance to the park, but these and another two cameras will be reinstalled as soon as the new road upgrade is finished.

The WhatsApp group currently have over 60 members, the goal of this is to keep everyone up to date with incidents in Techno Park and reporting suspicious behavior/persons or vehicles. If you wish to be added to this group you can email your cell phone number to Deleur Stander, General Manager of the Protea Hotel by Marriott Stellenbosch. gm@phstellenbosch.com. Due to privacy concerns, no person will be added unless they communicated this via email and we also ask that content on the group not be share on social media.

Lighting – In conjunction with the municipality, lighting in Techno Park are still being upgraded. Road lights throughout Technopark have been upgraded to LED lighting which greatly improves the overall lighting in these areas. In addition to the three new streetlamps that have been added to the open area between Reutech and R&R, lighting have also been added along the route of the new footpath. The municipality has also been requested to provide additional lighting down the fence between Techno Park and the golf course; this has been approved but can only be completed when the current upgrading of Techno Avenue is completed. All the extra lighting will assist greatly in deterring criminal activity.

The security in Techno Park is the responsibility of every single person that works/visits the Park or that owns property in the Park and only if we work together, can we achieve a better level of safety and security. The following requests are made of all Techno Park parties:

- Everyone in Techno Park should adhere to the speed limit. This will prevent vehicle accidents, but also pedestrian safety as we have some companies that encourage their staff to do daily walks around the park.
- When driving keep valuables out of site to prevent smash and grab incidents, the same for leaving your car unattended.
- All businesses please make sure all outside lights are in working condition and switched on at night.
- Business owners to please, where possible, display emergency contact numbers outside their buildings as well as their contracted security companies' number in case of emergencies.
- Business owners to install, where possible, security cameras that feed into the ABC network for the Park to have as wide a surveillance footprint as possible.

GARDENS & COMMUNAL AREAS

After a few drought stricken years, it was with great relief and renewed energy that we started planting in Technopark again this year.

The most western dam in the Park was filled, as a part of the bigger Capitec building project. Soil excavated from their site was used to fill the dam. This area, together with a bigger part of the communal area on the western side of Techno Avenue, will be rehabilitated by the Capitec team to form a landscaped greenery with walkways and relaxation areas.

We allocated a large part of our budget to the rehabilitation of the remaining dam areas. The dams were cleaned of weeds and after adding compost, planted with plants that can flourish during wet and dry periods. We've noticed increased wildlife activity in frog and bird species and could hopefully see some fish too in the not too distant future.

Harvesting and storing water from buildings, for use during the dry season, is an ongoing project and building owners can expect a visit from appointed contractors in due course for participation in execution of this project. Harvested water will to be used for filling of dams and ongoing irrigation in the Park.

Other than the above mentioned, we continue to service the Park to the best of our available budget with the assistance of Langverwacht Landscaping, who do much of their work over weekends when they are able to access open areas, occupied by parked vehicles during the work day.

SPECIAL PROJECTS

- The zoning process is now 100% complete and has been lodged with the Stellenbosch Municipality for participation in the IDP. We'll be following up with them in the new year to assess where this process is.
- We've initiated the extension of our erected footpath from the entrance of Technopark with Municipal authorities.
- The Capitec project is ongoing and coordination with engineers as to the position and power supply of our entrance cameras is also enjoying attention as the entrance road nears completion

6. APPOINTMENT OF DIRECTORS

Ordinary Resolution Number **THREE- Approved unanimously**

"IT WAS RESOLVED THAT the following persons for whom nominations were received, be and are hereby elected and / or re-elected as directors of the Company.

In terms of the Company's Memorandum of Incorporation (MOI), the minimum number of directors are 6 (six), with the maximum number of directors being 10 (ten) but make provision for more, should the members so agree.

The current directors registered with the CIPC who will remain on as Directors are as follows:

1. BARBARA FASSLER
2. FRANCOIS SMUTS
3. JACOB JACOBUS CORNELIS PIETERSEN
4. ALAN GEOFF MANNING
7. DELEUR STANDER
8. ILZEMARIE KNOETZE
9. FREDERIK JAKOBUS ERASMUS
10. GUSTAV WILHELM BESTER

The following directors have been nominated and accepted to act as directors:

1. ERNST WOLFAARDT
2. ERIC LOUBSHER
3. JOHAN SCUTTE

The following directors have tendered their resignations and wid not stand for re-election:

1. ANNA MARIA CLOETE
2. MARIE SCHUTTE

Management

It was noted that JPS Trust has been appointed as the managing agent of TechstelSRA.

7. **APPROVAL OF THE NEW 5 YEAR BUDGET**

Ordinary Resolution number FOUR - Approved unanimously

"IT WAS RESOLVED THAT the Budget for the next 5 year term (2020 to 2025) as presented be approved."

	Year1	Year2	Year3	Year4	Year5
Marketing and communication	R134 800.00	R141 540.00	R148 617.00	R156 047.85	R163 850.24
Events	R20 407.50	R21 427.88	R22 499.27	R23 624.23	R24 805.44
Admin	R 171 610.50	R180 191.03	R189 200.58	R198 660.61	R208 593.64
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Future planning	R20 599.50	R21 629.48	R22 710.95	R23 846.50	R25 038.82
JPS	R156 000.00	R163 800.00	R171 990.00	R180 589.50	R189 618.98
Projects	R428 537.24	R449 964.10	R472 462.30	R496 085.42	R520 889.69
Parking and roads	R 100 000.00	R105 000.00	R110 250.00	R115 762.50	R121 550.63
Security	R 753 408.00	R828 748.80	R911 623.68	R1 002 786.05	R1 103 064.65
Maintenance & Garden	R 588 000.00	R617 400.00	R648 270.00	R680 683.50	R714 717.68
TOTAL (ex VAT)	**R2 393 770.24**	**R2 551 129.15**	**R2 720 123.04**	**R2 901 710.38**	**R3 096 935.20**
TOTAL (incl VAT)	R2 752 835.77	R2 933 798.52	R3 128 141.50	R3 336 966.94	R3 561 475.48

8. **PRESENTATION AND APPROVAL OF THE RENEWAL 5 YEAR BUSINESS PLAN**

First 5 years was 1 July 2015 to 30 June 2020
The renewal application is for the term 1 July 2020 until 30th June 2025
Renewal Plan next 5 years was approved by TechstelSRA Board of Directors 16 October 2019

Requirements for a SRA Business Plan prescribed by Stellenbosch Municipality Special Rating Area By-Law:

- Background and Introduction
- Motivation
- Implementation Plan and Budget

Boundaries will remain exactly as in first Business Plan

Benefits to the owners, community and environment

- Improved property values,
- Improved investor confidence,
- Improved community atmosphere,
- Stakeholder collaboration,
- Capacity to investigate, document and deal with local problems affecting the area,
- Provide authority to engage with local municipality,
- A clear and dedicated plan, as well as budget to improve the local area,
- Improved accountability of performance, and development of the area.
- The SRA programme usually creates a positive sentiment, which attracts additional support and investment into the area.

APPROVAL OF THE NEW BUSINESS PLAN 2020 to 2025

Ordinary Resolution number FIVE - Approved unanimously

"IT WAS RESOLVED THAT the renewal of the Jonkershoek SRA for another 5 year term (2020 to 2025) and the Business Plan as presented for that term be approved."

9. APPROVAL OF WRITTEN APPLICATION TO COUNCIL FOR THE RENEWAL TERM AND EXEMPTION FROM COMPLIANCE WITH PROVISIONS OF CHAPTER 1 OF THE MUNICIPALITY OF STELLENBOSCH SPECIAL RATINGS AREAS BY-LAW

Ordinary Resolution number SIX - Approved unanimously

"IT WAS RESOLVED THAT the submission of a written application to the Stellenbosch Town Council for the renewal of the TechstelSRA for another 5 year term and for exemption from compliance with certain of the provisions of Chapter 1 of the Stellenbosch Municipality By-Law, be approved."

10. GENERAL

Driving in the Park: The standard of driving in the park has decreased. The double lanes will improve traffic flow. Employers are requested to ask their employees to stick to the traffic rules.

11. CONCLUSION

The Chairman thanked all the members for their attendance and support.

By order of the directors of TECHSTELSRA NPC, Francois Smuts was re-appointed as Chairman and Jacques Pietersen as Vice-Chairman

Chairman: **Francois Smuts**
Date: 9 th January 2020

Registered office:
JPS TRUST
Valerida Center 210
Piet Retief Street
Stellenbosch,7600

Postal address
PO Box 3075
Matieland
7602

8.3	TABLING OF DRAFT REVISED CAPITAL EXPENDITURE FRAMEWORK 2020 AS PART OF THE INTEGRATED URBAN DEVELOPMENT GRANT

Collaborator No:
IDP KPA Ref No: **GOOD GOVERNANCE& COMPLIANCE**
Meeting Date: **20 March 2020**

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

2. PURPOSE

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

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

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

The Integrated Urban Development Framework (IUDF) was approved by Cabinet in April 2016, which led to the Integrated Urban Development Grant that was introduced in the 2019/2020 Division of Revenue Act as a Consolidated Grant for Intermediate City Municipalities (ICM's). Stellenbosch Municipality was identified as one of the municipalities to benefit from this new grant, subject to specified criteria. The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs.

The business plan for the IUDG is a three-year capital programme that is aligned with a long-term CEF (10 year plan). The draft Revised Capital Expenditure Framework must be submitted to the Department of Cooperative Governance (DCoG), by 31 March 2020.

5. RECOMMENDATION

that the Draft Revised Capital Expenditure Framework be approved for submission to CoGTA by 31 March 2020.

6. DISCUSSION / CONTENTS

6.1 Background

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

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

6.2 Discussion

The business plan for the IUDG is a three-year capital programme that is aligned with a long-term CEF (10 year plan). The draft Revised Capital Expenditure Framework must be submitted to the Department of Cooperative Governance (DCoG), by 31 March 2020.

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

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

The key changes made in the draft Revised CEF, include updates to project within the context of the municipal available funding envelope, including:

- Section 2: Functional and Priority Development Area Identification -updates on spatial development concepts;
- Section 3: Updates to the socio-economic and spatial profile;
- Section 5: Integrated Infrastructure Investment Framework - updates to the demand captured on CP3;
- Section 6: Long Term Financial Strategy - updates to take into account new capital demand captured on CP3 and the Draft 2020/21 MTREF Budget;
- Section 7: Affordability Envelope – funding envelope in line with Draft 2020/21 MTREF Budget;
- Section 8: Prioritisation Model – updated with 2020/21 CEF context prioritisation and budget fit.
- Section 9: Budget Scenario – updated
- Section 10: 10 year Programme Analysis - updated

6.3 <u>Financial Implications</u>

The review to the 2020 Capital Expenditure Framework is done internally with project demand updated by the Novus[3] team, currently appointed to perform capital planning, prioritisation and performance for Stellenbosch Municipality for 3 years until 30 June 2021. There is therefore no financial implication beyond that which is provided for in the municipal budget, should the recommendation as set out above be accepted.

6.4 <u>Legal Implications</u>

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

6.5 Staff Implications

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

6.6 Previous / Relevant Council Resolutions:

The following Council approval is applicable:

27th MEETING OF COUNCIL: 2019-05-29: ITEM 8.2.5

RESOLVED (majority vote)

that the Final Capital Expenditure Framework be approved for submission to COGTA.

6.7 Risk Implications

None.

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

RESOLVED

that this matter stand over until a Continuation Meeting of Mayco on 2020-03-25 at 10:00.

ANNEXURES

Annexure 1: **Stellenbosch Municipality -** Draft Revised Capital Expenditure Framework 2020. **(UNDER SEPARATE COVER)**

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

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NOVUS 3

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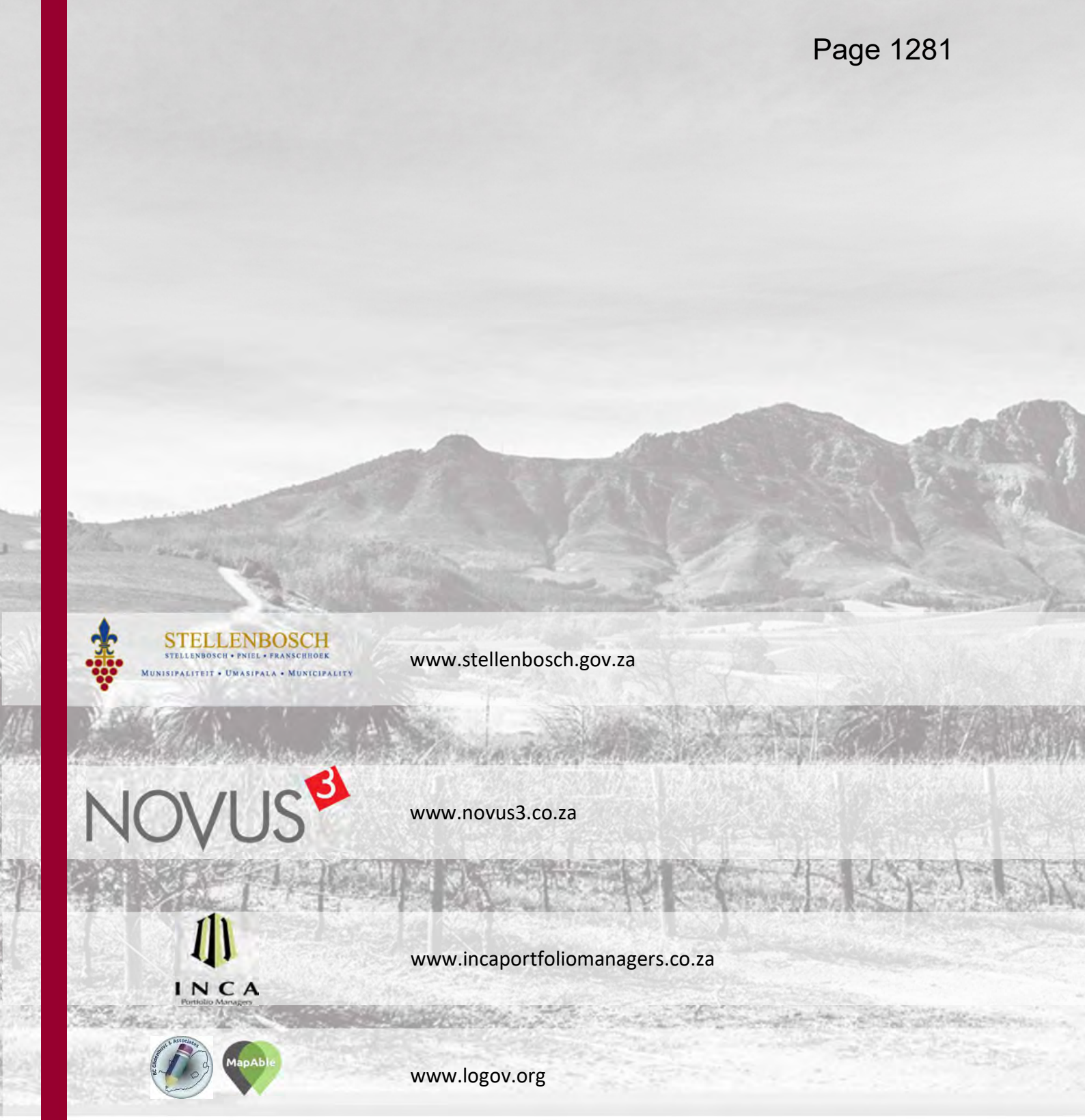
MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Stellenbosch Local Municipality: Capital Expenditure Framework - Update

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

Version: Draft_2.00
20 March 2020



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Stellenbosch Local Municipality: Capital Expenditure Framework - Update

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

Version: Draft_2.00
20 March 2020

Foreword

This document contains the update of the first-generation CEF for Stellenbosch Local Municipality. It will be tabled for approval by the Stellenbosch Local Municipality before formal submission to the Department of Cooperative Governance and Traditional Affairs (COGTA).

In 2019 Stellenbosch Municipality submitted the First Capital Expenditure Framework (CEF) to COGTA allowed the municipality to access grant funding from the IUDG as of 1 July 2019. The 2020 CEF is the first Review of the 2019 CEF taking into account changes in the capital investments planned for the next 10 years, as determined through revisionary processes of the municipality. The 2020 CEF Review will be submitted to CoGTA by 31 March 2020.

The principles of integrated planning have been incorporated into many municipal strategies and sector plans over the past decade. The implementation of these plans and strategies however, remains a challenge. The intersection between the complexity of integrated planning at local government level, the need for technological tools to simplify this complexity, and the need for a framework to move towards an improved planning and delivery model has led to the development of the Capital Expenditure Framework (CEF) concept.

The role of a CEF is to provide a framework which coordinates the outcomes of a multitude of planning initiatives and documents at local government level. This is to ensure that capital investment and project / programme implementation is guided by an over-arching, long-term strategic, spatial, financial and socio-economic logic. Key informants to the CEF are:

- the national and provincial strategies and policies (i.e. the NDP and Medium Term Strategic Framework (MTSF);
- the Provincial SDF or Growth and Development Strategy (GDS);
- municipal-level policies and strategies, typically embodied by the Integrated Development Plan (IDP), and;
- Spatial Development Framework(SDF), Integrated Zoning Scheme and the Stellenbosch Environmental Management Framework and other departmental sector plans.

Collectively these plans provide a spatial framework that local government must use to guide investment and development in order to realise short, medium and long-term developmental and socio-economic goals.

The CEF on its own is not the only mechanism that should enable integrated urban development. The intention of the CEF is to serve as a catalyst to streamline programme- and project-level preparation, prioritisation and implementation, and to overcome hierarchical and silo-based approaches.

As the first Review of the CEF for Stellenbosch Local Municipality and one of the first CEFs in South Africa, this document sets Stellenbosch Local Municipality on a new planning approach and development path towards improved cross-sectoral integrated planning, comprehensive investment needs assessment, long-term investment and financial planning and multi-criteria project prioritisation and budgeting.

Disclaimer

This document contains forward looking statements. While due care has been used in the preparation of forecasted information, the actual outcomes may differ from the forecasts. Whilst reasonable care was taken in the development of this document, forecasts and recommendations made in this document may be influenced by external factors or events that may occur subsequent to the development of this document, or by information or events that may not have been disclosed or known and therefore not incorporated at the time of the development of this document.

The information presented in the report is based on data that was provided by the municipality and other data that was obtained from provincial and national sources that are in the public domain. The author does not warrant or guarantee that there will be no change to relevant facts and circumstances in the future or that future events or outcomes will transpire.

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AFS	Annual Financial Statements
CBD	Central Business District
CEF	Capital Expenditure Framework
CEIP	Capital Expenditure Implementation Plan
CIF	Capital Investment Framework
CLS	Community Library Services
COGTA	Cooperative Governance and Traditional Affairs
CPM	Capital Prioritisation Model
CRC	Current Replacement Cost
CRR	Capital Replacement Reserves
DORA	Division of Revenue Act
DRC	Depreciated Replacement Cost
EIM	Economic Impact Module
EUL	Economic Useful Life
FA	Functional Area
GDP	Gross Domestic Product
GDS	Growth and Development Strategy
GVA	Gross Value Add
ICDG	Integrated City Development Grant
ICM	Intermediate City Municipality
IDP	Integrated Development plan
IIIF	Integrated Infrastructure Investment Framework
INEP	Integrated National Electrification Programme
IUDF	Integrated Urban Development Framework
IUDG	Integrated Urban Development Grant
LOS	Level of Service
LTFS	Long-term Financial Strategy
MFMA	Municipal Finance Management Act
MRRI	Municipal Revenue Risk Indicator
MSA	Municipal Systems Act
MSCOA	Municipal Standard Chart of Accounts
MTREF	Medium Term Revenue Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
PDA	Priority Development Area
PTIS	Public Transport Infrastructure Systems Grant
RUL	Remaining Useful Life
SALGA	South African Local Government Association
SAPS	South African Police Services
SEZ	Special Economic Zone
SDF	Spatial Development Framework
SFA	Sub-functional Areas
SIG	Social infrastructure Grant

SIPDM	Standards for Infrastructure Procurement and Delivery Management
SPLUMA	Spatial Planning and Land use Management Act
STATSSA	Statistics South Africa
USDG	Urban Settlement Development Grant

Section 1 Introduction

1 Introduction

1.1 Legislative context of a Capital Expenditure Framework

1.1.1 The Constitution of South Africa

The term "Capital Expenditure Framework" (CEF) became a municipal mandate with the promulgation of the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) section (21)(n). However, the concept of a Capital Investment- or Capital Expenditure Framework has been eluded to in several other preceding legislative and policy instruments. The legislative context is best understood when considering a brief history of municipal planning, with specific reference to IDPs, SDFs, and Municipal Budgeting. To understand the evolution of municipal planning in this context, the point of departure is the Constitution of South Africa.

Section 153 of the Constitution of South Africa states that a municipality must structure and manage its administration, budgeting and planning process to prioritise basic needs and to promote social and economic development. The Constitution instructs municipalities to have a developmental focus and that this should be achieved through the planning- and budgeting processes.

1.1.2 Municipal Planning Processes

The Local Government Transitions Act (Act 209 of 1993) was the first act stating that a municipality should compile an IDP - it did however not define the content or nature thereof.

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

The Local Government Municipal Systems Act (MSA) (Act 32 of 2000) was a successor to the Local Government Municipal Structures Act (Act 117 of 1998). The MSA was deemed the most important statute furthering all aspects of integrated development planning. Chapter 5 of the act is titled "Integrated Development Planning" and provides that municipalities must undertake developmental-oriented planning. This is to ensure that the objectives of local government and its developmental duties (as set out in the constitution) are achieved.

The act states that an IDP is the principal, single, inclusive and strategic planning instrument of a municipality. One of the objectives of the IDP is to align the resources and capacity of the municipality with implementation of the plan. This forms the policy framework and general basis on which annual budgets must be based, and should be compatible with national and provincial development plans and planning requirements. The core components and content of an IDP must reflect the following:

- The municipality's vision for its own long-term development of the municipality;
- An assessment of the existing level of development in the municipality;
- The municipality's development priorities and objectives;
- The municipality's development strategies;
- The municipality's SDF;

- The municipality's operational strategies;
- An applicable disaster management plan;
- A financial plan, and;
- Performance indicators and performance targets.

In section (5)(1)(a) of SPLUMA (Act 16 of 2013), it is stated that municipal planning consists of the compilation, approval, and review of an IDP. SPLUMA further states in Part E (20)(2) that the municipal SDF must be prepared as part of a municipality's IDP in accordance with the provisions of the MSA (Act 32 of 2000).

Section 21 of SPLUMA prescribes what the content of a municipal SDF must be. Section 21(n) is of particular importance as it states that a municipal SDF must determine a CEF for the municipality's development programmes, depicted spatially.

1.1.3 Municipal Budgeting Processes

The Municipal Systems Act (Act 32 of 2000) states that an IDP must consist of a financial plan. The Municipal Planning and Performance Management Regulations (Regulation 2 of 2001) describes the details of such a financial plan and states in section (3) that the financial plan in a municipality's IDP must:

- Include budget projections;
- Indicate the financial resources that are available for capital project developments, and;
- Include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives.

After the MSA (Act 32 of 2000) defined what should be done in terms of the IDP and financial planning, the Local Government: Municipal Finance Management Act (MFMA) (Act 56 of 2003) was established to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government and to establish treasury norms and standards for local government. The MFMA (Act 56 of 2003) was revised in 2011 and redefined its aim to enable improved processes of municipal planning budgeting, allowing for more informed decisions.

In order to achieve the aim of the MFMA (Act 56 of 2003), the MFMA prescribes the typical content of municipal budgets in chapter 4. In section 17(3)(b) the act states that when an annual budget is tabled it must be accompanied by measurable performance objectives for revenue from each source and for each vote in a budget, taking into account the municipality's IDP. This means that a municipal budget cannot be drafted in isolation of the IDP. Furthermore, section 21 of the act states that a mayor must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP in order to ensure that the tabled budget and the IDP are mutually consistent and credible.

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

1.1.4 The relationship between the planning and budgeting processes

From the legislative context provided in this section, the following municipal mandate imperatives are highlighted:

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

In April 2016 Cabinet approved the Integrated Urban Development Framework (IUDF). The IUDF is coordinated by the Department of Cooperative Governance (COGTA). The IUDF capital programme requires alignment by participating municipalities wishing to access the Integrated Urban Development Grant (IUDG). This required alignment should be achieved through the development of a long-term CEF, with a 10-year planning horizon. According to the 2018 COGTA guideline on preparing a CEF, a CEF is the outcome of strategic prioritsation within the available affordability envelope of a municipality, based on a long-term financial plan. Furthermore, the CEF must:

- Translate the priorities identified in the SDF, into capital programmes;
- Promote long-term infrastructure planning;
- Promote infrastructure planning that is better integrated across sectors and spheres and within space, and;
- Promote a more integrated approach to planning within municipalities that brings together technical, financial and planning expertise.

1.2 The role of the CEF in relation to the IUDF

The IUDF is a policy initiative of the Government of South Africa, coordinated by COGTA, which seeks to foster an understanding between local government and civil society on how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions within municipalities.

The IUDF marks a new deal for South African cities and towns and sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements, while addressing the unique conditions and challenges facing South Africa's cities and towns. It advocates the effective management of urbanisation so that the increasing concentration of an economically active population translates into higher levels of economic activity, greater productivity and higher rates of growth, thereby transforming our South African cities into engines of growth and prosperity.

The key outcome of the IUDF is spatial transformation. The identified policy levers and priorities (refer to Figure 1) are crucial for maximising the potential of urban areas, by integrating and aligning investments in a way that improves the urban form. The CEF is therefore the recommended mechanism for local government to achieve spatial transformation by aligning capital investment in such a way that the key outcomes of the IUDF are achieved.

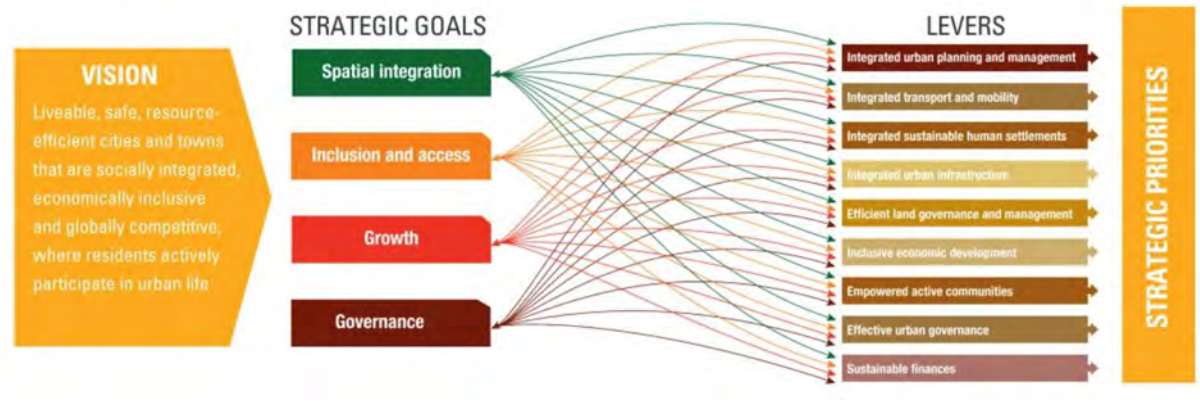


Figure 1: Core elements of the IUDF

1.3 The role of the CEF in relation to the IUDG

A review of Local Government Infrastructure Grants was initiated in October 2013, led by National Treasury together with the COGTA, the Financial and Fiscal Commission, the South African Local Government Association (SALGA), and the Department of Performance Monitoring and Evaluation. The review envisioned a grant system that should include:

- Greater differentiation in the type of grants provided to different municipalities;
- A move from focussing on rolling out new infrastructure to increased focus on the management, maintenance and renewal of existing infrastructure;
- An approach to ensure greater value for money for the funds spent, and;
- A framework to provide coherence and consistency in the management of the grant system.

The IUDF is consistent with-, and reinforces the findings of the Review of Local Government Infrastructure Grants. As a result, the IUDG is slated to be introduced in the 2019/20 Division of Revenue Act (DORA) as a consolidated grant for Intermediate City Municipalities (ICMs)[1]. The aim of the IUDG is to support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces and to ultimately unlock urban growth. In terms of the IUDG description, the purpose of the grant is to:

- Provide funding for public investment in infrastructure for the poor;
- Promote increased access to municipal owned sources of capital finance in order to increase funding for public investment in economic infrastructure;
- Ensure that public investments are spatially aligned with the local government development vision, and;

[1] Intermediate City Municipalities was defined by COGTA through the IUDF programme.

- Promote the sound management of the assets delivered.

According to the IUDG policy framework, a CEF is a comprehensive, high-level, long-term infrastructure plan that flows from a SDF, which estimates the level of affordable capital investment by the municipality over the long-term. The CEF is therefore the municipal instrument to realise the agenda of the IUDF.

1.4 The role of the CEF

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

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

The role of a CEF is to frame the outcomes of a multitude of planning documents within the municipality in order to ensure that implementation is guided by a strategic, spatial, financial and socio-economic logic. A CEF serves not only as a performance evaluation mechanism, but also as a rationale towards capital investment planning that provides business intelligence, data validation, project synchronisation and prioritisation. Furthermore, the role of the CEF is to strengthen the process currently institutionalised within the municipality, and to show how capital investment matures from planning to implementation through various stages of governance.

The primary outputs of the CEF can be best understood in terms of the process flow shown in Figure 2 below:

- Firstly, prior to subjecting projects applying for budget to a prioritisation and budgeting process, the municipality must first identify all capital demand or needs that are required over the long-term within their jurisdiction, irrespective whether the capital demand stems from local, provincial or national spheres of government. The Integrated Infrastructure Investment Framework (IIIF) or Capital Investment Framework (CIF) therefore aims to gather the long-term capital demand required for the municipality to function optimally.

- The next step is to consolidate the capital demand into one synthesised plan depicted spatially, along with all the budget reform requirements emanating from the MFMA and National Treasury (i.e. SIPDM project life-cycle planning, mSCOA segments etc.).

- The SDF is then unpacked to identify the spatial vision as well as the functional areas and priority development areas for the municipality in order to prepare a socio-economic and developmental profile for the municipality.

- The socio-economic and developmental profiling serves as a primary input to the demand quantification and setting of programmatic long-term infrastructure investment targets required realise the spatial vision of the municipality.

- The spatial development vision of the municipality, along with other strategic, financial, policy, socio-economic and technical objectives are used to prepare a prioritisation model in order to rank or score capital demand (projects) based on their alignment to the spatial, strategic, financial, policy, socio-economic and technical objectives of the municipality.

- The process of setting up a budget for the CEF draws from the outcomes of the long-term financial plan whereby the affordability envelope and the optimal funding mix for capital investment for the municipal is modelled based on key socio-economic and population growth projections. Once the affordability envelope is known, the 10-year capital budget can be prepared with inputs from the project prioritisation results.

- The final step in preparing the CEF is to define an implementation programme for the medium term – in line with the Medium Term Expenditure Framework (MTEF). The medium-term implementation plan of the CEF is known as the Capital Expenditure Implementation Programme (CEIP) which is essentially the first three budget years of the 10-year Capital Expenditure Framework.

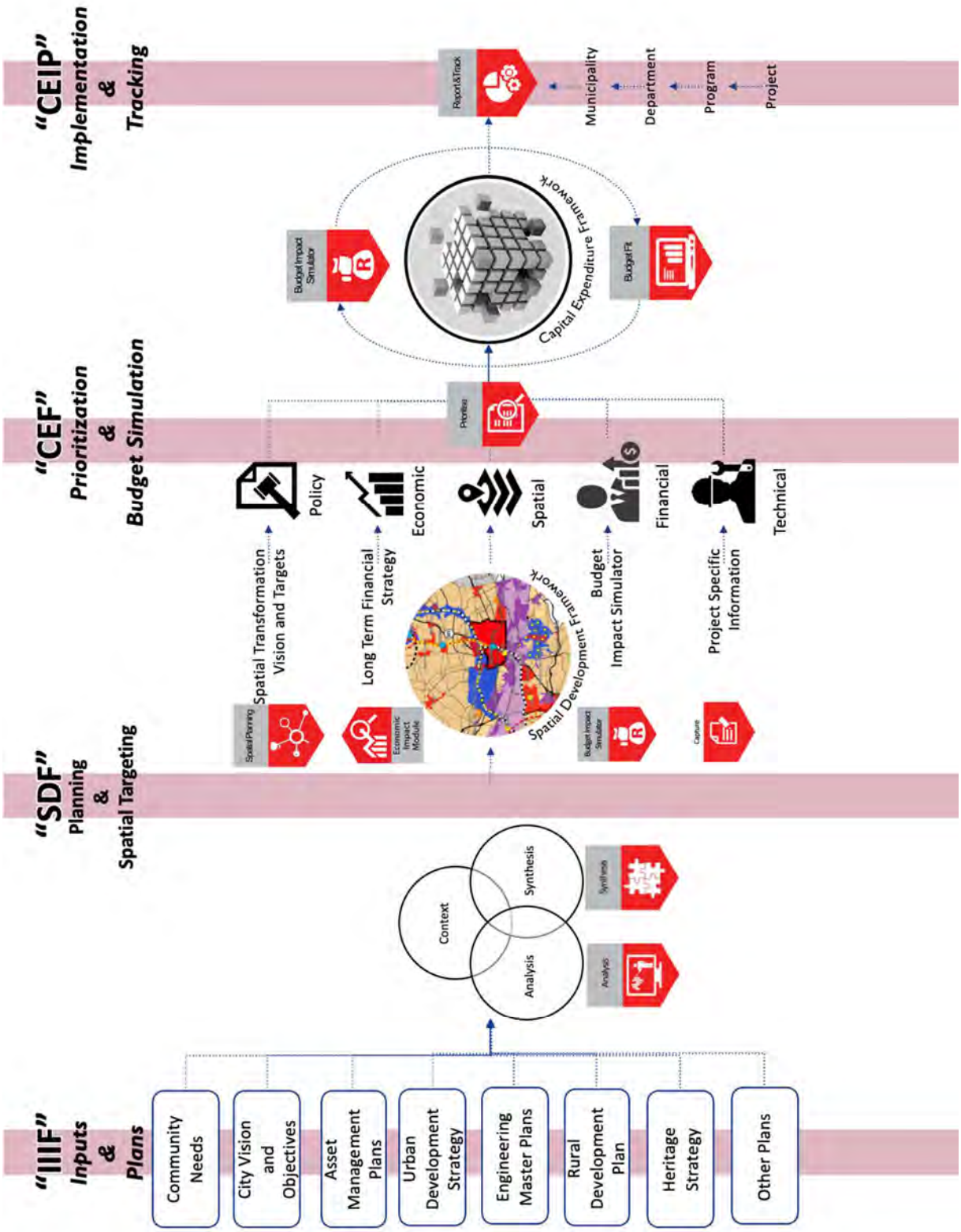


Figure 2: The role of the CEF in relation to other internal processes

1.5 Roll-out of the IUDG

In 2016, Cabinet adopted the IUDF which positions intermediate sized municipalities and towns (ICMs). The IUDF is coordinated by COGTA, which has set up the institutional arrangements for the coordination of activities across government departments and agencies, under the overall management of an IUDF Working Group.

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

One element of the implementation of the IUDF is the introduction of the IUDG. The 39 ICMs are all eligible for the IUDG as from the 2019/20 financial year. The IUDG is a three-year capital programme that must be aligned with a long-term Capital Expenditure Framework (CEF). This CEF must be developed by each ICM in order to qualify for the IUDG.

Stellenbosch Local Municipality is one of a handful of municipalities that have been approved for the IUDG funding application for the 2019/20 budget cycle, after preparing and submitting a draft CEF to COGTA by 31 March 2019 and submit a final CEF to COGTA by 31 May 2019. This CEF Review outlines the minor changes that has been absorbed as part of the capital investment period of the CEF for 2020 to 2030. The first Review of the Stellenbosch CEF will be submitted to CoGTA by 31 March 2020.

1.6 CEF Planning Method and Guidelines

1.6.1 CEF project preparation, prioritisation and budgeting process

The planning approach towards developing this CEF was to gather all relevant municipal information, taking account the institutional arrangements within the municipality, and the guidelines provided from the IUDF on the content of a CEF.

- Figure 3 below depicts the integrated planning and budgeting process that was implemented using the CP3 system at Stellenbosch Local Municipality to facilitate the process of project preparation, prioritisation and budget scenario development.

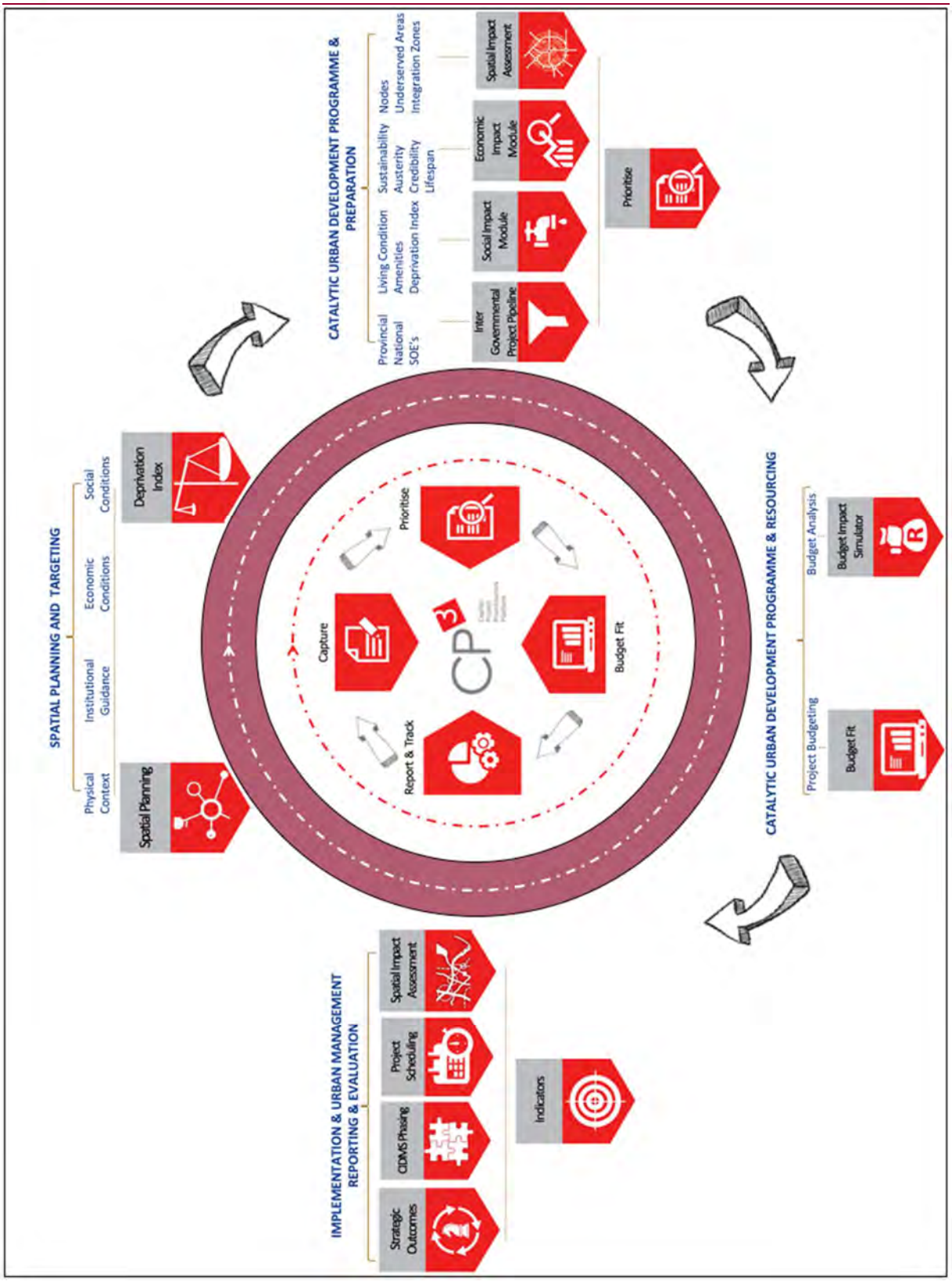


Figure 3: Institutional Arrangement

The integrated planning and budgeting CP3 process enables the municipality to amongst other:

- Capture all capital demand or capital needs emanating from municipal departments on one spatially enabled platform;
- Evaluate projects at the hand of various criteria – either quantitative, qualitative or spatial – based on data inputs from municipal departments;
- Evaluate capex against various spheres of governments' strategic outcomes – as per the various policy documents of the municipality;
- Interact with other public realm entities in a collaborative manner – through means of the inter-governmental planning platform to consult on capital demands;
- Prioritise projects based on a sophisticated spatially-enabled prioritisation model – through means of a multi-criteria model;
- Run a budget analysis in order to test various capex scenarios - based on standardised indicators and inputs from the long-term financial model affordability envelope;
- Facilitate a budget scenario process together with the finance department of the municipality in order to determine the optimal MTREF capex budget for the municipality – annually; and
- Evaluate and report on a myriad of elements related to the capital investment book at any point in time based on the regulatory and institutional requirements emanating from the MFMA and National Treasury, i.e. SIPDM project phasing, mSCOA segments, MBRR schedule reports etc.

1.6.2 Draft IUDG CEF Guidelines

According the guidelines for the preparation of a CEF prepared by COGTA, a CEF should comprise of the following components:

- Step 1: Identify Functional Areas (FA) and Priority Development Areas (PDAs);
- Step 2: Undertake developmental and socio-economic profiling for the municipality as a whole, as well as each functional area;
- Step 3: Compile a land budget for residential and commercial growth for the next ten years;
- Step 4: Confirm the appropriateness of the SDF vision and long-term spatial structure for the municipality as a input to the prioritisation and budget alignment of the municipality;
- Step 5: Prepare programmatic and project-based responses per sector based on the land budget and residential and commercial growth estimates, in order to identify capital investment requirements and backlogs;
- Step 6: Develop a long-term financial plan, with a planning horizon of 10-years;
- Step 7: Compile an affordability envelope and optimal capital funding mix;
- Step 8: Structure capital investment programmes per functional area;

- Step 9: Compile a CEF for a 10-year horizon based on spatially-prioritisation; and
- Step 10: Conceptualise a 3-year (MTREF) CEIP with project and programmes which will serve as the municipal capital budget.

1.6.3 Stellenbosch Strategic Planning and Implementation Framework Process

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

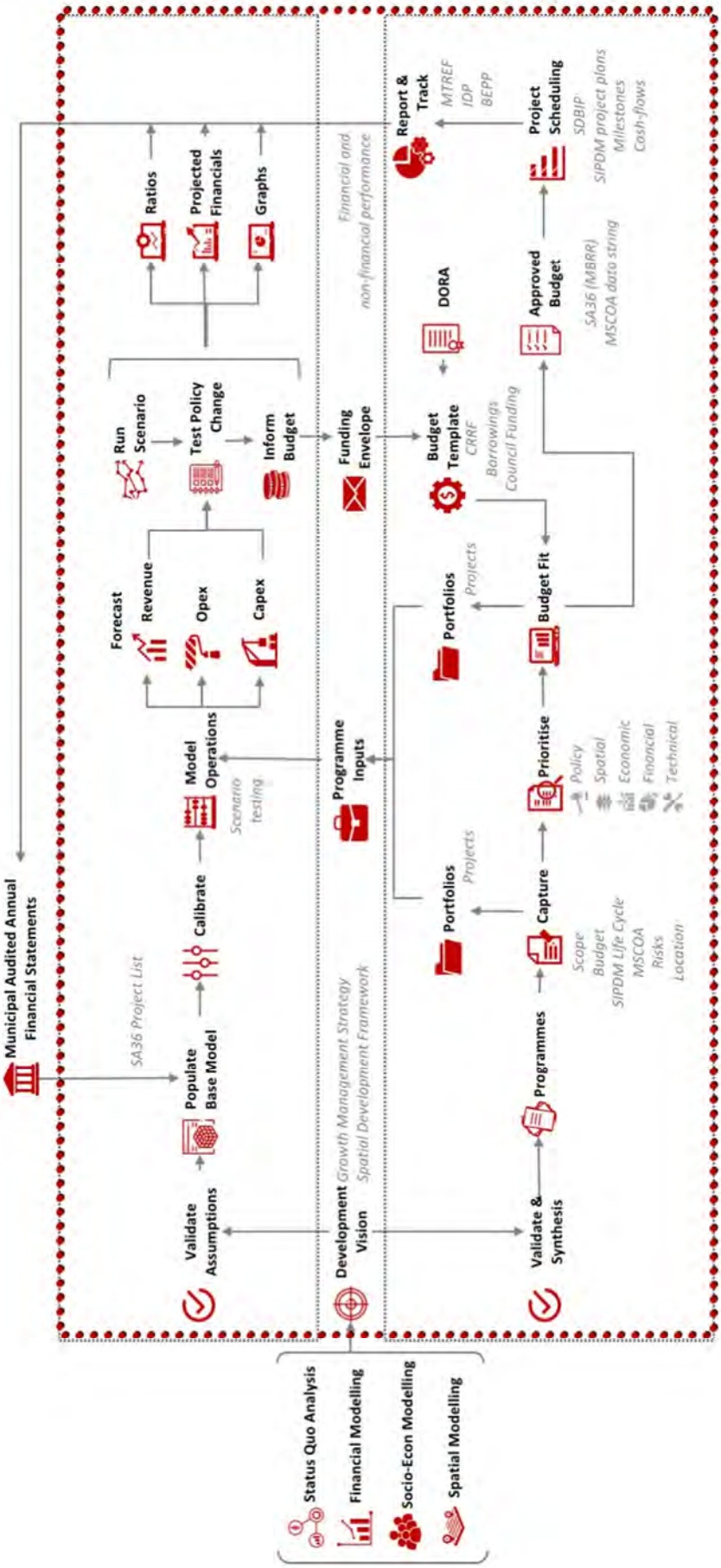


Figure 4: Compilation of the CEF based on CP3 and LTFS

This process depicted Figure 4 can be broken down into 11 distinct steps.

1.6.3.1 *Step 1: Identify Functional Areas and Priority Development Areas*

In order to define the context in which the CEF is applicable, this section aims to analyse the current spatial and demographic realities of the municipality, and conclude by identifying the functional areas[2] and Priority Development Areas from the SDF as the primary spatial structuring elements of the municipality.

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

1.6.3.2 *Step 2: Complete socio-economic and spatial profiling*

The purpose of this step is to understand the nature of the demographic and socio-economic characteristics of the municipality as a whole, and in each of the identified functional areas of the municipality. This assessment includes the current accessibility to, and quality of basic services as well as social facilities and amenities. This information serves as the base-data to be used for infrastructure and financial modelling.

1.6.3.3 *Step 3: Compile a land budget and demand quantification*

Once the socio-economic and spatial profiling has been concluded, growth scenarios are considered for the municipality in order to prepare a future land use budget including residential and commercial growth projections along with population projections over a 10-year period. These growth projections will serve as modelling input to derive demand for infrastructure and services in the municipality. Three components contribute to the demand for investment and can be summarised as follows:

- Existing households without access to services;
- Renewal and maintenance of existing infrastructure, and;
- The growth in households.

1.6.3.4 *Step 4: Verify the SDF*

The purpose of this step is to verify whether the municipal growth projections, in terms of the population, social facilities, basic services and land budget, is in line with the municipality's latest approved version of the SDF.

1.6.3.5 *Step 5: Identify infrastructure demand and Capital Investment Framework*

The purpose of this step is to identify specific infrastructure and service backlogs and requirements within the municipality's jurisdictional area. It will incorporate existing backlogs and include backlogs with regards to access-to-services requirements, assets refurbishment requirements and lastly, replacement and renewal requirements for a 10-year horizon. At the end of this step, a

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

comprehensive list of interventions will be identified that is required to realise the spatial vision of the municipality.

Considering firstly the institutional context in which municipalities finds themselves and secondly the fact that other tiers of government are responsible for different investment mandates in the same jurisdiction, the CIF should not only consider capital investment from the local municipality, but also investment planning by provincial and national government. The purpose of the inter-governmental project pipeline is to enable a view of planned interventions by various spheres of government, within the same jurisdictional area, given that not all required infrastructure is the responsibility of the local government authority.

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

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

- Populate the financial planning base model;
- Calibrate financial planning base model;
- Forecast financial municipal financial position and ratios, and;
- Scenario Testing.

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

1.6.3.7 *Step 7: Identify affordability envelope*

Based on the LTFM, an affordability-envelope is compiled. The aim of the affordability envelope is to set the financial parameters for the CEF to prepare a 10 year horizon capital investment scenario.

1.6.3.8 *Step 8: Project prioritisation and budget scenario development*

The purpose of this step is to prioritise the list of capital demand or needs to realise the SDF developmental vision and population growth scenario. Once the project needs have been prioritised, by using a sophisticated model that enables spatial and alpha numeric data inputs, the projects are fitted to the affordability envelope. The spatial prioritisation is of specific importance as it facilitates the allocation of budget towards the spatially targeted Functional Areas and Priority Development Areas of the municipality as required by legislation referred to in Section 1.1 of this document. The purpose of this step is to effectively and efficiently allocate limited resources to an unlimited demand which will enable the city to sustainably allocate resources and priority to projects that will realise the strategic and spatial vision of the municipality.

1.6.3.9 *Step 9: Compile programmes per Functional Area*

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

1.6.3.10 *Step 10: Capital Expenditure Implementation Framework*

Once the spatial and financial framework have been developed, the next step entails the identification of an medium-term implementation framework. The CEF is compiled to provide the most sustainable development path and implementation of the CEF is guided by the MTREF, which is the capital expenditure implementing mechanism of the municipality.

1.6.3.11 *Step 11: Implementation tracking*

The purpose of this step is to provide insight on the implementation of the MTREF. This is done by ensuring the project pipeline (from conceptualisation to prioritisation and budgeting), is compliant[3] with the requirements of National Treasury and that the SDBIP project schedule, cashflows and milestones are captured after budget approval, to facilitate financial and non-financial performance reporting within the implementation year(s).

[3]Complies with the requirements of mSCOA and SIPDM

Section 2 Functional Area Identification

2 Functional and Priority Development Area Identification

2.1 Contextualisation

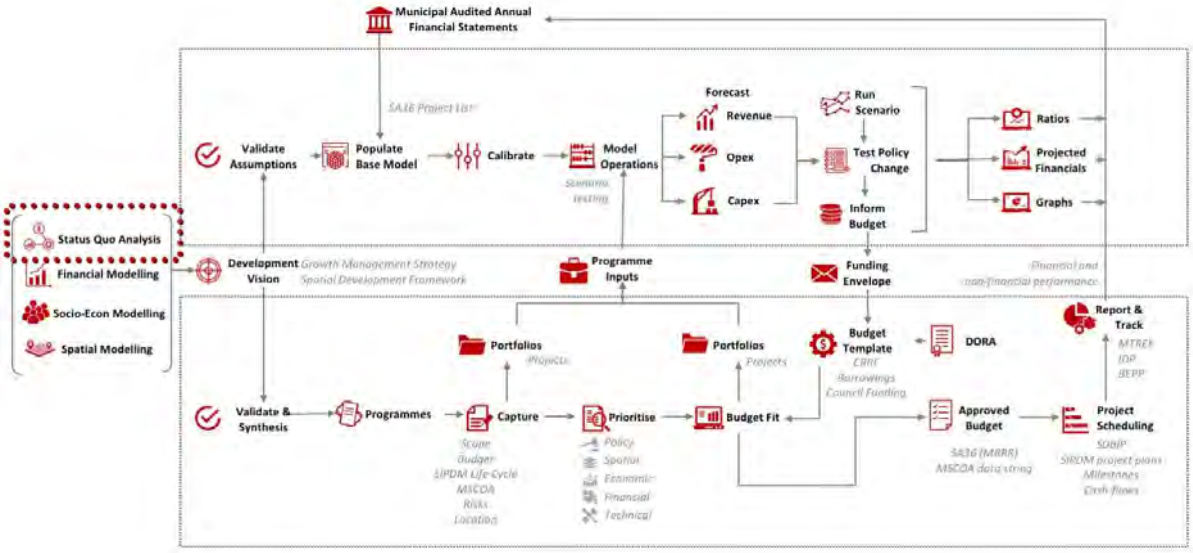


Figure 5: Spatial status quo analysis

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

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

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

2.2 Status of the Spatial Development Framework

A vital component of the Capital Expenditure Framework, as envisioned by the Capital Expenditure Framework Guidelines (2018) developed by the National Department of Cooperative Governance and Traditional Affairs, is the relationship between the Spatial Development Framework and the Capital Expenditure Framework. It must be noted that even though the Spatial Development Framework is in draft format, its conceptual structure and investment paradigm guided the Capital Expenditure

Framework. In order to mitigate any possible risk in this regard, the Capital Expenditure Framework team has had numerous engagements with the Spatial Development Framework team in order to ensure that the investment paradigm and prioritisation models are effectively directed towards the development concept of the draft Spatial Development Framework.

With the enactment of the Spatial Planning and Land Use Management Act (SPLUMA) in 2013, a new planning regime was introduced in South Africa. It replaced disparate apartheid era laws with a coherent legislative system designed to spatially transform the country in its democratic era.

In broad terms, SPLUMA differentiates between two components of the planning system:

- Spatial Development Frameworks; and
- The Land Use Management System (LUMS).

As indicated above, SDFs are guiding and informing documents that indicate the desired spatial form and define strategies and policies to achieve this. They inform and guide the LUMS, which includes town planning or zoning schemes, allocating development rights, and the procedures and processes for maintaining the maintenance of or changes in development rights.

SPLUMA requires municipalities to prepare SDFs that establish a clear vision which must be developed through a thorough inventory and analysis based on national spatial planning principles and local long-term development goals and plans.

Over the last decade, the Stellenbosch Municipality has completed a considerable volume of studies, policy documents, and plans, specifically related to SDFs, as well as studies, policy documents, and plans that should inform or be informed by the SDF (for example comprehensive plans like the IDP covering all the activities of the Municipality, or sector specific work related to economic development, transport, the environment, housing, and so on). Some of these studies, policy documents, and plans cover the whole Municipal area, while others focus on specific parts of the area.

Starting in 2008, and culminating in an approved SDF and the “shaping Stellenbosch” initiative, broad consensus has been achieved on the desired future direction and form of development. Some of the country’s most accomplished professionals were involved in this work, we spent considerable time and money, and citizens bought in.

In 2013 Stellenbosch Municipality approved a SDF for the Stellenbosch municipal area that includes Franschhoek, the Dwars River Valley, Klapmuts, Stellenbosch town (including Kayamandi, Cloetesville, Idas Valley), Lynedoch, Vlottenburg and Raithby. An updated version of this document in terms of the requirements of SPLUMA (and summarized for public accessibility) was approved on May 2019.

Since approval of the SDF in 2013 and 2019, SDF related work has focused on:

- Development of scenarios of land demand to inform the development of a preferred 20-year growth strategy, development path, and nodal development concepts. This work culminated in status quo and draft Urban Development Strategy (UDS) documents during 2017;
- An analysis and synthesis of the rural areas of Stellenbosch Municipality with a view to prepare a Rural Area Plan (RAP);
- A Draft Heritage Inventory of large-scale landscape areas in the rural domain of the municipality informing proposed heritage areas (complementing previous inventory work completed for urban areas); and

- Area-based planning investigations for parts of the municipality, notably Stellenbosch town, Klapmuts, the area north of Kayamandi, and Paradyskloof.

In parallel to SDF work, considerable progress has been made, in collaboration with the Western Cape Government, developing a strategy for sustainable transport planning, infrastructure provision, and management in Stellenbosch. This work, through application of the Provincial Sustainable Transport Programme (PSTP).

2.3 Strategic Focus Areas

The table below illustrates how work on the SDF relates – in terms of its focus and contribution – to achieving the five municipal strategic focus areas as contained in the IDP.

Table 1: IDP strategic focus areas and the SDF

IDP Strategic Focus Area	Related concerns of the SDF	SDF Strategic Direction
Valley of possibility	The way settlements, nature and agricultural are spatially developed and managed to enhance individual and collective livelihood opportunities and enterprise development, and overcome inequity and exclusion.	• Containment of settlements to protect nature/ agricultural areas and enable public and non-motorized transport and movement. • A focus on public and non-motorized transport and movement.
Green and sustainable valley	The way settlements, nature and agricultural areas are spatially developed and managed to maintain and enhance natural resources and ensure future balance between human settlement and its use of natural resources and opportunity.	Protection of nature areas, agricultural areas, and river corridors.
Safe valley	The way settlements, nature and agricultural areas are spatially developed and managed to ensure individual and collective safety in living, in movement, at work, institutions, and play.	Denser settlements with diverse activity to ensure surveillance.
Dignified living	The way settlements, nature and agricultural areas are spatially developed and managed to ensure equal access to shelter, facilities and services, notwithstanding material wealth, age, gender, or physical ability.	A specific focus on the needs of "ordinary" citizens, experiencing limited access to opportunity because of restricted available material resources.
Good governance and compliance	The way settlements, nature and agricultural areas are spatially developed and managed to ensure individual and collective participation – based on accessible information and open processes – in matters related to spatial planning and land use management.	Presenting information, including opportunities and choices in a manner that assists its internalization by all.

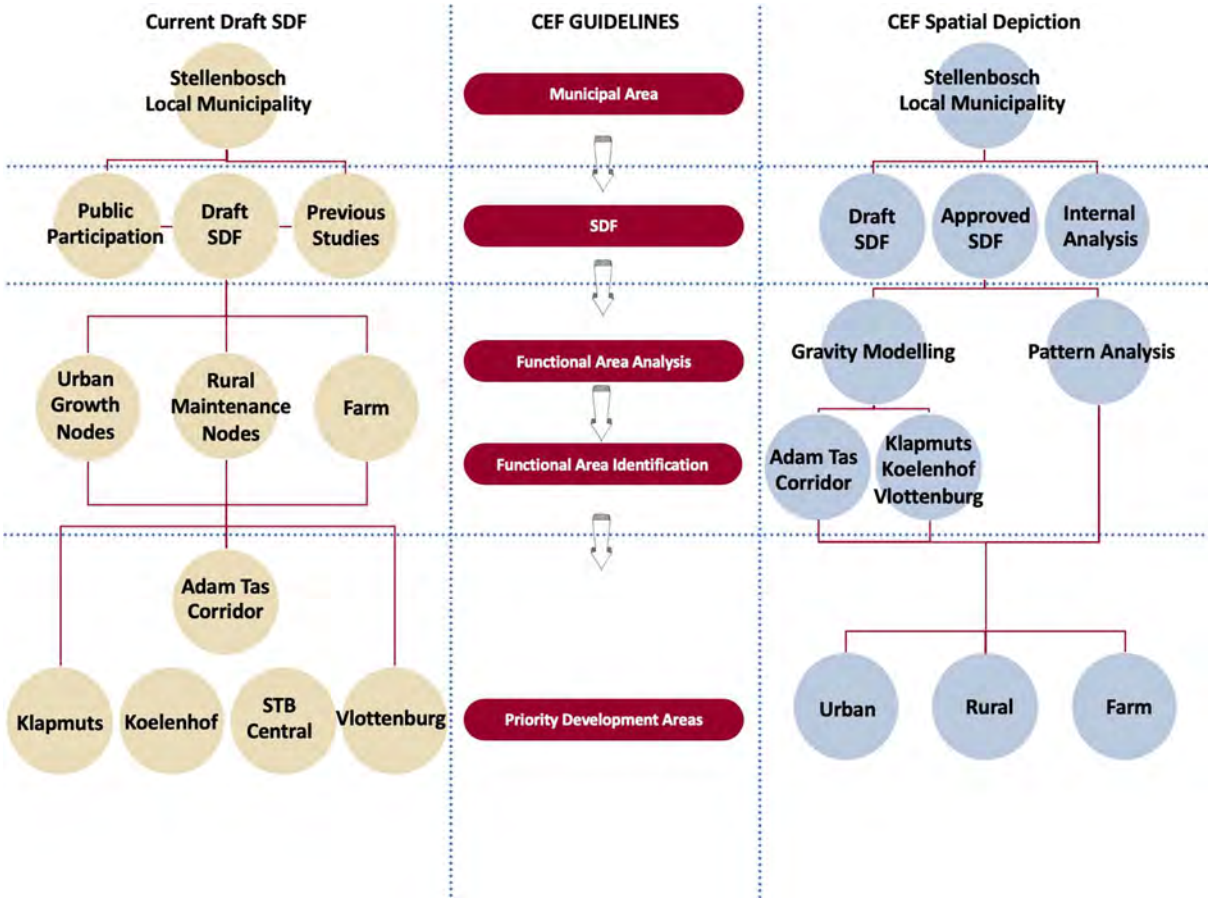
As it is not specifically mentioned in the strategic focus areas – perhaps as it is more an approach or "way of thinking and doing" about matters generally than a strategic focus area – a note on innovation is justified, specifically in relation to spatial planning and the SDF.

Innovation is not limited to – as it is often perceived to be – information technology. It cuts across all tasks; it must be at the basis of all efforts and approaches to meet challenges. Much of Stellenbosch's current spatial challenges will not be resolved through conventional spatial planning approaches; ways of doing which have become part of a prevailing culture in planning and development, including accommodating new development on "undeveloped" nature or agricultural land, supporting relatively low density development, attempts to accommodate unimpeded movement by private vehicles with low occupancy, each potential land developer striving to maximize individual development opportunity, and so on. In many ways, these approaches have contributed to varied existing challenges to be addressed today, including inequity in access to opportunity, environmental degradation, and stress on municipal resources.

Arguably, exploring and implementing new approaches or strategy are not easy, as observed by Hamel: "When people sit down and think about strategy … they take 90 or 95% of industry orthodoxies as a given … Instead, they must stare down their orthodoxies and determine that they are not going to be bound by them anymore … The deepest reason [for not doing this] is an unwillingness or inability to look outside of current experiences. It's the whole set of definitions that grew up over time … about what business we're in … you get convergence around those things. A lot of this is not simply blindness; a lot of this is denial. Yes, we see it, but it is so uncomfortable that we can't admit to it."4

2.4 Spatial Structuring Elements as per the CEF Guidelines

The following figure depicts the relationship between specific spatial structuring elements and Stellenbosch's planning paradigm. It is important to note that each Spatial Development Framework across all municipalities has a different view on what the concepts of different spatial structuring



[4] An interview with Gary Hamel, strategy + business http://www.strategy-business.com/press/16635507/13304

elements entail. It is for that purpose that the CEF will relate the "wall-to-wall" Stellenbosch SDF in terms of the CEF Guidelines[5] .

Figure 6: Spatial Structuring as per the CEF Guidelines

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

2.5 Understanding the concept of Function Areas

According to the CEF Guidelines a functional area is an area with similar characteristics (homogenic) from a developmental and service demand perspective. A typical example is to demarcate the rural part of the municipality or the tribal land as a functional area because it has more or less similar challenges (low density, lack of high order services, etc.) and it requires a specific development strategy that is unique to the development challenges of the area.

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

2.6 Spatial Development Framework and Functional Areas

Stellenbosch Municipality adopted a new Spatial Development Framework that seek to influence the overall spatial distribution of current and future land use within a municipality or other described region to give effect to the vision, goals and objectives of the municipal Integrated Development Plan (IDP) or related business plans of government.

In the case of Stellenbosch Municipality, the SDF must answer the following questions: "How is Stellenbosch going to develop over the next ten to thirty years? What kind of development will take place, where will it take place, and who will be responsible for what aspect of the development?"

To translate the Stellenbosch Spatial Development Framework in the context the functional areas as per the CEF guidelines; the point of departure was to consult the future development vision of Stellenbosch[6]. The main functional areas have been identified as:

- Stellenbosch;
- Klapmuts;

[5] A similar approach of standardization can be found in the Built Environment Performance Plans (BEPP) Guidelines in terms of the Urban Network Concept via the National Treasury City Support Program
[6] Refer to the Stellenbosch Spatial Development Framework review

- Koelenhof;
- Vlottenburg; and
- Franschhoek.

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

As argued elsewhere in this document, it is here, by virtue of settlement location in relation to broader regional networks and existing opportunity within settlements, that the needs of most people can be met, in a compact settlement form while protecting the municipality's nature and agricultural assets.

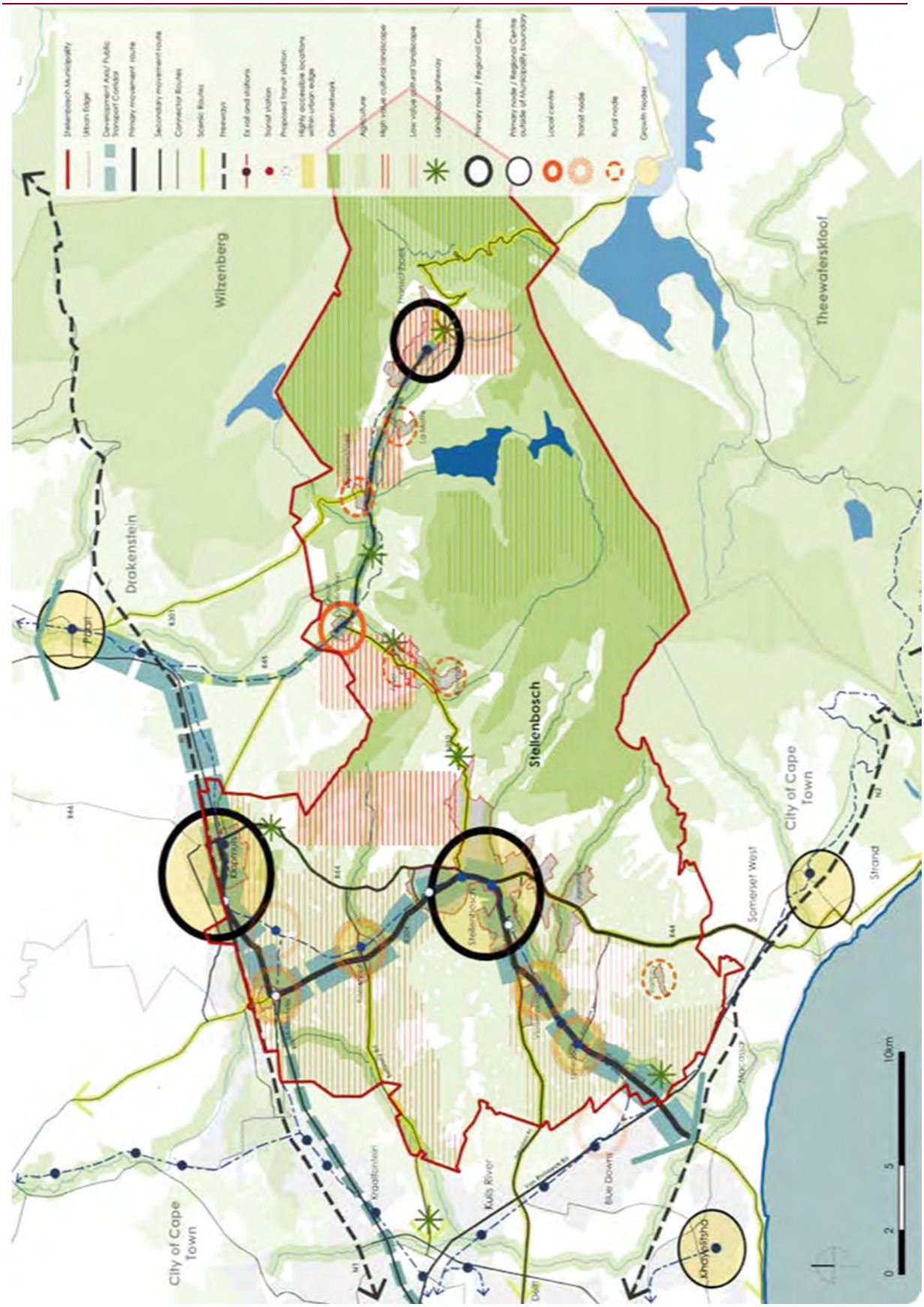
Over the longer term, Muldersvlei/ Koelenhof and Vlottenburg/ Lynedoch along the Baden Powell-Adam Tas-R304 could possibly accommodate more growth, and be established as inclusive settlements offering a range of opportunities. However, much work needs to be done to ensure the appropriate make-up of these settlements (including each providing opportunity for a range of income groups) and integration with the corridor in terms of public transport. They are therefore not prioritised for significant development over the MSDF period.

Should significant development be enabled in these areas now, it is likely to be focused on private vehicular use and higher income groups (in gated developments), and will in all probability reduce the potential of initiatives to transform Stellenbosch town and Klapmuts.

The focus on Stellenbosch town and Klapmuts does not exclude all development focus in Franschhoek and the smaller settlements. Rather, it is argued that these settlements should not accommodate significant growth as the pre-conditions for accommodating such growth does not exist to the same extent as in Stellenbosch town and Klapmuts. What should be emphasized in Franschhoek and smaller settlements is improving conditions for existing residents and natural growth within a context of retaining what is uniquely special in each (from the perspective of history, settlement structure and form, relationship with nature and agriculture, and so on).

In terms of sectoral or thematic focus, the spatial development priority in all settlements should be to:

- Upgrade the servicing and transformation of informal settlements;
- Provide housing for lower income groups in accessible locations (specifically through infill of vacant and underutilised land or redevelopment of existing building footprints);
- Expand and improve public and NMT routes;
- Improve public and community facilities and places (e.g. through clustering, framing them with infill development to improve edges and surveillance, prioritisation for landscaping, and so on); and
- Expand the recognition, restoration, and exposure of historically and culturally significant precincts and places (both in the form and use of precincts and places).



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

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

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

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

2.7 Defining Priority Development Areas

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

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

- Gravity Modelling; and
- Current Settlement Pattern.

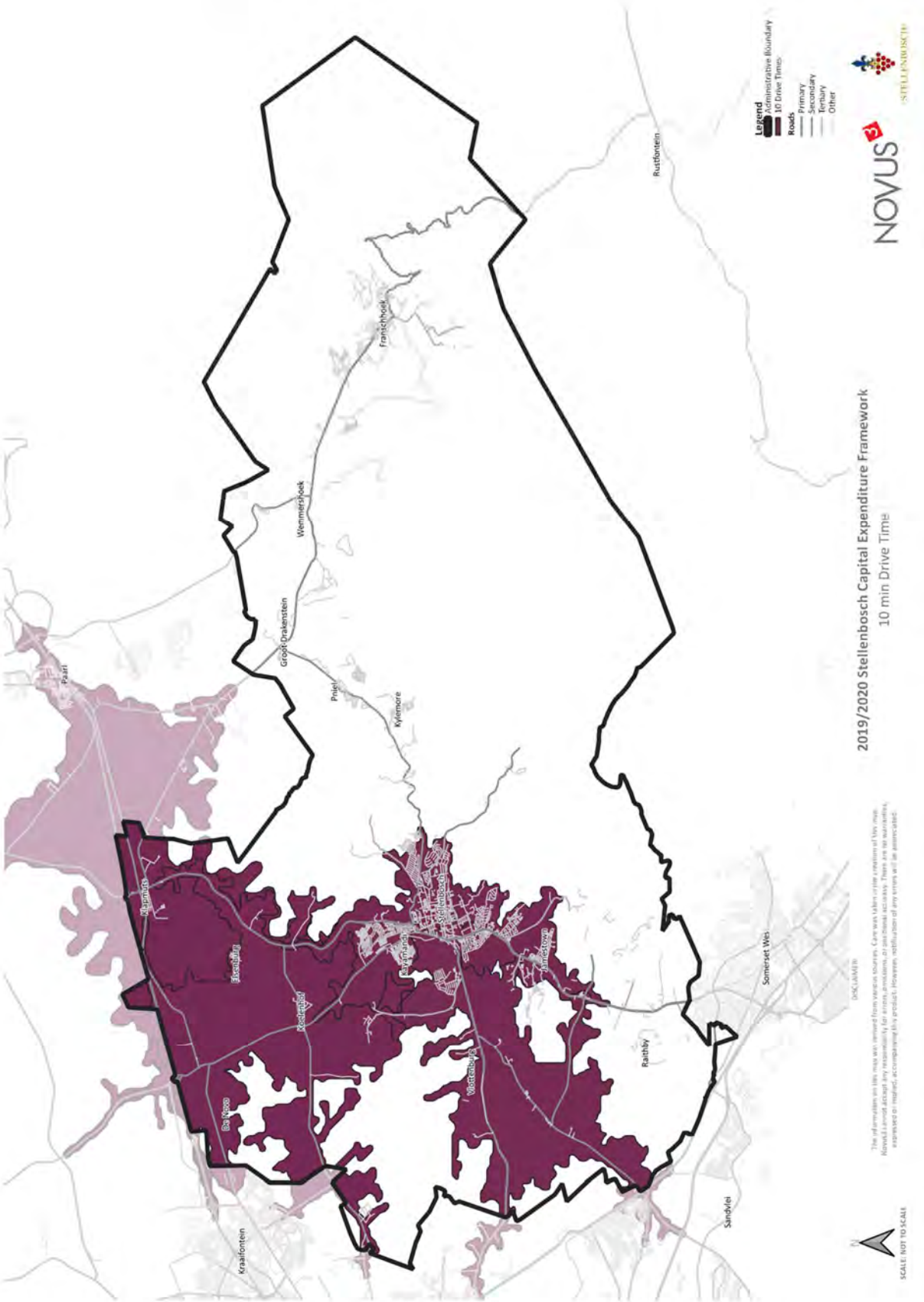
2.7.1 Gravity Modelling

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

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

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

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



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

Four issues are evident from the drive times:

- Firstly, even on a low threshold, there are substantial overlaps in the areas that the isochrones covered. This might point to the fact that should development occurs, the functional integration between the areas is possible but also that these areas are so close together that they will, from a business point of view compete with one another.

- Secondly, the areas reach over municipal boundaries. This especially true in the case of Klapmuts which implies that it competes with the adjacent areas in Drakenstein and also that development in Drakenstein will have a direct impact on the development of Klapmuts. It might be advisable for the municipality to consider absorbing the entire area, as Klapmuts serves and is likely to develop as a single functional area. This will contribute to developmental cohesion.

- Thirdly, the accessibility and the impact of major routes is evident. It implies that the long-term development of the road network will have major impacts on the success or failure of the identified areas.

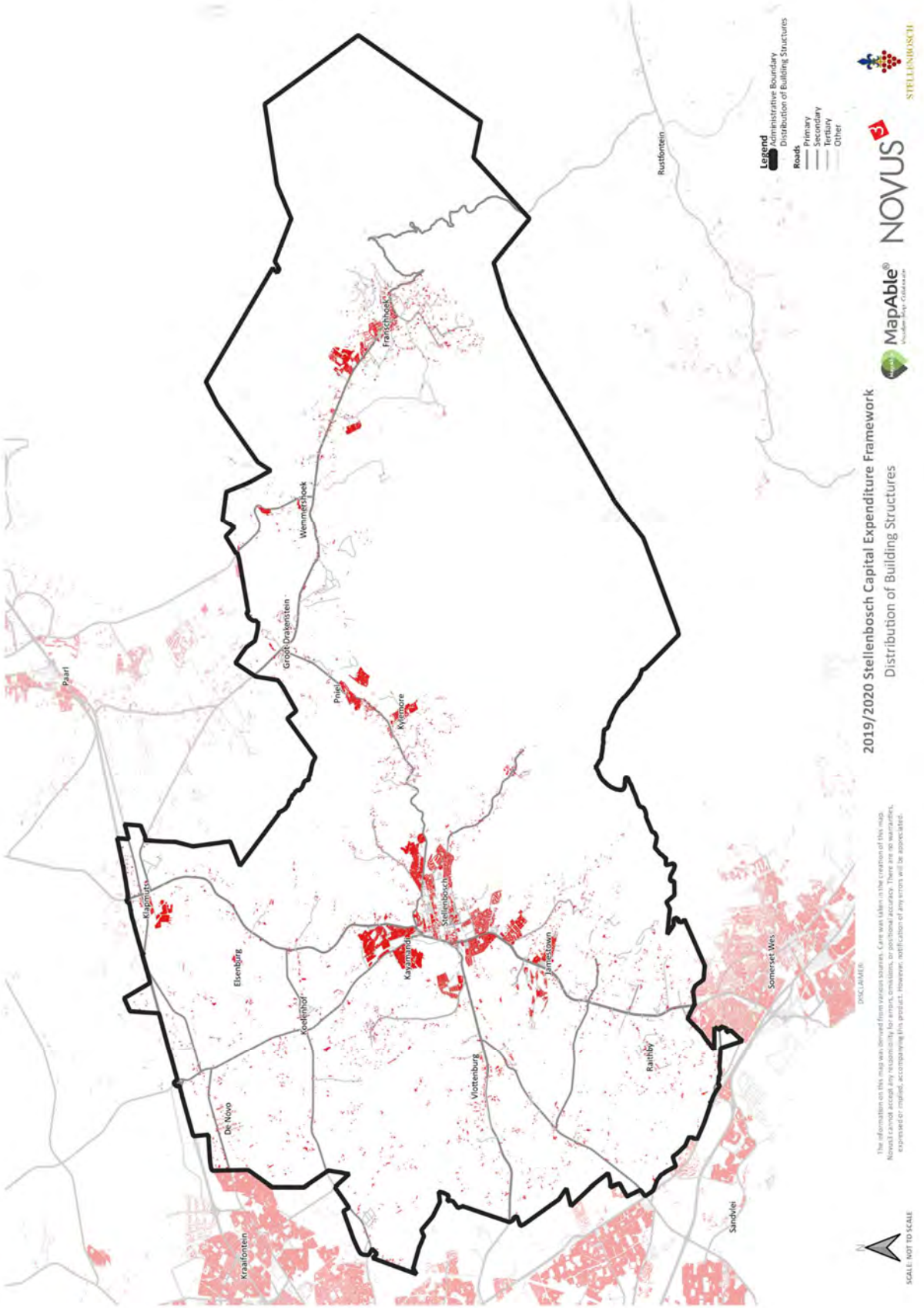
- Lastly, and very importantly the isochrones do not cover the eastern parts of the municipal area. However, irrespective of the Municipality's priorities, the customers in the municipal area will legally demand services and will continue to impact on demand for services and infrastructure.

2.7.2 Current Settlement Patterns

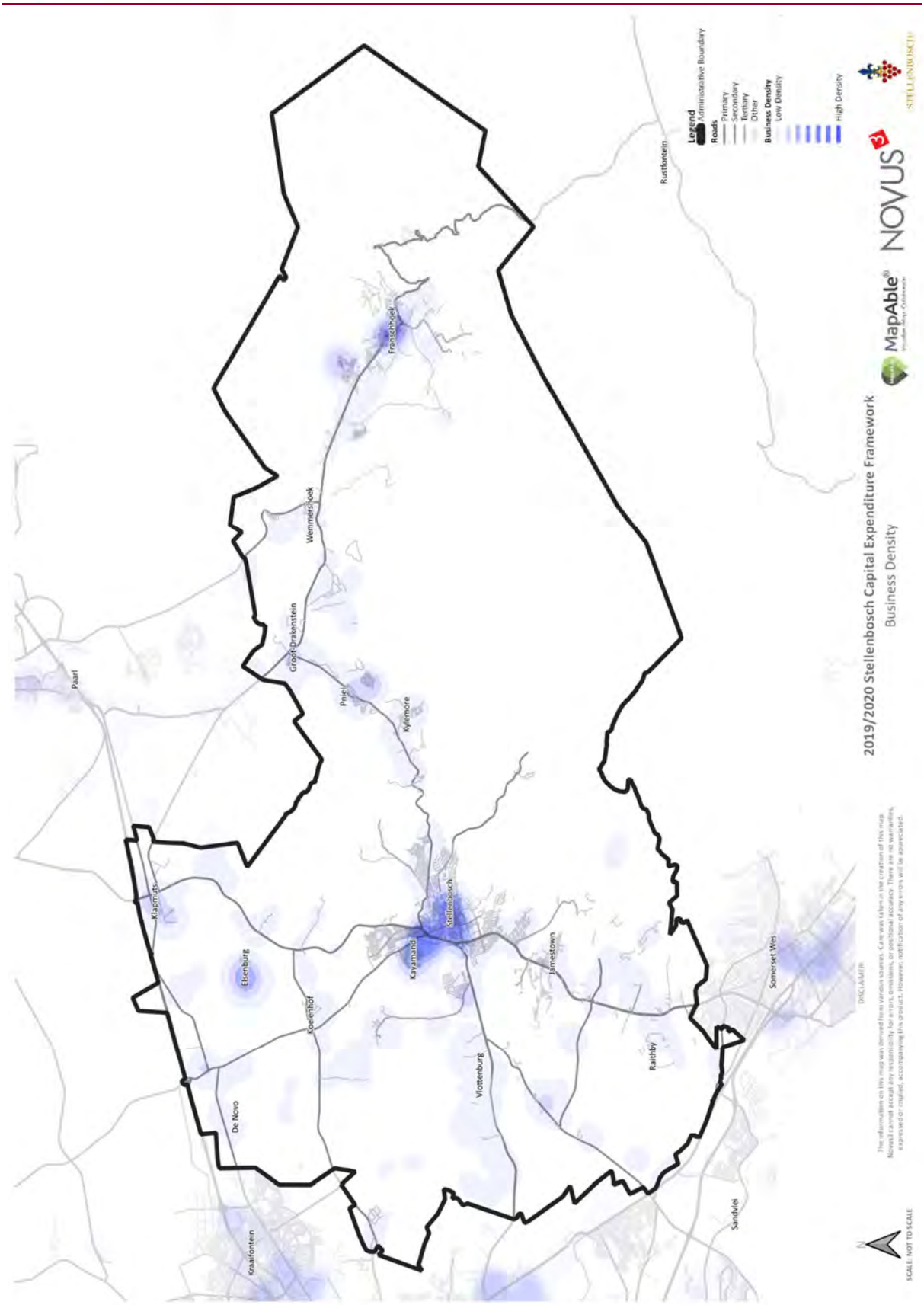
Current settlement patterns provides a good understanding of the status quo and informs modelling exercises. Current settlement patterns serves as one of various informant to the Priority Development Areas.

The following Maps illustrates the difference in development Intensities within the municipality[7][8]:

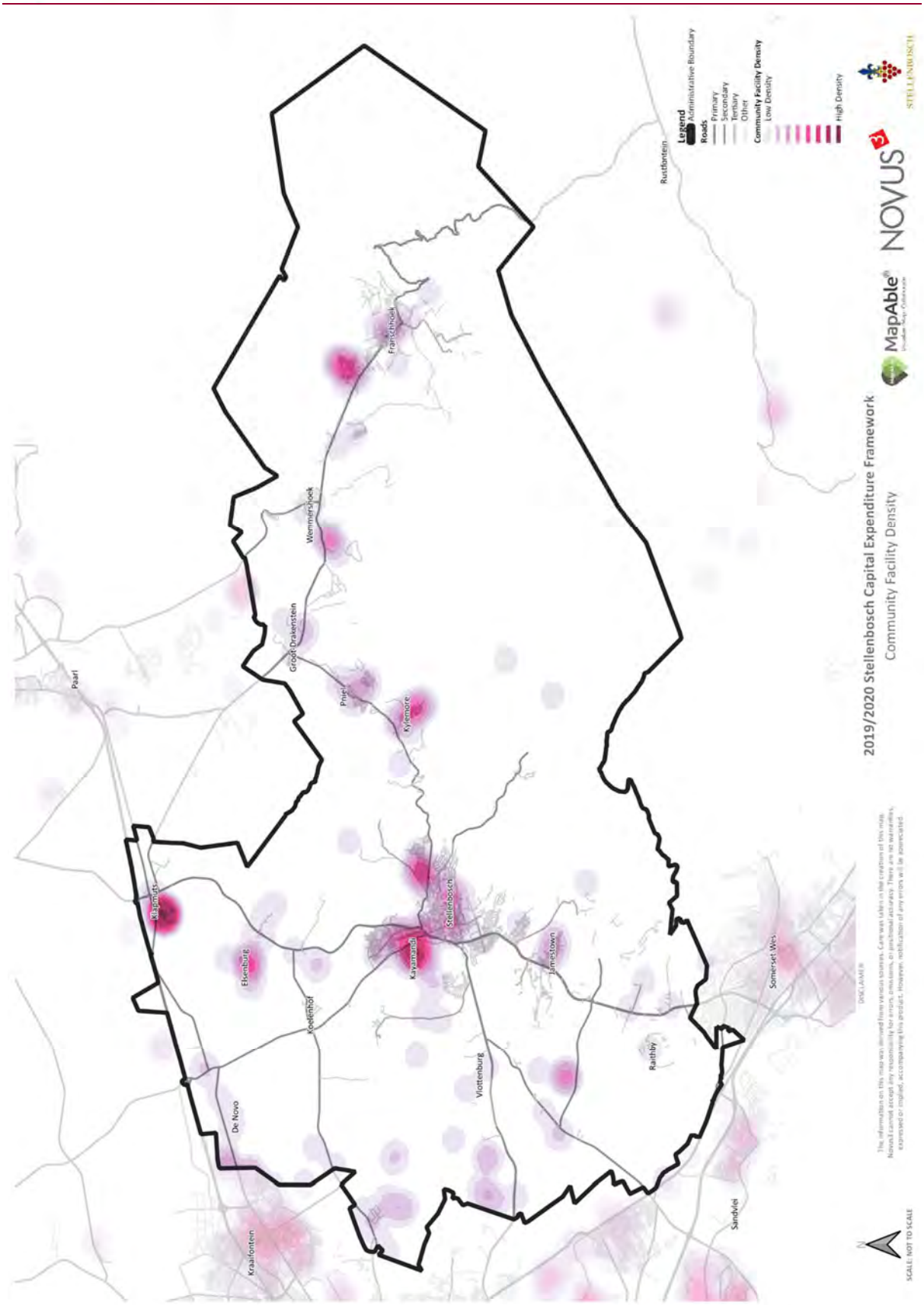
[7] MapAble database www.mapable.co.za
[8] Please click on the maps to open them on your browser; powered by MapAble



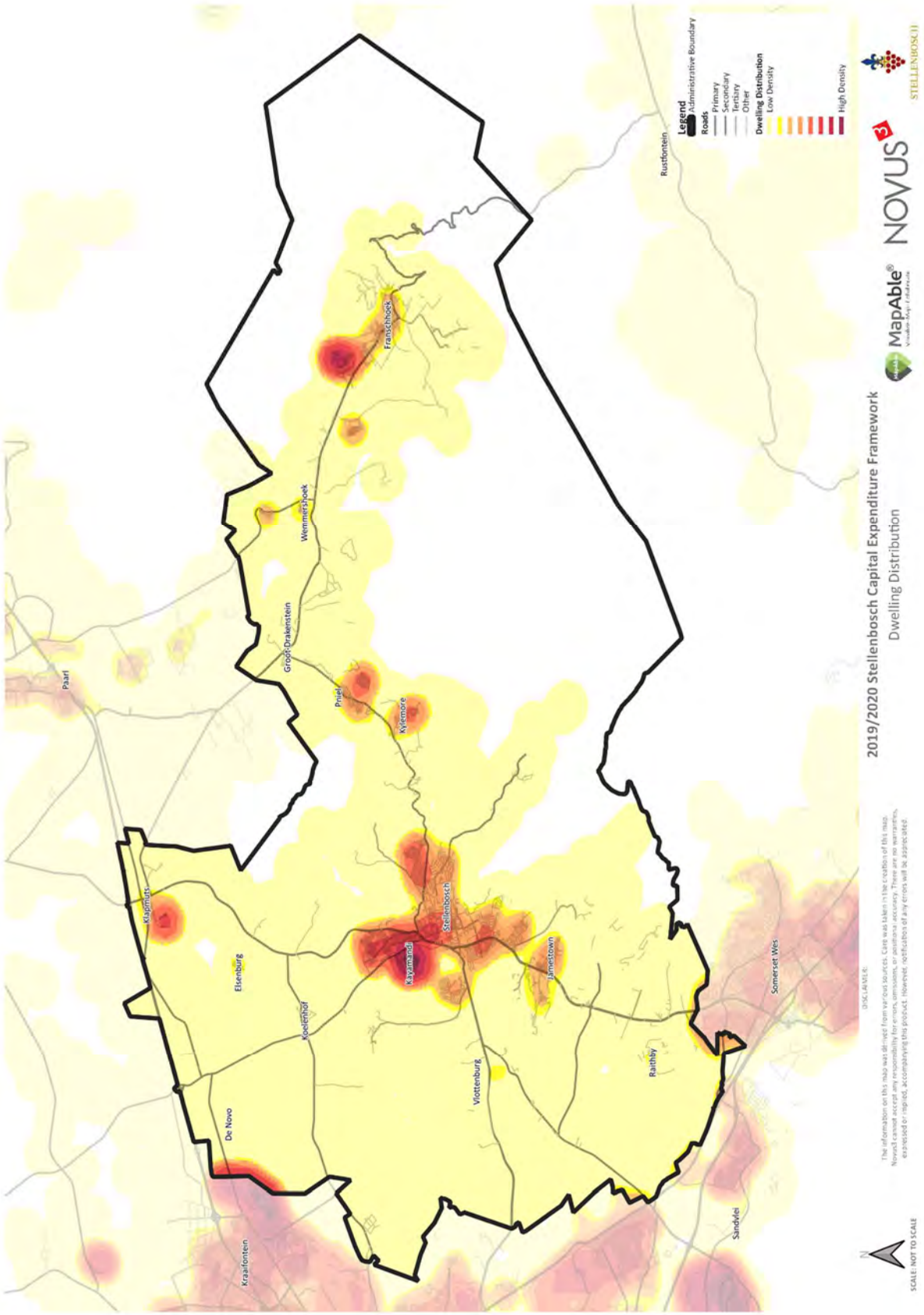
Map 3: Distribution of building Structures



Map 4: Business Densities



Map 5: Community Facilities densities



Map 6: Dwelling Distribution

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

2.7.3 The Adam Tas Corridor

The most strategically located land in Stellenbosch town comprises large industrial spaces, including land previously occupied by Cape Sawmills and Distell facilities. A significant proportion of these have been vacated or will be vacated in the foreseeable future in response to changes in the operating context of manufacturing enterprises. Thoughtful redevelopment of these spaces – at scale – can contribute meaningfully to meeting existing challenges and MSDF objectives. In simple terms, the concept is to launch a process of re-imagining and re-purposing the restructuring ofland around the Adam Tas Road within the Stellenbosch town to enable maximum potential of this space. This will entail the through redevelopment of the Adam Tas Corridor which includes, the area stretching along the R310 and R44 along the foot of Papegaaiberg, from the disused Cape Sawmills site in to the west to of Kayamandi and Cloetesville in along the north part of this corridor.

It forms the western edge to the town but is not well integrated with the rest of Stellenbosch, largely because of the barrier/ severance effect of the R44 and the railway line. Much of the area was historically utilised for light industrial and manufacturing purposes. It includes the dis-used sawmill site, the government owned Droë Dyke area, Distell's Adam Tas facility, Oude Libertas, various Remgro property assets, Bosman's Crossing, the rail station, Bergkelder complex, Van der Stel sports complex, the George Blake Road area, and parts of Kayamandi and Cloetesville. Under-utilised and dis-used land in the area measures more than 300ha.

Conceptually, a linear new district within Stellenbosch is envisaged adjacent to and straddling (in places) Adam Tas Road, the R44, and railway line. Overall, development should be residentially-led with a strong mixed use basis, high density and should favour non-motorised ("NMT") access to the centre of Stellenbosch Town. It is estimated that Adam Tas Corridor through a preliminary development conceptual framework that the ATC will produce approximately 3 million square metres of bulk within a 293ha area, with 69% earmarked for residential usage.

A central movement system (with an emphasis on public transport and NMT) forms the spine of the area and is linked to adjacent districts south and west of the corridor. The corridor retains west-east and north-south vehicular movement (both destined for Stellenbosch town and through movement) as well as the rail line. Remote parking facilities will enable ease of access within the corridor concept, with passengers transferring via public transport, cycling and walking to reach destinations within the town of Stellenbosch.

The corridor is not envisaged as homogenous along its length, with uses and built form responding to existing conditions and its relationship with surrounding areas. Conceptually, three (3) areas could defined as follows, each linked through a sub-district.

- The southern district comprises the disused sawmill site, Droë Dyke, and the Adam Tas complex. It can accommodate a mix of high density residential and commercial uses, as well as public facilities (including sports fields).
- The central district is the largest, including Bosman's Crossing, the Bergkelder, and the Van der Stell Sports complex. Here, development should be the most intense, comprising a mix of commercial, institutional, and high density residential use. The "seam" between this district and west Stellenbosch is Die Braak and Rhenish complex. The southern and central districts are

linked through Oude Libertas. Oude Libertas remains a public place, although some infill development (comprising additional public/ educational facilities) is possible.

- The northern district focuses on the southern parts of Kayamandi. The central and northern districts are linked through George Blake Road. This area effectively becomes the "main street" of Kayamandi, a focus for commercial, institutional, and high density residential use integrated with the rest of the corridor and western Stellenbosch town.

Along the corridor as a whole – depending on local conditions – significant re-use of existing buildings is envisaged. This is seen as a fundamental prerequisite for diversity, in built character and activity (as re-purpose offers the opportunity for great variety of spaces). Aspects of the industrial history of the area should remain visible. A range of housing typologies, accommodating different income groups and family types.

Redevelopment in terms of the concept offers the opportunity to:

- Re-imagine the future use of the land encompassed in the ATC;
- Grow Stellenbosch town – and accommodate existing demand – in a manner which prevents sprawl, and create conditions for efficient, creative living and working;
- Stimulate and act as a catalyst for the development of improved public transport and NMT;
- Reconstruct infrastructure, and particularly the movement system, including the possible partial grade separation of east-west and north-south movement systems, in turn, integrating the east and west of town and releasing land for development;
-
- Integrate Kayamandi and Stellenbosch town seamlessly;
- Shift new development focus to the west of town, with Die Braak and Rhenish complex forming the center and seam between the new west and east of Stellenbosch town;
- Investigate options for alternative parking provision initiatives in and around the town whilst the corridor provides for and promotes a greater focus -for non-motorised transport ;
- Accommodate uses which meet urgent needs, specifically higher density housing and university expansion, also assisting in establishing a compact, less sprawling town, public transport, and NMT; and

Existing manufacturing enterprises can gradually relocate to the north, closer to the N1 logistics corridor (as planned by Distell for their operations).

It is envisaged that a Local Spatial Development Framework ("LSDF") will be used as the enabling planning framework to realise the implementation of the Adam Tas Corridor over the next 3 – 20 years. This LSDF will include an Implementation Framework that will provide guidance in respect of the following:

- Most appropriate Land Use Strategy;
- Action Areas / Catalytic Projects;
- Framework for Investment; and
- Other enabling Interventions.

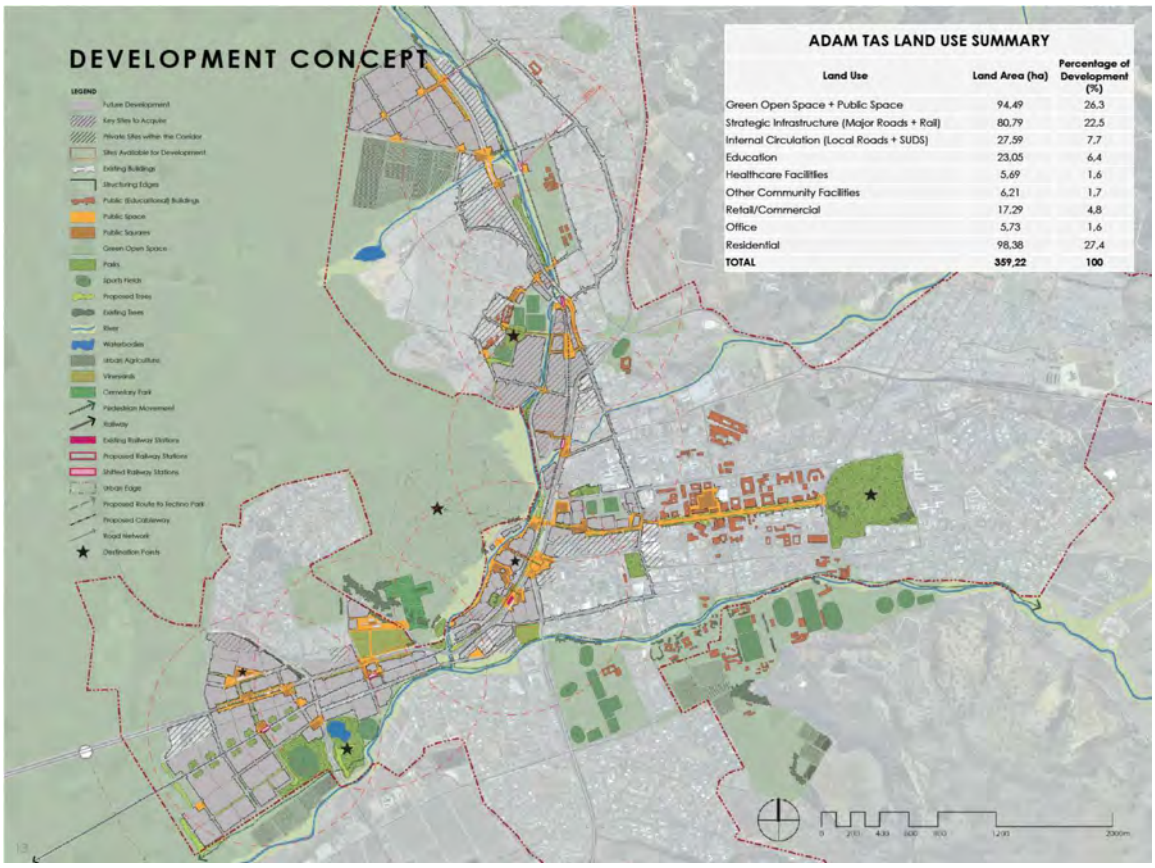
The LSDF and its Implementation Framework must spell out – in broad terms – what activities should ideally happen where (and in what form), where to start, and what infrastructure is anticipated by when. However, a spatial plan is not enough. The preparation of the plan has to be situated within a broader surround of development and transport objectives, institutional arrangements and

agreements, and parallel professional work streams, which is currently being initiated in conjunction with the Western Cape Government: Department of Environmental Affairs & Development Planning ("DEA&DP") as the coordinator within WCG.

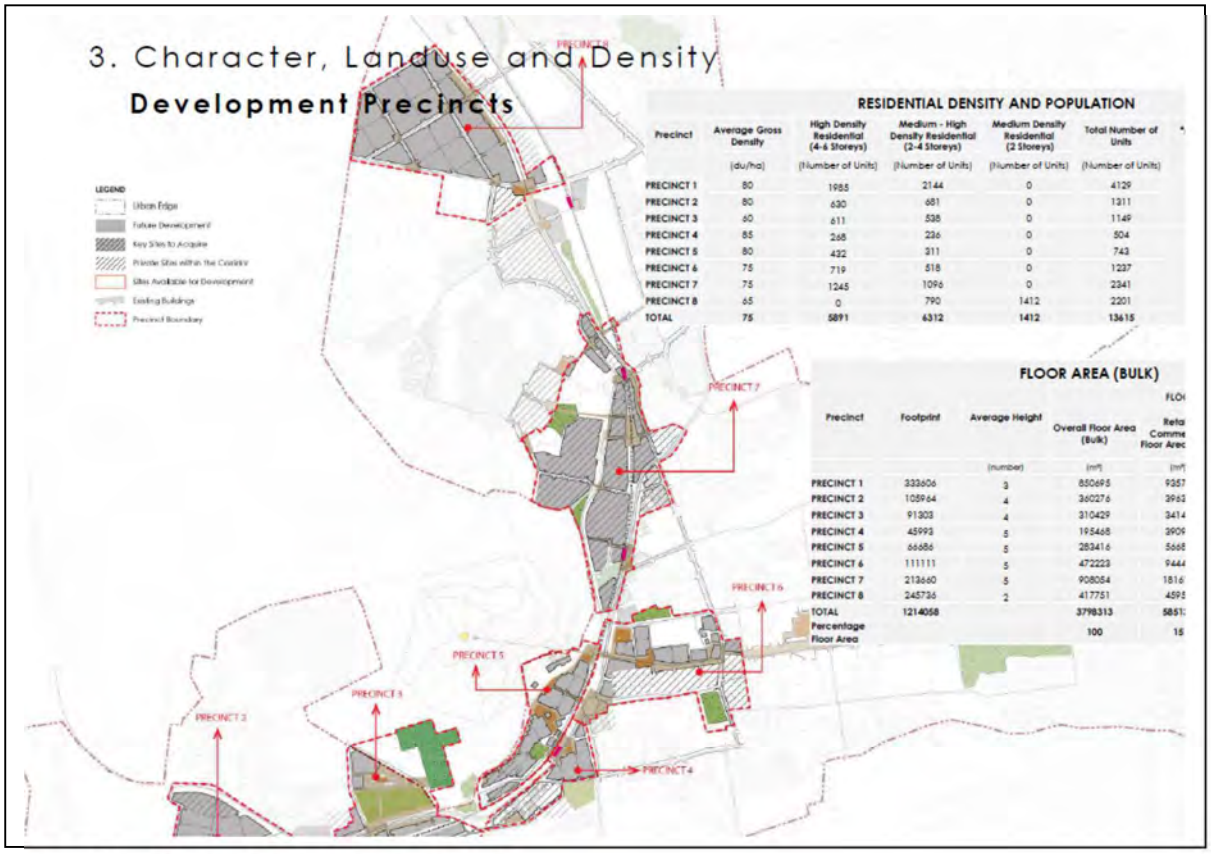
Institutional arrangements are critical, which includes all spheres government, private stakeholder involvement and established partnerships. It would include broad agreement between land owners and the municipality to pursue the corridor development concepts.

The emerging objectives for the Adam Tas Corridor are as follows:

- Re-purposinging and transforming Stellenbosch Town, using existing under-utilised assets in a manner to benefit all and address critical needs;
- Establishing a process and plan which gives certainty and sufficient flexibility to accommodate the unknown while enabling a "*starting through sharing, learning by doing and using small steps to inform the next methodology*";
- Broadening opportunity for a range of stakeholders, while accommodating varying degrees of readiness and material means; and
- To place Stellenbosch in the heart of the most important urban development project in the province.



Map 7: Adam Tas Corridor, Land Use



RESIDENTIAL DENSITY AND POPULATION

Precinct	Average Gross Density	High Density Residential (4-6 Storeys)	Medium - High Density Residential (2-4 Storeys)	Medium Density Residential (2 Storeys)	Total Number of Units
	(du/ha)	(Number of Units)	(Number of Units)	(Number of Units)	(Number of Units)
PRECINCT 1	80	1985	2144	0	4129
PRECINCT 2	80	630	681	0	1311
PRECINCT 3	60	611	538	0	1149
PRECINCT 4	85	268	236	0	504
PRECINCT 5	80	432	311	0	743
PRECINCT 6	75	719	518	0	1237
PRECINCT 7	75	1245	1096	0	2341
PRECINCT 8	65	0	790	1412	2201
TOTAL	75	5891	6312	1412	13615

FLOOR AREA (BULK)

Precinct	Footprint	Average Height	Overall Floor Area (Bulk)	Reta Comme Floor Area
		(number)	(m²)	(m²)
PRECINCT 1	333606	3	850695	9357
PRECINCT 2	105964	4	360276	3963
PRECINCT 3	91303	4	310429	3414
PRECINCT 4	45993	5	195468	2909
PRECINCT 5	66686	5	283416	5668
PRECINCT 6	111111	5	472223	9444
PRECINCT 7	213660	5	908054	1816
PRECINCT 8	245736	2	417751	4595
TOTAL	1214058		3798313	5851
Percentage Floor Area			100	15

Map 8: Adam Tas Corridor, Development Potential

2.7.4 Conclusion

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

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

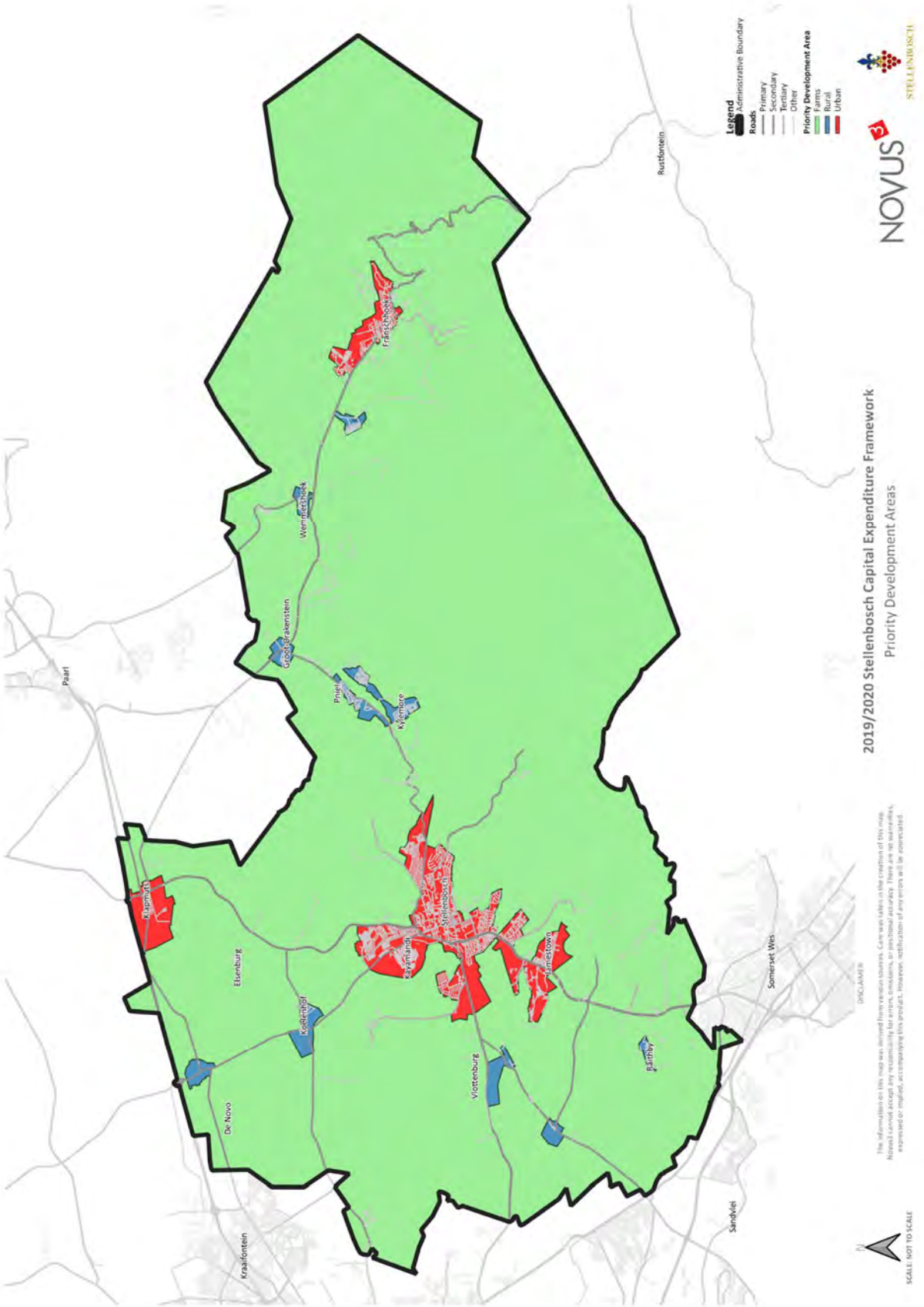
2.8 Unpacking the Priority Development Areas

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

Table 2: Population Distribution

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

Based on historical trends and prevailing policies of growth restrictions in the urban nodes, it is clear that development pressures will focus on the rural nodes. This is to the extent that the urban nodes will decrease in terms of its population share in the municipal areas. It does not imply that the urban and farming populations will not grow. The expected growth rates are, however, lower than the forecasts for the rural nodes.



Map 9: Priority Development Areas

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

Table 3: Summary profile of the Priority Development Areas

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

	Type	Urban node	Rural Node	Farming	Total
(ha)	Cultivated commercial pivot	0.00	0.00	84.11	84.11
	Cultivated orchard and vines	297.58	132.72	19 005.52	19 435.82
	Sugarcane	0.00	0.00	0.00	0.00
	Subsistence farming	0.00	0.00	0.00	0.00
	Forests & Plantations	43.97	15.04	2 951.10	3 010.11
	Mining	0.00	17.06	44.57	61.63
Land cover 2014 (urban)	Urban built-up	19.47	0.26	17.90	37.63
(ha)	Urban commercial	306.12	1.27	42.34	349.73
	Urban industrial	145.06	20.80	265.89	431.75
	Urban residential	867.70	28.90	58.46	955.06
	Urban townships	218.11	160.80	102.22	481.13
	Urban informal	47.61	0.00	3.92	51.53
	Rural villages	0.00	0.00	0.00	0.00
	Urban sports and golf	276.67	3.47	112.28	392.42
	School and sports grounds	66.67	13.05	22.86	102.58
	Small holdings	69.40	12.84	337.36	419.60
	TOTAL	2 016.81	241.39	963.23	3 221.43
Roads (km)	National	0	0	22.96	22.96
	Arterial	15.2	9.93	93.59	118.72
	Secondary	0.43	1.44	35.48	37.35
	Tertiary	22.64	19.42	513.75	555.81
	Main (Urban)	28.46	1.15	24.72	54.33
	Streets (Urban)	196.74	0.36	32.53	229.63
	Total roads	263.47	32.3	723.03	1018.8

Section 3 Socio-Economic & Spatial Profiling

3 Socio-Economic & Spatial Profiling

3.1 Contextualisation

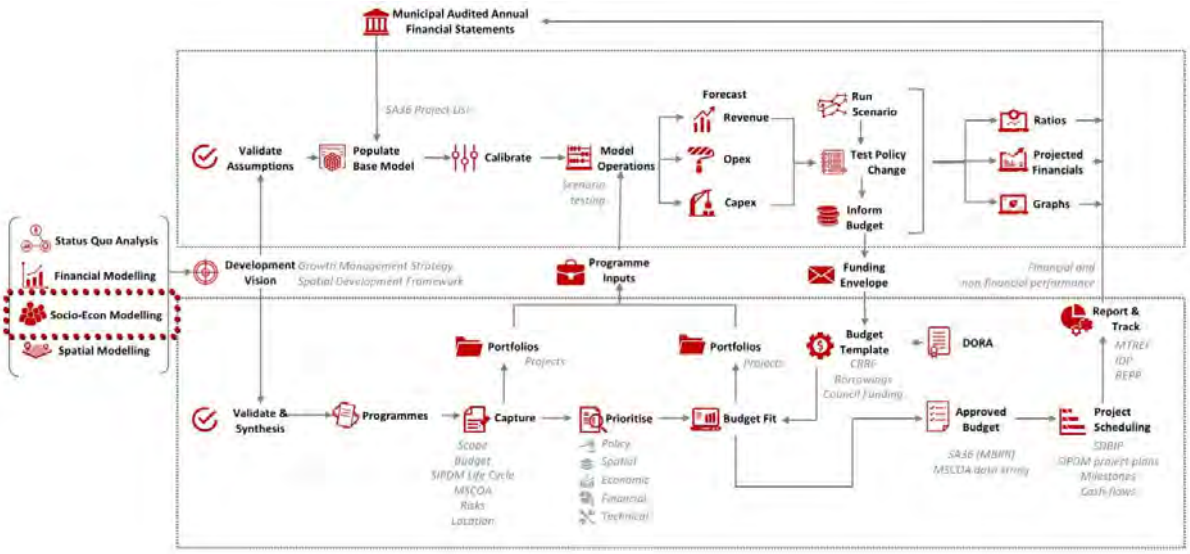


Figure 7: Socio Economic & Spatial Profiling

This section shows the demographic, socio-economic and spatial characteristics for the municipal area. The spatial and socio-economic profile of the municipality drives future demand and hence capital and operating investment and expenditure.

The aim of this analysis is to obtain an in-depth understanding of the demographic and socio-economic characteristics of the population that are being served in each FA of the municipality. This assessment typically includes the access to infrastructure and social services and amenities, as well as the level of service of these services and amenities. The purpose of the municipal profiling is therefore twofold:

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

These two basic elements were used to quantify and to project growth in infrastructure provision demand over the planning horizon of 10-years. Understanding the socio-economic and spatial profile of the municipality enables the municipality to make more accurate and informed decisions regarding capital investment going forward.

Social profiling is usually presented in a municipality's SDF, however, given the lack of quantification in the existing SDFs across local governments nation-wide, municipal and FA profiling is deemed a necessary step by the CEF guidelines as a prerequisite to evidence-based planning. This section therefore only presents the municipal profile for purposes of planning contextualisation.

3.2 General Context: Background

3.2.1 Demarcation History

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

Table 4: Stellenbosch Local Municipality's Demarcation History

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

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

The current demarcation process set to affect municipality boundaries in 2021 after the Local Government elections indicates that a 23rd ward is on the cards for the municipality. The draft revised boundaries is in the process of discussion.

3.2.2 Spatial Relationship

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

Simply, in terms of distance relations, development will always tend to gravitate towards the metropolitan core rather than away from it. This implies that the western parts of the municipality will always have more development pressure that the eastern parts. However, its interface with the high levels of settlement in the adjacent parts of the metropolitan area will benefit Stellenbosch or alleviate pressure if the Metropolitan Government peruses densification strategies under the banner of building a compact city. It might allow the Municipality to create a band of low-intensity development between its urban core and the adjacent settlement areas in the metropolitan area.

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

Map 10: Spatial Relationship of Stellenbosch

Apart from formal settlement areas, the municipal area also includes a number of informal settlements and a growing demand for housing amongst low and middle income households.

The following municipalities share their borders with Stellenbosch Municipality:

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

3.3 Macro-Economic Context

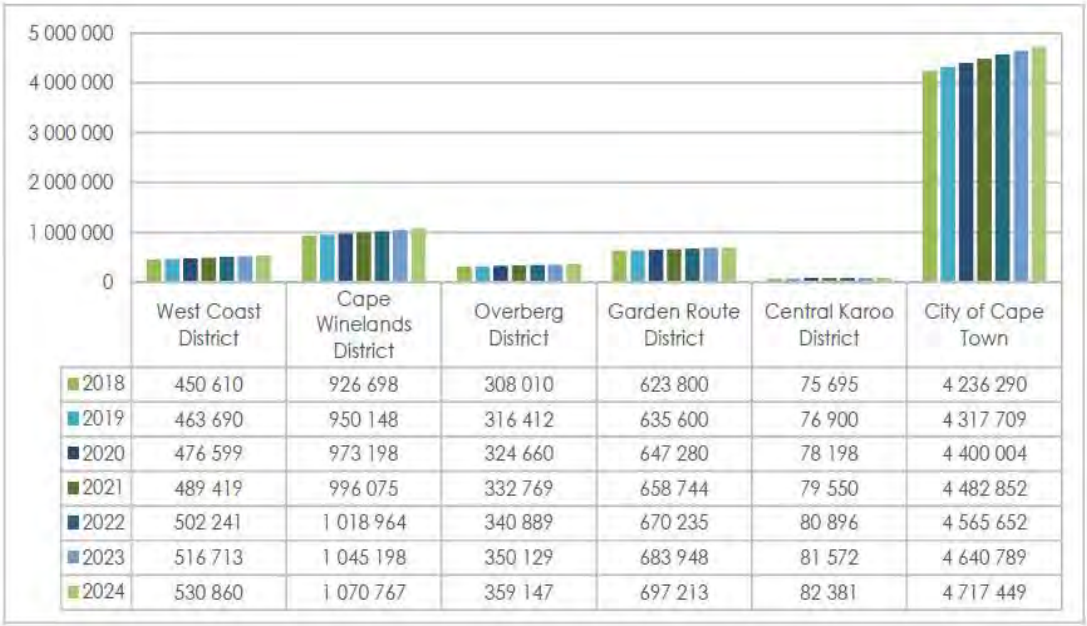
3.3.1 Demography

3.3.1.1 *Total Population*

The CWDM currently has a population of 926 698, rendering it the most populated district in the Western Cape. The total is estimated to increase to 1 070 767 by 2024 which equates to a 2.4 per cent compounded growth rate between the two reference years.

With an estimated population of 186 274 in 2019, Stellenbosch is the third most populated municipal area in the Cape Winelands District (CWD). The area is expected to grow to 200 157 by 2023, equating to an average annual growth rate of 1.8 per cent, and set to become the second most populated area in the District after Drakenstein from 2020 onwards.

The estimated population growth rate of Stellenbosch is slightly higher than that of the CWD at 1.6 per cent and on par with the Western Cape average annual growth rate of 1.8 per cent over the same period.



	West Coast District	Cape Winelands District	Overberg District	Garden Route District	Central Karoo District	City of Cape Town
2018	450 610	926 698	308 010	623 800	75 695	4 236 290
2019	463 690	950 148	316 412	635 600	76 900	4 317 709
2020	476 599	973 198	324 660	647 280	78 198	4 400 004
2021	489 419	996 075	332 769	658 744	79 550	4 482 852
2022	502 241	1 018 964	340 889	670 235	80 896	4 565 652
2023	516 713	1 045 198	350 129	683 948	81 572	4 640 789
2024	530 860	1 070 767	359 147	697 213	82 381	4 717 449

Figure 8: Population Profile, Cape Winelands and City of Cape Town

3.3.1.2 *Household Income Distribution*

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

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

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

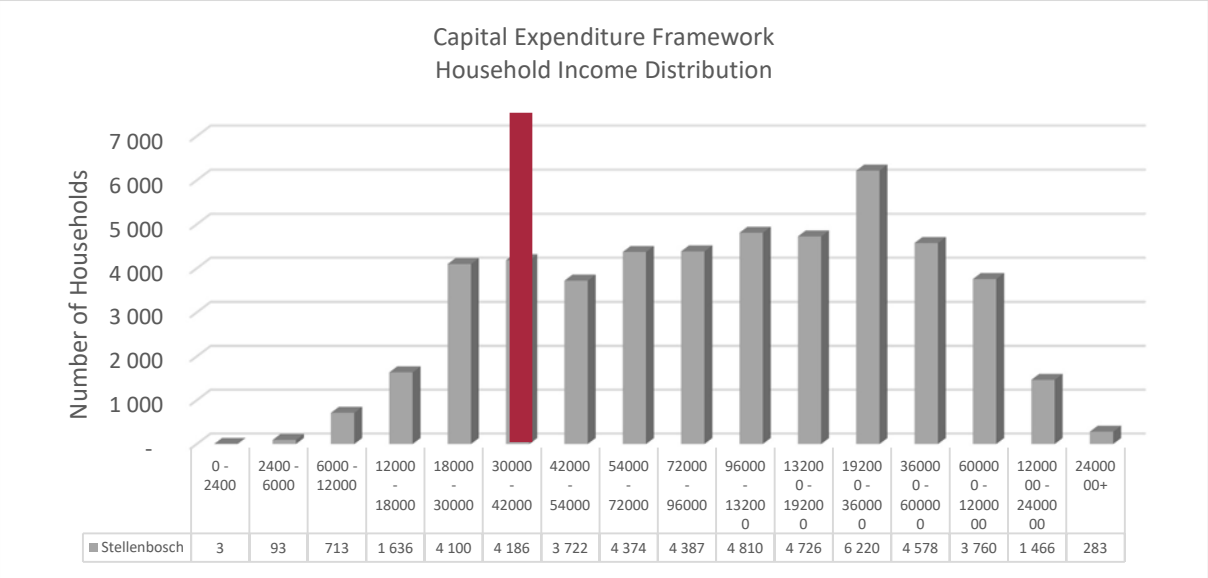


Figure 8: Distribution of Household Income

In 2017, the CWD economy grew by an estimated 1.7% which is higher than the provincial growth of 1%. In 2016, the CWD contributed R60.6 billion to the economy of the Western Cape, with the largest contributions made by the Drakenstein (R19.9 billion) and Stellenbosch (R14.6 billion) municipal areas. The economies of these two municipal areas grow at very similar rates, and it is estimated that between 2013 and 2017, the Drakenstein and Stellenbosch Municipal areas' economies grew at an annual average rate of 1.7%.

The local economies were influenced by the volatile national economy, especially in 2015, 2016 and 2017. The economic growth in these three years has fluctuated sporadically and is still much lower than the average 10-year economic growth rates.

The local economy of the Stellenbosch Municipal area is driven by the wholesale and retail trade sector; the finance, insurance, real estate and business services sector; and the manufacturing sector. Collectively, these sectors contribute 58.7% (R8.6 billion) to the Municipal GDPR. The manufacturing sector in the Stellenbosch Municipal area is highly reliant on the agriculture, forestry and fishing sector, as 40% of manufacturing sector activities are within the food, beverages and tobacco subsector.

Table 5: Cape Winelands District GDPR contribution and average growth rates per municipal area, 2012 – 2017

Municipality	R million value 2016	Contribution to GDPR (%) 2016	Trend 2006 - 2016	Trend 2013 - 2017e	Real GDPR growth (%) 2012	2013	2014	2015	2016	2017e
Witzenberg	8 197.9	13.5	4.9	3.7	4.9	5.0	5.6	2.9	1.6	3.2
Drakenstein	19 896.8	32.9	2.4	1.7	2.8	2.6	2.7	1.4	0.7	1.2
Stellenbosch	14 561.2	24.0	2.5	1.7	2.9	2.6	2.7	1.5	0.9	1.0
Breede Valley	11 665.3	19.3	3.0	2.1	3.2	3.2	3.6	1.5	0.6	1.9
Langeberg	6 234.7	10.3	3.1	2.3	3.4	3.2	3.9	1.7	0.0	2.7
Total Cape Winelands District	**60 555.9**	**100**	**2.9**	**2.1**	**3.2**	**3.1**	**3.4**	**1.7**	**0.8**	**1.7**
Western Cape Province	**529 927.7**	**-**	**2.6**	**1.8**	**2.9**	**2.6**	**2.4**	**1.5**	**1.2**	**1.0**

3.3.1.3 *Population Age profile*

Population Age Profile of Stellenbosch reflects a very young population with the highest population being amongst the 20-24-year cohort. This is typical of a young developing society although in Stellenbosch's case. This number is likely influenced by the number of students coming in the area.

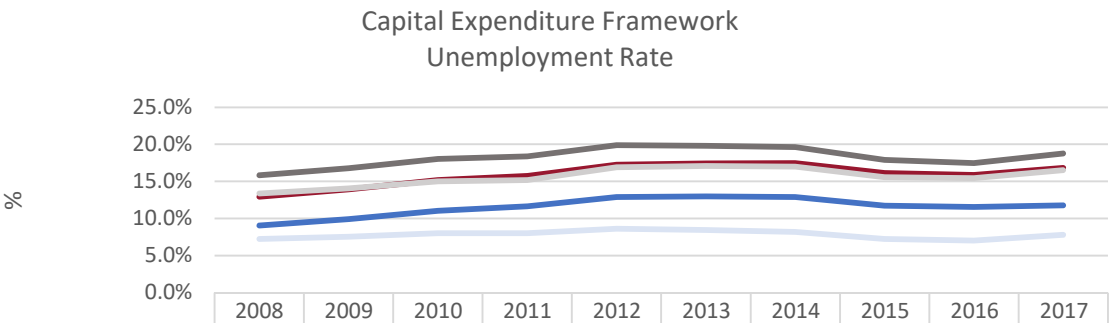
Between 2019 and 2025, the largest population growth was recorded in the 65+ aged cohort which grew at an annual average rate of 4.1 per cent. This predicted growth rate increases the dependency ratio towards 2025.

Table 6: Age Cohorts and Dependency Ratio

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Total	Dependency Ratio
2019	45,105	131,887	9,282	186,274	41.2
2022	47,544	140,077	10,647	198,268	41.5
2025	49,749	145,910	11,806	207,465	42.2
Growth	1.6%	1.7%	4.1%		-

3.3.1.4 *Unemployment Rate*

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



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Witzenberg	7.2%	7.5%	8.0%	8.0%	8.6%	8.4%	8.2%	7.3%	7.0%	7.8%
Drakenstein	15.8%	16.8%	18.0%	18.4%	19.9%	19.8%	19.7%	17.9%	17.5%	18.8%
Stellenbosch	13.0%	13.9%	15.2%	15.8%	17.3%	17.4%	17.5%	16.1%	15.9%	16.8%
Breede Valley	13.4%	14.1%	15.0%	15.2%	16.9%	17.1%	17.0%	15.6%	15.4%	16.5%
Langeberg	9.0%	9.9%	11.0%	11.6%	12.9%	13.0%	12.9%	11.7%	11.6%	11.8%

Figure 9: Unemployment Rate

3.3.2 Economy

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

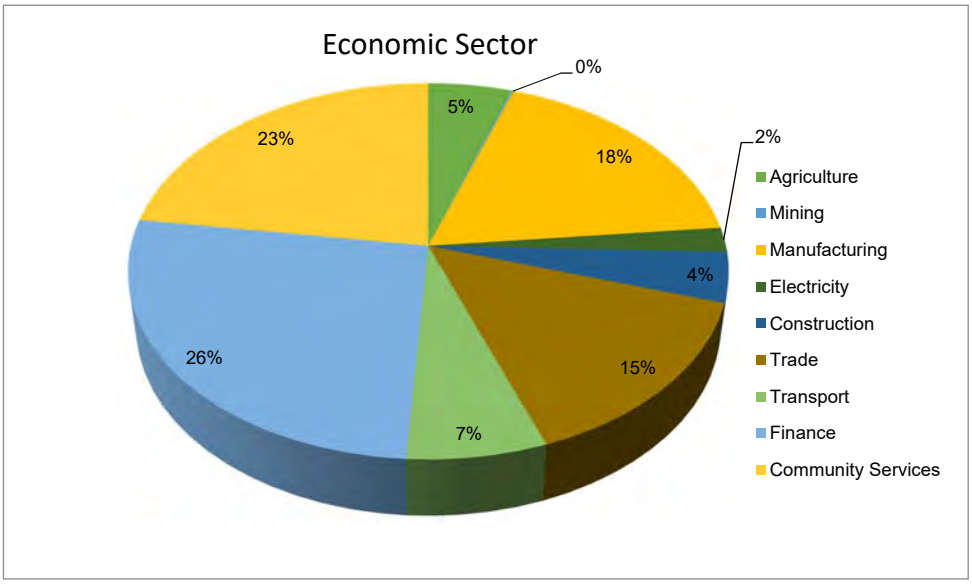


Figure 10: Economic Sectors

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

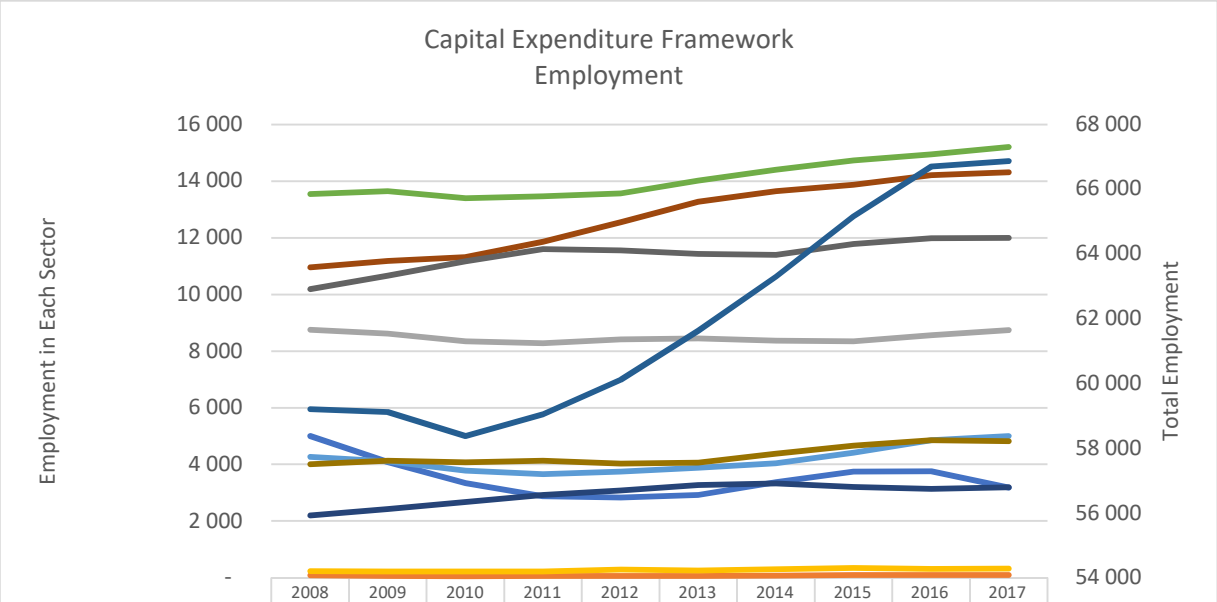
Proportional growth was experienced in Finance's contribution to the local GVA, even though a declining trend is noted in Agriculture and Manufacturing, indicatives of a change in the economic structure is evident.

Table 7: Proportional Growth of economic Sectors

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

3.3.2.1 *Employment*

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



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture	4 998	4 082	3 337	2 873	2 829	2 924	3 370	3 749	3 755	3 176
Mining	78	56	54	56	57	55	67	91	91	99
Manufacturing	8 751	8 620	8 348	8 274	8 409	8 444	8 368	8 340	8 558	8 742
Electricity	224	222	216	216	286	258	292	338	306	319
Construction	4 266	4 106	3 783	3 655	3 746	3 885	4 039	4 412	4 853	4 998
Trade	13 548	13 646	13 395	13 469	13 572	14 019	14 408	14 729	14 949	15 205
Transport	2 196	2 422	2 670	2 916	3 078	3 272	3 332	3 201	3 135	3 192
Finance	10 959	11 178	11 321	11 865	12 554	13 274	13 645	13 868	14 216	14 318
Community Services	10 183	10 661	11 169	11 599	11 551	11 435	11 403	11 780	11 988	12 002
Households	4 002	4 127	4 076	4 126	4 032	4 061	4 373	4 656	4 854	4 817
Total	59 207	59 120	58 370	59 049	60 114	61 626	63 296	65 163	66 706	66 868

Figure 11: Employment

3.3.2.2 *Tourism Spend*

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

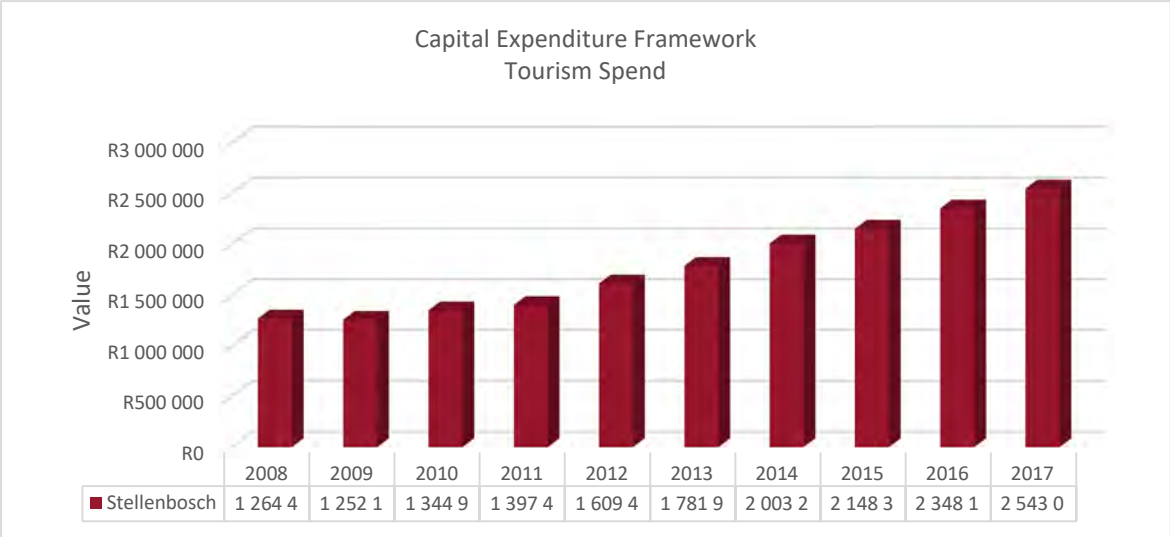
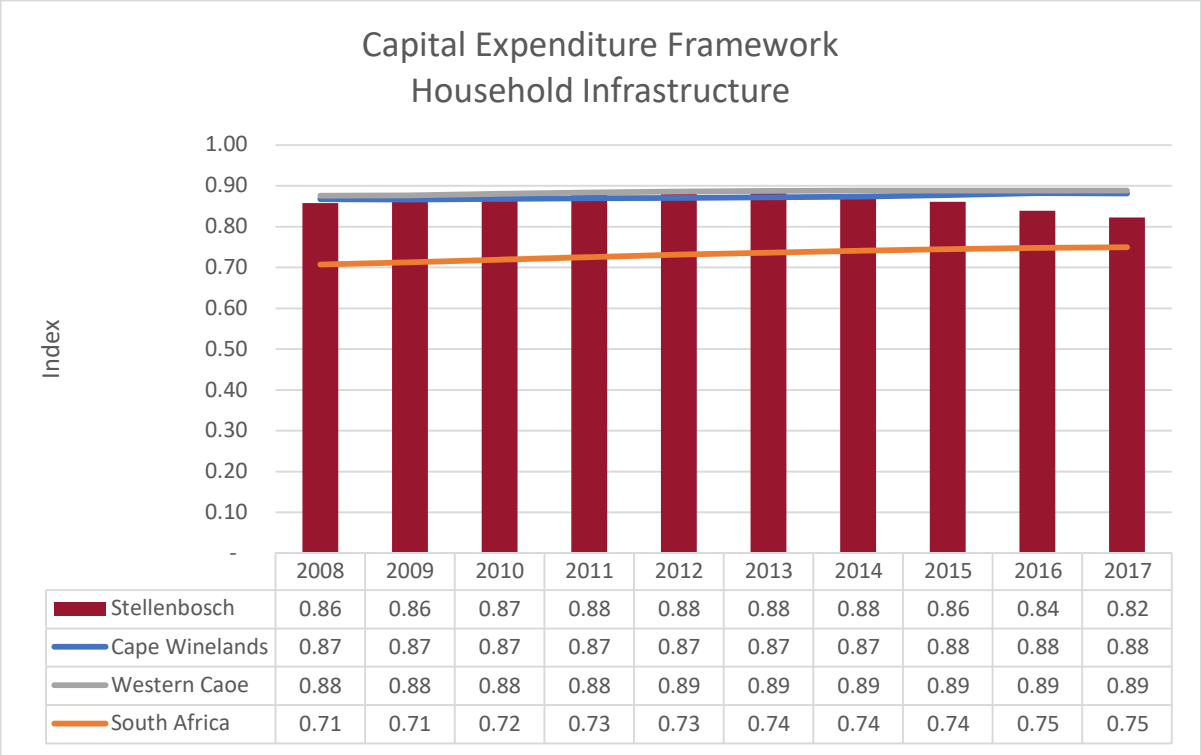


Figure 12: Tourism Spend

3.3.3 Household Infrastructure

The average Infrastructure Index (2008-17), a population-adjusted, access-to-service weighted index, which measures a region's overall access to household infrastructure, is 0.86[9]. This is higher than the National index of 0.74. Although service backlogs are relatively low, Housing backlogs contributed significantly to the decline in household infrastructure delivery.



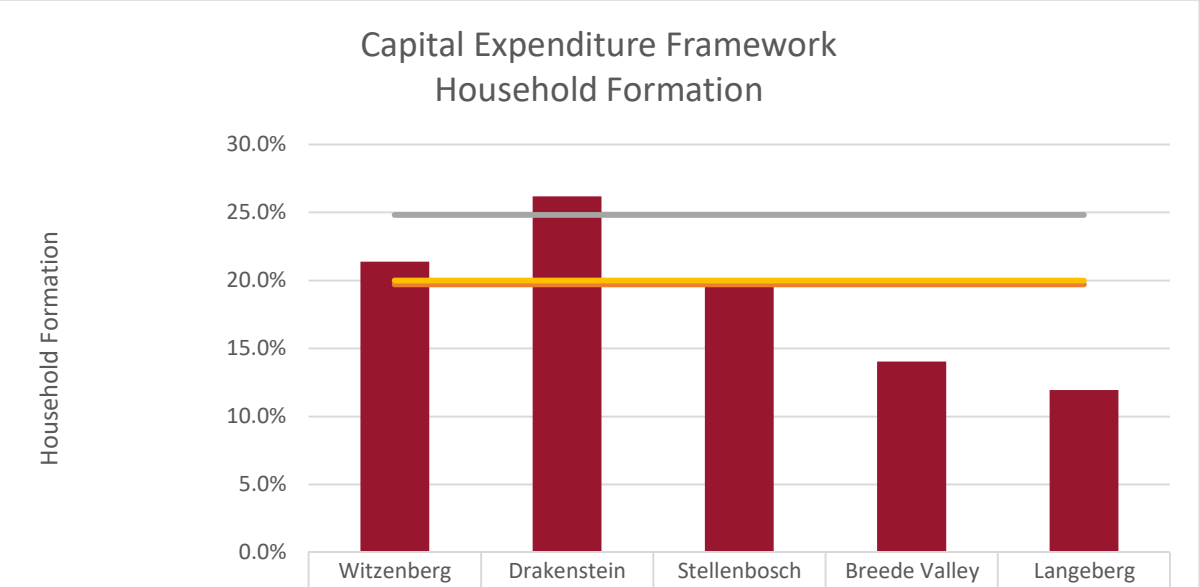
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Stellenbosch	0.86	0.86	0.87	0.88	0.88	0.88	0.88	0.86	0.84	0.82
Cape Winelands	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.88	0.88	0.88
Western Caoe	0.88	0.88	0.88	0.88	0.89	0.89	0.89	0.89	0.89	0.89
South Africa	0.71	0.71	0.72	0.73	0.73	0.74	0.74	0.74	0.75	0.75

Figure 13: Infrastructure Index

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

3.3.3.1 *Household Formation*

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



	Witzenberg	Drakenstein	Stellenbosch	Breede Valley	Langeberg
Local Municipalities	21.4%	26.2%	20.2%	14.0%	12.0%
Cape Winelands	19.7%	19.7%	19.7%	19.7%	19.7%
Western Caoe	24.8%	24.8%	24.8%	24.8%	24.8%
South Africa	20.0%	20.0%	20.0%	20.0%	20.0%

Figure 14: Household Formation

3.3.3.2 *Household Infrastructure Provision*

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

Table 8: Household Infrastructure Provision (2017)

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

3.4 Stellenbosch Municipal Area: Demography

3.4.1 Basic population characteristics

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

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

3.4.1.1 *Population and gender*

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

Table 9: Population and Gender

	1996	2001	2011	CS2016[10]
Males	51,224	57,850	76,158	
Females	53,411	61,129	79,536	
Population density (persons/ha)	1.15	1.40	1.83	2.04
Total Population	104,635	118,979	155,694	173,197

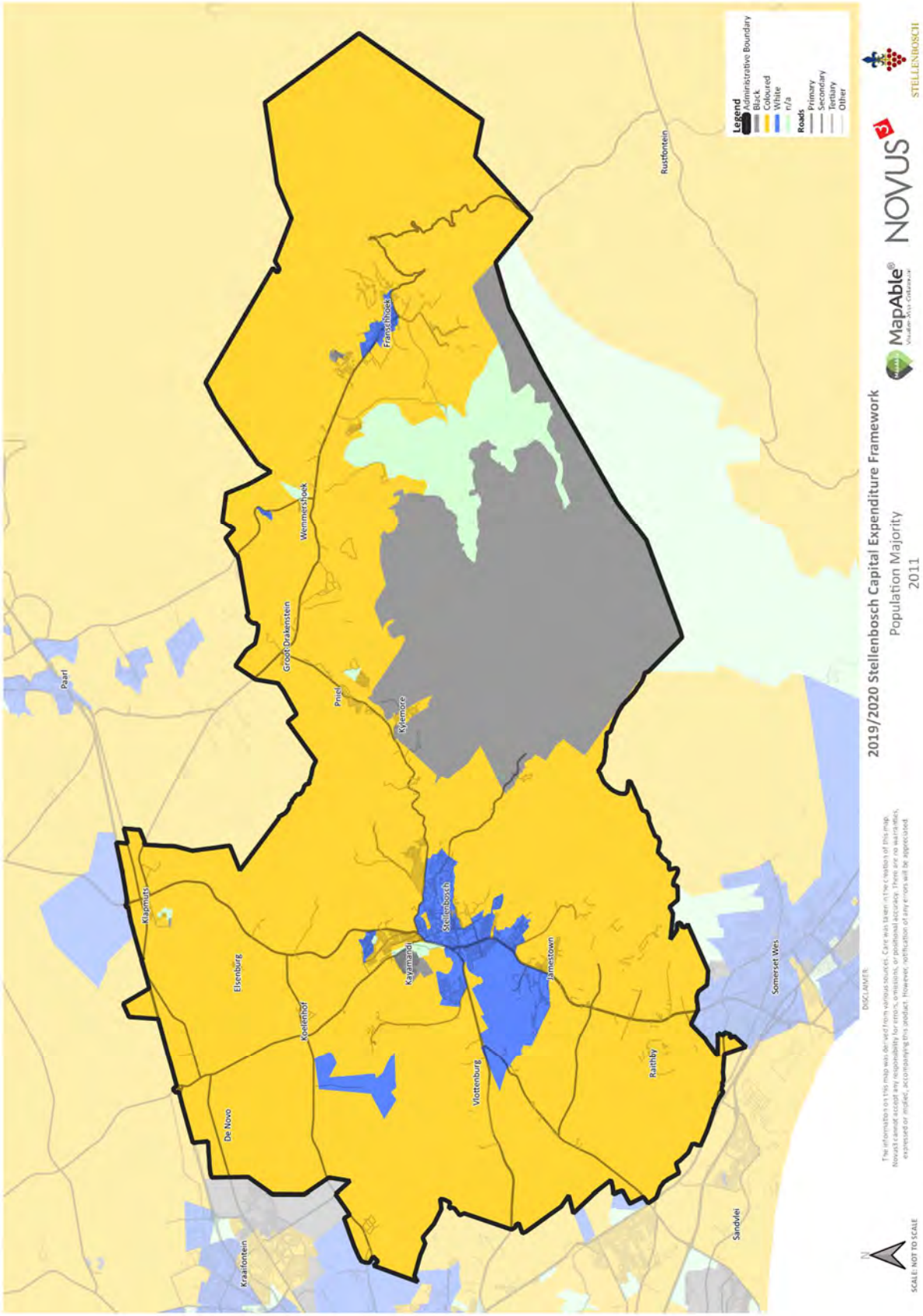
3.4.1.2 *Population groups*

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

Table 10: Population Groups

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

[10] The StatsSA Community Survey does not give a gender breakdown per municipality



Map 11: Population Majority 2011

3.4.1.3 *Age groups*

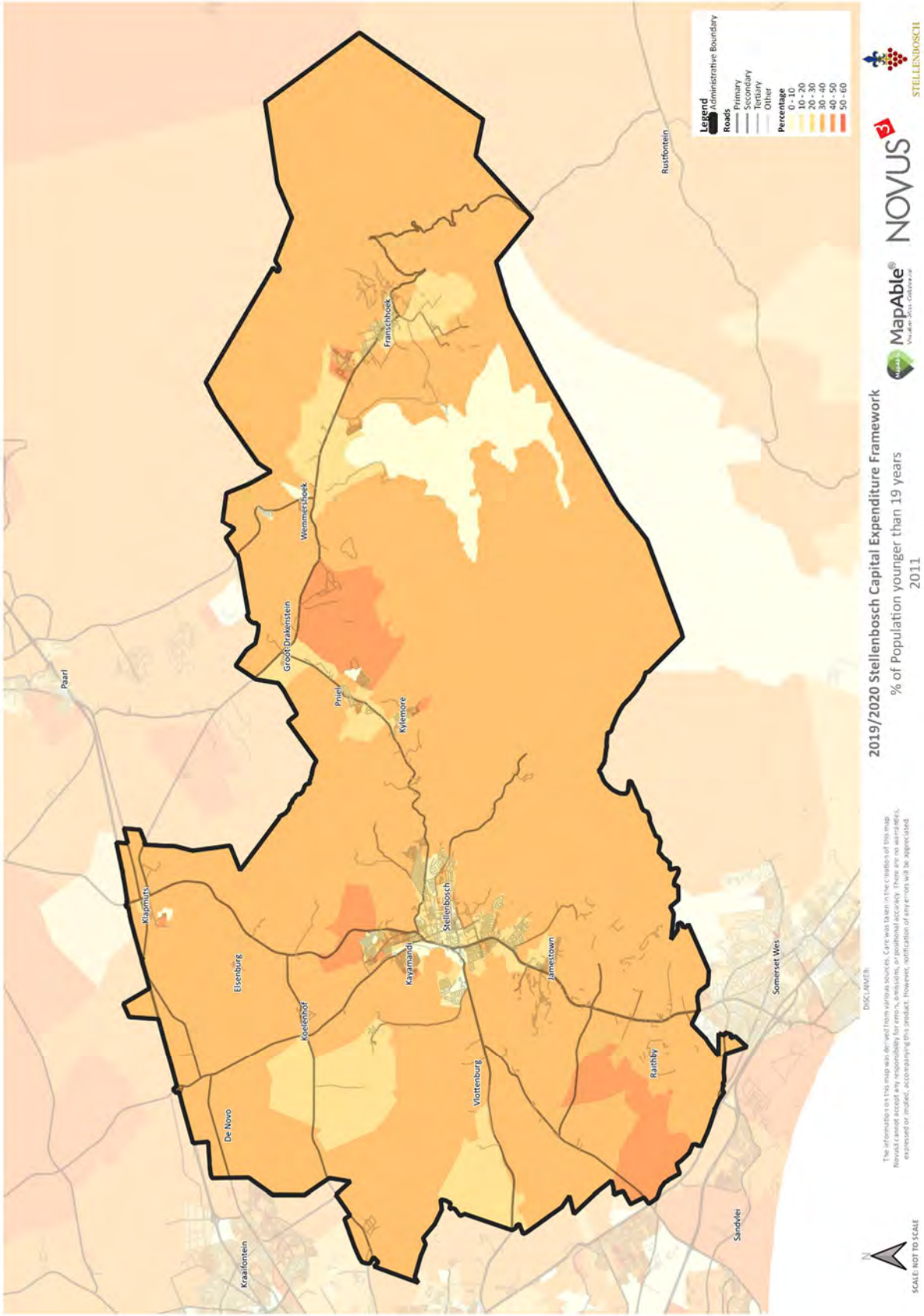
Age groups are very important in any demographic assessment. The age structure of the population provides a very direct indication of long-term demand for community and social services, housing and infrastructure demand. The table below only reflects on four age categories. The first category is the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

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

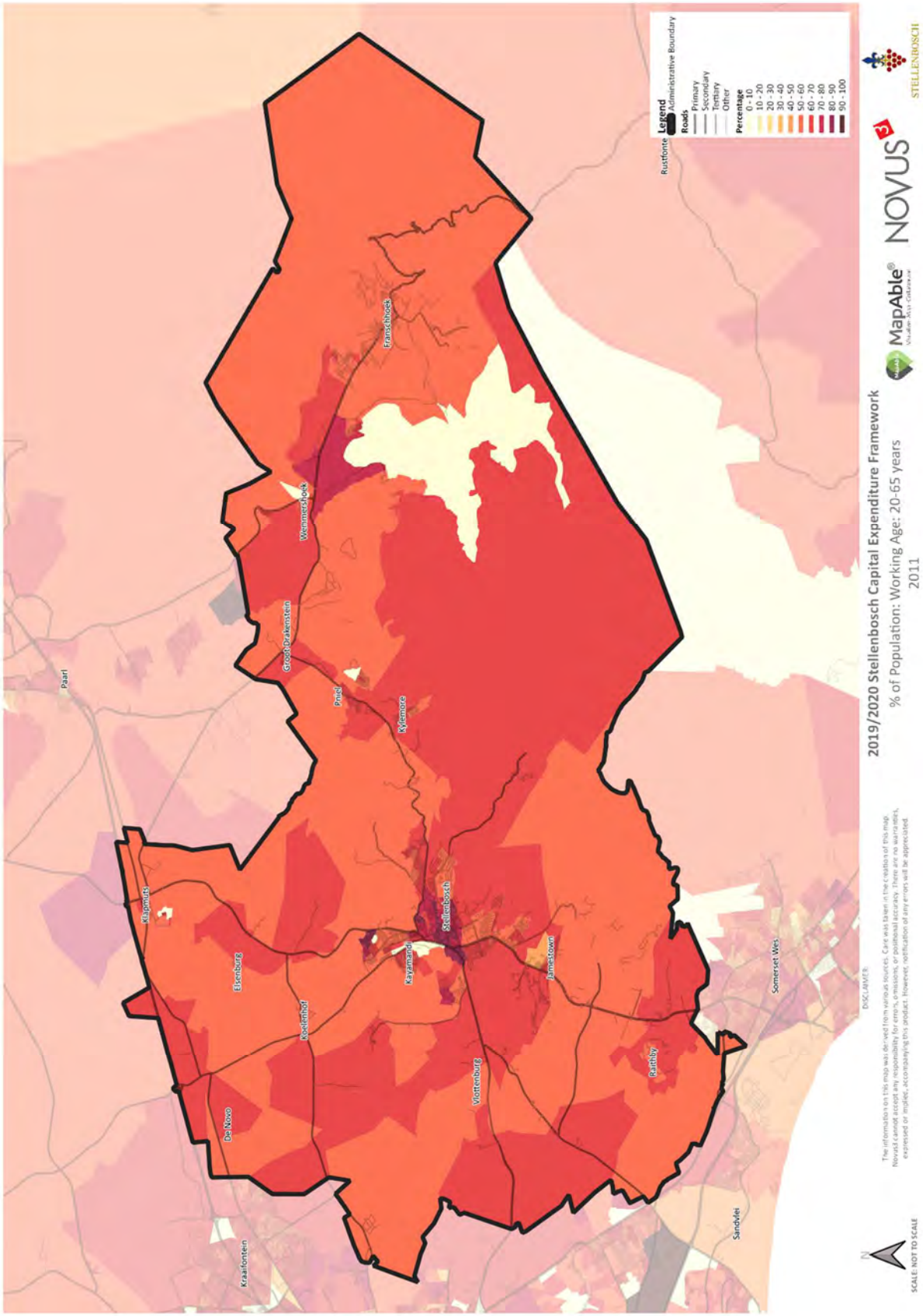
Table 11: Age groups[11]

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

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



Map 7: % Of the Population – younger than 19 years (2011)



Map 8: % of the Population: Working age – 20 to 65 year (2011)

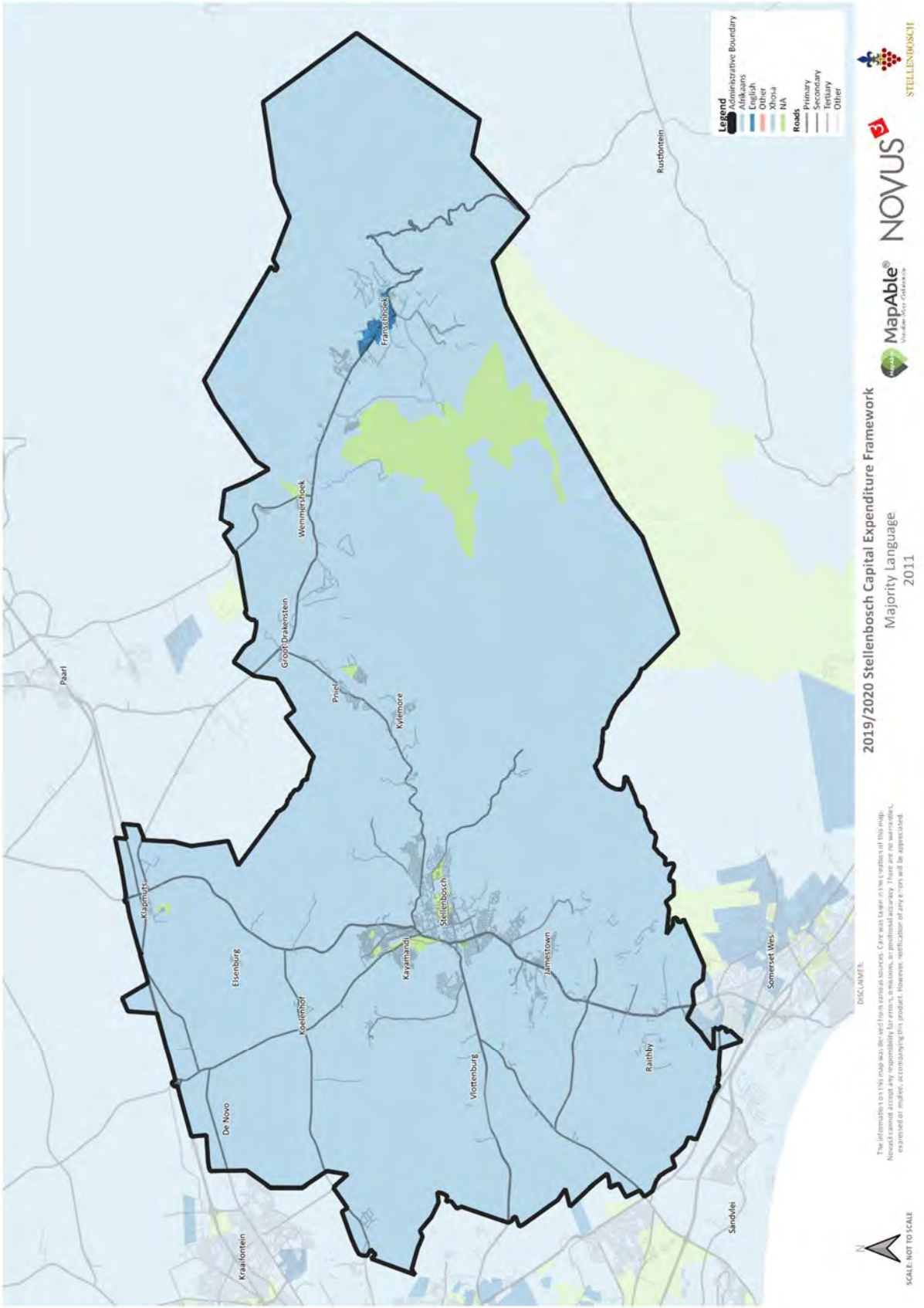
3.4.1.4 *Language groups*

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

Table 12: Language groups[12]

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

[12] CS2016 do not provide data for municipalities.



Map 9: Majority Language (2011)

3.4.2 Household Characteristics

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

3.4.2.1 *Households, size and density*

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

Table 1: Total Households, size and density

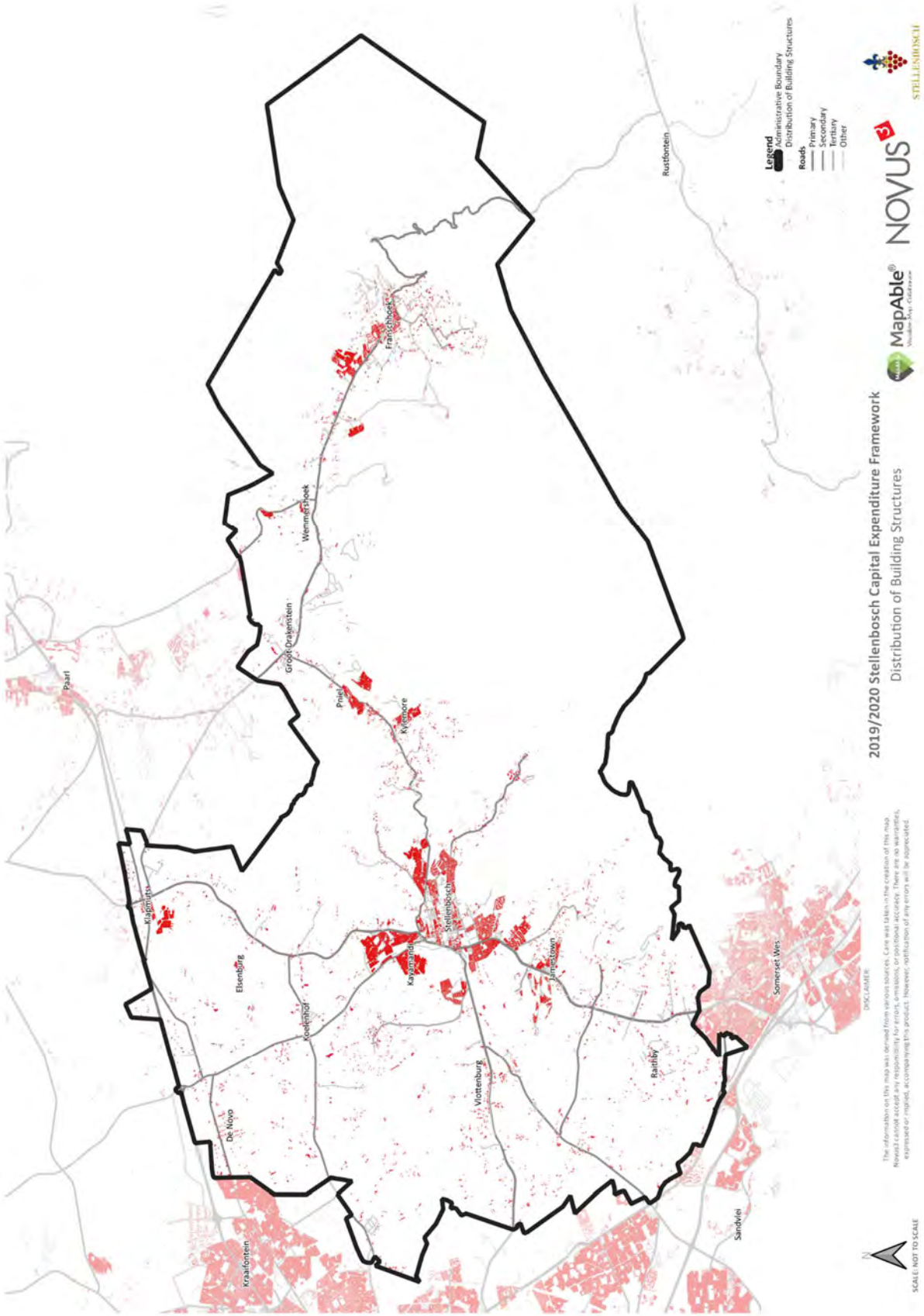
	1996	2001	2011	2016
Total households	26,154	35,165	43,328	52,274
Household density (households/ha)	0.29	0.41	0.51	0.62
Ave household size	4.00	3.38	3.59	3.3

3.4.2.2 *Dwelling frame 2018 profile*

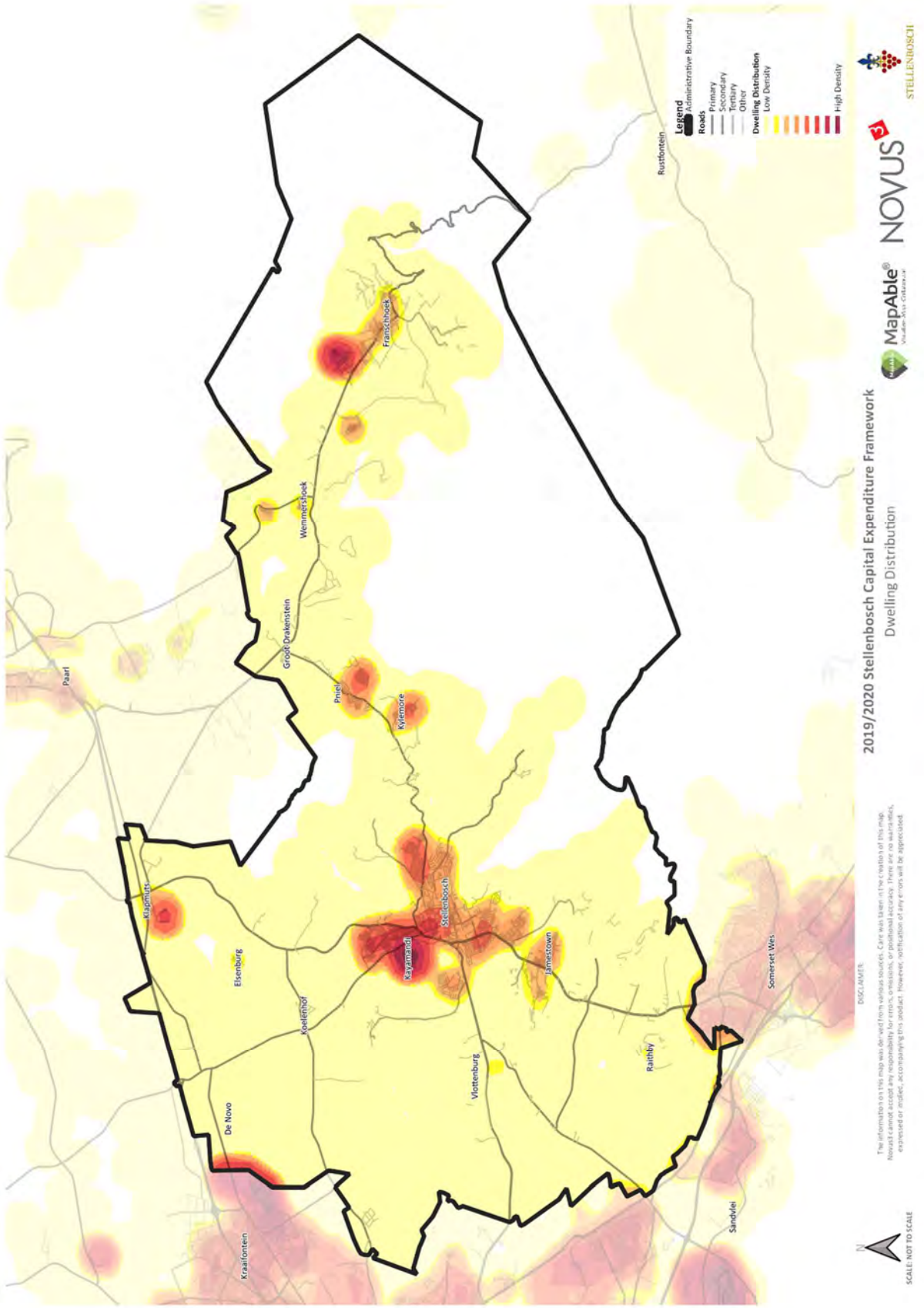
The Statistics South Africa Dwelling Frame data reports the following profile for the area. It indicates figure very similar to that of Census 2011 which is an indication, as is shown later in the report, of a slowdown in expected household growth over the longer term.

Table 2: Dwelling Frame 2018

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



Map 10: Dwelling Frame 2018 – Building structures



Map 11: Dwelling Units per Km^2 (Kernel densities)

3.4.2.3 *Head of household*

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

Table 3: Head of Household by gender[13]

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

3.4.2.4 *Household income*

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

Table 4: Household income per month in 2011 Rand values[14]

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

3.4.2.5 *Dwelling type*

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

[13] CS2016 does not provide compatible data. Data only available at district municipality level.
[14] No compatible data available for 2016

Table 5: Dwelling type

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

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

3.4.2.6 *Dwelling Ownership*

Dwelling ownership data must be treated with circumspect. The data from the census below is based on the occupant's perceptions. There are many ownership systems available. If ownership is interpreted as freehold ownership in terms of a title deed, many areas in South Africa are excluded from this form of ownership. The table below reflects the position as reported for Stellenbosch in the censuses. [15]

Table 6: Dwelling Ownerships

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

3.4.3 Migration

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

[15] 1996 census data is not comparable to the 2001 and 2011 census.

3.4.3.1 *Country of origin*

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

Table 7: Migration - country of origin[16]

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

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

3.4.3.2 *Province of previous residence*

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

Table 8: Province of previous residence[17]

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

[16] CS2016 only provides data at provincial level.
[17] CS2016 only provides data at provincial level.

3.5 Education

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

Table 9: Highest level of education[18]

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

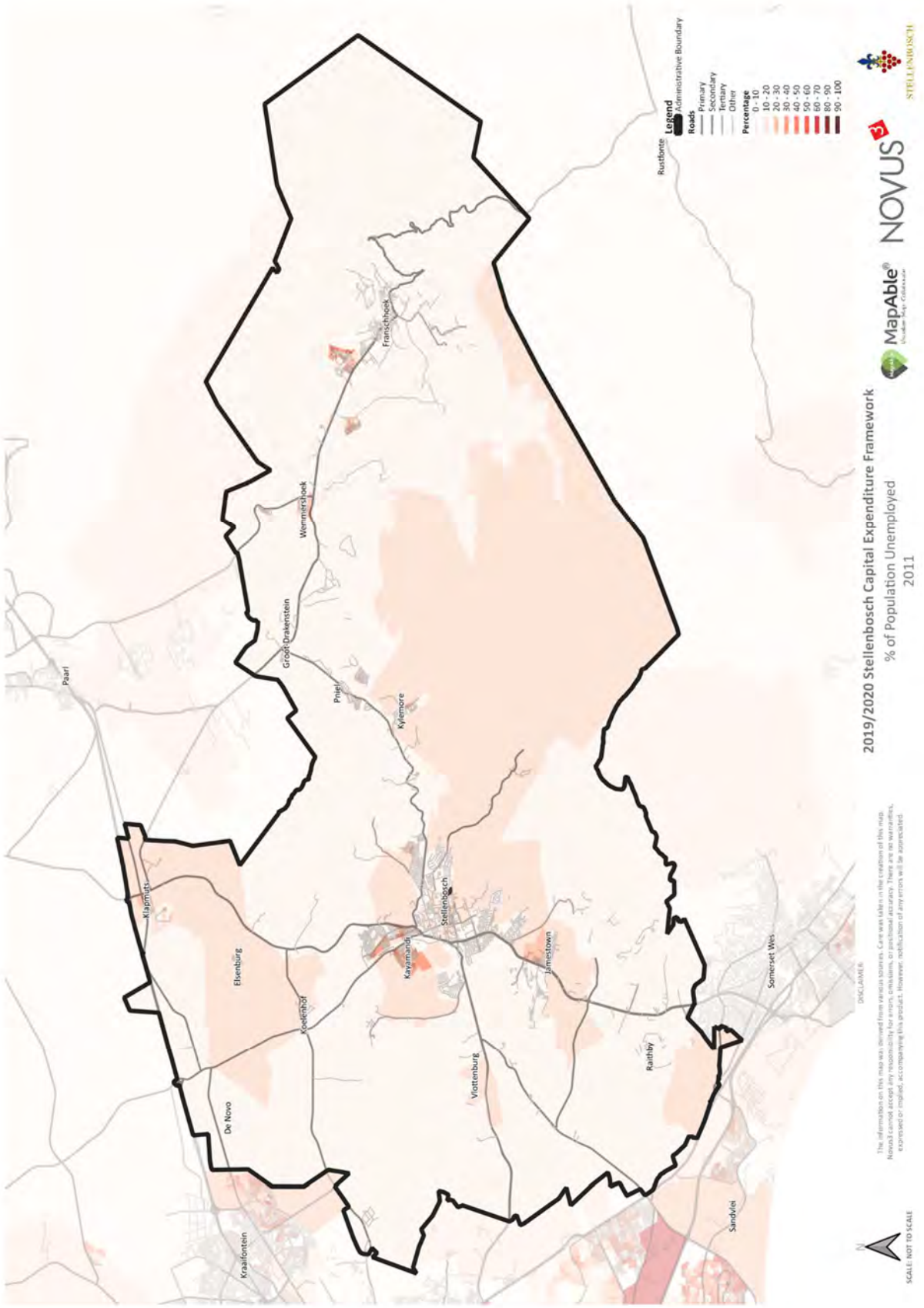
3.6 Employment

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

Table 10: Employment within the area[19]

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

[18] CS2016 not in a comparable format
[19] Employment was not reported in CS2016



Map 12: Percentage people unemployed in 2011

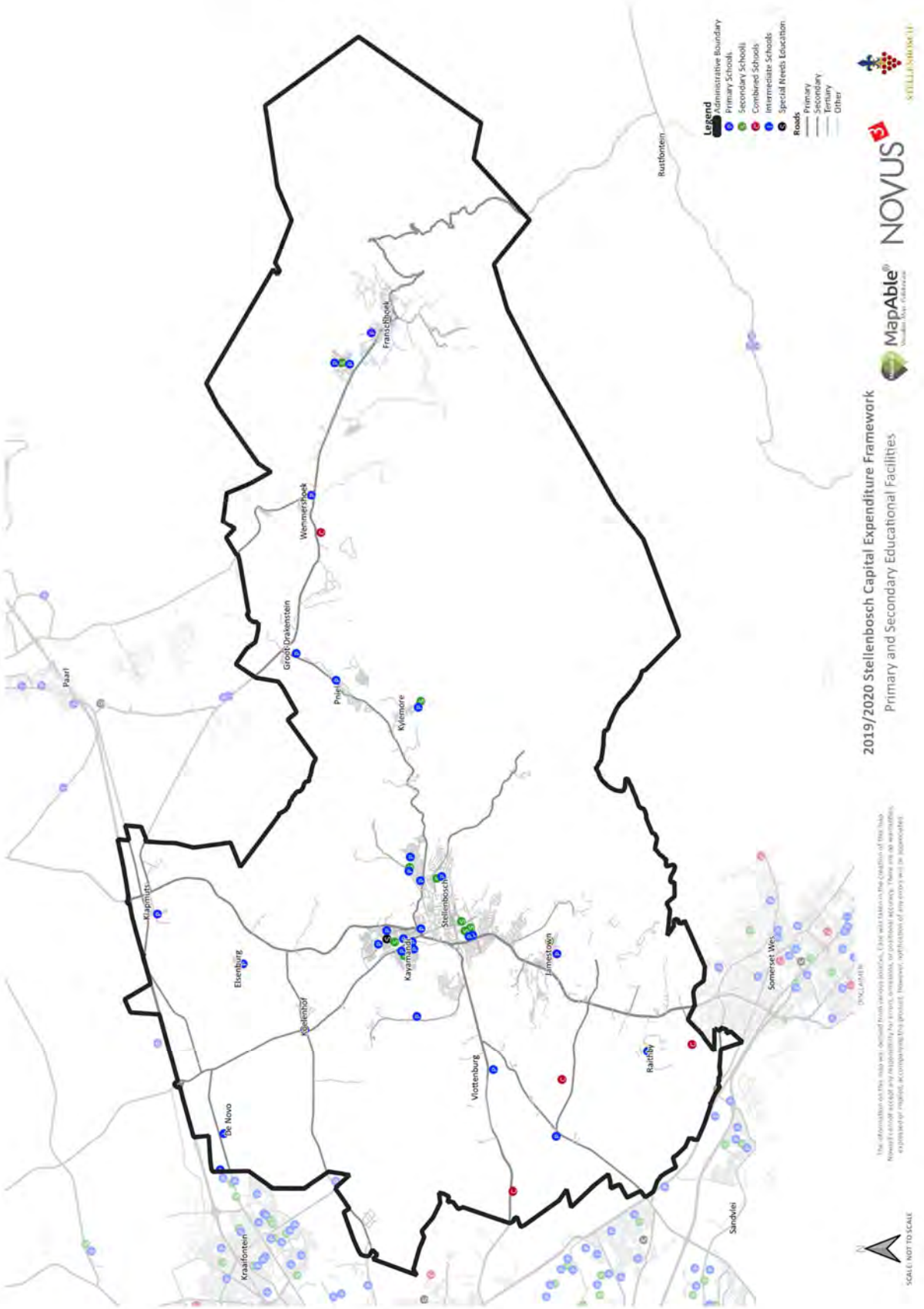
3.7 Social and community facilities

3.7.1 Education facilities

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

There is a total of:

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



Map 13: Primary and secondary Educational facilities (2016)

3.7.2 Health Facilities

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

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

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

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

3.7.3 SAPS Stations

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

Table 11: Police stations

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

The following SAPS precinct(s) are affecting the area although the police stations for the precincts may be located outside the area of assessment[20]:

Table 12: Area covered by SAPS precincts

Precinct name	% of the assessment area
Brackenfell	2.27 %
Cloetesville	2.52 %
Franschhoek	23.92 %
Groot-Drakenstein	12.89 %
Klapmuts	3.97 %
Kleinvlei	0.08 %
Kraaifontein	1.17 %
Kuilsrivier	0.15 %

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

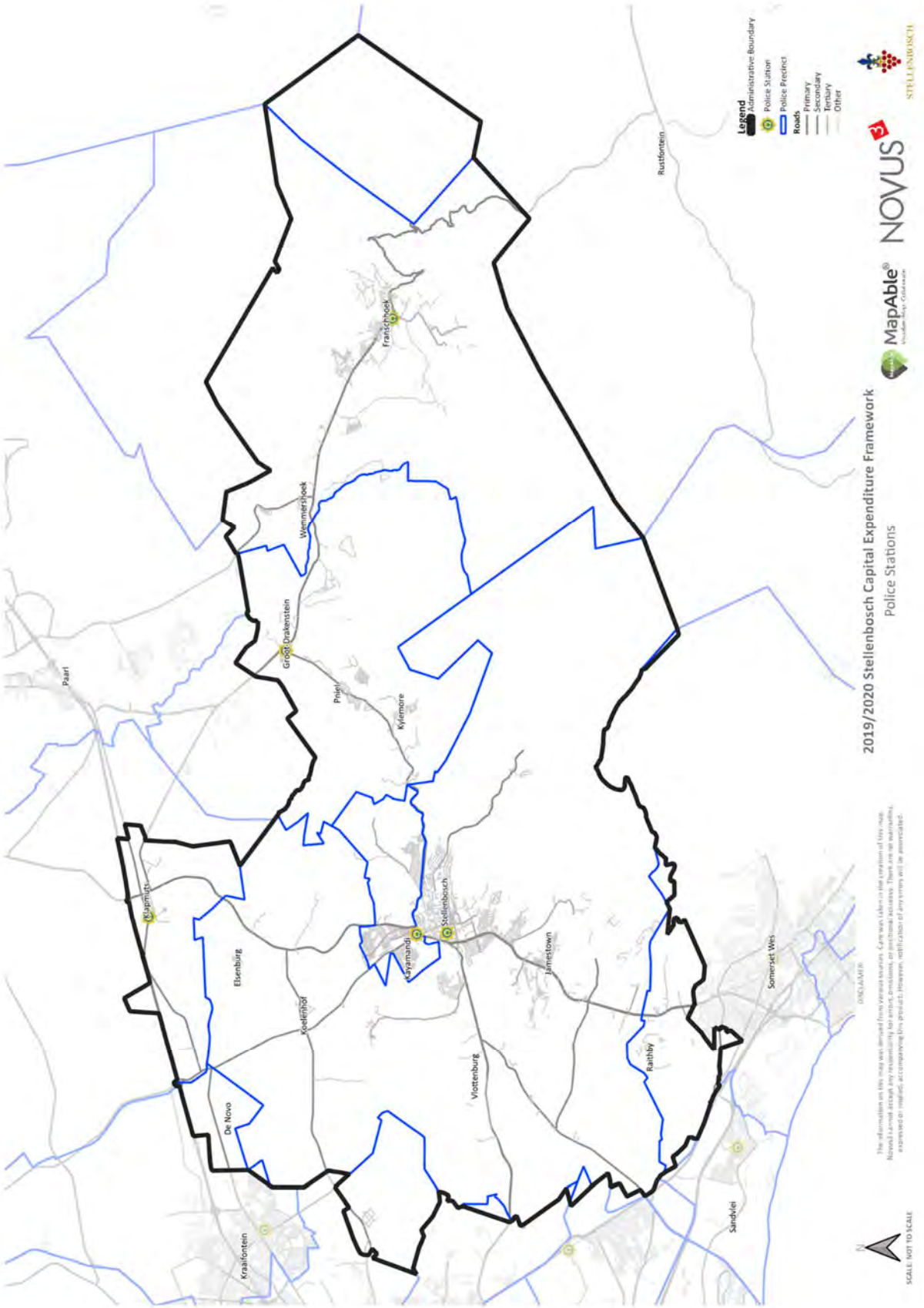
Somerset West	3.26 %
Stellenbosch	44.87 %
Villiersdorp	4.91 %

3.7.4 Lower courts

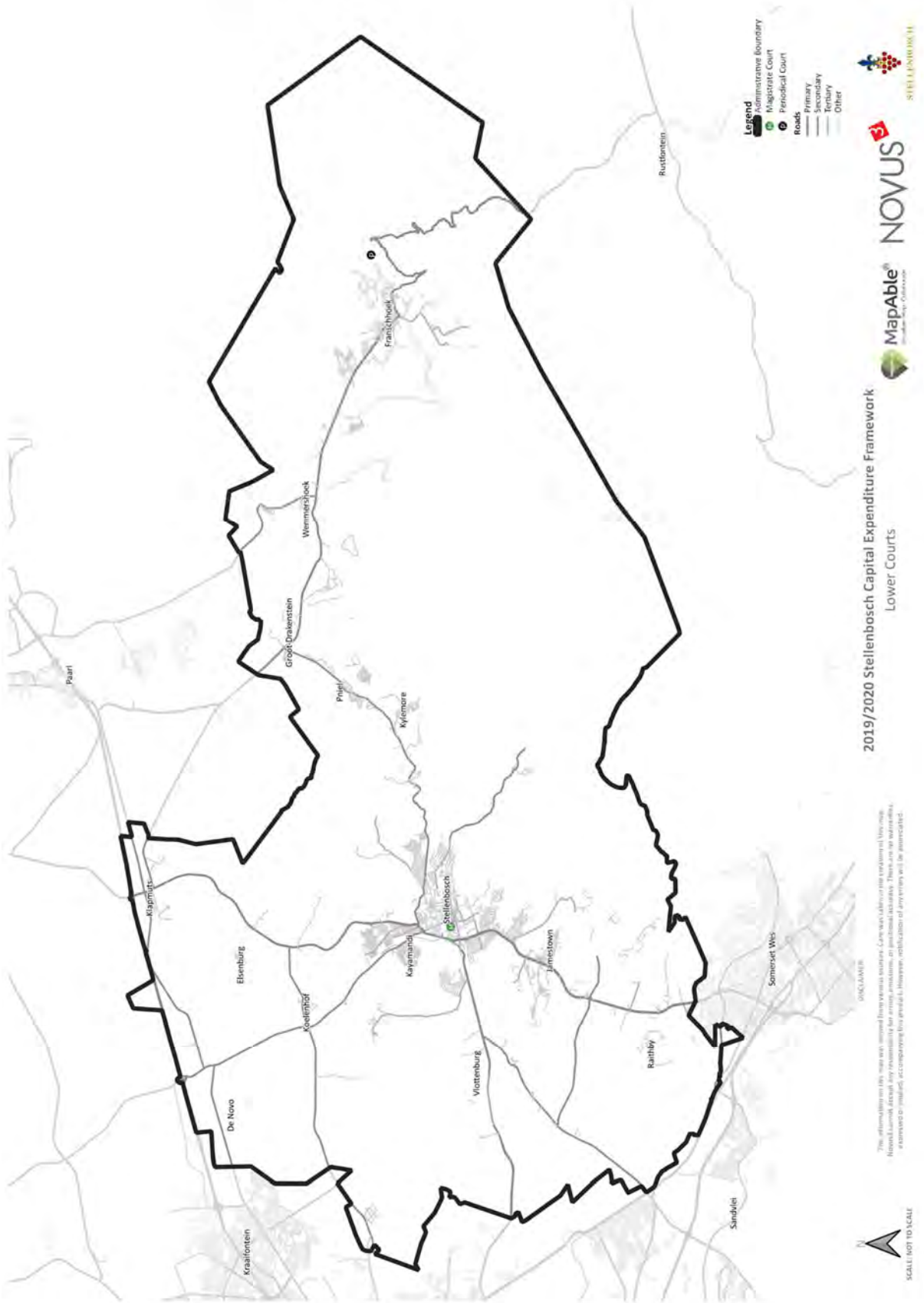
The courts of South Africa are the civil and criminal courts responsible for the administration of justice in South Africa. The following table below describes the courts within the area (if present).

Table 13: Lower courts in the area

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



Map 14: Safety and security



Map 15: Lower Courts

3.8 Settlement footprint

3.8.1 Land cover

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

The following table lists the extent of land cover in the area under assessment. The results are expressed as hectares covered by a category. [21]

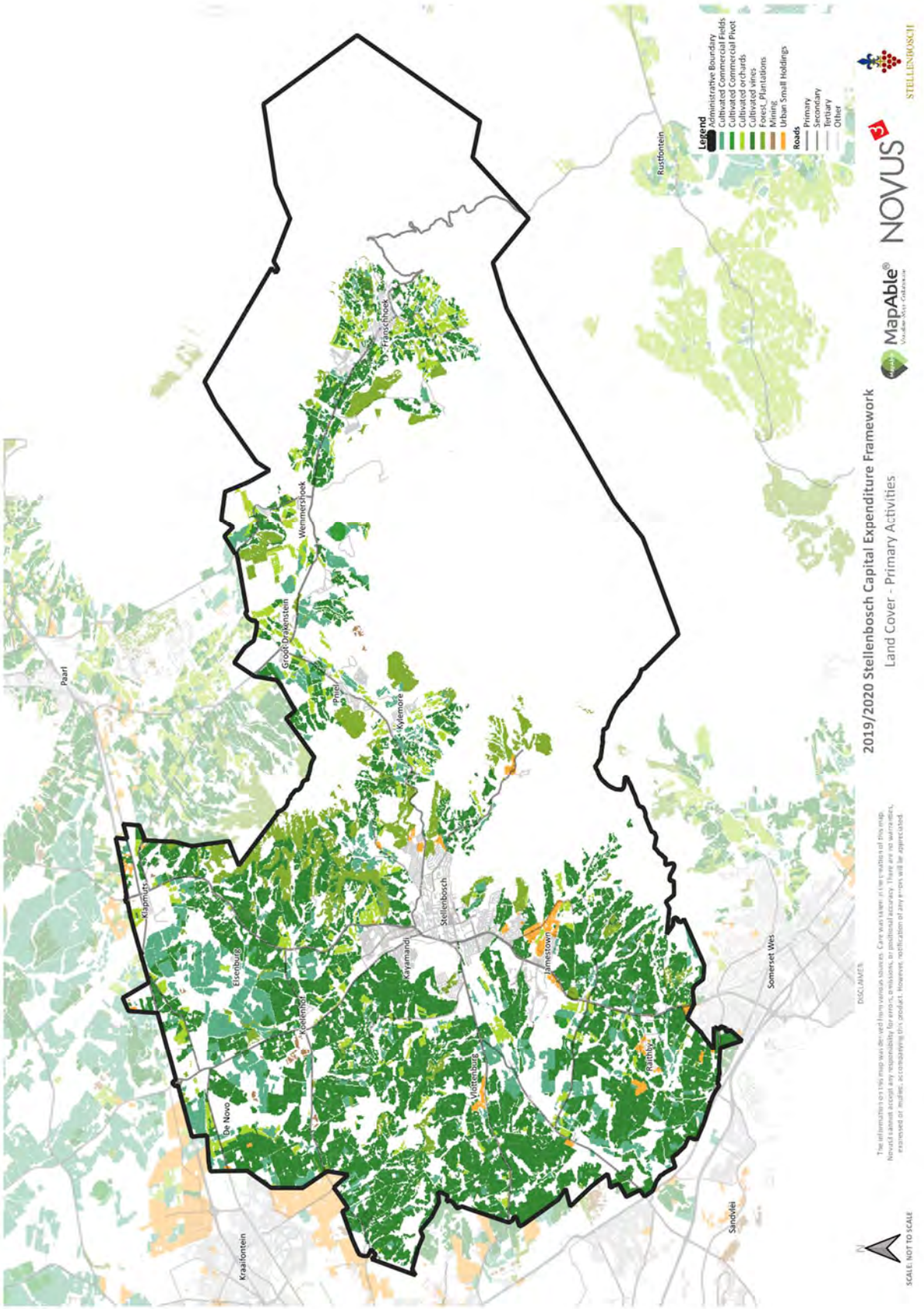
Table 14: Land cover 1990 and 2014: Natural elements

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

Table 15: Land cover 1990 and 2014[22]: Primary economic activities

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

[21] No data against a category implies that the category does not occur the assessment area.
[22] No data against a category implies that in a particular land cover category does not occur the assessment area.

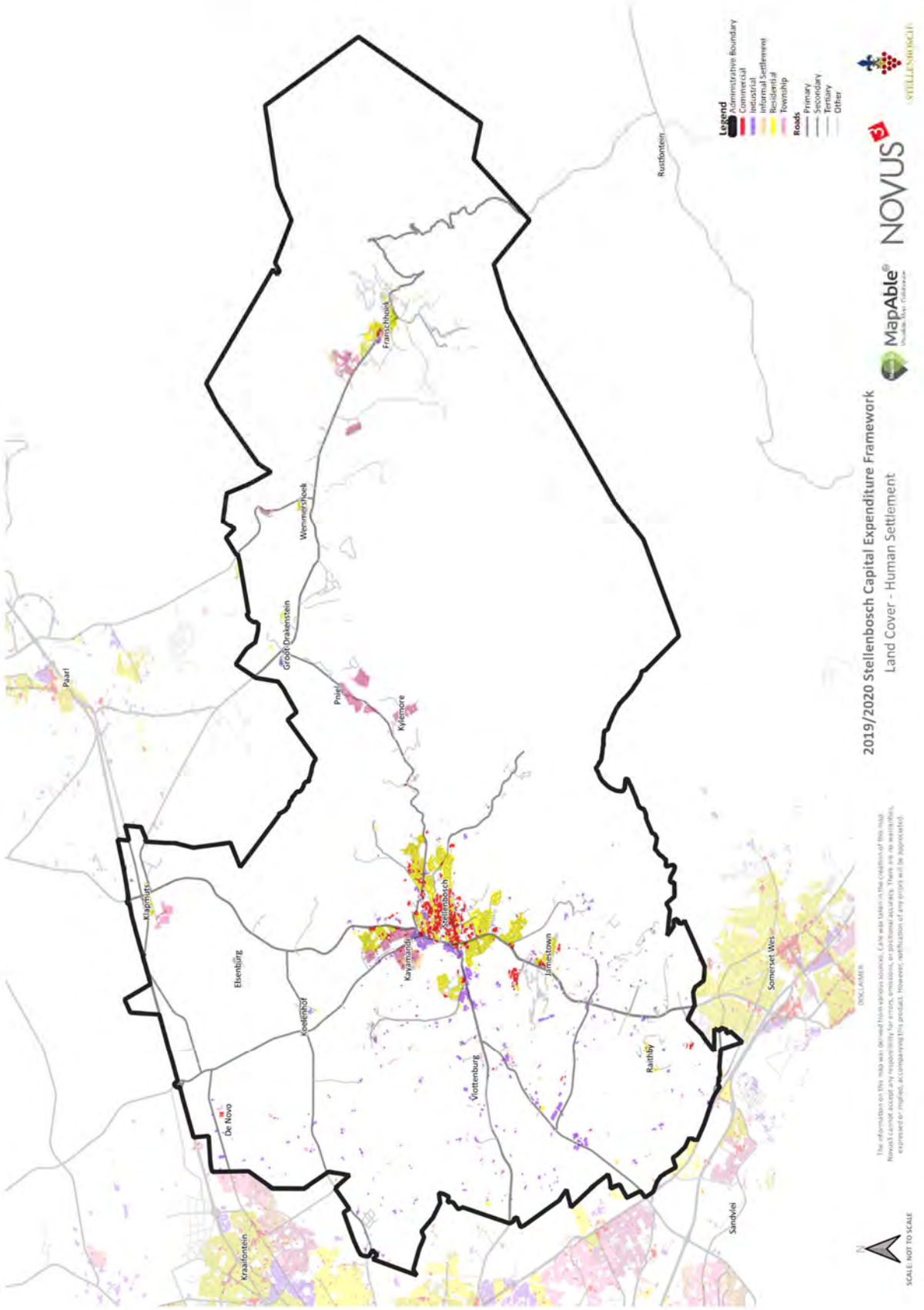


Map 16: Land cover – Primary activities

Table 16: Land cover 1990 and 2014: Human settlement

Land cover category[23]	Extent of cover 1990 (ha)	Extent of cover 2014 (ha)
Urban built-up	24.06	37.63
Urban commercial	339.57	349.73
Urban industrial	484.27	431.75
Urban residential	990.39	955.06
Urban townships	393.13	481.13
Urban informal	1.27	51.53
Rural villages		
Urban sports and golf	290.37	392.42
School and sports grounds	132.96	102.58

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



Map 17: Land Cover – Human Settlements

3.9 Service access

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

3.9.1 Water services

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

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

Table 17: Access to water services 1996, 2001 and 2011

		Full	Intermediate	Basic	Below Basic	None	Total
1996	Total	19,580	2,795	2,879	660	240	26,154
	%	74.86 %	10.69 %	100.00 %	2.52 %	0.92%	100 %
2001	Total	25,005	4,066	2,706	3,143	245	35,165
	%	71.11 %	11.56 %	7.70 %	8.94 %	0.70 %	100 %
2011	Total	31,337	3,521	6,231	1,835	404	43,328
	%	72.33 %	8.13 %	14.38 %	4.24 %	0.93 %	100 %

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

3.9.2 Sanitation services

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

Table 18: Access to sanitation services 1996, 2001 and 2011

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

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

3.9.3 Electricity services

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

Table 19: Access to electricity services 1996, 2001 and 2011

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

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

3.9.4 Refuse removal

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

Table 20: Access to refuse removal services 1996, 2001 and 2011

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

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

3.9.5 Road network

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

Table 21: Road services in the area

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

Section 4 Demand Quantification

4 Demand Quantification

4.1 Contextualisation

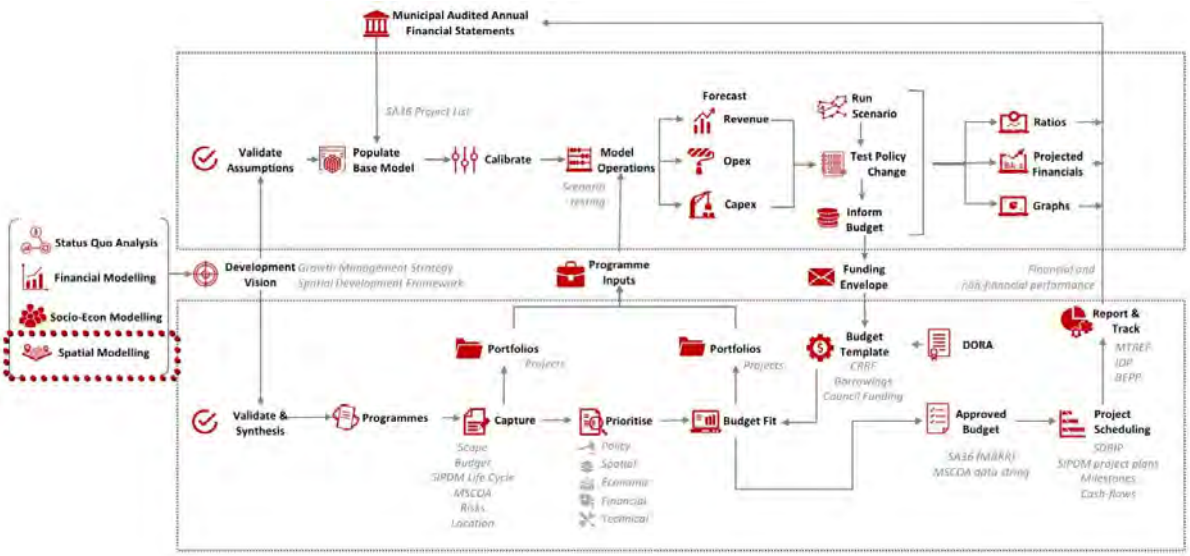


Figure 15: Demand Quantification

The capital investment emphasis within local government in South Africa over the past two decades was on extending services to poor households. This was done in an environment where major population shifts occurred, through accelerated urbanization and decreased growth and even population declines in rural areas. There are however other investment areas that will sustain or accelerate development and economic growth in any municipality. In this regard, three components contributing to the demand for investment should be considered:

- The number of existing households without access to services;
- The need to renew (rehabilitate and maintain) existing infrastructure, and;
- The growth in households and the economy.

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

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

- Population Demand – population demand will determine the customer base served by the municipality and thus what the quantum of the services to be delivered should be;
- Level of Service choices – the level of service offered by the municipality for each infrastructure component varies, but has a significant effect on the affordability of services, and;
- Development Vision – the development vision in this instance do not necessarily cater to shock effects to the urban fabric but rather the policy regarding service provision of the municipality.

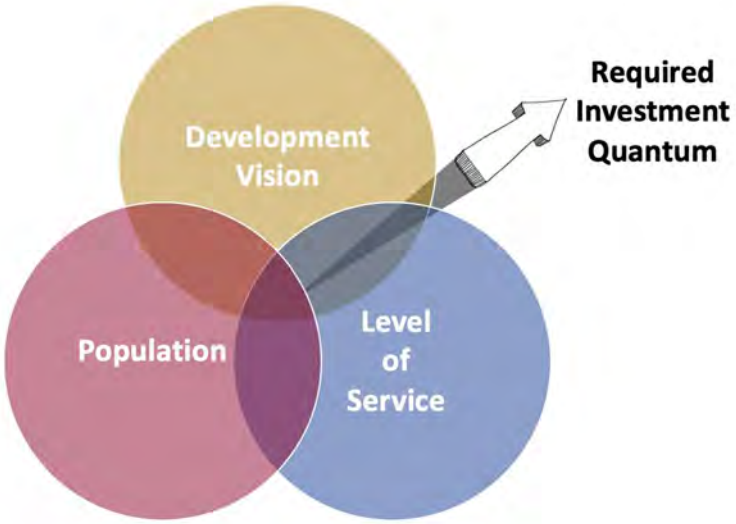


Figure 16: Elements contributing to the required investment quantum

4.2 Investment demand and growth - the infrastructure planning equation

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

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

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

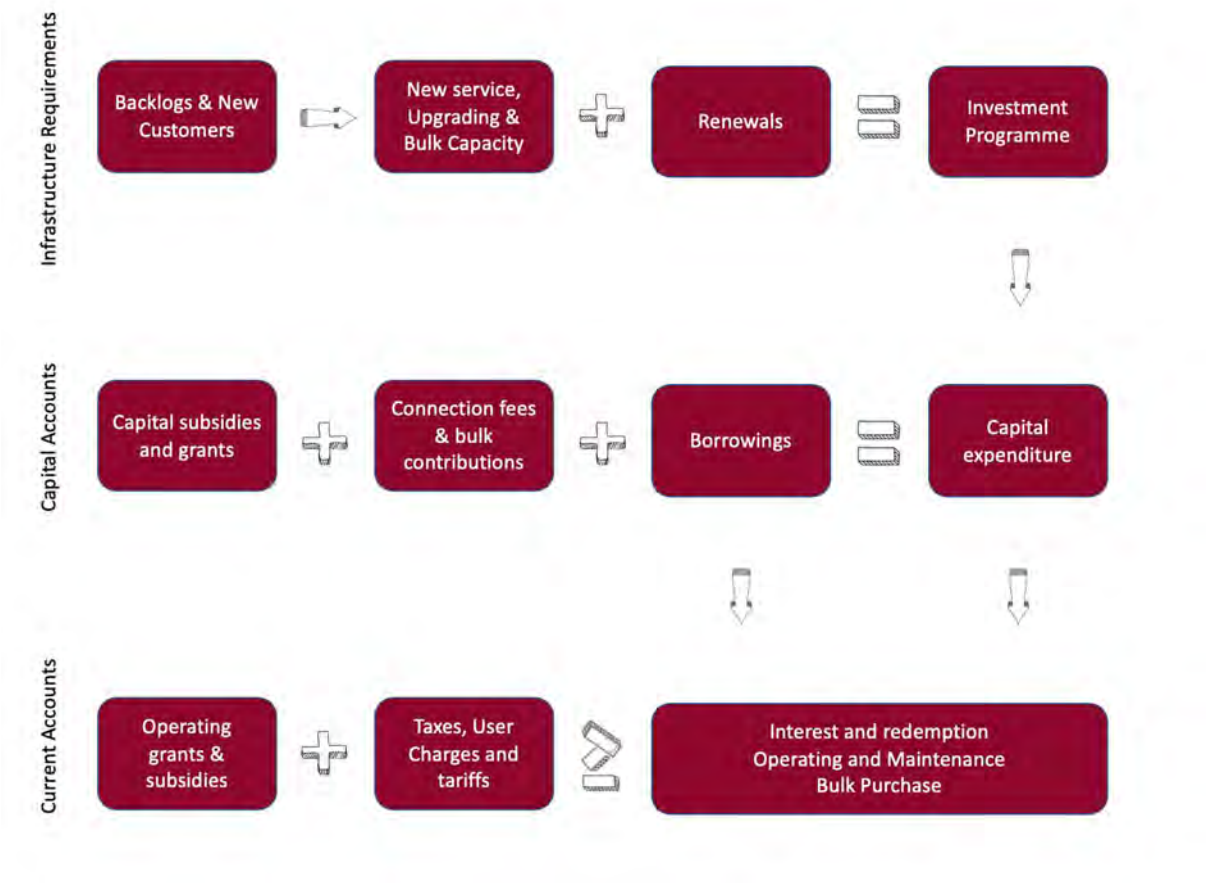


Figure 17: The Infrastructure Investment Planning Equation

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

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

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

4.2.1 Dealing with infrastructure backlogs

The drive behind government infrastructure and service policies since 1994 was to eradicate service delivery and infrastructure backlogs. Many factors affect the extent of backlogs and the ability of municipalities to address these backlogs. The development of this CEF document did not include a backlogs study. Backlogs were appraised on existing, available data.

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

Table 22: Households with less than basic services in 2011

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

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

Table 23: Households with less than full services

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

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

- The Municipality prefers higher levels or full services;
- Backlogs in 2011 were substantial, irrespective if measured against access to only basic services or measured against access to full services. In terms of access to at least basic services, none of the services had a backlog of more than about 3 300 households. That is 7.76% of all households. This equates to about 3.8 times the annual household growth rate. This is substantial and can have serious consequences for any capital investment programme. The same figures apply if backlogs are measured against access to full services. The notable exception is water services that then reported a backlog of nearly 12 000 units. However, full services are measured by in-house water connections. If a water connection to a stand is taken as the acceptable norm, the backlog figure falls to 6 500 units which remain high. It seems that the Municipality does, in the case of water

apply basic service approach. However, the relative low sanitation backlog notwithstanding the high number of customers without a water connection on their stands. Waterborne sanitation does require a water connection;

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

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

4.2.2 Asset renewals and renewal backlog

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

4.2.3 Demand created through growth

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

4.2.3.1 *Land demand*

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

4.2.3.2 *Long-term capital expenditure*

Long-term capital expenditure is a function of land demand and the growth in customers. The results show the incremental cost for bulk and reticulated infrastructure. The point of departure is the assignment of appropriate service levels to each user or customer category. This is essentially a policy matter. For the purposes of assessment, a full services approach was adopted. This one aspect where

different approaches and options can be introduced to assess the impact of service level approaches on the demand for capital and the operating impact thereof. The capital cost per service for each of the land use categories was calculated.

4.2.3.3 *The operating impact of capital expenditure*

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

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

4.2.3.4 *Consumption and use*

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

4.3 Modelling outcomes and growth impact forecasts

A development cost model[24] was used to model and forecast long terms investment demand.

4.3.1 Population growth as the basis for modelling demand

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

4.3.1.1 *Step 1: Define population*

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

Table 24: Distribution of population and households per Priority Development Area

Name	Type	Area (ha)	Population 1996	Population 2001	Population 2011	Households 1996	Households 2001	Households 2011
La Motte	Rural	69	906	50	1 606	154	10	397
Wemmershoek	Rural	66	190	554	859	38	104	202
Lanquedoc	Rural	184	1 483	3 527	7 233	286	687	1 645
Pniel	Rural	119	1 983	2 412	1 725	434	566	428

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

Name	Type	Area (ha)	Population 1996	Population 2001	Population 2011	Households 1996	Households 2001	Households 2011
Groot Drakenstein	Rural	98	102	71	118	19	14	27
Raithby	Rural	45	262	34	440	72	8	105
Lynedoch	Rural	78	35	50	164	11	12	36
Vlottenburg	Rural	153	98	99	334	24	23	86
Koelenhof	Rural	182	150	118	448	39	28	97
Muldersvlei	Rural	105	50	98	72	14	24	17
Cross Road								
Stellenbosch	Urban	2 868	54 466	56 725	78 638	14 310	14 598	23 744
Franschhoek	Urban	485	5 692	7 909	14 521	1 322	1 928	4 785
Klapmuts	Urban	450	1 576	4 176	7814	341	972	1966
Municipal areas	Total	84 879	104 354	118 976	155 711	26 155	29 121	43 328
Urban nodes		3 803	61 734	68 810	100 973	15 973	17 498	30 495
Rural node		1 099	5 259	7 013	12 999	1 091	1 476	3 040
Farming areas		79 977	37 361	43 153	41 739	9 091	10 147	9 793
Total municipality		84 879	104 354	118 976	155 711	26 155	29 121	43 328

4.3.1.2 *Step 2: Forecast population*

The next step was to forecast the population of the municipal area.[25] [26][27]

Table 25: Population forecast per municipal area

			Threshold population			Residential target population		
	Timeline	Values	Forecast	Growth rate	Growth increment	Population	Growth rate	Number of persons
5	1997	112 073	112 073	2.35%	2 576	63 322	1.04%	654
6	1998	114 454	114 454	2.12%	2 381	63 829	0.80%	507
7	1999	116 680	116 680	1.95%	2 227	64 217	0.61%	387
8	2000	118 906	118 906	1.91%	2 226	64 571	0.55%	354
9	2001	120 995	120 995	1.76%	2 089	64 819	0.38%	248
10	2002	123 564	123 564	2.12%	2 569	66 848	3.13%	2 029
11	2003	126 029	126 029	2.00%	2 465	68 847	2.99%	1 999
12	2004	129 308	129 308	2.60%	3 278	71 321	3.59%	2 473

[25] This figure was used calculate the demand for non-residential land uses. It represents the total municipal area.
[26] These figures represented the growth expectations with in the demarcated urban edges of the Municipality (nodal areas)
[27] The details of the figures might differ slightly from other figure due to projection and analysis approaches.

			Threshold population			Residential target population		
	Timeline	Values	Forecast	Growth rate	Growth increment	Population	Growth rate	Number of persons
13	2005	133 051	133 051	2.89%	3 743	74 087	3.88%	2 767
14	2006	134 844	134 844	1.35%	1 793	75 798	2.31%	1 710
15	2007	138 614	138 614	2.80%	3 770	78 648	3.76%	2 851
16	2008	143 451	143 451	3.49%	4 838	82 150	4.45%	3 502
17	2009	146 790	146 790	2.33%	3 339	84 837	3.27%	2 687
18	2010	149 891	149 891	2.11%	3 101	87 421	3.05%	2 583
19	2011	152 944	152 944	2.04%	3 053	90 009	2.96%	2 588
20	2012	156 187	156 187	2.12%	3 244	92 031	2.25%	2 022
21	2013	159 751	159 751	2.28%	3 564	94 246	2.41%	2 216
22	2014	164 088	164 088	2.71%	4 337	96 924	2.84%	2 678
23	2015	166 931	166 931	1.73%	2 842	98 724	1.86%	1 800
24	2016	171 434	171 434	2.70%	4 504	101 512	2.82%	2 788
25	2017	176 130	176 130	2.74%	4 696	104 586	3.03%	3 074
26	2018		180 793	2.65%	4 663	107 656	2.94%	3 070
27	2019		185 456	2.58%	4 663	110 743	2.87%	3 086
28	2020		190 120	2.51%	4 663	113 844	2.80%	3 102
29	2021		194 783	2.45%	4 663	116 962	2.74%	3 117
30	2022		199 447	2.39%	4 663	120 095	2.68%	3 133
31	2023		204 110	2.34%	4 663	123 243	2.62%	3 148
32	2024		208 774	2.28%	4 663	126 407	2.57%	3 164
33	2025		213 437	2.23%	4 663	129 586	2.52%	3 180
34	2026		218 101	2.18%	4 663	132 781	2.47%	3 195
35	2027		222 764	2.14%	4 663	135 918	2.36%	3 136
36	2028		227 427	2.09%	4 663	139 067	2.32%	3 149
37	2029		232 091	2.05%	4 663	142 228	2.27%	3 161
38	2030		236 754	2.01%	4 663	145 717	2.45%	3 489

The 2018 (base year) figures of 180 793 for the threshold population and 107 565 people for the residential target population are important. These figures were used the calibrate the model for the base year service as the departure point for the rest of the modelling and forecasts. The residential target population refers to extent of the population that will require housing and the threshold population refers to the service population that determines the demand for land and facilities for non-residential customers in the municipal area.

It is important to note that growth rates are slowly declining. However, the impact in terms of the number still shows consistent growth. The more important aspect is highlighted in the next table.

Table 26: Change in population distribution form 1996 to 2030

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

It is important to note that expectation is that, irrespective of growth numbers, the share of rural nodes will increase while both the population share of the urban nodes and farming areas will decrease. The implication is that the demand for infrastructure and services will grow in the rural nodes as a higher rate and that these nodes will become increasingly more important in the Municipality's development and service delivery strategies.

4.3.2 The scenario assessed

The scenario applied for assessment tried emulating the current policies and strategies of the Municipality as closely as possible. However, one should always consider that it is a model that in sometimes in a very crude way tries to replicate a very complicated system. It was, therefore, necessary to make some basic assumptions before the model was calibrated.

4.3.2.1 *Assumptions and inputs on housing variables*

As described above the model uses the growth in population to determine housing demand as well as ancillary uses. However, there a number of key inputs that need to be considered. They are:

- Residential typologies, stand;
- The residential mix in terms of stand size; and
- Stand sizes assign to the different typologies.

Housing typologies for the CEF consist are configured around low, medium and high density residential development that includes different housing typologies. Stand, and households sizes were linked to these typologies. Household sizes and cars per were also considered. The following inputs were used:

Table 27: Assumptions on housing typologies, mix stand and household sizes

Residential types	Residential mix	Stand sizes	Household size
Single Residential: Low income	20.0%	350	4.00
Single Residential: Medium income	22.5%	600	3.75
Single Residential: High income	15.5%	850	3.20
Medium Density: Low income	15.0%	5 000	4.00
Medium Density: Medium income	7.0%	4 000	3.80

Residential types	Residential mix	Stand sizes	Household size
Medium Density: High income	5.0%	3 000	3.50
High Density: Low income	2.5%	5 000	3.50
High Density: Medium income	2.5%	4 000	3.25
High Density: High income	5.0%	3 000	2.80
Backyard dwellings	5.0%	Not applicable	2.00
Total/average	100.00%		3.59

The base distinction between income groups was derived from the 2011 census for the urban nodes. Backyard dwellers were included in the equation because of their demand to consume services. It was assumed that this would remain for the full assessment period although there are indications that household incomes have been decreasing.

4.3.2.2 *Norms and standards for land use budgeting*

The following land use norms and standards were used in the land use budgeting process.

Table 28: Land use norms and standards applied

Land use	Provision unit	Provision norm - persons/cars/ children	Ruling stand size m2
Residential			
Single Residential: Low income	units per net ha (net)	29	350
Single Residential: Medium income	units per net ha (net)	17	600
Single Residential: High income	units per net ha (net)	12	850
Medium Density: Low income	units per net ha (net)	40	5 000
Medium Density: Medium income	units per net ha (net)	30	4 000
Medium Density: High income	units per net ha (net)	25	3 000
High Density: Low income	units per net ha (net)	80	5 000
High Density: Medium income	units per net ha (net)	75	4 000
High Density: High income	units per net ha (net)	60	3 000
Backyard dwellings	units per household	0	0
Business			
Local Activity Centre	m2 per capita	2.00	2 500
Neighbourhood Activity Centre	m2 per capita	3.00	5 000
Regional Activity Centre	m2 per capita	6.00	50 000
CBD	m2 per capita	7.00	50 000
Garages & filling stations	per 2500 cars	1.00	3 000
Industrial & storage			
Light industrial	ha per 7500 people	5.00	2 000
Heavy industrial	ha per 5000 people	3.00	20 000
Storage & warehousing	ha per 5000 people	8.00	10 000

Land use	Provision unit	Provision norm - persons/cars/ children	Ruling stand size m2
Public spaces: recreation			
Parks: public	ha per 1000 people	0.33	5 000
Parks: private	ha per 1000 people	1.00	10 000
Sports fields	per 1000 housing units	3.50	10 000
Stadiums	per 125000 people	1.00	50 000
Community facilities: municipal			
Municipal office	per 75000 people	1.00	3 000
Community hall	per 25000 people	1.00	3 000
Local library	per 50000 people	1.00	1 500
Primary health clinic	per 50000 people	1.00	3 000
Fire station & Ambulance	per 75000 people	1.00	7 500
Ambulance station	per 75000 people	1.00	3 000
Cemeteries	ha per 5500 people	1.00	20 000
Public parking areas	m2 per capita	0.20	3 000
Market/trading area	ha per 10000 people	1.00	7 500
Taxi ranks	m2 per capita	0.10	3 000
Community facilities: other			
Post office	per 20000 people	1.00	1 500
Lower Court	per 100000 people	1.00	2 000
Post collection point	per 3000 housing units	1.00	200
Police station	per 80000 people	1.00	5 000
District hospital	per 300000 people	1.00	50 000
Community health centre	per 100000 people	1.00	2 000
Hospice	per 50000 people	1.00	2 000
Old age home	per 50000 people	1.00	10 000
Children's homes	per 200000 people	1.00	5 000
Thusong centre	per 70000 people	1.00	10 000
Place of worship	per 1000 people	1.00	2 000
Crèche	per 2800 people	1.00	2 000
Nursery school	per 5000 people	1.00	3 000
Primary school	per 5500 people	1.00	32 000
Secondary school	per 12500 people	1.00	45 000
After school centre	per 5000 people	1.00	2 000

The norms and standards were derived from different sources. The main sources were the Municipality's zoning scheme, cadastre from the office of the Surveyor General, the CSIR norms and

standards for social and community facilities and then also calculated from the current land cover in the municipality. The approach was to calibrate the model on local data as far as possible.

Average stand sizes were calculated the zoning scheme data of the Municipality. The following data was used.

Table 29: Calculated land parcels sizes per zoning

Integrated zoning scheme categories	Unit Count	Area m2	Average size (m2)
Group Residential Zone	5 148	1 721 858	334
High Density Residential Zone	110	74 941	681
Less Formal Residential Zone	2 184	725 973	332
Medium Density Residential Zone	1 686	1 738 576	1 031
Single Residential Zone	8 534	7 282 915	853
Unknown	206	1 345 158	6 530
Agriculture Zone	220	33 247 798	151 126
Community Zone	122	780 437	6 397
Education Zone	120	2 021 340	16 845
General Business Zone	504	1 616 983	3 208
General Industrial Zone	78	588 360	7 543
Light Industrial Zone	188	441 975	2 351
Limited Use Zone	18	157 905	8 773
Local Business Zone	29	121 224	4 180
Private Open Space Zone	156	4 680 409	30 003
Public Open Space Zone	115	793 306	6 898
Public Roads and Parking	23	61 644	2 680
Resort Zone	576	488 634	848
Sub divisional Area	2	61 372	30 686
Transport Facility Zone	14	125 865	8 990
Utility Services Zone	58	1 657 600	28 579
Total average	20 091	59 734 273	2 973

Further refinements were made by calculating the number of persons per social and community facilities based on location and 2011 population data where appropriate these values were incorporated into the modelling.

Table 30: Current provision of social and community facilities (persons per facility)

	Urban Node	Rural Node	Farming	Total
Primary schools	5 610	1 857	10 435	5 369
Secondary schools	10 097	0	41 739	14 156
Intermediate schools	0	0	41 739	155 711
Combined schools	100 973	0	10 435	31 142

Public health facilities	8 414	6 500	0	11 122
Private health facilities	100 973	0	0	155 711
SAPS stations	25 243	12 999	0	31 142
Lower courts	100 973	0	41 739	77 856

For other uses, the area per person was calculated based on location and using land cover data for 2014 and the 2011 population figures.

Table 31: Current provision per person (m^2) based on land cover

	Urban Node	Rural Node	Farming	Total
Urban built-up (hard surfaces)	1.93	0.20	4.29	2.42
Urban commercial	30.32	0.98	10.14	22.46
Urban industrial	14.37	16.00	63.70	27.73
Urban residential	85.93	22.23	14.01	61.34
Urban townships	21.60	123.70	24.49	30.90
Urban informal	4.72	0.00	0.94	3.31
Rural villages	0.00	0.00	0.00	0.00
Urban sports and golf	27.40	2.67	26.90	25.20
School and sports grounds	6.60	10.04	5.48	6.59
Small holdings	6.87	9.88	80.83	26.95

4.3.2.3 *Service levels*

Service levels relates to the technology used to supply a customer with a service. It should not be confused with a service standard which represents the qualitative aspects of service delivery.

The following describes the levels of services (LOS) available for the modelling process.

Table 32: Levels of service options for water

Level of services	Description
LOS00	No formal service
LOS01	Water point more than 200m distance
LOS02	Communal standpipe less than 200m distance
LOS03	Yard tap connection (single tap) and or limited supply with a dry on-site system
LOS04	Yard tap connection (single tap) and or limited supply linked to waterborne sanitation
LOS05	House/building connection unlimited metered supply
LOS06	Supply volume. is limited to 100mm connection, peak flow limited, and on-site storage required
LOS07	All requirements met up to 150mm pipe, 150mm connection

Table 45: Levels of service options for sanitation

Level of services	Description
LOS00	No formal service
LOS01	Bucket system
LOS02	Unventilated pit latrines and soakaways
LOS03	Ventilated improved pit (VIP)
LOS04	Dry composting toilet
LOS05	Communal chemical toilet
LOS06	Low flow (small bore) system with toilet structure
LOS07	Septic or conservancy tank with toilet structure
LOS08	Waterborne sewerage to each stand 110mm connection (no toilet structure)
LOS09	Waterborne sewerage to each stand 110mm connection, with toilet structure
LOS10	Waterborne sewer available, max connection size 150 mm or larger
LOS11	Waterborne sewerage, discharge load is above normal limits.

Table 33: Levels of service options for electricity

Level of services	Description
LOS00	No electricity service
LOS01	None grid electricity service
LOS02	Grid-connected and metered - Single phase 230V up to 20A or 4.6 kVA
LOS03	Grid-connected and metered - Single phase 230V up to 60A or 13.8kVA
LOS04	Grid-connected and metered - Three phase / Multiphase 230/400V up to 150A or 100kVA
LOS05	Grid-connected and metered - Bulk higher than 230/400V - not exceeding 11kV (at least 25 kVA)
LOS06	Grid-connected and metered - Bulk - exceeding 11kV (at least 100 kVA)

Table 34: Levels of service options for roads and stormwater

Level of services	Description
LOS00	No service
LOS01	Tracks (Graded)
LOS02	Gravel within 500m
LOS03	Gravel
LOS04	Paved 4.5m
LOS05	Paved 5.5m
LOS06	Paved 6.5
LOS07	Paved heavy capacity 7.5m

Table 48: Levels of service options for refuse removal services

Level of services	Description
LOS00	None
LOS01	Communal waste collection point
LOS02	Weekly kerbside waste removal
LOS03	Bi-weekly kerbside waste removal
LOS04	Bi-weekly waste removal from site 1
LOS05	Daily waste removal from site 1
LOS06	Bi-weekly waste removal from site 2
LOS07	Daily waste removal from site 2

Based on the service level options the following service levels were assigned to the land uses in the model.

Table 35: Level of service option per land use

Land use	Water	Sanitation	Electricity	Roads & stormwater	Refuse removal
Residential					
Single Res: Low Inc	LOS05	LOS09	LOS02	LOS04	LOS02
Single Res: Med Inc	LOS05	LOS08	LOS03	LOS05	LOS02
Single Res: High Inc	LOS05	LOS08	LOS03	LOS05	LOS02
Medium Dens: Low Inc	LOS05	LOS09	LOS02	LOS04	LOS02
Medium Dens: Med Inc	LOS05	LOS08	LOS03	LOS06	LOS02
Medium Dens: High Inc	LOS05	LOS08	LOS03	LOS06	LOS02
High Dens: Low Inc	LOS05	LOS09	LOS02	LOS05	LOS02
High Dens: Med Inc	LOS05	LOS08	LOS03	LOS06	LOS02
High Dens: High Inc	LOS05	LOS08	LOS03	LOS06	LOS02
Backyard dwellings	LOS00	LOS00	LOS00	LOS00	LOS00
Business		0.00%	0.00%	0.00%	0.00%
Local Activity Centre	LOS05	LOS08	LOS04	LOS06	LOS05
Neighbourhood Activity Centre	LOS05	LOS08	LOS05	LOS06	LOS05
Regional Activity Centre	LOS07	LOS08	LOS06	LOS07	LOS05
CBD	LOS07	LOS10	LOS06	LOS07	LOS07
Garages & filling stations	LOS05	LOS08	LOS05	LOS07	LOS03
Industrial & storage		0.00%	0.00%	0.00%	0.00%
Light industrial	LOS05	LOS08	LOS05	LOS06	LOS05
Heavy industrial	LOS07	LOS11	LOS06	LOS07	LOS05
Storage & warehousing	LOS05	LOS08	LOS05	LOS06	LOS04
Public spaces: recreation		0.00%	0.00%	0.00%	0.00%

Land use	Water	Sanitation	Electricity	Roads & stormwater	Refuse removal
Parks: public	LOS05	LOS00	LOS04	LOS05	LOS02
Parks: private	LOS05	LOS00	LOS04	LOS05	LOS02
Sports fields	LOS05	LOS08	LOS04	LOS06	LOS02
Stadiums	LOS05	LOS10	LOS04	LOS07	LOS02
Community facilities: municipal		0.00%	0.00%	0.00%	0.00%
Municipal office	LOS05	LOS08	LOS04	LOS07	LOS02
Community hall	LOS05	LOS08	LOS04	LOS06	LOS02
Local library	LOS05	LOS08	LOS04	LOS06	LOS02
Primary health clinic	LOS05	LOS08	LOS04	LOS06	LOS02
Fire station & Ambulance	LOS07	LOS08	LOS04	LOS06	LOS02
Ambulance station	LOS05	LOS08	LOS04	LOS06	LOS02
Cemeteries	LOS05	LOS08	LOS03	LOS06	LOS02
Public parking areas	LOS05	LOS08	LOS03	LOS06	LOS02
Market/trading area	LOS05	LOS08	LOS04	LOS06	LOS05
Taxi ranks	LOS05	LOS08	LOS03	LOS07	LOS05
Community facilities: other		0.00%	0.00%	0.00%	0.00%
Post office	LOS05	LOS08	LOS05	LOS06	LOS02
Lower Court	LOS05	LOS08	LOS04	LOS06	LOS02
Post collection point	LOS05	LOS08	LOS04	LOS06	LOS02
Police station	LOS05	LOS08	LOS05	LOS06	LOS02
District hospital	LOS06	LOS11	LOS07	LOS06	LOS05
Community health centre	LOS05	LOS10	LOS06	LOS06	LOS05
Hospice	LOS05	LOS08	LOS05	LOS06	LOS02
Old age home	LOS05	LOS10	LOS06	LOS06	LOS02
Children's homes	LOS05	LOS08	LOS07	LOS06	LOS02
Thusong centre	LOS05	LOS08	LOS08	LOS06	LOS02
Place of worship	LOS05	LOS08	LOS05	LOS06	LOS02
Crèche	LOS05	LOS08	LOS03	LOS06	LOS02
Nursery school	LOS05	LOS08	LOS03	LOS06	LOS02
Primary school	LOS05	LOS10	LOS05	LOS06	LOS02
Secondary school	LOS05	LOS10	LOS04	LOS06	LOS02
After school centre	LOS05	LOS08	LOS03	LOS06	LOS02
ABET/Skills training	LOS06	LOS08	LOS05	LOS06	LOS02

4.3.3 Calibrating the model

Credible forecasts are incumbent on the base year of the model reflecting the current situation in the municipality as closely as possible. The following that shows how the model was set up for the base.

Table 36: Reference points in the calibration of the model

Element	Base year 2018	Comments
General		
Population	180 793	Population projections were done off model and brought into the model as a departing point.
Area (ha)	3820.6	The area calculated from land cover data was 3 221ha. This is 2014 data. Given a modelled increase of about 100ha per annum, the base year figure is acceptable
Average stand size m^2	1089	The figure calculated from cadastre of urban-related zoning is1 103m^2.
Population density (p/ha):	43	This is a simple calculation by dividing the housing population into the area of the development footprint. Thee development footprint excludes the area of roads.
Household density (hh/ha):	12	This is a simple calculation by dividing the households into the area of the development footprint. Thee development footprint excludes the area of roads.
Residential customer units	51 759	Census 2011 indicated 43 328 households and the 2018 D dwelling frame just more than 50 000 dwelling units. The figure as modelled seems to be acceptable
Other CUs:	1643	It was not possible to verify this figure, and it is accepted as modelled.
Total customer units	53 402	This is the sum of the previous two figures.
Total no of stands	31 497	This figure is higher than the 19 713 land parcels included in the cadastre for the zoning scheme. However, for modelling purposes, all informal dwelling were incorporated into the model as if they were on separate stands.
Roads area (ha)	554	The total roads in the municipality are in the order of 1 018km. and roads in the urban nodes amounts to 298km. This might be an underestimate.

Element	Base year 2018	Comments	
The current asset base (R'00)		%	The Municipality do have challenges with an asset register, and it was not possible to verify the individual figures. The annual financial statements of the Municipality report cost/valuation of infrastructure assets to be R4 520 million. This figure is not to fare off the modelled figure if one adds an R300 million capital expenditure for FY1718. The figures for the five major service are not available by when comparing it to other existing asset registers the order of magnitude seems to be acceptable.
Water	1 032 455	20.9%	
Sanitation	532 238	10.8%	
Electricity	1 199 501	24.3%	
Roads & Stormwater	2 093 910	42.3%	
Refuse removal	86 854	1.8%	
Total (R'000)	4 944 958	100.0%	
Annual operating expenditure (R'000)			
Water	115 000	The figures, as modelled, is acceptable and get close the actual figures of the Municipality. The biggest challenge in modelling these figures is the allowances for management operations cost per services. Management operation cost is largely determined by local management configuration and how the Municipality organises itself to deliver services.	
Sanitation	132 600		
Electricity	465 300		
Roads & Stormwater	121 498		
Refuse removal	97 350		
Total (R'000)	931 748		
Units consumed/generated			
Water (Ml/day)	32.5	These figures were difficult to verify. The figures for water and sanitation should be within acceptable limits. It is very difficult to present the figure for electricity with any confidence since there are very many factors that can affect the figure. There might be for example, how the extent of the Eskom supply area affects the figure is not clear. The same applies to refuse removal service.	
Wastewater (Ml/day)	24.9		
Electricity (MWh/day)	6 131.6		
Roads & Stormwater (km/annum)	555.9		
Refuse removal (tons/day)	1 450.0		
Refuse removal (m3/day)	2 910.2		

4.3.4 The modelling outcomes

This section shows the results of the modelling process. The outcomes are presented as a high-level summary. It is important to note that the tables show incremental quantities includes of all service elements and components. Currently, it is not possible to model the impact of major interventions such as building a new wastewater treatment work of big investment to reconfigure the management of solid waste. Those aspects must be discounted in the project prioritisation process.

Although the results link the demand to a specific year, it is still important to take note of budgeting processes and the extent of lead times before project implementation can commence.

4.3.4.1 *Land use demand*

This table shows the summary of land use demand which is a result of the growth forecasts.

Table 37: Land use demand for the programme period 2019 to 2028

Land uses	No of units	% of total land	No of stand required	Area included in project
Totals	8 997	100.00%	5 573	951.71
Residential	8 997	43.85%	5 189	379.48
Single Res: Low Inc	1 571	6.35%	1 571	55.00
Single Res: Med Inc	1 886	13.07%	1 886	113.13
Single Res: High Inc	1 521	14.94%	1 521	129.26
Medium Dens: Low Inc	1 178	3.40%	59	29.46
Medium Dens: Med Inc	579	2.23%	48	19.30
Medium Dens: High Inc	449	2.08%	60	17.96
High Dens: Low Inc	224	0.32%	6	2.81
High Dens: Med Inc	242	0.37%	8	3.22
High Dens: High Inc	561	1.08%	31	9.35
Backyard dwellings	786	0.00%	0	0.00
Business		9.81%	74	189.25
Local Activity Centre		1.08%	37	5.55
Neighbourhood Activity Centre		1.62%	27	8.10
Market/trading area		0.40%	0	0.00
Regional Activity Centre		3.23%	5	25.00
Garages & filling stations		0.11%	2	0.60
Industrial		8.62%	133	71.60
Light industrial		2.16%	93	18.60
Heavy industrial		3.23%	13	26.00
Storage and warehousing		3.23%	27	27.00
Public spaces: recreation		10.13%	107	92.00
Parks: public		0.89%	30	15.00
Sports fields		3.64%	31	31.00
Stadiums		0.22%	0	0.00
Community facilities: Municipality		2.74%	13	17.50
Municipal office		0.02%	0	0.00
Community hall		0.06%	1	0.30
Local library		0.02%	0	0.00

Land uses	No of units	% of total land	No of stand required	Area included in project
Primary health clinic		0.03%	0	0.00
Fire station & Ambulance		0.05%	0	0.00
Ambulance station		0.02%	0	0.00
Cemeteries		1.96%	8	16.00
Public parking areas		0.11%	3	0.90
Taxi ranks		0.05%	1	0.30
Community facilities other		7.16%	57	48.74
Post office		0.04%	2	0.30
Police station		0.03%	0	0.00
District hospital		0.09%	0	0.00
Community health centre		0.01%	0	0.00
Hospice		0.02%	0	0.00
Old age home		0.11%	0	0.00
Children's homes		0.01%	0	0.00
Place of worship		0.21%	8	1.60
Crèche		0.38%	16	3.20
Nursery school		0.32%	9	2.70
Primary school		3.14%	8	25.60
Secondary school		1.94%	3	13.50
After school centre		0.22%	9	1.80
Technical college		0.54%	0	0.00
Roads totals		17.70%	0	153.14

4.3.4.2 *Summary of general elements*

The next two table show the context and main elements that define the expected level of capital and operating expenditure. The outcomes are shown per annum (first table and cumulative in the second table).

Table 38: Summary of totals per annum (annual increments)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Population	4 663	4 663	4 663	4 663	4 663	4 663	4 663	4 663	4 663	4 663
Area (ha)	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5	97.5
Average stand size m^2	1102	1102	1104	1102	1102	1102	1102	1102	1102	1102
Population density (p/ha):	44	44	44	44	44	44	44	44	44	44
Household density (hh/ha):	12	12	12	12	12	12	12	12	12	12

Residential Customers	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335	1 335
Other CUs:	30	30	30	30	30	30	30	30	30	30
Total customer units	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365	1 365
Total no of stands	800	800	799	800	800	800	800	800	800	800
Roads area (ha)	9.6	9.6	9.5	9.6	9.6	9.6	9.6	9.6	9.6	9.6
Roads as % of total area	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%

Table 39: Summary of totals per annum (Cumulative)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Population	4 663	9 327	13 990	18 654	23 317	27 981	32 644	37 308	41 971	46 635
Area (ha)	98	195	292	390	488	585	683	780	878	975
Average stand size m2	1 102	1 102	1 104	1 102	1 102	1 102	1 102	1 102	1 102	1 102
Population density (p/ha):	43.6	43.6	43.6	43.6	43.6	43.6	43.6	43.6	43.6	43.6
Household density (hh/ha):	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Residential customers	1 335	2 670	4 005	5 340	6 675	8 011	9 346	10 681	12 016	13 351
Other CUs:	30	60	90	120	150	180	210	240	270	300
Total customer units	1 365	2 730	4 095	5 460	6 825	8 191	9 556	10 921	12 286	13 651
Total no of stands	800	1 600	2 399	3 199	3 999	4 799	5 599	6 399	7 199	7 999
Roads area (ha)	9.6	19.1	28.7	38.2	47.8	57.4	66.9	76.5	86.1	95.6
Roads as % of total area	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%

4.3.4.3 *Summary of capital expenditure per service*

The next to two tables shows the required capital expenditure (incrementally per annum and cumulative per annum) to accommodate the forecasted demand.

Table 40: Incremental capital expenditure: All services (R'000)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water	24 161	26 436	26 090	26 362	26 144	26 200	26 782	26 342	25 958	26 416

Sanitation	12 550	13 920	13 877	13 563	13 927	13 325	14 062	13 601	13 774	13 929
Electricity	28 505	31 287	31 154	31 497	30 863	31 397	32 087	31 350	31 132	31 126
Roads & Stormwater	49 957	54 372	53 499	53 801	54 428	53 480	55 423	53 745	53 136	54 316
Refuse removal	1 524	2 026	2 052	2 962	1 611	2 038	3 027	2 019	2 050	2 541
Total (R'000)	116 697	128 041	126 673	128 185	126 971	126 440	131 382	127 057	126 050	128 329

Table 41: Capital expenditure (all services (R'000) (Cumulative)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water	24 161	50 597	76 688	103 050	129 194	155 394	182 175	208 517	234 476	260 891
Sanitation	12 550	26 470	40 347	53 909	67 836	81 161	95 223	108 824	122 598	136 527
Electricity	28 505	59 792	90 946	122 443	153 306	184 703	216 790	248 140	279 271	310 398
Roads & Stormwater	49 957	104 329	157 828	211 629	266 056	319 536	374 959	428 704	481 840	536 156
Refuse removal	1 524	3 550	5 602	8 564	10 175	12 213	15 240	17 260	19 310	21 851
Total (R'000)	116 697	244 738	371 411	499 596	626 567	753 007	884 388	1 011 445	1 137 495	1 265 823

4.3.4.4 *Summary of operating expenditure*

One of the key elements that are often overlooked in capital investment planning is the operating consequences of capital investment. The next two tables show the forecasted operating and maintenance cost associated with the projected capital expenditure. It is an incremental cost and does not reflect on the revenue side and cost recovery strategies that the Municipality may apply.

Table 42: Ops & maintenance expenditure: All services per annum (R'000)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water	2 688	2 942	2 903	2 934	2 909	2 916	2 980	2 932	2 889	2 940
Sanitation	3 138	3 452	3 441	3 381	3 454	3 338	3 502	3 390	3 408	3 458
Electricity	10 944	12 135	12 118	12 303	11 884	12 246	12 467	12 235	12 125	12 063
Roads & Stormwater	2 900	3 155	3 105	3 121	3 159	3 103	3 215	3 118	3 085	3 152
Refuse removal	1 709	2 271	2 300	3 319	1 805	2 285	3 393	2 263	2 298	2 849
Total (R'000)	21 379	23 956	23 868	25 059	23 211	23 888	25 557	23 939	23 805	24 462

Table 43: Ops & maintenance expenditure: All services per annum (R'000) (Cumulative)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water	2 688	5 630	8 534	11 468	14 377	17 293	20 274	23 206	26 094	29 034
Sanitation	3 138	6 590	10 031	13 411	16 866	20 204	23 705	27 096	30 504	33 962
Electricity	10 944	23 079	35 197	47 500	59 384	71 631	84 098	96 333	108 458	120 521
Roads & Stormwater	2 900	6 056	9 161	12 282	15 441	18 544	21 759	24 877	27 961	31 113
Refuse removal	1 709	3 979	6 280	9 599	11 404	13 689	17 082	19 345	21 643	24 492
Total (R'000)	21 379	45 334	69 202	94 261	117 472	141 360	166 917	190 856	214 661	239 122

4.3.4.5 *Summary of consumption and use*

Service delivery is about consumption and use. The next two tables show the expected demand for water and electricity. Also, the estimated wastewater and solid waste generated was calculated. These number can be used to assess the impact of future demand on the existing capacities of bulk facilities.

Table 44: Incremental consumption and usage

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water (Ml/day)	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8
Sanitation (Ml/day)	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.6
Electricity (MWh/day)	136.1	156.8	148.0	158.6	155.9	167.4	164.2	156.0	146.6	159.0
Roads & Stormwater (km/annum)	13.3	14.5	14.3	14.3	14.5	14.2	14.7	14.2	14.2	14.4
Refuse removal (tons/day)	15.2	51.2	22.3	49.7	18.7	52.6	22.3	50.6	52.5	17.4
Refuse removal (m3/day)	30.6	102.7	44.7	99.7	37.7	105.3	45.0	101.5	105.2	35.2

Table 45: Cumulative consumption and usage

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water (Ml/day)	0.7	1.6	2.4	3.2	4.0	4.9	5.7	6.6	7.4	8.2
Sanitation (Ml/day)	0.6	1.2	1.8	2.5	3.1	3.7	4.4	5.0	5.7	6.3
Electricity (MWh/day)	136.1	292.9	440.9	599.5	755.4	922.8	1087.1	1243.1	1389.7	1548.7
Roads & Stormwater (km/annum)	13.3	27.8	42.0	56.3	70.8	84.9	99.6	113.9	128.0	142.5

Refuse removal (tons/day)	15.2	66.4	88.7	138.4	157.1	209.7	232.1	282.6	335.2	352.6
Refuse removal (m3/day)	30.6	133.4	178.1	277.8	315.5	420.9	465.9	567.3	672.6	707.8

Section 5 Integrated Infrastructure Investment Framework

5 Integrated Infrastructure Investment Framework

5.1 Contextualisation

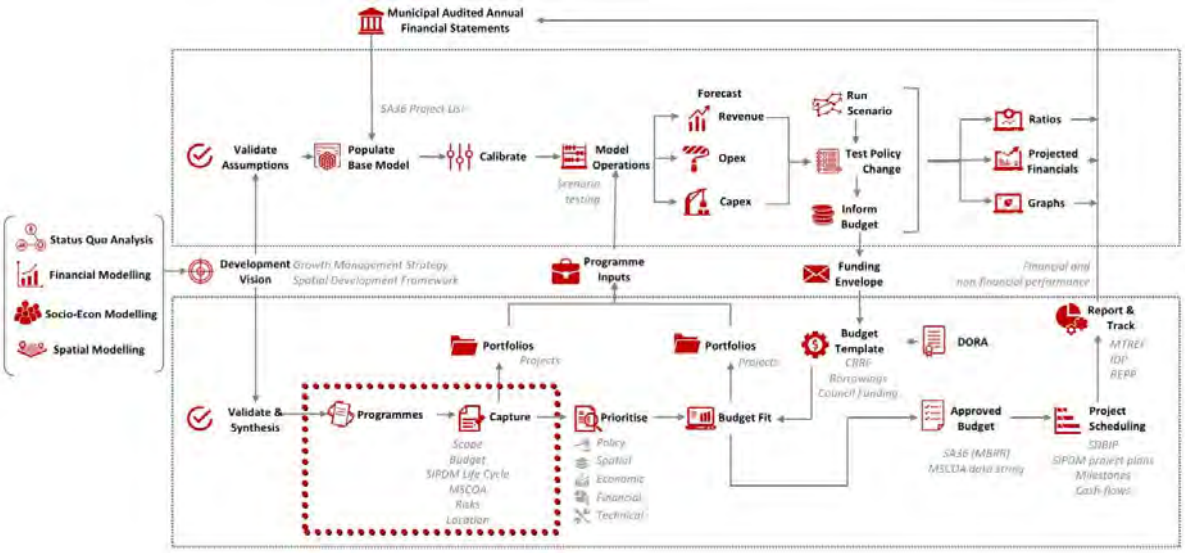


Figure 18: IIF in the context of the CEF

The Integrated Infrastructure Investment Framework (IIIF) outlines the demand identified of capital projects within the Stellenbosch Local Municipality jurisdiction. It represents all capital projects identified across various sectors by various departments on one platform. Stellenbosch Local Municipality has recognised the following three realities:

- Firstly, that Capital Expenditure projects not only originate and are implemented by the local municipality;
- Secondly, that it is the mandate of other bodies of government to provide services, specifically infrastructure related services; and
- Thirdly, that the IUDF calls for integrated planning and implementation.

Based on this above mentioned, Stellenbosch aims to identify the total investment demand within the Stellenbosch Local Municipality jurisdiction. The IIIF therefore depicts not only projects captured on CP^3, but also of other government entities. Once other government entities' data is on the Consolidated Inter-Governmental Project Pipeline Platform , Stellenbosch Local Municipality has the ability to incorporate such projects to the Integrated Infrastructure Investment Framework and so the Capital Expenditure Framework. This will unlock the ability to:

- Develop an integrated urban form as guided by the National Development Plan and the Integrated Urban Development Framework;
- Reduce wasteful expenditure and so optimise capital investment; and
- Collaboratively invest in the urban form by different bodies of government.

The institutional process that can deliver an Integrated Infrastructure Investment Framework require project specific information in order to consolidate the capital expenditure demand as identified by various bodies of government within the municipal jurisdiction. Each project should be adjoined with a set of minimum information to enable CP3 to appraise the readiness of a project for prioritisation – and is stored on a centralised database. This is important for a number of reasons:

- A centralised record of all capital needs can be backed up regularly assuring a measure of redundancy and independence on the knowledge of individuals within the various technical departments;
- The centralised data can be called upon by those that are involved in the appraisal of the relative importance of the respective projects and the subsequent budgeting and tracking of those project;
- It provides a collaborative space for departments to keep record of their needs and to lobby for an appropriate and responsive portion of the annual budget allocation;
- It also provides a platform where project commitments can be communicated to the municipality, and;
- It enables in year monitoring of capital project roll-out.

Project capturing allows for the logging of a new project even though that particular project may still be a mere wish. In other words, not enough detail of the project is known to be able to graduate the "candidate" project to a "graduate" project status. Importantly though, the project is recorded and as a result, recognised as a need by the planning authority.

The minimum information collected includes:

- mSCOA Project Segment;
- Project location;
- Project beneficiary / affected area;
- Project budget; and
- Alignment of project budgets with Organisational Objectives.

5.2 Asset Management Framework

5.2.1 Introduction

Stellenbosch Municipality is positioning itself to be able to adopt a robust Asset Management (AM) Solution. This will only be possible through the result of improvements it has to make to its asset management practices. The Municipality is building on its sound performance in financial asset management to establish, in particular, improved physical asset management (that focusses on infrastructure-based service delivery), and in line with recognised good industry practice, the integration of these two domains.

Stellenbosch Municipality's approach to the physical management of assets is in line with the requirements of the Municipal Finance Management Act (MFMA) and other relevant legislation governing municipalities, and industry standards, in particular, the South African National Standard 55001 indicating requirements for AM systems that were published in 2014. This includes the establishment of an asset management framework that comprises: the following core elements

- an Asset Management Policy (addressing physical asset management);
- Asset Management Procedures Manuals.

This process includes the annual preparation of:

- A Strategic Asset Management Plan; and
- Asset Management Plans per sector.

5.2.2 Status Quo: Asset Management Stellenbosch Municipality

5.2.2.1 *Global AM Statement for Stellenbosch*

Currently, the sector plans are sitting in multiple locations across Stellenbosch Municipality, are updated at different intervals, are generally five-year forecasts and do not integrate into a single GIS Environment. Specifically;

i. Current information from systems may or may not be spatially enabled or linked;
ii. Extracting business intelligence information is problematic as administrative rights can be limited;
iii. Workflows and standard operating procedures vary between Departments and are either paper-based or stored electronically but separately;
iv. Lack of integration between systems; and
v. Duplication of systems and functions.

5.2.3 Asset Register

Stellenbosch Municipality has an established Financial Asset Register in an electronic system. This Municipal Standard Chart of Accounts (mSCOA) compliant register provides the data required by the Municipality to effectively apply the applicable accounting standards. The Municipality is in progress to appoint service providers to link the Financial Asset Register to a physical ('Technical') asset register (TAR) to support its Physical Asset Management practices. The Financial and Technical Asset Registers shall be configured to mutually inform each other while the Financial Asset Register shall be updated and reconciled to the general ledger on a monthly basis

The Financial Asset Register currently reflects, at a minimum, for each of the assets all the fields contained in the MFMA-Local Government Capital Asset Management Guideline section 5.1.1.

5.2.3.1 *Asset Classification*

The Municipality has further adopted Asset Categories in line with the prevailing accounting standards for assets, as well as Asset Sub-categories and Asset Groups that are appropriate to the entity's business operations relating to Physical Asset Management. The asset register consists of a six-level asset hierarchy, with the levels being:

Asset Accounting Group
Asset Category
Asset Sub-Category
Asset Group
Asset Type

Asset Component Type

This classification represents a level of detail appropriate for financial reporting purposes as well as the level required for effective Physical Asset Management.

5.2.3.2 *Significant measures the Municipality has to implement include the following*

i. Establishment of an integrated information system – where the financial system has been established together with seamless links to the technical system;
ii. The establishment of improved and standardised data models that have been agreed collectively by the technical, financial and planning departments, so that there is a single record of assets that meets the needs of all departments;
iii. Refreshed and enhanced data in line with the new models, meeting statutory needs, and providing a baseline for ongoing improvement in physical asset management;
iv. Preparation of an AM Policy and Immovable AM Procedures Manual (in support of, and to give effect to the AM Framework);
v. Preparation of an AM Practices Assessment and Improvement Plan that establishes a record of practice improvements that have been made, and provides a foundation for planning and implementing further improvements;
vi. Annual preparation of a Strategic Asset Management Plan and the annual review of Asset Management Plans per sector as informed by the Municipality's strategic direction contained in the IDP and SDF.
vii. Awareness, change management and training of officials in recognised good infrastructure asset management practice to aid the institutionalisation of asset management.

This specification speaks specifically to the requirement for **refreshed and enhanced data in line with the new models, meeting statutory needs, and providing a baseline for ongoing improvement in physical asset management.**

5.2.4 Progress toward an Integrated Master Asset Framework

To date, the municipality has achieved the following towards the establishing an Asset Management Framework;

i. A consultant has been appointed to develop Cityworks web GIS-centric platform which can help to streamline the care and maintenance of infrastructure assets.
ii. Develop an Asset Management Policy and
iii. Develop an Asset Management Procedure Manual

The capital needs for asset management will be identified through the integrated master asset framework to strengthen the planning and budgeting for the Capital Expenditure Framework.

5.3 Capital expenditure planning: Process

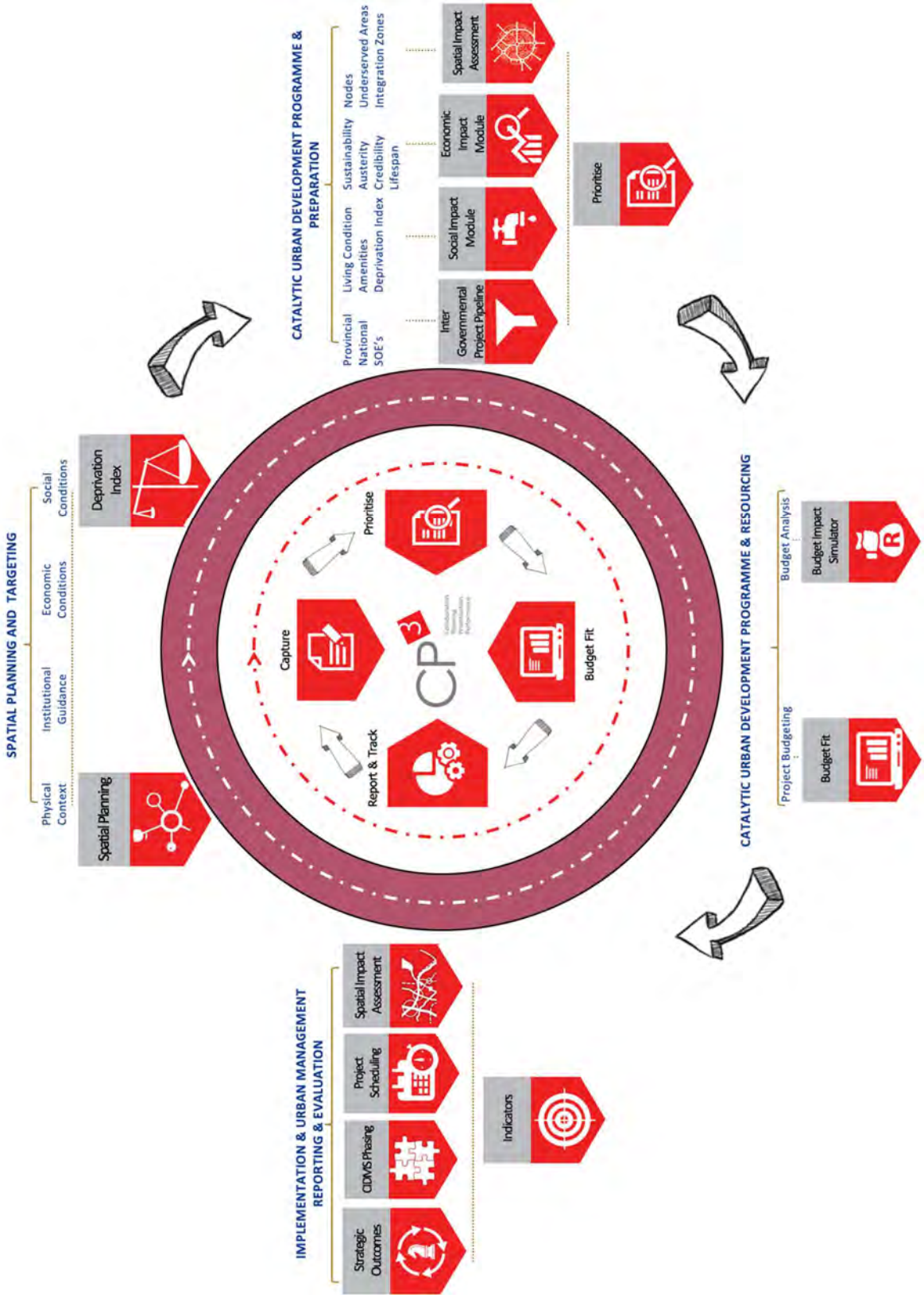


Figure 19: IGR collaboration

Figure 19 refers to the ideal process of capital expenditure planning, prioritisation, implementation and tracking. The first step towards initiating the process depicted in Figure 19 is to accumulate project specific information. This was done throughout the year by the whole municipality via the CP3 tool.

5.4 Inter-Governmental Project Pipeline

Several key role players has been identified in order to compile the inter-governmental project pipeline. This includes:

- Selected National Departments;
- Selected Provincial Departments, and;
- Selected SOE's.

Stellenbosch Local Municipality is working toward an inter-governmental project pipeline. To achieve this, the development of two additional prioritisation platforms are being developed, namely the Western Cape Collaboration Project Prioritsation and Performance platform as well as the National Government Collaboration Project Prioritsation and Performance platform of which the latter is already in place.

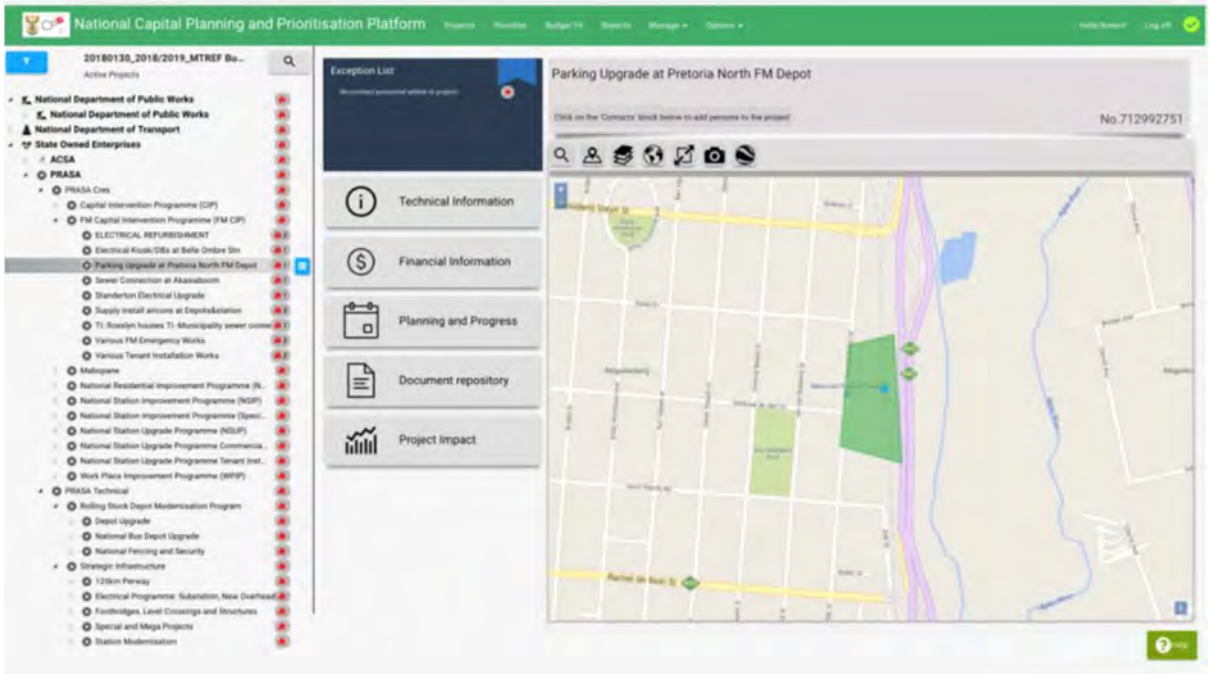


Figure 20: National Government capital Planning and Prioritisation Platform

Stellenbosch Local Municipality is awaiting information related to Capital projects from the government entities listed below. Following the receipt of this information, Stellenbosch will be in a position to populate the said platforms and so compile a comprehensive IIIF.

- Selected National Departments;
- Selected Provincial Departments, and;
- Selected SOE's.

The fact that these two platforms, together with Stellenbosch CP3 are essentially identical – it is possible to start with the first step of the Intergovernmental Project Pipeline process namely, to view the different entities of government planned intervention in space[28].

Once the platforms has been established, the second step will be to identify clear and obvious overlap or expenditure that is not in line with any other public entity's strategic vision or spatial targeting. Once these issues and opportunities has been identified, the various stakeholders and role players can use the same platform to coordinate and phase investment in a sustainable and efficient way which will lead to the most return on investment by the collaborative via the Capital Expenditure Framework.

Once such potentials have been identified and established, the CP3 platform will prioritize the investment opportunities, ranking projects based on the criteria engaged with by the Inter-governmental committee; such criteria will typically constitute of spatial, economic, social, technical and strategic qualities – each with a different weight – depending on the forum. The prioritized projects will then be sent through to the budget scenario process where the different entities' budget will be allocated to the prioritized projects in order to realize and give effect to spatial targeting. Throughout the process projects will be monitored as they are implemented.

5.5 Planned capital expenditure

The current capital expenditure project pipeline of the municipality includes the current planned capital expenditure for the financial year 2020/2021 up to financial year 2029/2030.

[28] The Stellenbosch jurisdictional area.

5.5.1 Planned capital expenditure: Summary

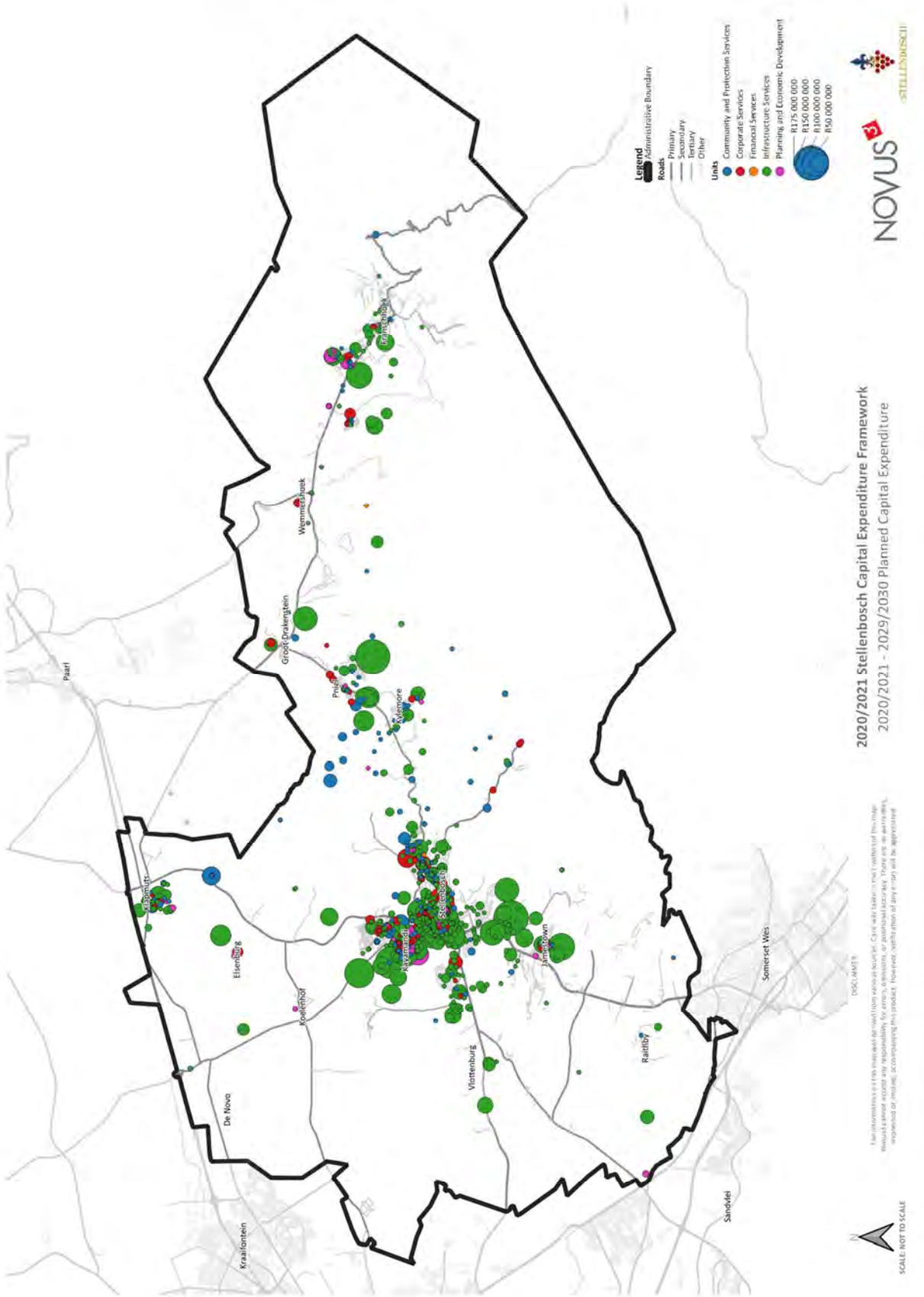
The traditional municipal process is based around a three year budget cycle as per the Medium Term Expenditure Framework (MTREF). This forced municipalities to plan in the same context. With the Introduction of the CEF, Stellenbosch first made an institutional change by planning on a five year horizon. Stellenbosch is working towards a thorough 10 year planning horizon, however several efforts needs to be made regarding the various sector plans before a mature 10 year planning perspective is formed.

It is important to note that the further one plans into the future, the more difficult it becomes to express a planned capital expenditure. It is for that reason that the total capital demand decrease as the years increase.

Table 46: 2020/2021-2030/2031 Planned capital expenditure

Year	Total Planned Capital Expenditure	Total Planned Capital Expenditure %
2020/2021	R721 785 076	12%
2021/2022	R698 492 030	12%
2022/2023	R628 843 580	10%
2023/2024	R735 459 363	12%
2024/2025	R570 881 401	9%
2025/2026	R531 788 364	9%
2026/2027	R604 008 592	10%
2027/2028	R547 032 074	9%
2028/2029	R563 960 613	9%
2029/2030	R410 858 322	7%
Total	R6 013 109 416	100%

From Table 46: , it is clear that planned capital expenditure decrease as time increase, with almost 30% of the planned capital expenditure in the first three years. This is because the near future is more predictable than the distant future, which means that project managers has a better idea of what projects is required now, and what the actual capital expenditure would be of the said projects. The total planned capital expenditure amounts to R 6 013 109 416 during the ten year planning horizon.



Map 18: 2020/2021 – 2029/2030 Total planned capital expenditure

5.5.2 Planned capital per Unit

Table 47: Planned capital expenditure per unit per year

Year	Community and Protection Services	Corporate Services	Financial Services	Infrastructure Services	Municipal Manager	Planning and Economic Development	Total
2020/2021	R70 559 847	R47 800 000	R150 000	R496 148 429	R40 000	R107 086 800	R721 785 076
2021/2022	R63 965 000	R57 840 000	R150 000	R573 613 230	R40 000	R2 883 800	R698 492 030
2022/2023	R65 844 000	R63 340 000	R-	R489 314 580	R-	R10 345 000	R628 843 580
2023/2024	R57 380 000	R77 800 000	R-	R586 652 763	R-	R13 626 600	R735 459 363
2024/2025	R62 030 000	R56 740 000	R-	R447 863 001	R-	R4 248 400	R570 881 401
2025/2026	R60 527 000	R47 690 000	R-	R417 407 164	R-	R6 164 200	R531 788 364
2026/2027	R82 510 000	R43 440 000	R-	R465 008 592	R-	R13 050 000	R604 008 592
2027/2028	R32 410 000	R42 240 000	R-	R449 027 074	R-	R23 355 000	R547 032 074
2028/2029	R54 670 000	R92 000 000	R-	R384 763 613	R-	R32 527 000	R563 960 613
2029/2030	R45 180 000	R55 470 000	R-	R281 393 322	R-	R28 815 000	R410 858 322
Total	R595 075 847	R584 360 000	R300 000	R4 591 191 769	R80 000	R242 101 800	R6 013 109 416
%	10%	10%	0%	76%	0%	4%	100%

Table 47: and Figure 22 shows planned capital expenditure per unit for each financial year. It is clear that Infrastructure services boasts with 76% of the total capital demand.

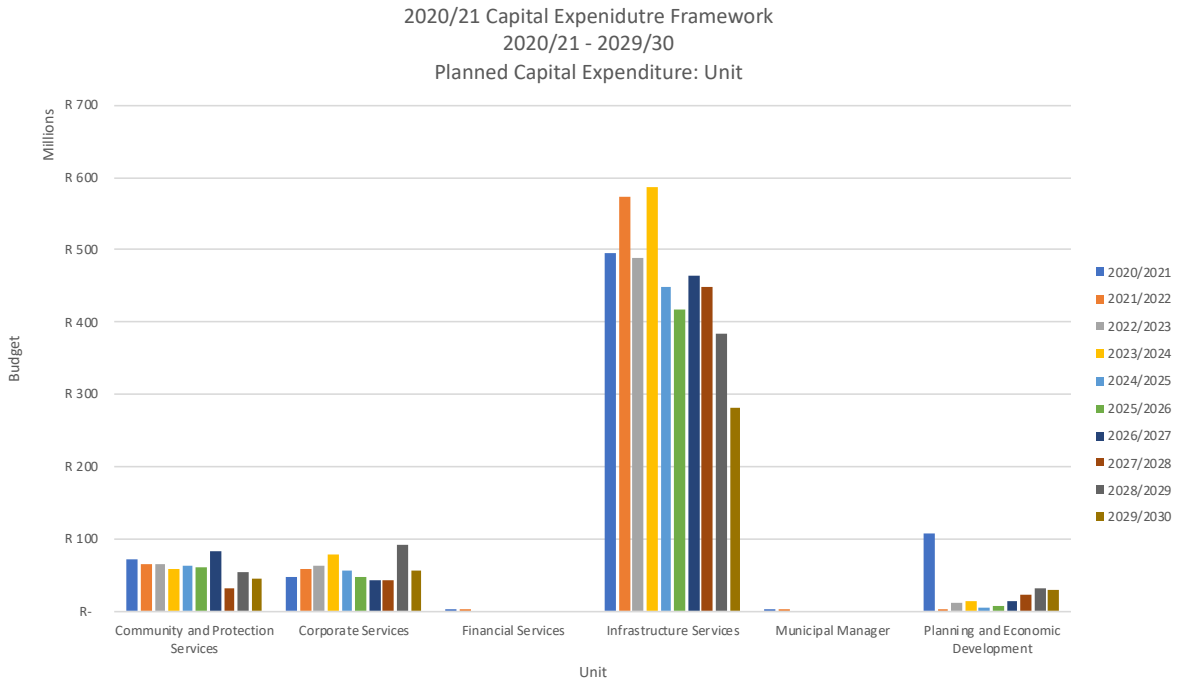


Figure 21: 2020/2021 – 2029/2030 Planned capital expenditure per unit

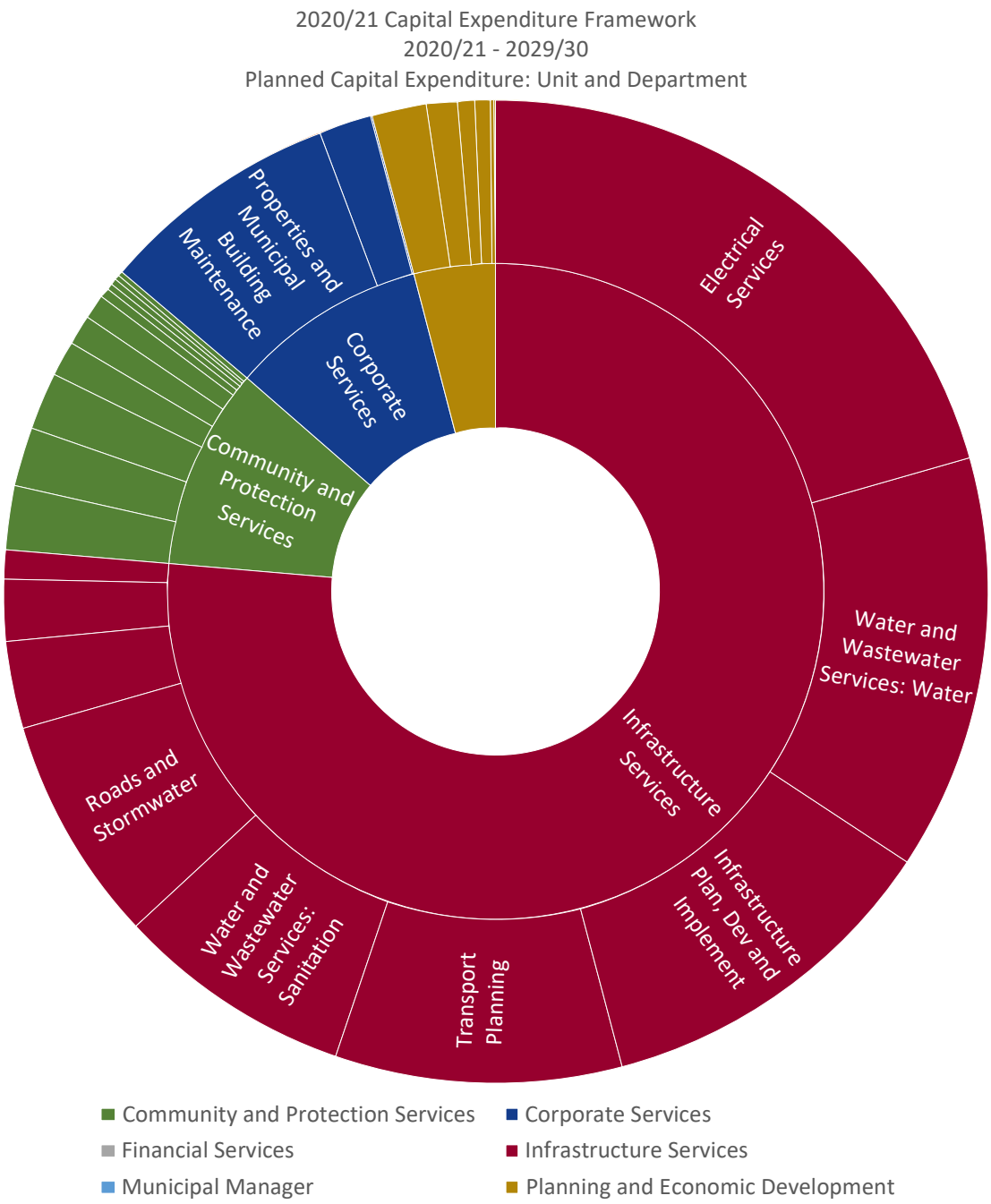


Figure 22: 2020/21 – 2029/30 Planned capital expenditure per unit & department

From Figure 22 it is clear that the infrastructure services unit requires, or rather plans, for the majority of the planned capital expenditure, amounting to +-75%, followed by corporate services and economic development – which are not surprising given that they are responsible for land acquisition (amongst others) in the municipality. One can also deduct the departmental split regarding planned capital expenditure. The department of Electrical Services, together with Water and Wastewater Services: Water represents almost 45% of the units total planned capital expenditure and a total of 34% of the entire 10-year planned capital expenditure of Stellenbosch Local Municipality.

5.5.2.1 *Planned Capital Expenditure: Infrastructure Services*

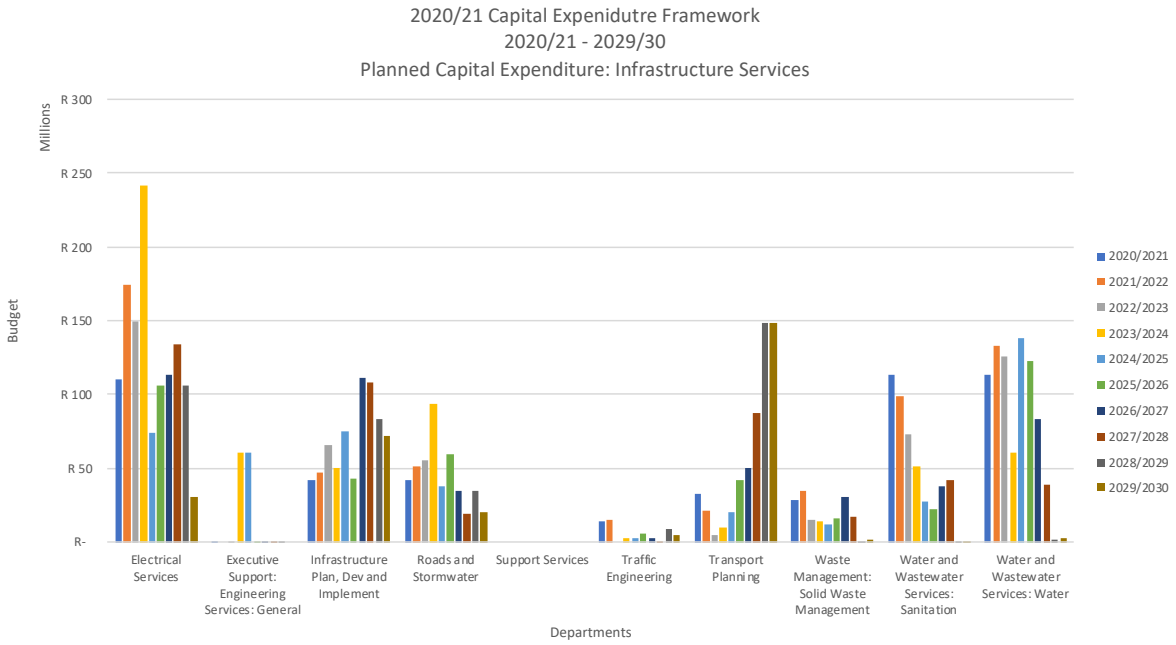


Figure 23: Ten Year planned capital expenditure: Infrastructure Services

Table 48: Ten Year planned capital expenditure: Infrastructure Services (R' 000)

Year	Electrical Services	Executive Support: Engineering Services:	Infrastructure Plan, Dev and Implement	Roads and Stormwater	Support Services	Traffic Engineering	Transport Planning	Waste Management : Solid Waste Management	Water and Wastewater Services: Sanitation	Water and Wastewater Services: Water	Grand Total
2020/21	R109 822	R400	R42 497	R41 550	R0	R13 700	R32 500	R28 945	R113 234	R113 500	R496 148
2021/22	R173 774	R0	R47 394	R51 000	R0	R14 650	R21 350	R34 345	R98 350	R132 750	R573 613
2022/23	R149 585	R10	R65 525	R55 450	R0	R0	R5 150	R15 495	R72 600	R125 500	R489 315
2023/24	R241 932	R60 910	R50 646	R93 750	R0	R2 950	R10 450	R14 015	R51 100	R60 900	R586 653
2024/25	R73 988	R60 700	R74 825	R38 250	R0	R2 600	R19 900	R11 700	R27 500	R138 400	R447 863
2025/26	R105 903	R300	R42 784	R59 200	R0	R6 000	R41 720	R16 150	R22 400	R122 950	R417 407
2026/27	R113 606	R300	R111 068	R34 600	R0	R3 000	R49 935	R31 050	R38 250	R83 200	R465 009
2027/28	R134 197	R300	R107 830	R19 350	R0	R500	R87 750	R17 600	R42 300	R39 200	R449 027
2028/29	R106 049	R250	R83 255	R34 600	R0	R8 900	R148 810	R600	R300	R2 000	R384 764
2029/30	R31 013	R0	R71 620	R19 850	R0	R4 750	R148 760	R2 100	R300	R3 000	R281 393
Total	R1 239 870	R123 170	R697 443	R447 600	R0	R57 050	R566 325	R172 000	R466 334	R821 400	R4 591 192
Total %	27%	3%	15%	10%	0%	1%	12%	4%	10%	18%	100%

Of all the departments within the infrastructure services unit, Electrical Services boast 27% of the unit's planned capital expenditure. This is not only because of the important regional role electrical planning has to deal with in the context of the Western Cape, but also because of the growing need within the municipality to basic services. As a response to the water crisis within the municipality, and the region, the municipality is developing various water strategies that should be implemented. These initiatives, in other words, planned capital expenditure projects, amounts to 18% of the department's total planned capital expenditure, which is also the most for a department in the whole municipality.

5.5.2.2 *Planned Capital Expenditure: Planning and Economic Development*

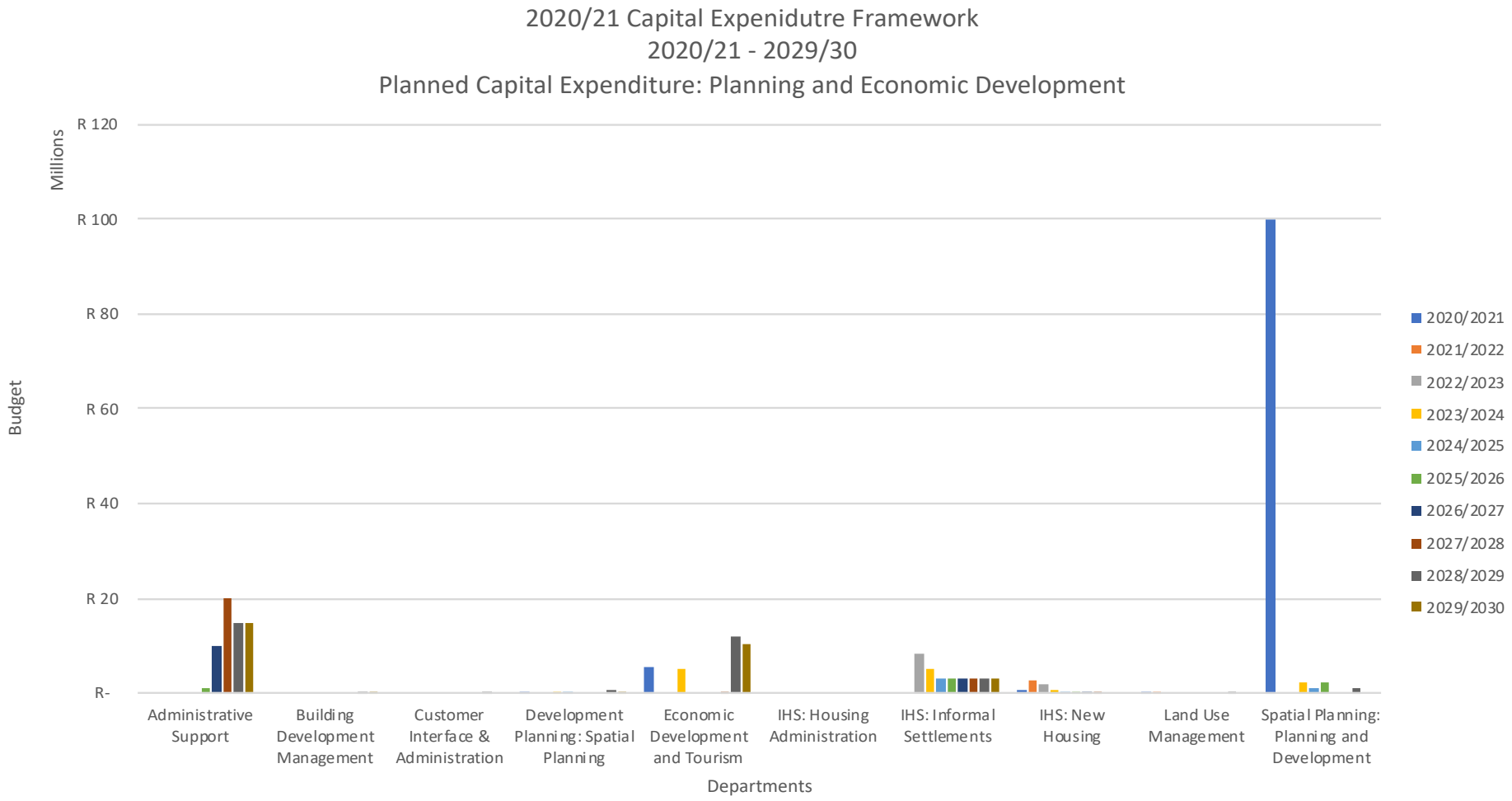


Figure 24: Ten Year planned capital expenditure: Planning and Economic Development

Table 49: Ten Year planned capital expenditure: P&E Development (R' 000)

Years	Administrative Support	Building Development Management	Customer Interface & Administration	Development Planning: Spatial Planning	Economic Development and Tourism	IHS: Housing Administration	IHS: Informal Settlements	IHS: New Housing	Land Use Management	Spatial Planning: Planning and Development	Grand Total
2020/2021	R0	R0	R0	R375	R5 665	R0	R0	R802	R210	R100 035	R107 087
2021/2022	R0	R0	R0	R0	R0	R0	R0	R2 759	R125	R0	R2 884
2022/2023	R0	R0	R0	R0	R0	R0	R8 270	R2 075	R0	R0	R10 345
2023/2024	R0	R0	R0	R255	R5 000	R0	R5 250	R774	R0	R2 348	R13 627
2024/2025	R0	R0	R0	R45	R0	R0	R3 020	R25	R0	R1 159	R4 248
2025/2026	R1 000	R0	R0	R0	R0	R0	R3 025	R25	R0	R2 114	R6 164
2026/2027	R10 000	R0	R0	R0	R0	R0	R3 025	R25	R0	R0	R13 050
2027/2028	R20 000	R0	R0	R0	R300	R0	R3 025	R30	R0	R0	R23 355
2028/2029	R15 000	R80	R100	R647	R12 145	R0	R3 030	R0	R275	R1 250	R32 527
2029/2030	R15 000	R35	R0	R380	R10 370	R0	R3 030	R0	R0	R0	R28 815
Total	R61 000	R115	R100	R1 702	R33 480	R0	R31 675	R6 514	R610	R106 906	R242 102
Total %	25%	0%	0%	1%	14%	0%	13%	3%	0%	44%	100%

The department Planning and Economic Development identified R 242 million worth of planned capital expenditure which are reported under the said department. It must be noted that – specifically with respect to housing projects – some project might be conceptualised and even be administered within the department, however, another department in another unit might be the implementing agent. Spatial Planning and Development indicates a large planned capital expenditure in the 2020/21 financial year in comparison to other departments and other financial years, it signifies a significant planned capital.

5.5.2.3 *Planned Capital Expenditure: Community and Protection Services*

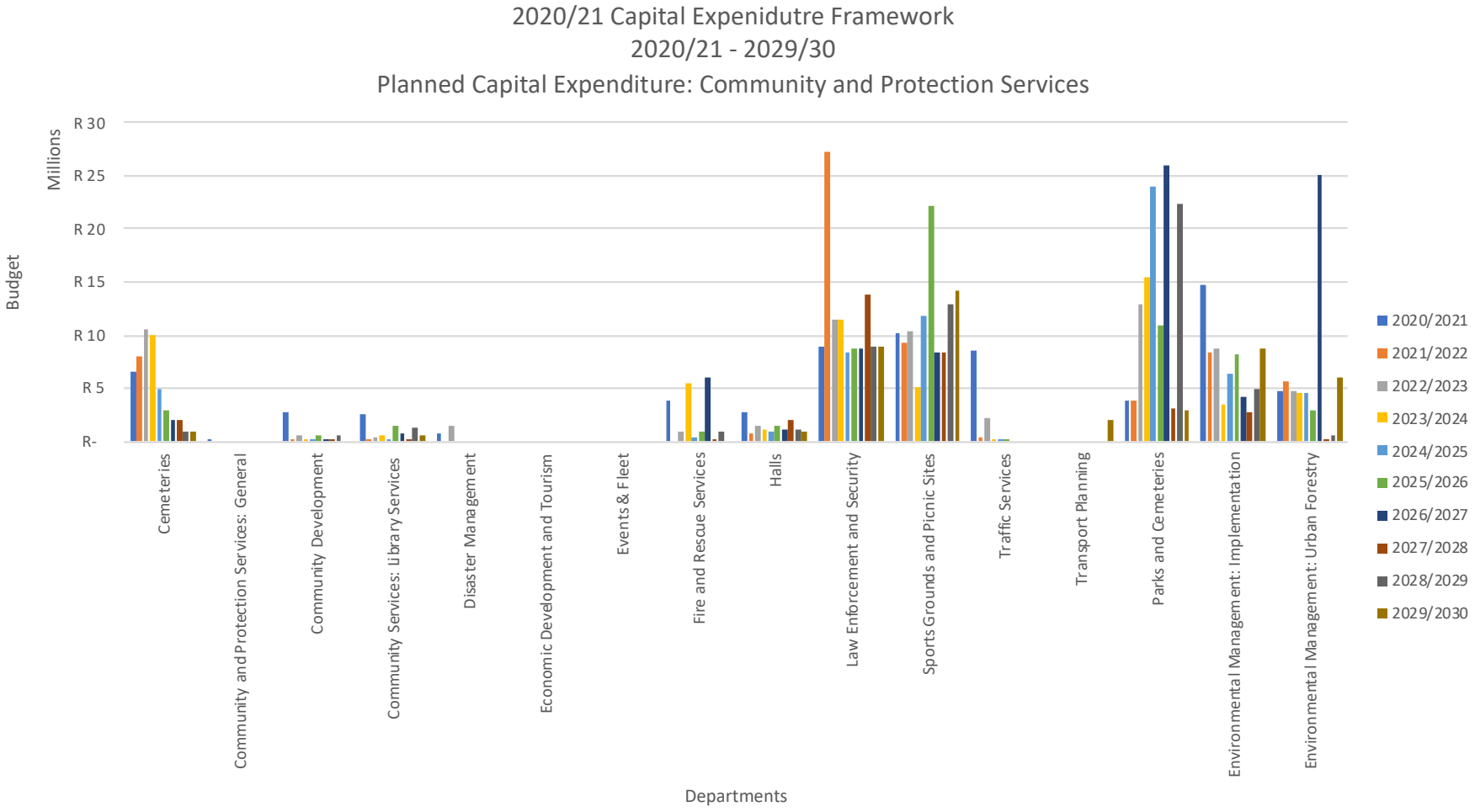


Figure 25: Ten Year planned capital expenditure: C & P Services

Table 50: Ten Year planned capital expenditure: C & P Services (R' 000)

Departments	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Cemeteries	R6 530	R8 000	R10 500	R10 000	R5 000	R3 000
Community and Protection Services: General	R250	R-	R-	R-	R-	R-
Community Development	R2 785	R100	R560	R55	R60	R607
Community Services: Library Services	R2 540	R305	R360	R630	R260	R1 500
Disaster Management	R800	R-	R1 500	R-	R-	R-
Economic Development and Tourism	R-	R-	R-	R-	R-	R-
Events & Fleet	R-	R-	R-	R-	R-	R-
Fire and Rescue Services	R3 800	R-	R1 000	R5 500	R350	R1 000
Halls	R2 850	R750	R1 450	R1 100	R1 000	R1 420
Law Enforcement and Security	R9 000	R27 300	R11 450	R11 450	R8 450	R8 700
Sports Grounds and Picnic Sites	R10 230	R9 380	R10 400	R5 075	R11 900	R22 170
Traffic Services	R8 600	R400	R2 164	R30	R40	R40
Transport Planning	R-	R-	R-	R-	R-	R-
Parks and Cemeteries	R3 821	R3 810	R12 880	R15 380	R24 040	R10 910
Environmental Management: Implementation	R14 654	R8 320	R8 800	R3 550	R6 400	R8 150
Environmental Management: Urban Forestry	R4 700	R5 600	R4 780	R4 610	R4 530	R3 030
Grand Total	R70 560	R63 965	R65 844	R57 380	R62 030	R60 527

Departments	2026/27	2027/28	2028/29	2029/30	Total	Total %
Cemeteries	R2 000	R2 000	R1 000	R1 000	R49 030	8%
Community and Protection Services: General	R-	R-	R-	R-	R250	0%
Community Development	R50	R60	R570	R-	R4 847	1%
Community Services: Library Services	R800	R50	R1 360	R600	R8 405	1%
Disaster Management	R-	R-	R-	R-	R2 300	0%
Economic Development and Tourism	R-	R-	R-	R-	R-	0%
Events & Fleet	R-	R-	R-	R-	R-	0%
Fire and Rescue Services	R6 000	R100	R1 000	R-	R18 750	3%
Halls	R1 140	R2 050	R1 220	R950	R13 930	2%
Law Enforcement and Security	R8 750	R13 800	R8 850	R8 900	R116 650	20%
Sports Grounds and Picnic Sites	R8 470	R8 370	R12 940	R14 100	R113 035	19%
Traffic Services	R-	R-	R-	R-	R11 274	2%
Transport Planning	R-	R-	R-	R2 000	R2 000	0%
Parks and Cemeteries	R26 020	R3 200	R22 320	R2 950	R125 331	21%
Environmental Management: Implementation	R4 250	R2 750	R4 850	R8 700	R70 424	12%
Environmental Management: Urban Forestry	R25 030	R30	R560	R5 980	R58 850	10%
Grand Total	R83	R32	R55	R45	R595	100%

Stellenbosch is well endowed with natural features. In order to maintain the character of the municipality, and to optimise on the natural assets within Stellenbosch, a department such as Parks, Rivers and Area Cleaning expresses the largest proportion of planned capital expenditure within this unit, amounting to 19% of this unit's planned capital expenditure. The highest capital expenditure total within this Unit is towards Law Enforcement and Security at a total of 20% of the units total. With the second and the seventh year at the highest totals of the department's capital demand.

5.5.2.4 *Planned Capital Expenditure: Corporate Services*

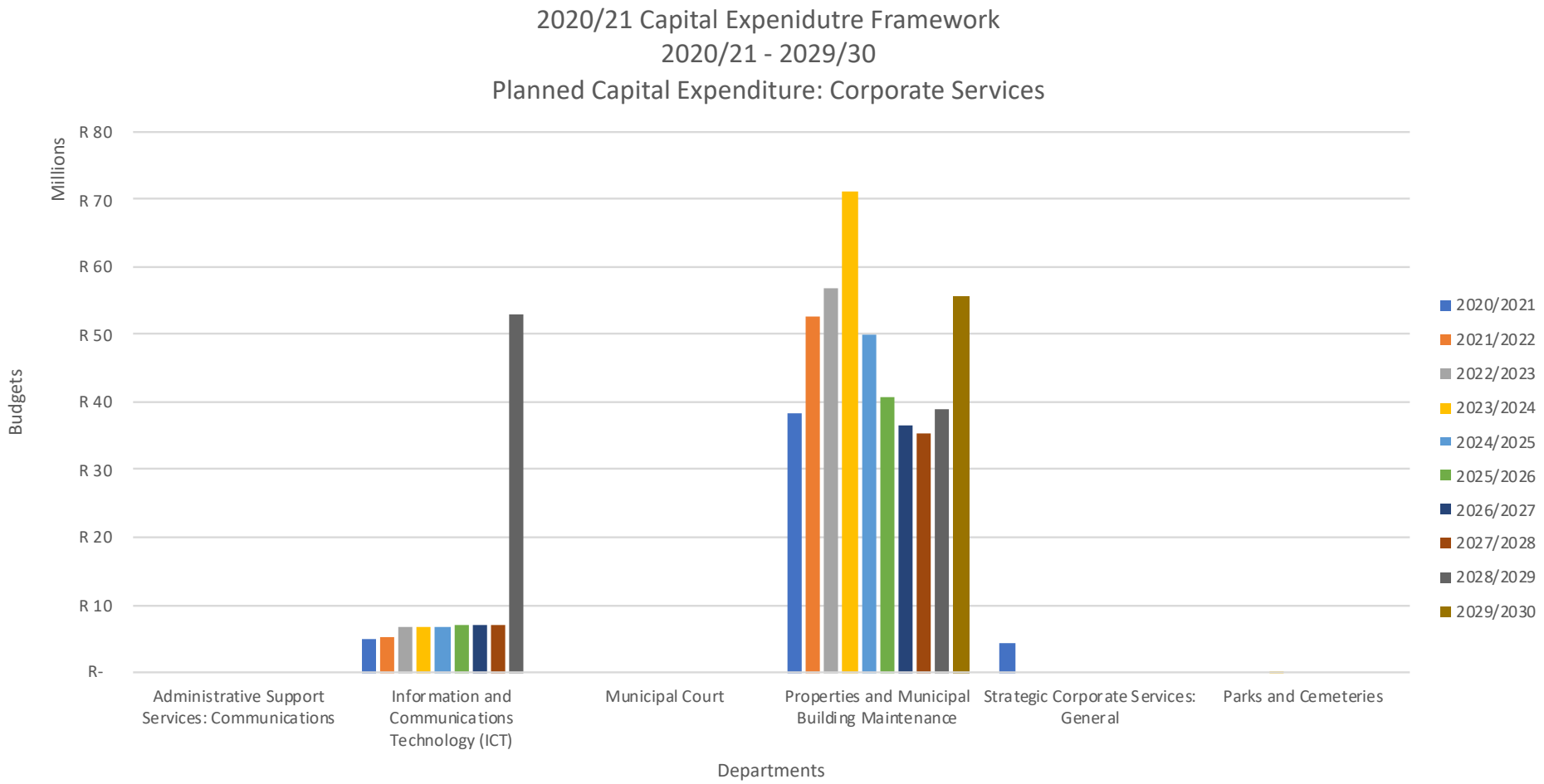


Figure 26: Ten Year planned capital expenditure: Corporate Services

Table 51: Ten Year planned capital expenditure: Corporate Services (R' 000)

Years	Administrative Support Services: Communications	Information and Communications Technology (ICT)	Municipal Court	Properties and Municipal Building Maintenance	Strategic Corporate Services: General	Parks and Cemeteries	Grand Total
2020/2021	R0	R5 100	R0	R38 300	R4 400	R0	R47 800
2021/2022	R0	R5 200	R0	R52 640	R0	R0	R57 840
2022/2023	R0	R6 600	R0	R56 740	R0	R0	R63 340
2023/2024	R0	R6 800	R0	R70 990	R0	R10	R77 800
2024/2025	R0	R6 800	R0	R49 940	R0	R0	R56 740
2025/2026	R0	R6 900	R0	R40 790	R0	R0	R47 690
2026/2027	R0	R6 900	R0	R36 540	R0	R0	R43 440
2027/2028	R0	R7 000	R0	R35 240	R0	R0	R42 240
2028/2029	R0	R53 000	R0	R39 000	R0	R0	R92 000
2029/2030	R0	R0	R0	R55 470	R0	R0	R55 470
Total	R0	R104 300	R0	R475 650	R4 400	R10	R584 360
Total %	0%	18%	0%	81%	1%	0%	100%

Corporate services hosts 10% of the planned capital expenditure within the municipality, of which 81% are requested by the department of Properties and Municipal Building Maintenance. The department of Information and Communications Technology (ICT) represents a further 18%. The mentioned departments thus foresee capital expenditure amounting to 99% of the unit.

5.6 Volume based demand

5.6.1 Capacity based demand versus Capital based demand

This section deals with the total Infrastructure demand within the Stellenbosch Local Municipality. As per the guidelines, it has expressed all capital demand in terms of budget requested and so answering the question of how much the total asset expenditure will cost. This enable financial modellers to determine what a sustainable path would be in terms of infrastructure roll out as well as the pace of implementation. However, at the core of the Capital Expenditure Framework is the aim to provide the desired urban form in an integrated manner – which means that capital demand should not only be viewed in monetary terms, but also in quantitative terms. The question that needs to be asked is therefore, how much units or how much capacity do we purchase with the identified demand within the Stellenbosch Local Municipality?

The first principles of economics dictate the relationship between quantity, price and demand. Without considering quantity, one does take the risk that not all demand is met over time.

5.6.2 Institutional processes in place to track capacity

Benchmarking of capital projects unit cost has been a difficult task throughout municipalities in South Africa. Not only because true project cost could never be measured accurately on a large scale, but also because actual expenditure and asset management has not been as sophisticated as one would hope. The Stellenbosch Local Municipality however, has the ability to amongst others, identify the volume that is being bought at a specific price.

5.7 Planned capital: Asset Action type demand

National Treasury has established a panel of service providers for the provision of an Integrated Financial Management and Internal Control System for local government. This is for municipalities to potentially procure financial management and internal control systems as they implement the Regulation of a Standard Chart of Accounts, commonly referred to as the Municipal Standard Chart of Accounts (*m*SCOA). *m*SCOA makes provision for a uniform and standardised financial transaction classification framework as per the Municipal Regulations and Standard Chart of Accounts as gazetted on 22 April 2014 (Gazette No 37577).

The Municipal Chart of Accounts is classified within the segments indicated in Figure 27 below:

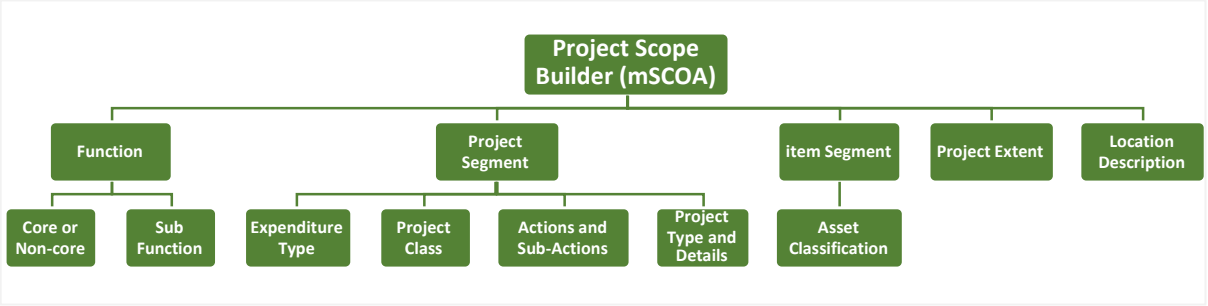


Figure 27: MSCOA segment classification

Within the Project Class, projects identified as “Infrastructure” are classified as “engineering type” services. These are inclusive of Electricity, Water and Sanitation as well as Roads and Storm-water type services. They display some or all of the following characteristics:

- Part of a system/ Network;
- Specific in nature and do not have alternative uses;
- Immovable, and;
- Subject to constraints at disposal.

Projects that fall under the “non- infrastructure” category are projects of a capital nature, identified by management. For example procurement of a new bus fleet for use as urban transport. Housing and Human Settlements also fall within the “non-infrastructure” category.

The project Action and Sub-Action component of the Project Segment within mSCOA, is an umbrella term that includes a “**New**” or “**Existing**” project. Sub-actions for an “**Existing**” project includes “**Upgrade**” or “**Renewa**l”. For ease of reference the category descriptions are as follows:

- New: Capital projects to provide new assets to meet the current and future growth demands;
- Existing: Capital projects to provide an upgrade or renewal to asset in order to meet the current and future demands;
- Existing - Upgrade: Upgrade projects are generated according to the requirement for the replacement of a part of an asset component with the aim to increase the current capacity of the asset, and;
- Existing - Renewal: Replacing of existing infrastructure that has reached a Remaining Useful Life (RUL) of zero, while providing the same capacity and service.

Figure 28 and Table 52: indicate the asset type classification of the capital expenditure within the municipality.

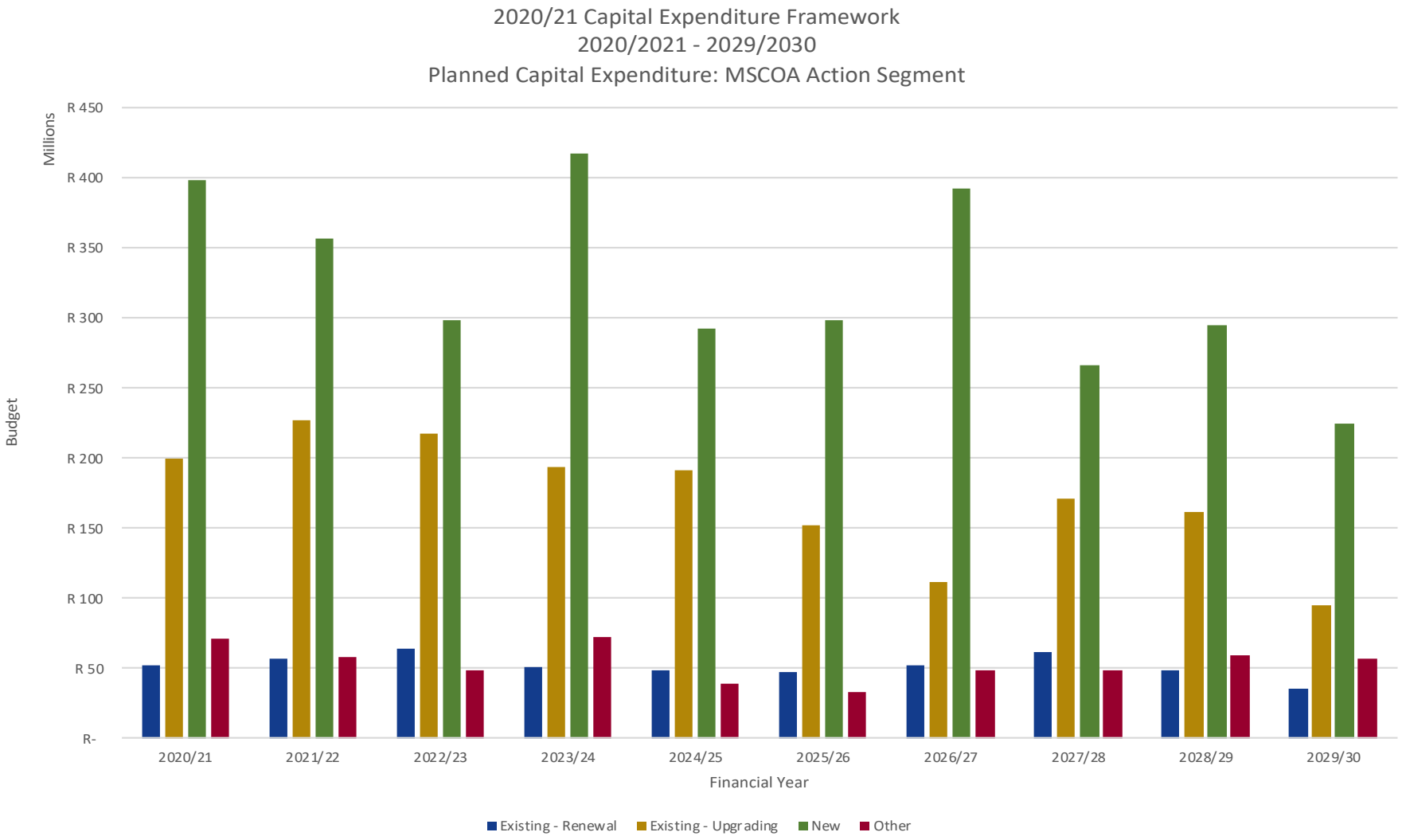


Figure 28: Planned capital expenditure per MSCOA action segment

Table 52: Planned capital expenditure per MSCOA action segment

Year	Existing - Renewal	Existing - Upgrading	New	Other	Grand Total
2020/21	R51 772 470	R199 338 778	R399 092 028	R71 581 800	R721 785 076
2021/22	R56 302 568	R227 621 000	R356 742 662	R57 825 800	R698 492 030
2022/23	R63 716 248	R218 052 126	R298 648 786	R48 426 420	R628 843 580
2023/24	R51 375 581	R194 100 000	R417 582 932	R72 400 850	R735 459 363
2024/25	R48 589 348	R190 900 000	R292 518 590	R38 873 463	R570 881 401
2025/26	R47 787 331	R152 401 268	R298 015 993	R33 583 772	R531 788 364
2026/27	R51 756 104	R111 512 905	R391 983 975	R48 755 608	R604 008 592
2027/28	R61 372 862	R171 050 000	R266 139 013	R48 470 199	R547 032 074
2028/29	R48 148 854	R162 077 215	R294 857 315	R58 877 229	R563 960 613
2029/30	R34 892 140	R94 620 000	R224 756 182	R56 590 000	R410 858 322
Total	R515 713 506	R1 721 673 292	R3 240 337 476	R535 385 141	R6 013 109 416
%	9%	29%	54%	9%	100%

The proportion of New to Existing asset planned capital expenditure remains relatively constant throughout the ten year horizon. The majority of assets, in terms of planned capital expenditure, are related to new assets, followed by upgrading of existing assets of 29% of the planned capital expenditure during the analysis period. This shows that the municipality is aiming on increasing the rates-base, the capacity and the general size of the town, while still expanding the urban footprint of Stellenbosch.

5.8 Planned capital expenditure: Discipline based analysis

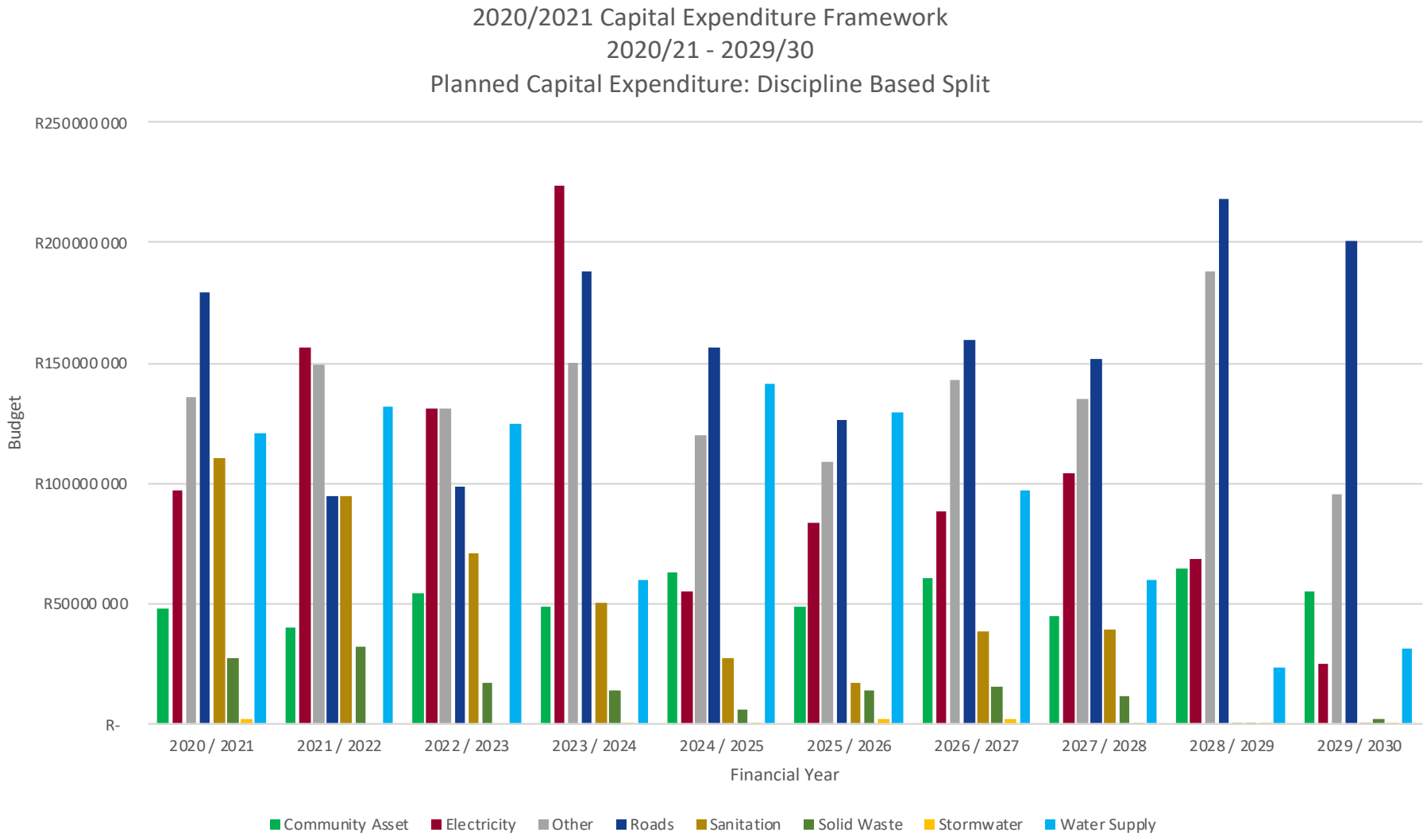


Figure 29: Planned capital expenditure per discipline

Table 53: Planned capital expenditure per discipline (R' 000)

Year	Community Asset	Electricity	Other	Roads	Sanitation	Solid Waste	Stormwater	Water Supply	Total
2020 /21	R47 690	R97 402	R135 967	R179 575	R110 884	R27 500	R2 000	R120 767	R721 785
2021 /22	R39 820	R156 391	R149 160	R94 390	R94 700	R32 000	R0	R132 031	R698 492
2022 /23	R54 445	R130 902	R131 457	R99 040	R71 200	R16 900	R0	R124 900	R628 844
2023 /24	R49 180	R223 854	R149 910	R187 985	R50 700	R14 100	R200	R59 530	R735 459
2024 /25	R62 960	R55 399	R120 152	R156 190	R27 750	R6 500	R200	R141 730	R570 881
2025 /26	R48 950	R84 015	R109 165	R126 428	R17 250	R14 300	R2 200	R129 480	R531 788
2026 /27	R60 550	R88 575	R142 771	R159 232	R38 500	R15 500	R2 100	R96 780	R604 009
2027 /28	R45 250	R103 888	R134 753	R151 911	R39 550	R11 300	R100	R60 280	R547 032
2028 /29	R64 435	R68 776	R187 929	R218 390	R550	R500	R100	R23 280	R563 961
2029 /30	R55 300	R25 183	R95 378	R201 067	R550	R2 000	R100	R31 280	R410 858
Total %	R528 580 9%	R1 034 386 17%	R1 356 643 23%	R1 574 209 26%	R451 634 8%	R140 600 2%	R7 000 0%	R920 057 15%	R6 013 109 100%

The discipline based analysis is a method of showing what types of assets will, or are planned for. From this one can deduct what the intent is of the municipality over the next ten years. Please note, this is only considering the sector plans and not necessarily the IDP needs of future years. Assets related to the Roads discipline comprises of 26% of the total 10 year planned capital expenditure. For detail related as to what assets relate to each discipline category, please refer to the section below.

5.9 Planned capital expenditure: Asset type analysis

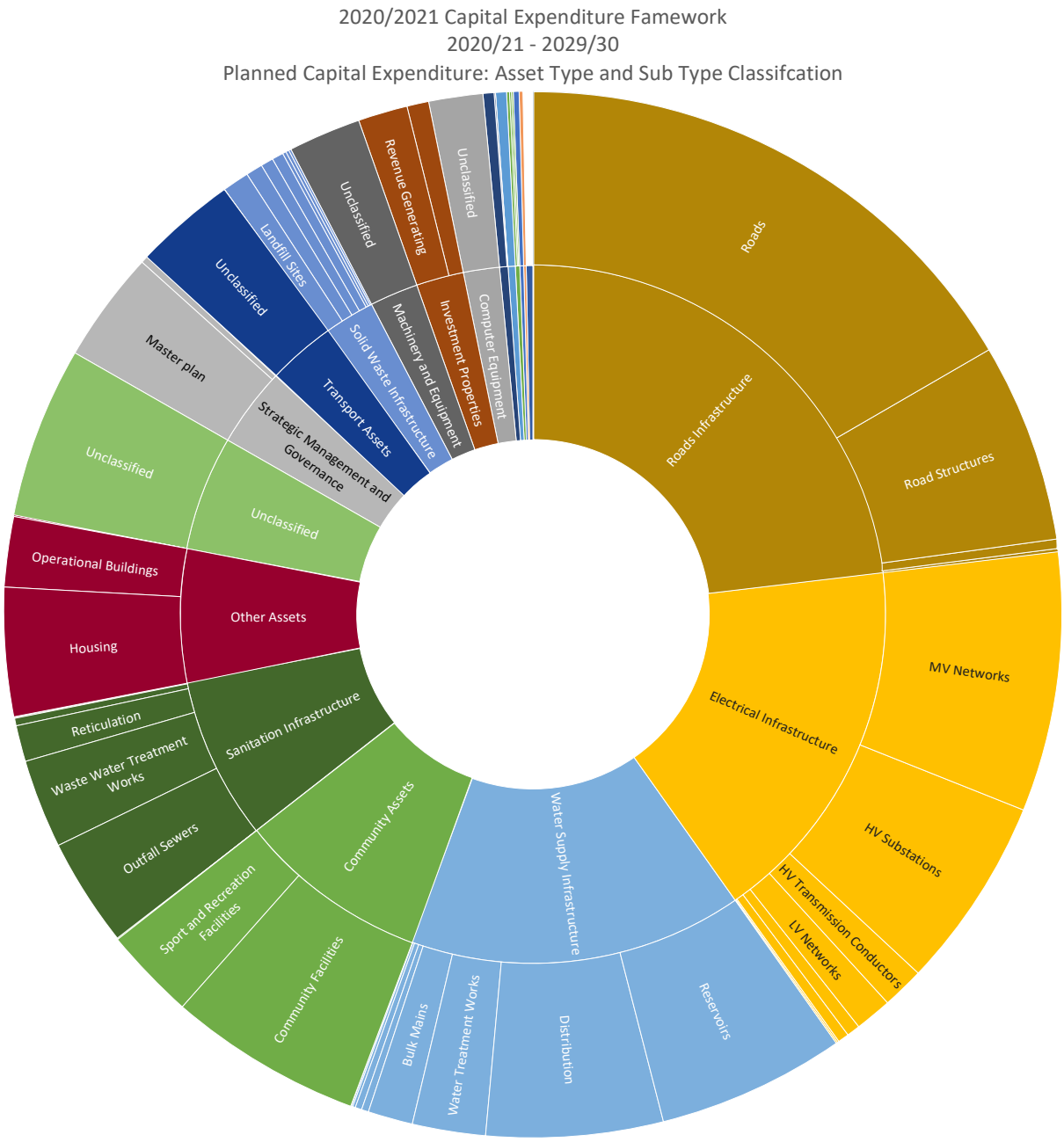


Figure 30: Planned capital expenditure – asset type and sub type classification

From the sunburst diagram it is clear that Roads infrastructure, Water Supply Infrastructure and Electrical Infrastructure collectively represent more than 50% of the total planned capital expenditure of the municipality. Considering the process of developing the new deal as stated by the IUDF. It could be deducted that the majority of planning in terms of capital expenditure lends towards establishing new services followed by other services such community assets and sanitation infrastructure in future. Collectively, all of these services will result in integrated urban spaces as envisioned by the IUDF. For a detailed view of the asset types planned for, as part of the planned capital expenditure, please refer to the summary sheet below. It is important to take note of the following:

- Each project that are being planned for by the municipality are classified in terms of the latest *m*SCOA – namely version 6.3, and;

- Some asset type strings, or in other words, asset type classifications, does not go down to the same level of categorisation – hence the term "blank" on the sheet. This does not mean there is a a lack of data, but rather a lack of a request or an option to capture more detail per project.

5.10 Planned capital per Priority Development Area

Table 54: Planned capital expenditure per Priority Development Area

Functional Area Intersect	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Administrative HQ	R87 191 800	R60 066 800	R24 040 000	R22 029 000	R23 064 500	R27 687 060
City Wide	R124 132 970	R182 555 230	R138 186 080	R285 643 888	R103 198 869	R83 621 903
Farm	R134 568 712	R169 392 470	R149 997 242	R122 125 658	R131 436 585	R138 341 833
No Intersect	R440 982	R598 407	R1 093 781	R544 261	R149 767	R141 643
Not Mapped	R38 830 000	R33 360 000	R3 500 000	R6 200 000	R4 750 000	R13 350 000
Rural Node	R2 712 557	R10 162 154	R19 496 328	R14 724 107	R28 231 874	R23 858 156
Urban Node	R333 908 055	R242 356 969	R292 530 150	R284 192 449	R280 049 806	R244 787 771
Grand Total	R721 785 076	R698 492 030	R628 843 580	R735 459 363	R570 881 402	R531 788 366

Functional Area Intersect	2026/27	2027/28	2028/29	2029/30	Total	Percentage
Administrative HQ	R37 215 164	R30 236 302	R66 965 472	R18 672 000	R397 168 098	7%
City Wide	R104 422 151	R92 485 354	R77 588 016	R87 806 322	R1 279 640 783	21%
Farm	R113 381 232	R76 959 866	R29 606 455	R35 827 590	R1 101 637 644	18%
No Intersect	R308 761	R201 113	R4 367	R193 884	R3 676 966	0%
Not Mapped	R1 200 000	R4 240 000	R7 730 000	R6 340 000	R119 500 000	2%
Rural Node	R21 242 743	R4 009 869	R675 766	R788 931	R125 902 485	2%
Urban Node	R326 238 541	R338 899 570	R381 390 537	R261 229 595	R2 985 583 443	50%
Grand Total	R604 008 592	R547 032 074	R563 960 613	R410 858 322	R6 013 109 419	100%

Table 47: and Figure 22 shows planned capital expenditure per priority development area for each financial year. It is clear that the majority of capital expenditure across the 10 year horison is planned to be spent in the urban node delineated areas.

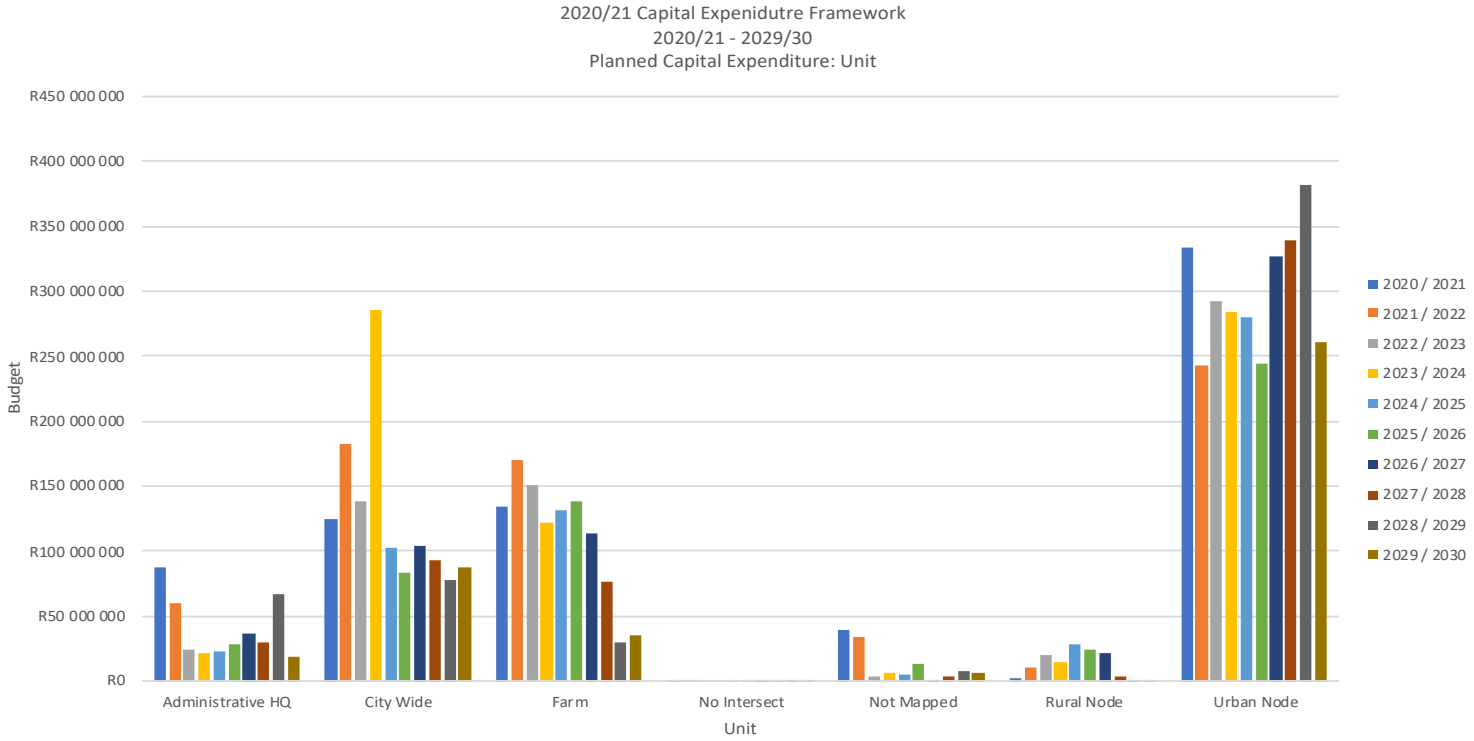
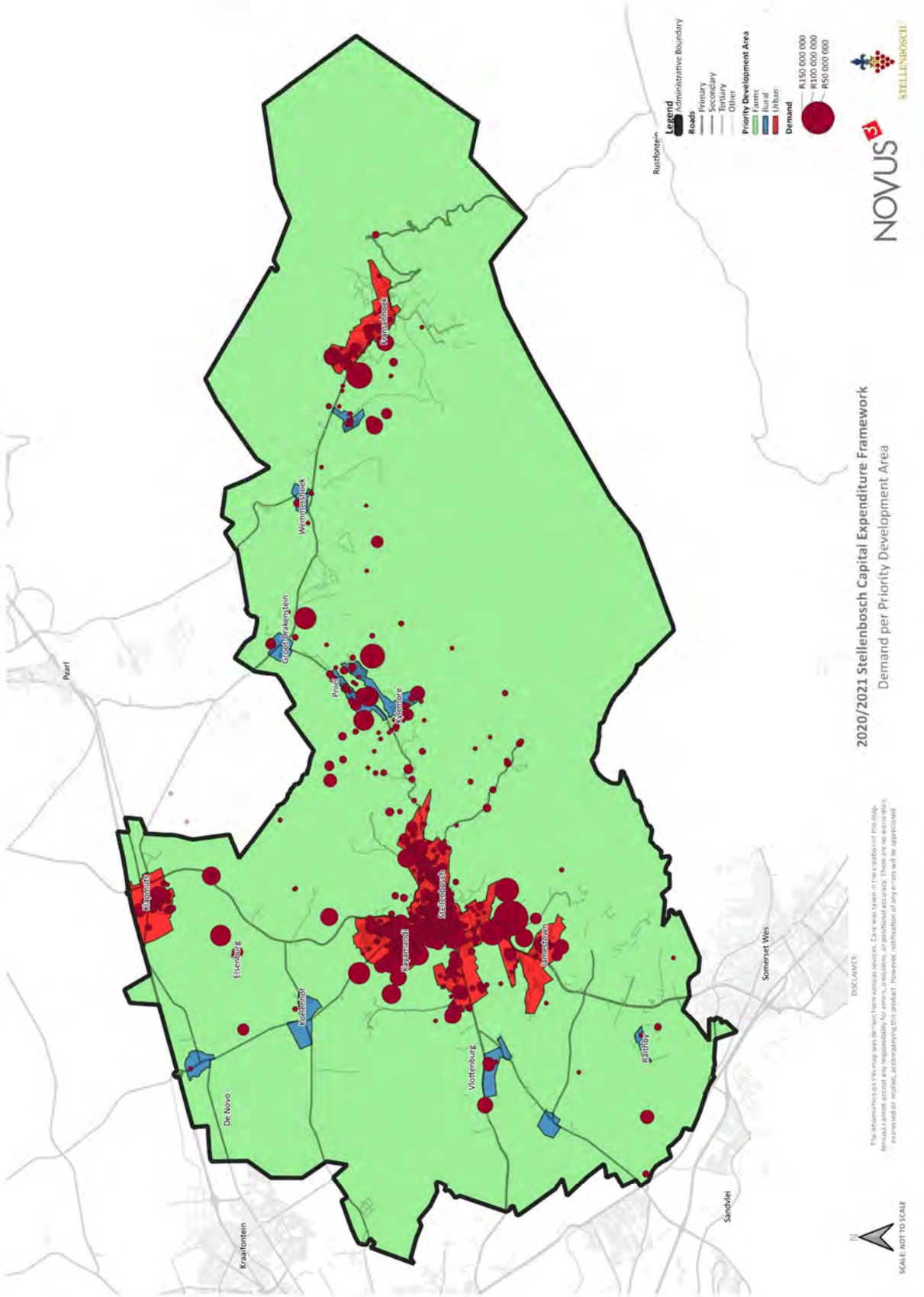


Figure 31: 2020/2021 – 2029/2030 Planned capital expenditure per PDA



Map 19: 2020/21 – 2029/30 Total planned capital expenditure per PDA

Table 55: Total planned capital expenditure per asset type captured on CP3

Type	Sub Type	Sum of 2020/21	Sum of 2021/22	Sum of 2022/23	Sum of 2023/24	Sum of 2024/25	Sum of 2025/26	Sum of 2026/27	Sum of 2027/28	Sum of 2028/29	Sum of 2029/30
Biological or Cultivated Assets	(blank)	R 1 250 000	R 500 000	R 350 000	R 3 250 000	R 550 000	R 1 350 000	R 1 500 000	R 1 000 000	R 100 000	R 600 000
Community Assets	Community Facilities	R 41 429 347	R 32 020 000	R 41 545 000	R 36 180 000	R 32 410 000	R 22 000 000	R 31 550 000	R 39 050 000	R 36 085 000	R 44 700 000
Community Assets	Sport and Recreation Facilities	R 5 760 500	R 7 800 000	R 12 900 000	R 13 000 000	R 30 550 000	R 26 950 000	R 29 000 000	R 6 200 000	R 28 350 000	R 10 600 000
Community Assets	(blank)	R 500 000	R -	R -	R -	R -	R -	R -	R -	R -	R -
Computer Equipment	(blank)	R 4 550 000	R 4 650 000	R 5 950 000	R 6 150 000	R 6 150 000	R 6 250 000	R 6 250 000	R 6 350 000	R 53 050 000	R 50 000
Electrical Infrastructure	Capital Spares	R 750 000	R 1 900 000	R 1 722 500	R 1 920 875	R 2 149 006	R 2 861 357	R 2 663 061	R 3 010 020	R 3 409 023	R -
Electrical Infrastructure	HV Substations	R 26 650 000	R 86 205 200	R 73 107 104	R 167 777 210	R 1 759 900	R 110 000	R 110 000	R 110 000	R 110 000	R 110 000
Electrical Infrastructure	HV Switching Station	R -	R -	R -	R -	R -	R -	R -	R 1 000 000	R 1 000 000	R 1 000 000
Electrical Infrastructure	LV Networks	R 3 700 000	R 7 250 000	R 1 422 500	R 1 520 875	R 1 749 000	R 22 511 357	R 22 813 061	R 2 660 020	R 4 434 667	R -
Electrical Infrastructure	MV Networks	R 55 472 470	R 41 355 268	R 51 873 864	R 33 243 018	R 35 596 002	R 43 590 135	R 48 645 026	R 95 307 903	R 53 792 120	R 23 342 140
Electrical Infrastructure	MV Substations	R 9 550 000	R 1 930 853	R 1 995 942	R 600 000	R 615 000	R 632 250	R 652 088	R 1 800 029	R 6 000 000	R 731 136
Electrical Infrastructure	MV Switching Stations	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Electrical Infrastructure	Power Plants	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Electrical Infrastructure	(blank)	R 830 000	R 950 000	R 780 000	R -	R 30 000	R -	R 30 000	R -	R 30 000	R -
Electrical Infrastructure	HV Transmission Conductors	R 450 000	R 16 800 000	R -	R 18 792 000	R 13 500 000	R 14 310 000	R 13 662 000	R -	R -	R -
Expanded Public Works Programme	Project	R 500 000	R 500 000	R 500 000	R 500 000	R 500 000	R 500 000	R 500 000	R 500 000	R 500 000	R 500 000
Furniture and Office Equipment	(blank)	R 2 615 000	R 2 218 000	R 2 074 000	R 1 780 000	R 3 000 000	R 2 003 000	R 1 673 000	R 1 345 000	R 1 615 000	R 1 565 000
Heritage Assets	Conservation Areas	R -	R -	R -	R -	R -	R -	R -	R -	R 450 000	R -
Heritage Assets	Historic Buildings	R 500 000	R 500 000	R 200 000	R 400 000	R 700 000	R 1 700 000	R 200 000	R 200 000	R 200 000	R 200 000
Indigent and Cultural Management and Services	(blank)	R -	R -	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000
Information and Communication Infrastructure	Capital Spares	R 650 000	R 220 000	R 100 000	R 350 000	R -	R 1 700 000	R -	R -	R 200 000	R 150 000
Information and Communication Infrastructure	Core Layers	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Information and Communication Infrastructure	Data Centres	R -	R -	R -	R 1 500 000	R 1 000 000	R -	R -	R 1 000 000	R -	R -
Information and Communication Infrastructure	Distribution Layers	R 600 000	R 600 000	R 700 000	R 700 000	R 700 000	R 700 000	R 700 000	R 700 000	R -	R -
Intangible Assets	Computer Software and Applications	R 1 800 000	R 1 800 000	R 2 000 000	R 2 900 000	R 3 100 000	R 2 500 000	R 2 500 000	R 2 700 000	R 730 000	R 300 000
Intangible Assets	Licences and Rights	R -	R -	R 10 000	R 10 000	R -	R -	R -	R 100 000	R 50 000	R -
Intangible Assets	Unspecified	R -	R 650 000	R 100 000	R 200 000	R 300 000	R 100 000	R 400 000	R -	R -	R 800 000
Investment Properties	Non-revenue Generating	R 9 500 000	R 11 800 000	R 2 500 000	R 6 500 000	R 1 500 000	R 1 500 000	R 1 500 000	R 1 500 000	R 1 850 000	R 1 750 000
Investment Properties	Revenue Generating	R 6 300 000	R 2 000 000	R 1 350 000	R 10 000 000	R 12 000 000	R 11 500 000	R 15 000 000	R 15 000 000	R 16 100 000	R 2 000 000
Machinery and Equipment	(blank)	R 10 660 000	R 12 981 009	R 13 585 000	R 18 659 097	R 16 174 527	R 18 653 054	R 16 406 054	R 10 857 591	R 6 997 591	R 8 883 046
Meter Conversion and Replacement	(blank)	R -	R -	R -	R -	R -	R -	R -	R -	R 100 000	R -
Other Assets	Housing	R 8 260 000	R 21 090 000	R 28 550 000	R 19 250 000	R 33 000 000	R 9 080 000	R 37 500 000	R 39 500 000	R 30 870 000	R 10 870 000
Other Assets	Operational Buildings	R 11 200 000	R 30 075 000	R 27 361 250	R 6 460 438	R 5 074 503	R 13 774 679	R 5 356 530	R 6 030 010	R 16 079 511	R 9 950 000
Other Assets	(blank)	R -	R -	R -	R -	R -	R -	R -	R -	R 80 000	R 420 000
Roads Infrastructure	Road Furniture	R 6 050 000	R 3 100 000	R 1 500 000	R 2 500 000	R 1 000 000	R 1 750 000	R 1 000 000	R -	R -	R 2 000 000
Roads Infrastructure	Road Structures	R 10 000 000	R 10 250 000	R 40 250 000	R 30 300 000	R 300 000	R 18 075 000	R 43 450 000	R 26 150 000	R 94 890 000	R 92 640 000
Roads Infrastructure	Roads	R 140 600 000	R 58 350 000	R 40 950 000	R 146 500 000	R 141 150 000	R 95 400 200	R 68 725 000	R 105 150 000	R 111 920 000	R 88 020 000
Roads Infrastructure	(blank)	R 1 500 000	R 2 000 000	R 2 000 000	R -	R -	R -	R -	R -	R -	R -
Sanitation Infrastructure	Capital Spares	R -	R -	R 200 000	R 200 000	R 250 000	R 250 000	R 250 000	R 300 000	R 300 000	R 300 000
Sanitation Infrastructure	Outfall Sewers	R 36 000 000	R 22 000 000	R 18 000 000	R 24 000 000	R 14 000 000	R 15 000 000	R 36 000 000	R 37 000 000	R -	R -
Sanitation Infrastructure	Pump Station	R 1 000 000	R 1 000 000	R 1 500 000	R 1 500 000	R 3 250 000	R 1 750 000	R 2 000 000	R 2 000 000	R -	R -
Sanitation Infrastructure	Reticulation	R 12 500 000	R 18 500 000	R 6 000 000	R 20 000 000	R 10 000 000	R -	R -	R -	R -	R -
Sanitation Infrastructure	Toilet Facilities	R -	R -	R -	R -	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000	R 250 000
Sanitation Infrastructure	Waste Water Treatment Works	R 61 384 431	R 53 200 000	R 45 500 000	R 5 000 000	R -	R -	R -	R -	R -	R -
Solid Waste Infrastructure	Capital Spares	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Solid Waste Infrastructure	Electricity Generation Facilities	R 3 500 000	R 1 500 000	R 10 300 000	R 1 500 000	R 1 000 000	R 300 000	R 1 200 000	R 1 700 000	R -	R -
Solid Waste Infrastructure	Landfill Sites	R 10 000 000	R 17 000 000	R 1 500 000	R 3 000 000	R 1 500 000	R 1 500 000	R 6 000 000	R 6 000 000	R 500 000	R 2 000 000
Solid Waste Infrastructure	Waste Drop-off Points	R 2 000 000	R 2 000 000	R 100 000	R 7 600 000	R 3 500 000	R 6 000 000	R 7 300 000	R 2 400 000	R -	R -
Solid Waste Infrastructure	Waste Processing Facilities	R -	R -	R -	R -	R -	R 6 000 000	R -	R -	R -	R -
Solid Waste Infrastructure	Waste Separation Facilities	R -	R -	R 500 000	R 1 000 000	R 500 000	R 500 000	R 500 000	R 1 000 000	R -	R -
Solid Waste Infrastructure	Waste Transfer Stations	R 10 000 000	R 10 000 000	R 2 500 000	R -	R -	R -	R 500 000	R 200 000	R -	R -
Solid Waste Infrastructure	(blank)	R 2 000 000	R 1 500 000	R 2 000 000	R 1 000 000	R -	R -	R -	R -	R -	R -
Spatial Planning	(blank)	R -	R -	R 500 000	R 2 547 600	R 1 258 900	R 1 545 200	R -	R -	R -	R -
Storm water Infrastructure	Attenuation	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Storm water Infrastructure	Drainage Collection	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Storm water Infrastructure	Storm water Conveyance	R 2 000 000	R -	R -	R 200 000	R 200 000	R 2 200 000	R 2 100 000	R 100 000	R 100 000	R 100 000
Strategic Management and Governance	Administrative Strategy and Planning	R -	R -	R 100 000	R 100 000	R -	R -	R -	R -	R -	R -
Strategic Management and Governance	Feasibility Studies	R 7 000 000	R 4 200 000	R 300 000	R 200 000	R 300 000	R -	R -	R 200 000	R 1 000 000	R 200 000
Strategic Management and Governance	Master plan	R 12 900 000	R 15 500 000	R 21 725 000	R 20 208 750	R 19 990 063	R 25 213 572	R 25 330 608	R 29 800 199	R 32 790 229	R 2 700 000
Strategic Management and Governance	Plan Development	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Transport Assets	(blank)	R 21 425 000	R 20 690 000	R 14 340 000	R 8 685 000	R 13 740 000	R 11 203 060	R 46 057 164	R 20 611 302	R 11 580 472	R 18 407 000
Water Supply Infrastructure	Boreholes	R 1 150 000	R 1 200 000	R 700 000	R 1 050 000	R 750 000	R -	R -	R -	R -	R -
Water Supply Infrastructure	Bulk Mains	R 21 451 528	R 5 000 000	R -	R 1 000 000	R 15 000 000	R 25 000 000	R 15 000 000	R -	R -	R -
Water Supply Infrastructure	Capital Spares	R 200 000	R 300 000	R 400 000	R 230 000	R 230 000	R 230 000	R 280 000	R 280 000	R 280 000	R 280 000
Water Supply Infrastructure	Dams and Weirs	R -	R -	R -	R 1 000 000	R 1 000 000	R 2 000 000	R 2 000 000	R 2 000 000	R 2 000 000	R 3 000 000
Water Supply Infrastructure	Distribution	R 15 965 000	R 64 280 900	R 97 300 000	R 27 000 000	R 22 500 000	R 36 500 000	R 38 000 000	R 23 000 000	R -	R -
Water Supply Infrastructure	Pump Station	R 12 000 000	R -	R -	R -	R -	R -	R -	R -	R -	R -
Water Supply Infrastructure	Reservoirs	R 57 500 000	R 31 000 000	R 8 500 000	R 23 000 000	R 73 000 000	R 36 500 000	R 37 000 000	R 30 500 000	R 21 000 000	R 28 000 000
Water Supply Infrastructure	Water Treatment Works	R 12 500 000	R 30 250 000	R 18 000 000	R 6 250 000	R 29 250 000	R 29 250 000	R 4 500 000	R 4 500 000	R -	R -
(blank)	(blank)	R 57 681 800	R 39 875 800	R 23 251 420	R 47 994 500	R 14 604 500	R 10 845 500	R 27 705 000	R 17 720 000	R 24 917 000	R 54 190 000

Section 6 Long Term Financial Strategy

6 Long Term Financial Strategy

6.1 Contextualisation

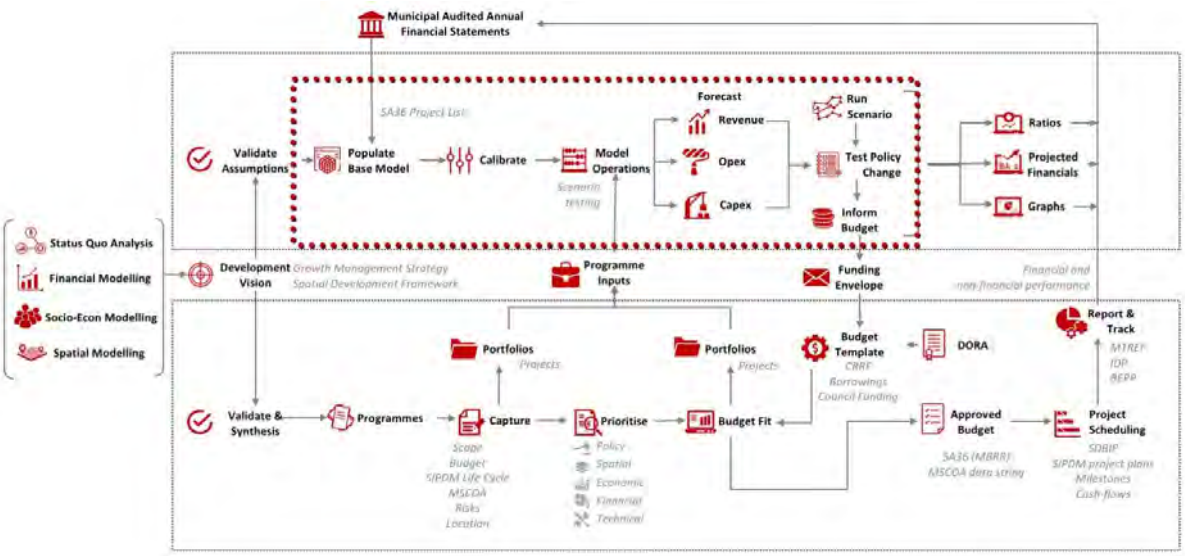


Figure 32: Long Term Financial Strategy in the context of the CEF

The objective of a Long-Term Financial Plan Strategy is to recommend strategies and policies that will maximise the probability of the municipality's financial sustainability into the future. This is achieved by forecasting future cash flows and affordable capital expenditure based on the municipality's historic performance and the environment in which it operates.

The main outcome of the Long-Term Financial Strategy, for the purposes of this report, is to determine the affordable future capital expenditure and proposed capital funding mix (affordability envelope) of the municipality over the next 10 years.

The forecast 10-year Affordability Envelope and proposed Capital Funding Mix is presented in Chapter 7.

6.2 Financial model high-level outline

Figure 33: Financial Model Process

In forecasting the affordability envelope it is important to consider the four sources of capital funding available to the municipality, being:

- Capital grants from the fiscus, informed and affected by the National budget and macro-economic environment;
- Capital contributions by developers;
- Optimal and affordable external borrowings, informed by an analysis against financial sustainability parameters and ratios, including gearing levels, liquidity levels and the debt servicing capacity of the municipality; and
- Own cash resources of the municipality, from either cash-backed capital replacement reserves or annual residual cash generated by the municipality.
- To recommend the most optimal funding mix between external borrowings and own cash resources, it is important to forecast the cash generated by the municipality (net cash for the year) in each of the next 10 years by considering the difference between:
- inflows from revenue (a function of quantity and price) and applying a reasonable collection rate and inflation expectations; and

- outflows of cash to staff and suppliers in the form of operating expenses of the municipality.

The net cash should first and foremost be utilised for servicing of existing loans and funding of cash backed reserves. Any free cash flow remaining after this would be available to service new debt, with the residual cash being utilised as part of own cash resources funding capital expenditure. These principles are depicted in the figure below.

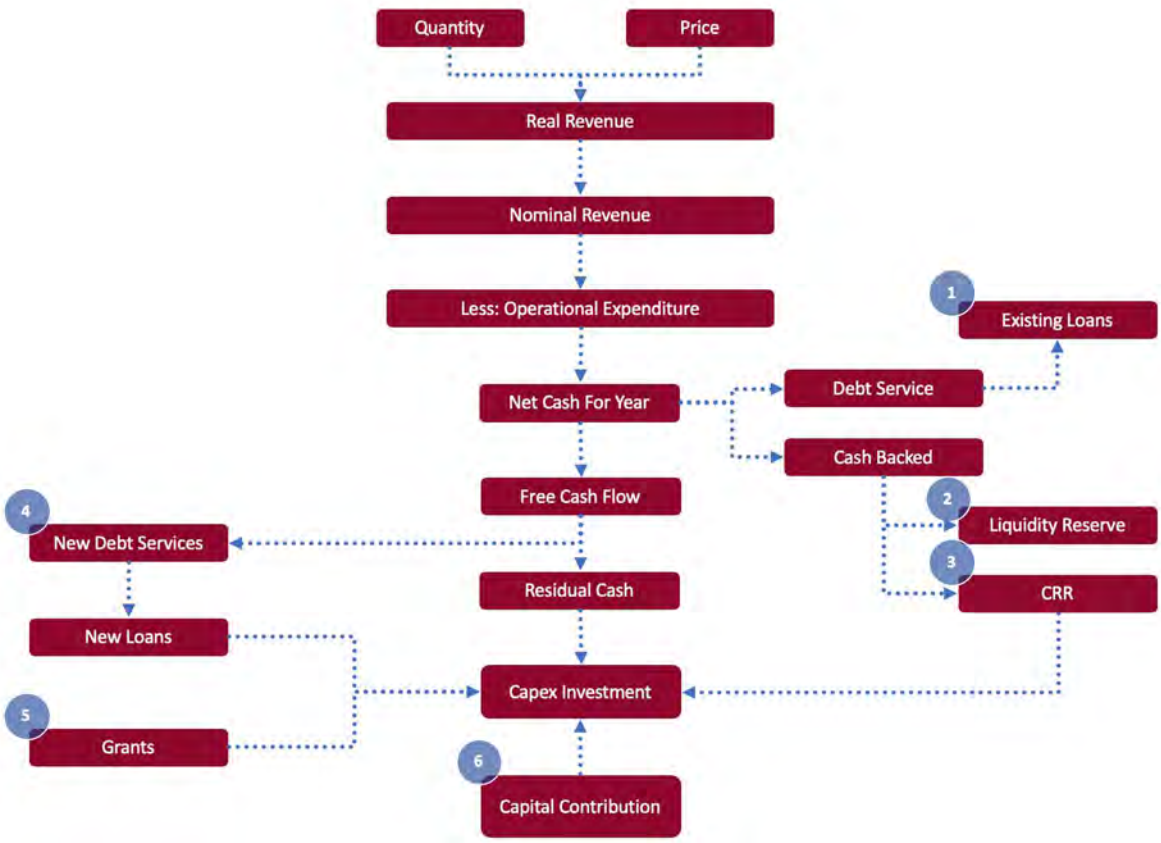


Figure 34: Financial model Input

6.2.1 Financial Model High Level Outline

The long term financial model used for this section of the Capital Expenditure Framework originated from National Treasury's Cities Support Program[29]. It is populated with the latest information of Stellenbosch Local Municipality and is used to make a base case financial forecast. The figure below illustrates the outline of the model.

The model was adapted for the purpose of this update in that no large infrastructure projects has yet been assessed. Once the capital prioritisation exercise has been completed, we shall include selected projects to determine the impact on the long-term financial position of the municipality. For now, the capital budget as presented in the MTREF was included and used to forecast an affordable future capex programme.

[29] Part of National Treasury's Cities Support Programme and with technical assistance from the World Bank Group.

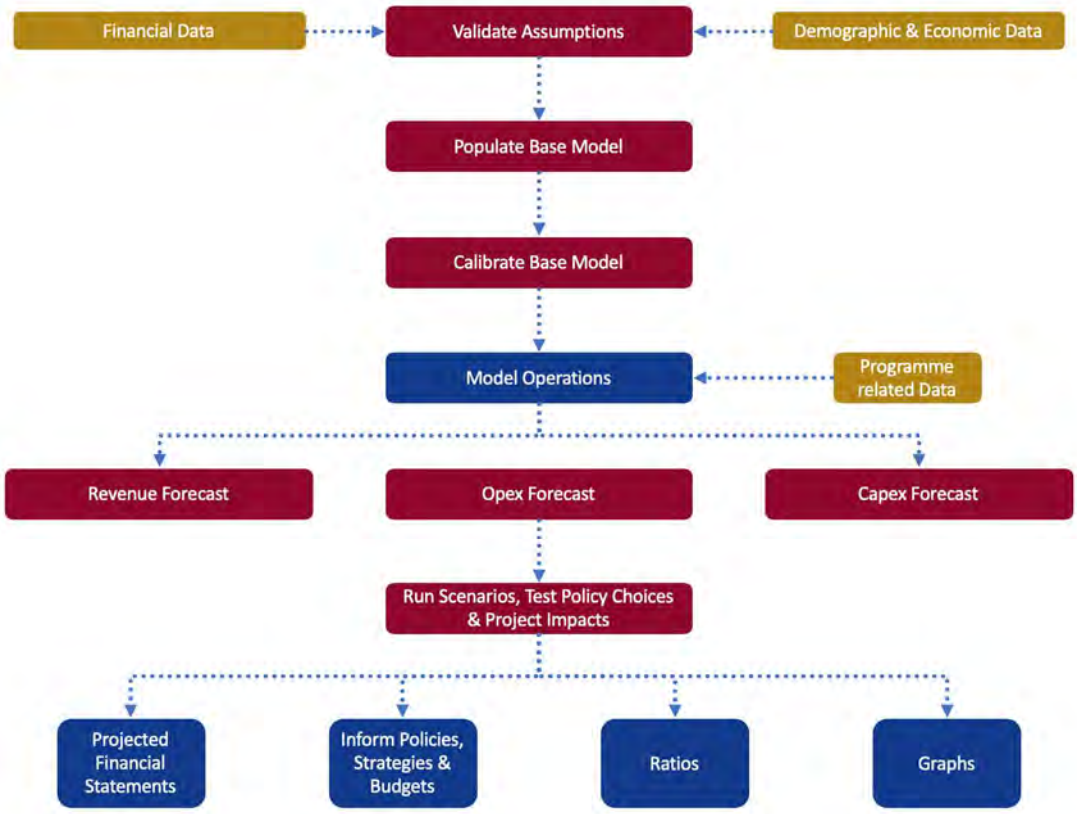


Figure 35: Financial model high level outline

6.2.2 Financial Model Detailed Elements

As a basis, the Long Term Financial Model relies on the input of reliable data and reasonable assumptions. The data utilised and key assumptions in the model are mainly informed by an independent financial assessment, which entails:

- a historic demographic-, economic- and household infrastructure perspective, which was based on the latest available information as published by iHS Global Insight;
- a historic financial analysis updated with the information captured in the municipality's audited annual financial statements of 30 June 2018;
- the 2018/19 to 2020/21 MTREF budget and associated worksheets data; and
- information gathered from market research, other strategic documents of the municipality (including the IDP, master plans etc), from experienced gained in the sector and other relevant sources.

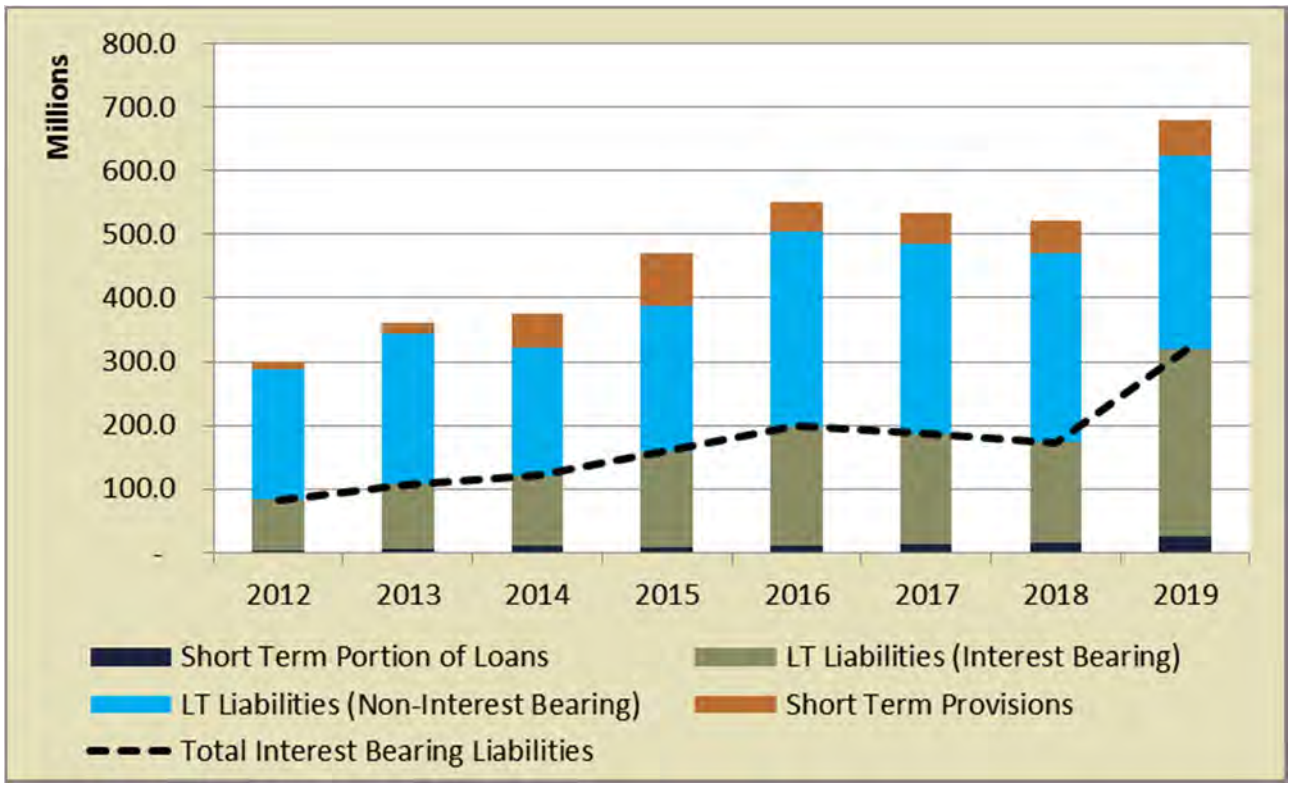
The outcomes of the independent financial assessment and the key assumptions made are discussed in more detail below.

6.3 Updated Historic Financial Assessment

6.3.1 Financial Position

The financial position of Stellenbosch remained positive throughout the 8 years of assessment. As at 30 June 2019, Stellenbosch's balance sheet reflected Total Asset position of R 6.4 billion, increasing from R 3.81 billion at the end of the 2011 financial year.

Stellenbosch's low gearing ratio of 19% and a positive debt coverage ratio (cash generated from operations/debt service) of 8.49 indicate that long term interesting bearing liabilities levels are contained. Total interest-bearing liabilities was R 318.80 million at the end of 2019, increasing from R 41.54 million in 2010/11.



	2012	2013	2014	2015	2016	2017	2018	2019
Short Term Provisions	11.5	16.8	53.1	81.7	46.1	48.5	50.7	56.6
LT Liabilities (Interest Bearing)	78.9	102.2	110.0	150.3	186.4	173.3	158.8	292.9
LT Liabilities (Non-Interest Bearing)	205.0	235.8	202.3	229.2	304.9	298.4	296.6	303.5
Short Term Portion of Loans	4.0	5.2	10.5	9.1	11.9	13.1	14.5	25.9
Total Interest Bearing Liabilities	82.9	107.4	120.4	159.4	198.3	186.4	173.3	318.8

Figure 36: Interest Bearing vs Non Interest Bearing Liabilities

6.3.1.1 *Current Liabilities*

Current Liabilities peaked R516.8 million in 2019 from R425.5 million in 2018 (20% increase). The increase current liabilities contributes to a portion of increase in the cash and cash equivalents (current liabilities below) as well as the investment in capital projects within Stellenbosch in the current year.

Consumer deposits had increased at a consistent rate over the prior year (8%).

Unspent conditional grants had increased significantly from the prior year (48%), however the retention of the increased liability is only temporary as plans are currently in process for the grants to be utilised.

Table 56: Current Liabilities by item

	2012	2013	2014	2015	2016	2017	2018	2019
Consumer Deposits	9.7	10.7	11.4	12.5	13.2	14.6	15.7	17.1
ST Portion of Loans	4.0	5.2	10.5	9.1	11.9	13.1	14.5	25.9
Unspent Conditional Grants	-	-	33.7	37.1	46.0	74.4	100.3	148.2
Overdraft	-	-	-	-	-	-	-	-
Short Term Provisions	11.5	16.8	53.1	81.7	46.1	48.5	50.7	56.6
Creditors	148.8	179.7	134.3	185.1	204.0	282.1	243.3	269.0

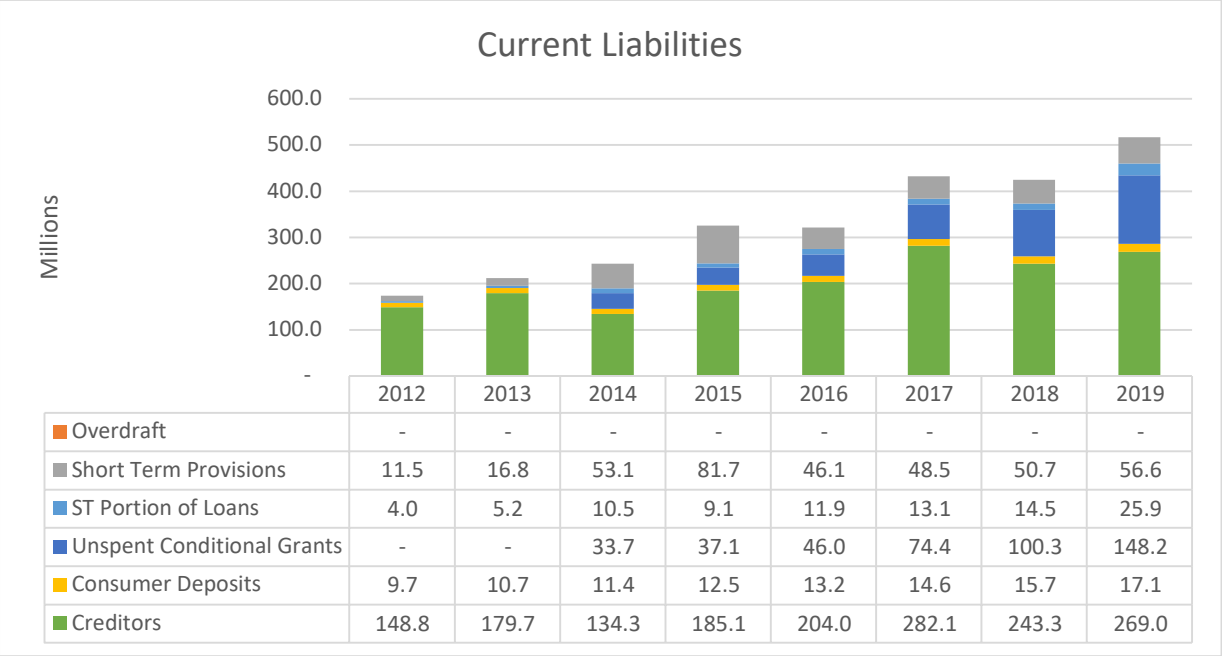


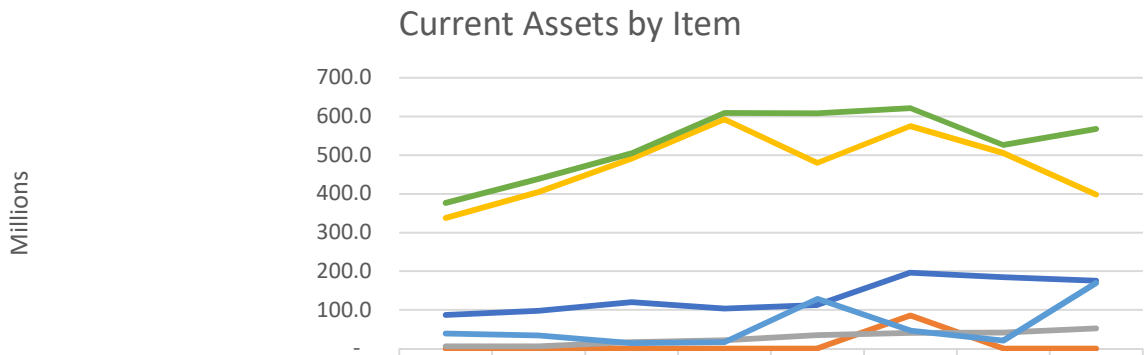
Figure 36: Current Liabilities in Total

6.3.1.2 *Current Assets*

Current cash had increased significantly from the prior year. This increase contributes to a large portion of the total cash and cash equivalents.

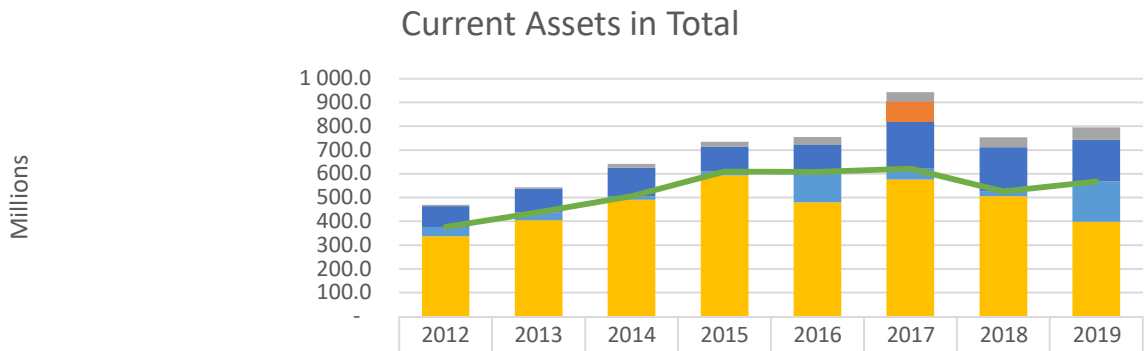
Short term investments had been decreasing from 2017 with the continuous decrease throughout 2018 and 2019

The significant increase in consumer debtors between 2016 and 2017 relates to reclassification of accrued income on water debtors from other debtors to consumer debtors. Throughout 2018 and 2019, these debtors had formed stability.



	2012	2013	2014	2015	2016	2017	2018	2019
Net Consumer Debtors	86.7	98.0	120.4	103.4	112.2	196.4	184.9	175.3
Other Debtors	-	-	-	-	-	84.8	-	-
Inventories	5.4	5.7	16.4	21.6	34.7	40.6	41.7	52.3
Short Term Investments	337.9	404.9	490.7	592.6	480.0	575.4	505.6	398.2
Current Cash	38.8	34.0	14.3	16.8	128.2	46.3	20.7	169.5
Total Cash and Cash Equivalents	376.7	438.9	504.9	609.4	608.2	621.7	526.3	567.7

Figure 37: Current Assets by item



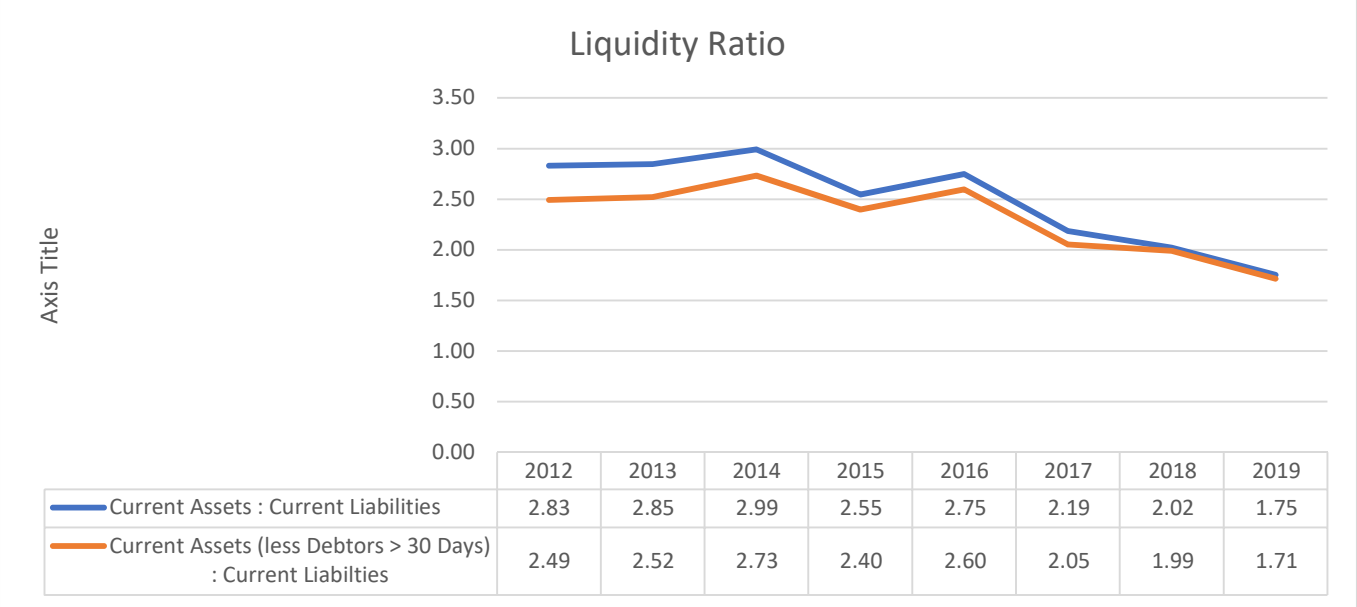
	2012	2013	2014	2015	2016	2017	2018	2019
Inventories	5.4	5.7	16.4	21.6	34.7	40.6	41.7	52.3
Other Debtors	-	-	-	-	-	84.8	-	-
Net Consumer Debtors	86.7	98.0	120.4	103.4	112.2	196.4	184.9	175.3
Current Cash	38.8	34.0	14.3	16.8	128.2	46.3	20.7	169.5
Short Term Investments	337.9	404.9	490.7	592.6	480.0	575.4	505.6	398.2
Total Cash and Cash Equivalents	376.7	438.9	504.9	609.4	608.2	621.7	526.3	567.7

	2012	2013	2014	2015	2016	2017	2018	2019
Net Consumer Debtors	86.7	98.0	120.4	103.4	112.2	196.4	184.9	175.3
Other Debtors	-	-	-	-	-	84.8	-	-
Inventories	5.4	5.7	16.4	21.6	34.7	40.6	41.7	52.3
Short Term Investments	337.9	404.9	490.7	592.6	480.0	575.4	505.6	398.2
Current Cash	38.8	34.0	14.3	16.8	128.2	46.3	20.7	169.5
Total Cash and Cash Equivalents	376.7	438.9	504.9	609.4	608.2	621.7	526.3	567.7

Figure 38: Current Assets in Total

6.3.1.3 *Liquidity Ratio*

Although in a decline, the municipality remains in a healthy liquidity position of 1.75:1 as at the end of 2019 is consistent with the 2018 trend. The liquidity position remains healthy at 1.71:1 when debtors older than 30 days are excluded.

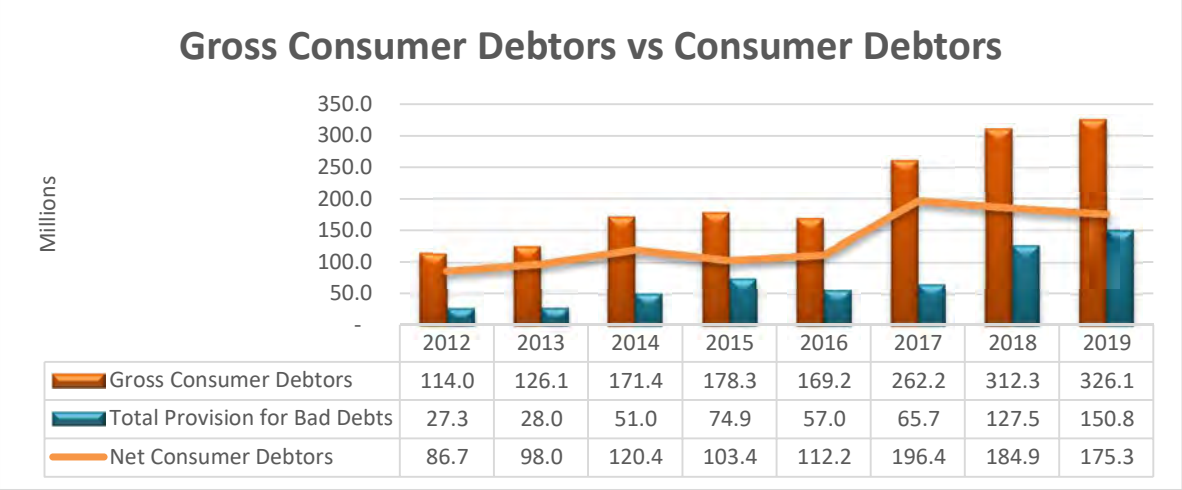


	2012	2013	2014	2015	2016	2017	2018	2019
Current Assets : Current Liabilities	2.83	2.85	2.99	2.55	2.75	2.19	2.02	1.75
Current Assets (less Debtors > 30 Days) : Current Liabilities	2.49	2.52	2.73	2.40	2.60	2.05	1.99	1.71

Figure 39: Liquidity Ratio

6.3.1.4 *Net Consumer Debtors*

Net Consumer Debtors decreased to R 175.3 million in 2019, due to growth in gross consumer debtors, while the provision for doubtful debts increased to R 150.2 million.

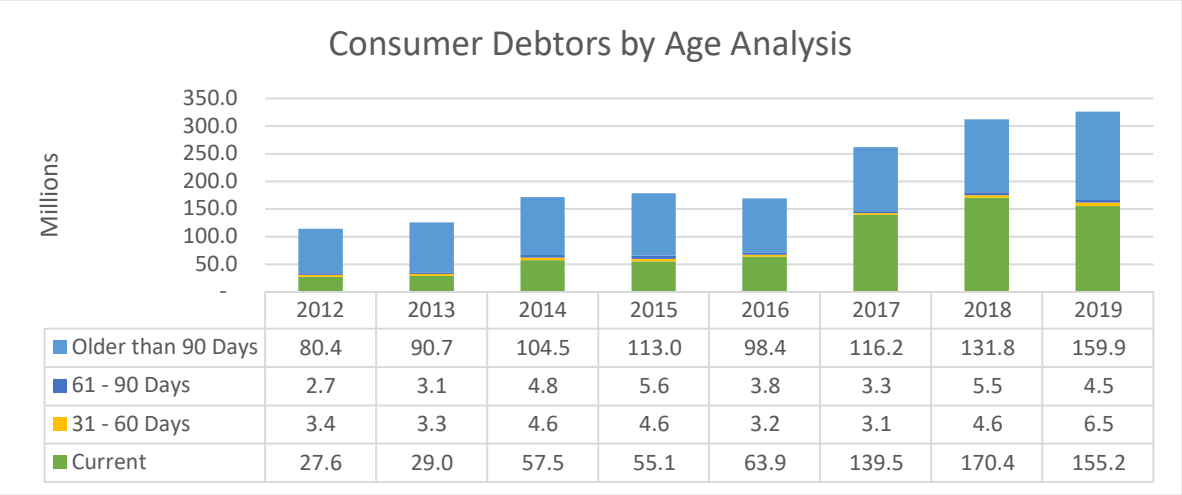


	2012	2013	2014	2015	2016	2017	2018	2019
Gross Consumer Debtors	114.0	126.1	171.4	178.3	169.2	262.2	312.3	326.1
Total Provision for Bad Debts	27.3	28.0	51.0	74.9	57.0	65.7	127.5	150.8
Net Consumer Debtors	86.7	98.0	120.4	103.4	112.2	196.4	184.9	175.3

Figure 40: Gross Consumer Debtors vs. net Consumer Debtors

6.3.1.5 *Debtors Age Profile*

The Debtors Age Profile indicates 49% of Gross Consumer Debtors being older than 90 days. The provision does not sufficiently cover debtors older than 90 days as prescribed by National Treasury. Current debtors represent 47% of the debtor's book.



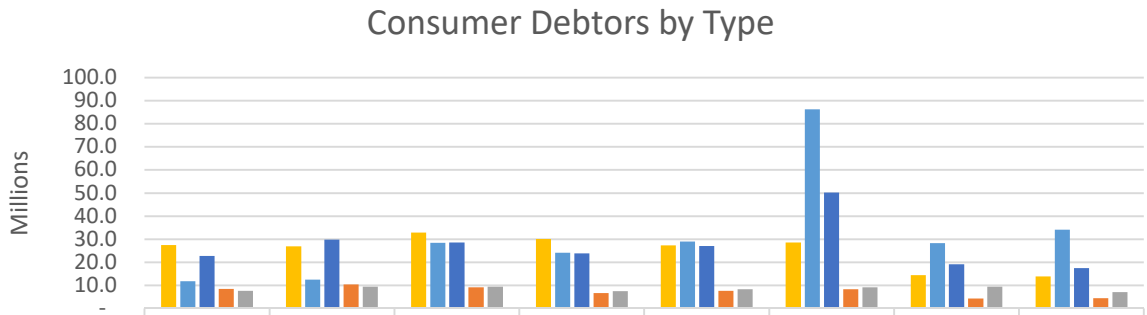
	2012	2013	2014	2015	2016	2017	2018	2019
Older than 90 Days	80.4	90.7	104.5	113.0	98.4	116.2	131.8	159.9
61 - 90 Days	2.7	3.1	4.8	5.6	3.8	3.3	5.5	4.5
31 - 60 Days	3.4	3.3	4.6	4.6	3.2	3.1	4.6	6.5
Current	27.6	29.0	57.5	55.1	63.9	139.5	170.4	155.2

	2012	2013	2014	2015	2016	2017	2018	2019
Current	27.6	29.0	57.5	55.1	63.9	139.5	170.4	155.2
31 - 60 Days	3.4	3.3	4.6	4.6	3.2	3.1	4.6	6.5
61 - 90 Days	2.7	3.1	4.8	5.6	3.8	3.3	5.5	4.5
Older than 90 Days	80.4	90.7	104.5	113.0	98.4	116.2	131.8	159.9

Figure 41: Consumer Debtors by Age Analysis

6.3.1.6 *Consumer Debtors by type*

After 2017, consumer debtors had stabilised from 2018 throughout 2019. Debtors relating electricity is still the major contributor of debtors as expected, with water and rates also a major contributor but decreasing significantly from the prior year from the total debtors.



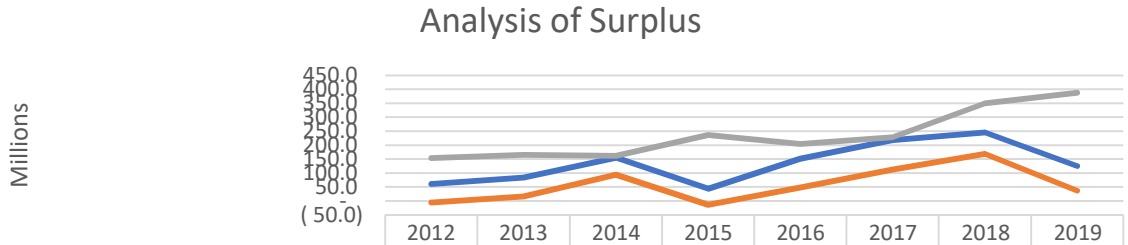
	2012	2013	2014	2015	2016	2017	2018	2019
Rates	27.5	27.0	32.9	30.1	27.4	28.5	14.4	13.9
Electricity	11.8	12.5	28.4	24.2	29.0	86.3	28.2	34.2
Water	22.8	29.8	28.6	23.9	27.1	50.3	19.2	17.5
Refuse	8.5	10.4	9.2	6.7	7.7	8.4	4.4	4.5
Sewerage	7.7	9.5	9.5	7.5	8.3	9.2	9.4	7.0

Figure 42: Consumer Debtors by Type

6.3.2 Financial Performance

Stellenbosch realised an Accounting Surplus of R 263.58 million in 2018, increasing from R 70.28 million at the end of the 2011 financial year. This accounting surplus was mainly driven by a significant increase in total income of R 800.17 million (98.8%), against an increase in total operating expenditure of R 606.08 million (83.33%).

When capital grants are excluded from total income, the municipality remained in a position to generate Total Operating Surpluses increasing from R 47.78 million in FY2016 to R 186.10 million in 2018.



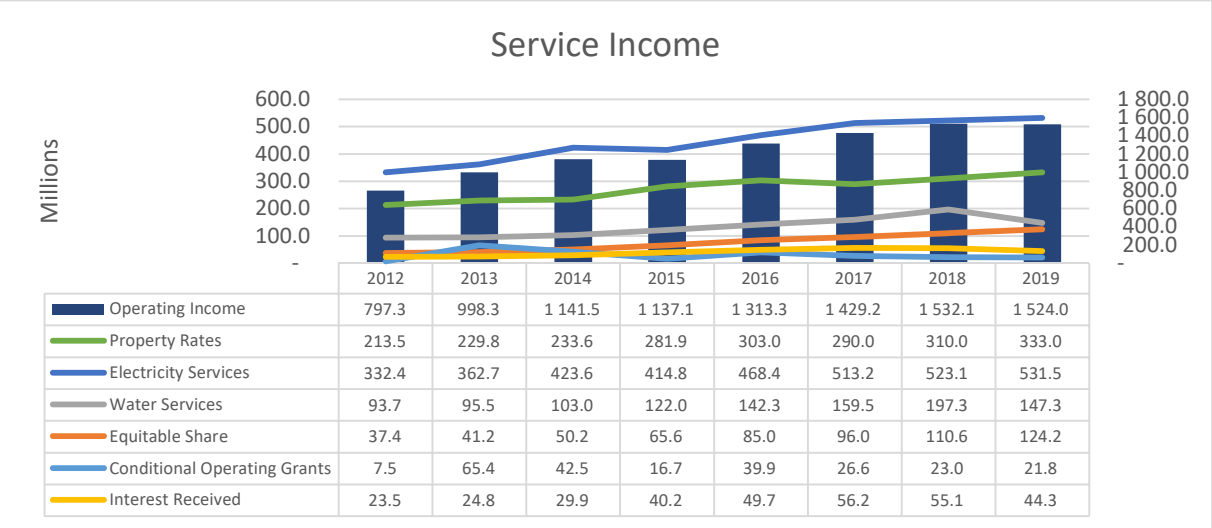
	2012	2013	2014	2015	2016	2017	2018	2019
Total Accounting Surplus	61.3	83.9	154.9	43.6	151.1	218.0	245.8	124.6
Total Operating Surplus (excl Capital Grants)	(6.1)	15.9	93.9	(13.7)	47.8	112.8	168.2	36.4
Cash Generated by Operations (excl Capital Grants)	154.2	165.4	162.1	235.7	204.6	228.7	349.9	387.2

	2012	2013	2014	2015	2016	2017	2018	2019
Total Accounting Surplus	61.3	83.9	154.9	43.6	151.1	218.0	245.8	124.6
Total Operating Surplus (excl Capital Grants)	(6.1)	15.9	93.9	(13.7)	47.8	112.8	168.2	36.4
Cash Generated by Operations (excl Capital Grants)	154.2	165.4	162.1	235.7	204.6	228.7	349.9	387.2

Figure 43: Analysis of Surplus

Income from Electricity Services and Property Rates remain the biggest drivers of Total Operating Income, with a combined contribution of 53%. Income from Water Services and Equitable Share are also important contributors.

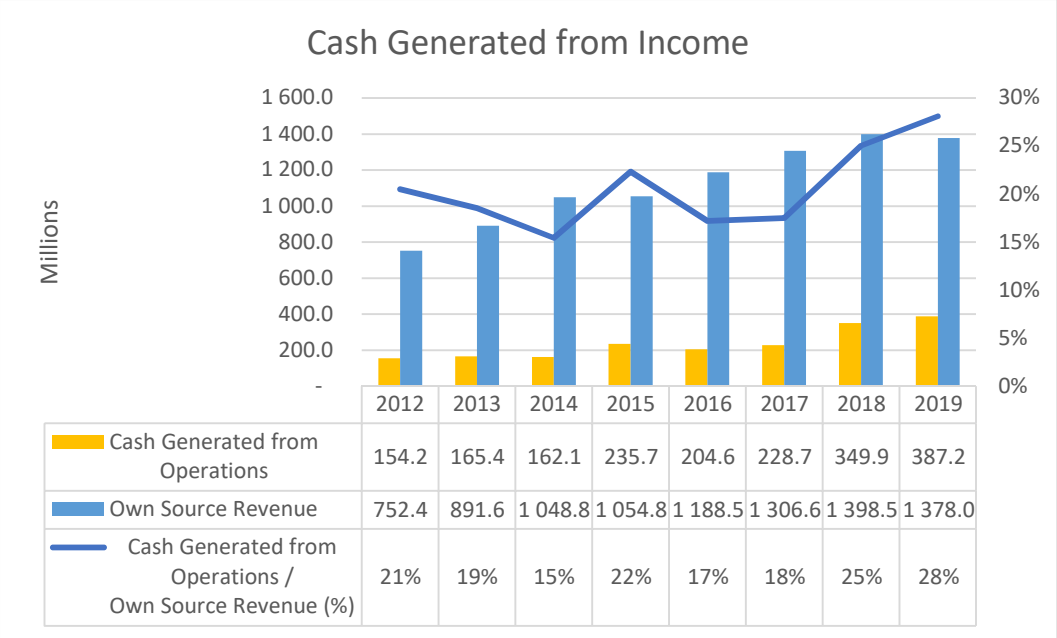
Water services showed a decrease from the prior year, due to the awareness conservation of water from the Stellenbosch public.



	2012	2013	2014	2015	2016	2017	2018	2019
Operating Income	797.3	998.3	1 141.5	1 137.1	1 313.3	1 429.2	1 532.1	1 524.0
Property Rates	213.5	229.8	233.6	281.9	303.0	290.0	310.0	333.0
Electricity Services	332.4	362.7	423.6	414.8	468.4	513.2	523.1	531.5
Water Services	93.7	95.5	103.0	122.0	142.3	159.5	197.3	147.3
Equitable Share	37.4	41.2	50.2	65.6	85.0	96.0	110.6	124.2
Conditional Operating Grants	7.5	65.4	42.5	16.7	39.9	26.6	23.0	21.8
Interest Received	23.5	24.8	29.9	40.2	49.7	56.2	55.1	44.3

	2012	2013	2014	2015	2016	2017	2018	2019
Property Rates	213.5	229.8	233.6	281.9	303.0	290.0	310.0	333.0
Electricity Services	332.4	362.7	423.6	414.8	468.4	513.2	523.1	531.5
Water Services	93.7	95.5	103.0	122.0	142.3	159.5	197.3	147.3
Equitable Share	37.4	41.2	50.2	65.6	85.0	96.0	110.6	124.2
Conditional Operating Grants	7.5	65.4	42.5	16.7	39.9	26.6	23.0	21.8
Interest Received	23.5	24.8	29.9	40.2	49.7	56.2	55.1	44.3
Operating Income	**797.3**	**998.3**	**1 141.5**	**1 137.1**	**1 313.3**	**1 429.2**	**1 532.1**	**1 524.0**

Figure 44: Contribution per income source

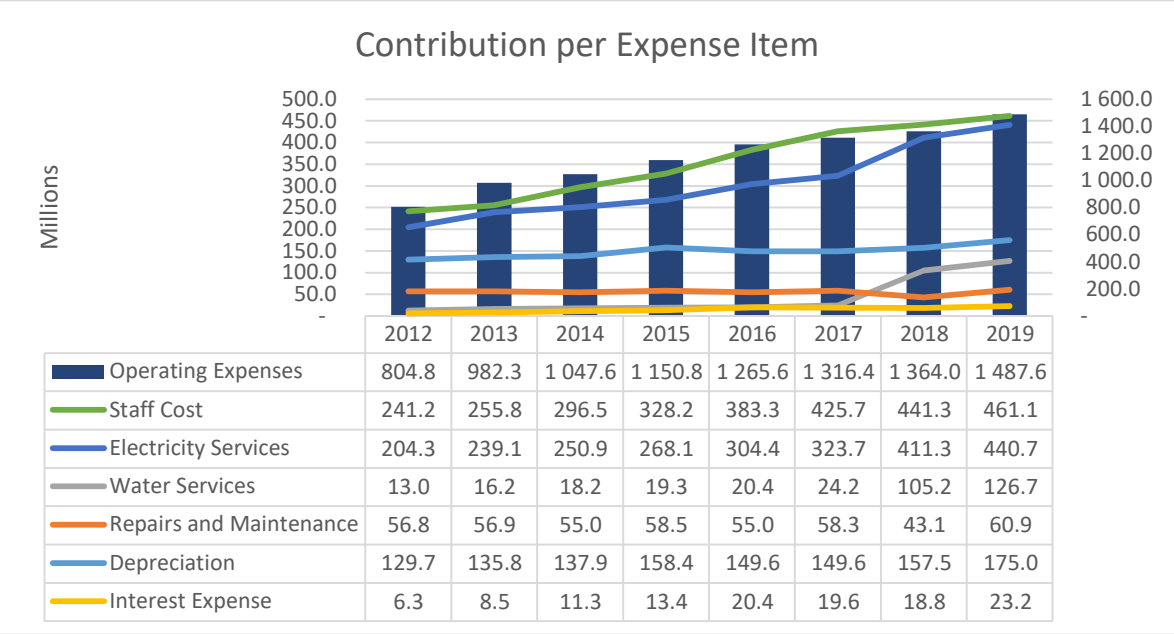


	2012	2013	2014	2015	2016	2017	2018	2019
Cash Generated from Operations	154.2	165.4	162.1	235.7	204.6	228.7	349.9	387.2
Own Source Revenue	752.4	891.6	1 048.8	1 054.8	1 188.5	1 306.6	1 398.5	1 378.0
Cash Generated from Operations / Own Source Revenue (%)	21%	19%	15%	22%	17%	18%	25%	28%

Figure 45: Cash Generated from Operations / Own Source Revenue

Staff Cost, Electricity Bulk Purchases and Depreciation represent 53% of Total Operating Expenses. The annual increases in Staff costs were generally high, with an average increase of 11% in the past 7 years.

Electricity Services, being the largest contributor to Total Operating Income, represents the second largest expense after staff costs. Over the short term, expected steep increases in bulk electricity prices may narrow historic margins, lead to increased electricity theft and cause both businesses and higher income households to consider alternative energy sources. This will further reduce electricity sales. The increase in Water Services was as a result in the drought experienced in the Western Cape.

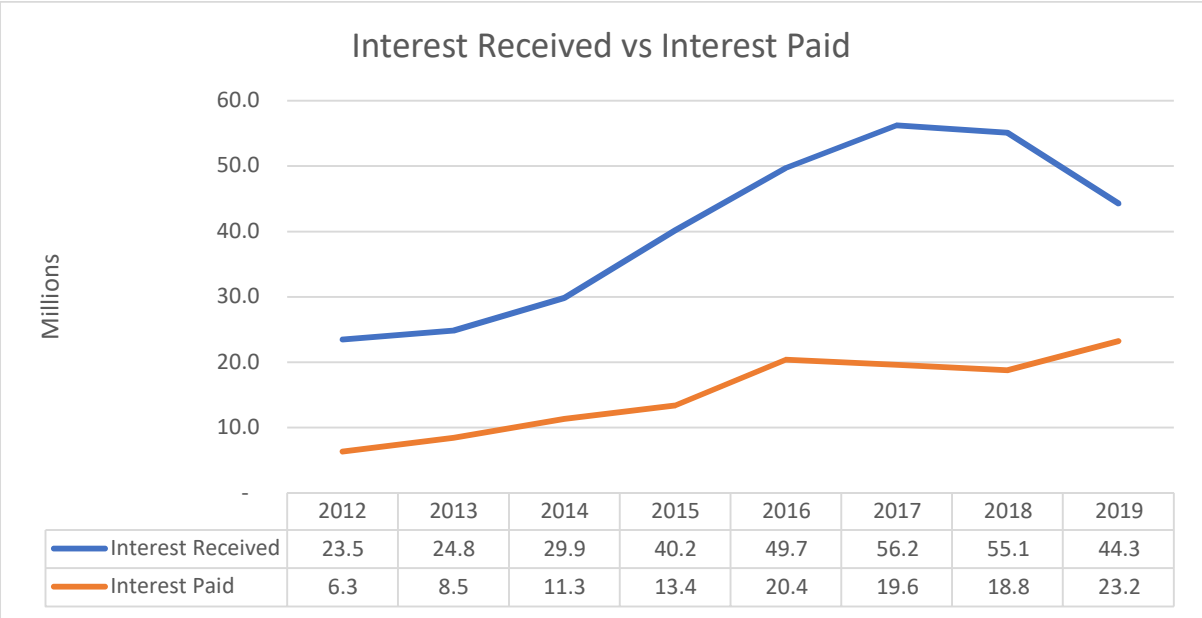


	2012	2013	2014	2015	2016	2017	2018	2019
Operating Expenses	804.8	982.3	1 047.6	1 150.8	1 265.6	1 316.4	1 364.0	1 487.6
Staff Cost	241.2	255.8	296.5	328.2	383.3	425.7	441.3	461.1
Electricity Services	204.3	239.1	250.9	268.1	304.4	323.7	411.3	440.7
Water Services	13.0	16.2	18.2	19.3	20.4	24.2	105.2	126.7
Repairs and Maintenance	56.8	56.9	55.0	58.5	55.0	58.3	43.1	60.9
Depreciation	129.7	135.8	137.9	158.4	149.6	149.6	157.5	175.0
Interest Expense	6.3	8.5	11.3	13.4	20.4	19.6	18.8	23.2

	2012	2013	2014	2015	2016	2017	2018	2019
Staff Cost	241.2	255.8	296.5	328.2	383.3	425.7	441.3	461.1
Electricity Services	204.3	239.1	250.9	268.1	304.4	323.7	411.3	440.7
Water Services	13.0	16.2	18.2	19.3	20.4	24.2	105.2	126.7
Repairs and Maintenance	56.8	56.9	55.0	58.5	55.0	58.3	43.1	60.9
Depreciation	129.7	135.8	137.9	158.4	149.6	149.6	157.5	175.0
Interest Expense	6.3	8.5	11.3	13.4	20.4	19.6	18.8	23.2
Operating Expenses	**804.8**	**982.3**	**1 047.6**	**1 150.8**	**1 265.6**	**1 316.4**	**1 364.0**	**1 487.6**

Figure 46: Contribution per Expense Item

Interest received from external investments exceeded interest paid on external borrowings throughout the assessment period; resulting in R 21.2 million accumulated net interest inflow. The decrease in interest received in 2019 is due to a decrease in cash and cash equivalents. The increase of 4% interest paid indicates that there is an increase in utilisation of external borrowing. However, the rate is still low which still creates a healthy scope exists for taking up borrowing for service delivery and development in the future.

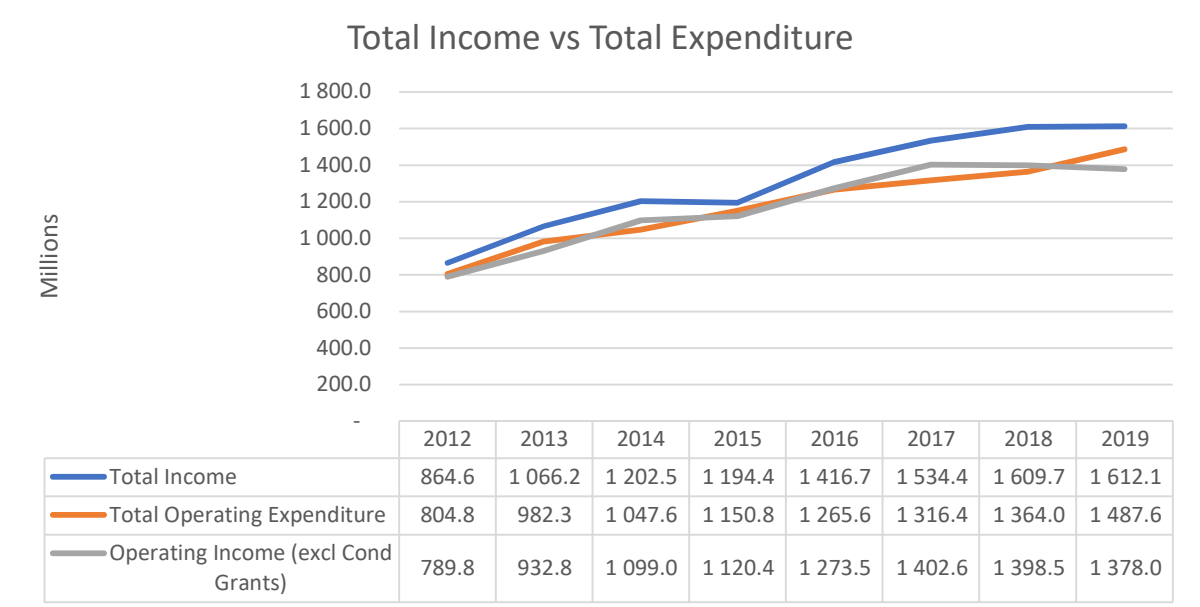


	2012	2013	2014	2015	2016	2017	2018	2019
Interest Received	23.5	24.8	29.9	40.2	49.7	56.2	55.1	44.3
Interest Paid	6.3	8.5	11.3	13.4	20.4	19.6	18.8	23.2

Figure 47: Interest Received vs. Interest Paid

Stellenbosch Local Municipality has recorded steady growth in both total income and total expenditure over the 9-year period under review. Total operating income increased to R 1.61 billion against a total operating expenditure of R 1.48 billion.

The gap between total income and total operating expenditure has notably decreased since 2018, resulting in income to somewhat stagnate and operating expenditure increase.



	2012	2013	2014	2015	2016	2017	2018	2019
Total Income	864.6	1 066.2	1 202.5	1 194.4	1 416.7	1 534.4	1 609.7	1 612.1
Total Operating Expenditure	804.8	982.3	1 047.6	1 150.8	1 265.6	1 316.4	1 364.0	1 487.6
Operating Income (excl Cond Grants)	789.8	932.8	1 099.0	1 120.4	1 273.5	1 402.6	1 398.5	1 378.0

Figure 48: Total Income vs Total Expenditure

Table 70: Contribution per Key Income Source (Rm)

	2012	2013	2014	2015	2016	2017	2018	2019
Property Rates	27%	23%	20%	25%	23%	20%	20%	22%
Electricity Services	42%	36%	37%	36%	36%	36%	34%	35%
Water Services	12%	10%	9%	11%	11%	11%	13%	10%
Equitable Share	5%	4%	4%	6%	6%	7%	7%	8%
Conditional Operating Grants	1%	7%	4%	1%	3%	2%	1%	1%
Interest Received	3%	2%	3%	4%	4%	4%	4%	3%

Table 71: Contribution per Key Expenditure Item (Rm)

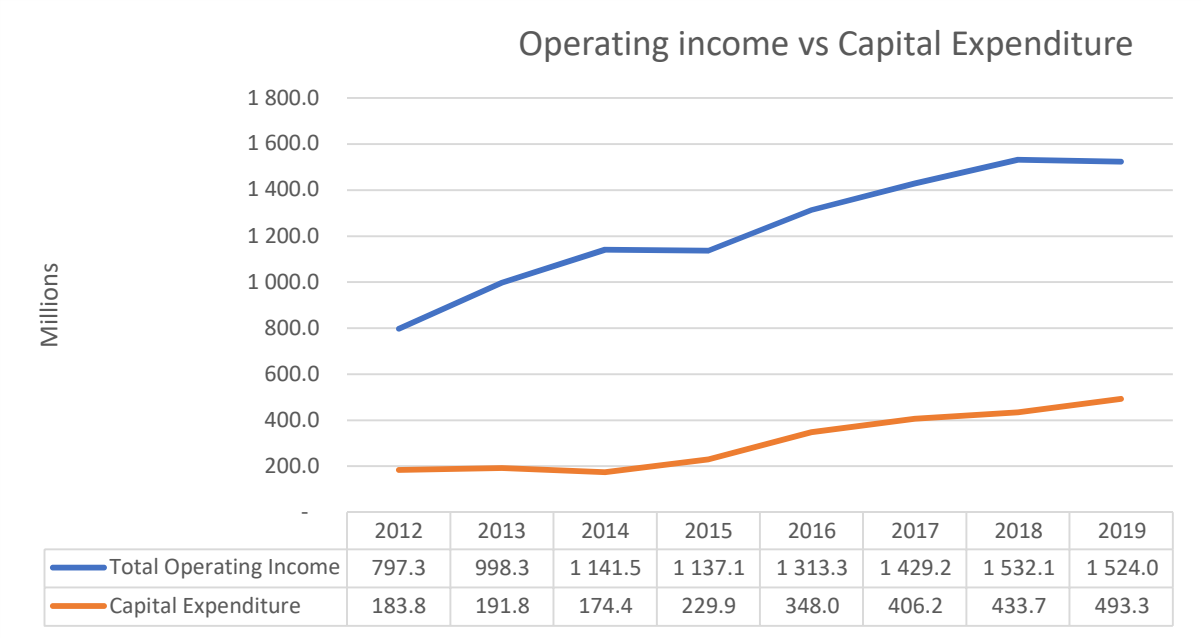
	2012	2013	2014	2015	2016	2017	2018	2019
Staff Cost	24%	22%	24%	24%	24%	25%	25%	23%
Electricity Services	21%	20%	21%	19%	19%	19%	23%	22%
Water Services	1%	1%	1%	1%	1%	1%	6%	6%
Repairs and Maintenance	6%	5%	5%	4%	3%	3%	2%	3%
Depreciation	13%	12%	11%	11%	9%	9%	9%	9%
Interest Expense	1%	1%	1%	1%	1%	1%	1%	1%

6.3.3 Cash Flow

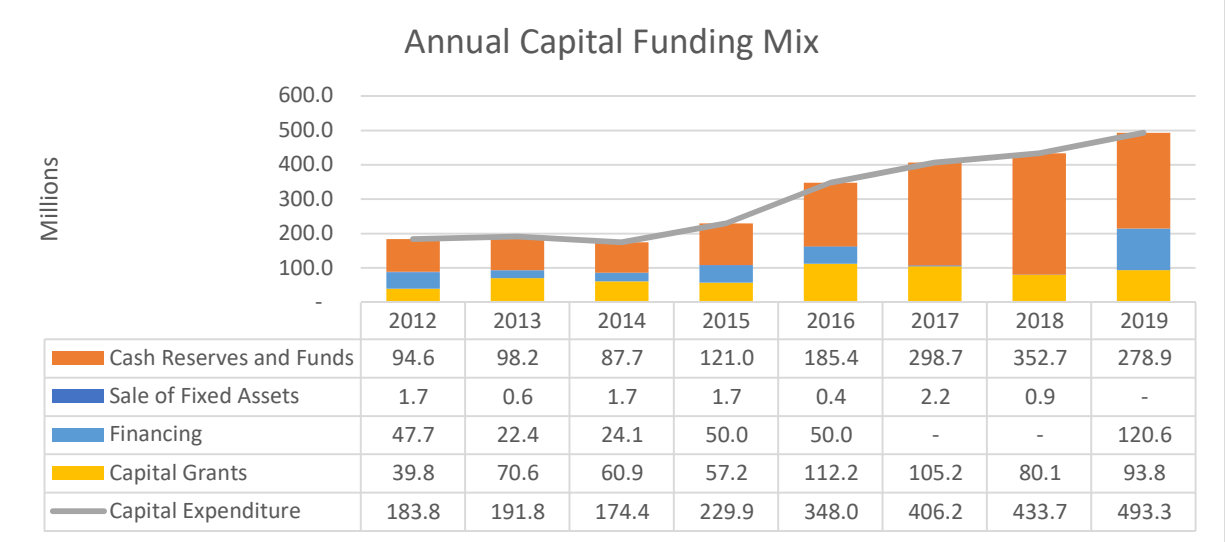
The increased financial performance from the prior year and the increased cash and cash equivalents generated by Stellenbosch (excluding capital grants) in 2019, allows the municipality to remain in a strong position to maintain and increase capital expenditure with a timeous investment in capital asset replacement.

Total capital expenditure had been increasing slightly from 2014 throughout 2019. However, total operating income had been increasing by a greater marginal increase than capital expenditure, hence showing stability in the Capital Funding Mix. The Capital Funding Mix of Stellenbosch, in previous periods reliance has been on the municipality's own Cash Reserves. Noteworthy is that external borrowings has been utilised in the period of review.

Figure 49: Total Operating Income vs Capital Expenditure

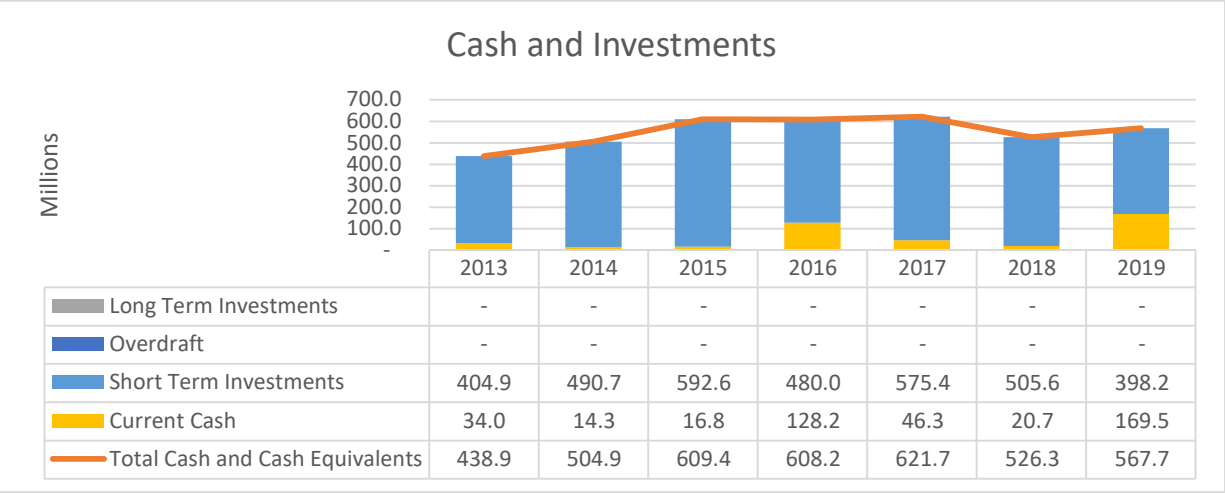


	2012	2013	2014	2015	2016	2017	2018	2019
Total Operating Income	797.3	998.3	1 141.5	1 137.1	1 313.3	1 429.2	1 532.1	1 524.0
Capital Expenditure	183.8	191.8	174.4	229.9	348.0	406.2	433.7	493.3



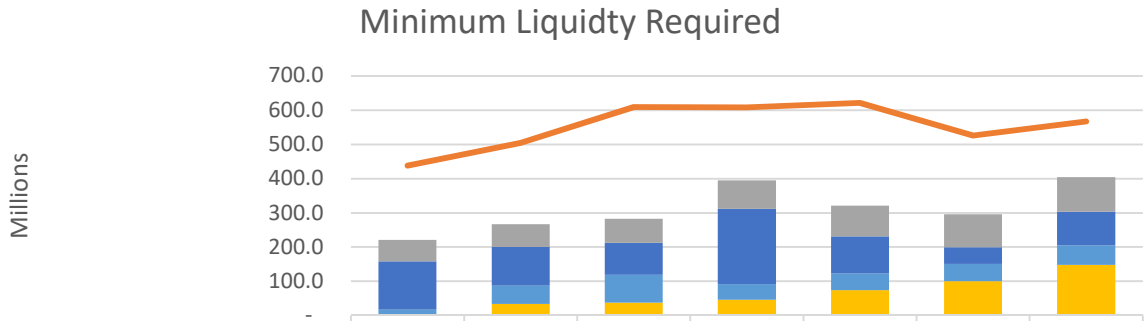
	2012	2013	2014	2015	2016	2017	2018	2019
Capital Grants	39.8	70.6	60.9	57.2	112.2	105.2	80.1	93.8
Financing	47.7	22.4	24.1	50.0	50.0	-	-	120.6
Sale of Fixed Assets	1.7	0.6	1.7	1.7	0.4	2.2	0.9	-
Cash Reserves and Funds	94.6	98.2	87.7	121.0	185.4	298.7	352.7	278.9
Capital Expenditure	183.8	191.8	174.4	229.9	348.0	406.2	433.7	493.3

Figure 50: Annual Capital Funding Mix



	2012	2013	2014	2015	2016	2017	2018	2019
Current Cash	38.8	34.0	14.3	16.8	128.2	46.3	20.7	169.5
Short Term Investments	337.9	404.9	490.7	592.6	480.0	575.4	505.6	398.2
Overdraft	-	-	-	-	-	-	-	-
Total Cash and Cash Equivalents	376.7	438.9	504.9	609.4	608.2	621.7	526.3	567.7
Long Term Investments	-	-	-	-	-	-	-	-

Figure 51: Cash and Investments



	2013	2014	2015	2016	2017	2018	2019
Working Capital Provision (1 Month's Opex)	63.3	66.6	69.9	83.3	89.7	96.0	100.6
Funds, Reserves & Trust Funds (Cash Backed)	141.0	113.5	93.8	219.9	108.6	48.6	98.6
Short Term Provisions	16.8	53.1	81.7	46.1	48.5	50.7	56.6
Unspent Conditional Grants	-	33.7	37.1	46.0	74.4	100.3	148.2
Unencumbered Cash	438.4	504.7	609.2	607.9	621.7	526.3	567.7

Figure 52: Minimum Liquidity Required

Total cash and cash equivalents increased from R 325.0 million in 2011 to R 528.7 million in2018. This level of cash sufficiently covers the minimum liquidity requirements which includes Short Term Provisions of R 47.9 million, Unspent Conditional Grants and Receipts of R 101.6 million, Cash-backed reserves of R 48.6 million and Working capital provision (including one month's opex) of R 89.0 million. The cash surplus was R 241.6 million at the end of the 2018 financial year, decreased from the highest level of R 326.6 million in 2015.

The cash coverage ratio (including working capital) remained positive at 1.8 as at the end of the2018 financial year.

Table 57: Minimum Liquidity Requirements

	2011	2012	2013	2014	2015	2016	2017	2018
Unspent Conditional Grants	-	-	-	33.7	37.1	46.0	74.4	101.6
Short Term Provisions	5.4	11.5	16.8	53.1	81.7	46.1	48.5	47.9
Funds, Reserves & Trust Funds (Cash Backed)	125.1	173.5	141.0	113.5	93.8	219.9	108.6	48.6
Total	130.5	185.0	157.8	200.4	212.6	312.0	231.5	198.1
Uncommitted Cash	325.0	376.2	438.4	504.7	609.2	607.9	621.7	528.7
Cash Coverage Ratio (excl. Working Capital)	2.5	2.0	2.8	2.5	2.09	1.9	2.7	2.7
Working Capital Provision (1 Month's Opex)	49.4	52.9	63.3	66.6	69.9	83.3	89.7	89.0
Cash Coverage Ratio (incl. Working Capital)	1.8	1.6	2.0	1.9	2.2	1.5	1.9	1.8
Minimum Liquidity Required	179.9	237.9	221.1	266.9	282.5	395.4	321.2	287.1
Cash Surplus/(Shortfall)	145.2	138.3	217.3	237.7	326.6	212.6	300.5	241.6

6.4 Outcome of the Independent Financial Assessment

Stellenbosch Local Municipality remained in a profitable position during the past 8 years of assessment. This was demonstrated by an Accounting Surplus of R 263.58 million posted at the end of the 2018 financial year, which increased from R 70.28 million in 2011.

Positive to note is that the municipality still managed to generate an operating surplus of R 186.10 million compared to R 33.63 million in 2011 when capital grants are excluded.

The municipality's strong financial performance, together with a healthy collection rate of 96%, enabled the municipality to generate R 270.47 million in cash from its operations (excl. capital grants). This was R 122.40 million higher than the cash generated from operations in 2011.

In 2018, the municipality spent R 433.68 million on capital infrastructure programs utilising most of its cash generated from operations (R 354.79 million) as well as Capital Grants to the value of R77.48 million. The funding structure was similar during the previous financial year.

In absence of new external loan liabilities taken during the past two years, the municipality maintained a healthy lower level of gearing of 11%, which is also the average level for the 8 years of assessment. The debt service coverage ratio was high in 2018(8.49), mainly as a result of higher repayment capability brought about by the positive cash generated by operations. These ratios are an indication that Stellenbosch still has the potential to increase gearing and obtain a more balanced funding mix.

Current Assets exceeded Current Liabilities by R 509.09 million in 2018. The gap between Current Assets and Current Liabilities remained positive during the assessment period. The healthy liquidity position was represented by a Liquidity Ratio of 2.19:1 in 2018 (2.19:1 at the end of the 2017 financial year). The ratio remains strong at 2.01:1 should debtors older than 30 days be excluded. This is underlined by the cash coverage ratio (including 1 month's working capital) of 1.8 at the end of the 2018 financial year.

The cash and investments balance of R 528.7 million (2017/18: R 621.7 million) was sufficient to cover minimum liquidity required. This comprised of Short Term Provisions of R 47.9 million, Unspent Conditional Grants and Receipts of R 101.6 million, Cash-backed reserves of R 48.6 million and working capital provision (including 1 month's opex) of R 89.0 million, resulting in a cash surplus of R 241.6 million at year end (2017: R300.5 million).

Cognisance is taken of the increase in unspent conditional grants, especially in the last two financial periods.

6.4.1 Strengths

- Strong balance sheet & liquidity position; low gearing;
- Investment-grade credit rating;
- Strong cashflows from own operations and limited reliance on transfers from national and provincial treasuries;
- High collection rate of 96%;
- Accelerated capex since 2014;
- Diversified economy with educational infrastructure;

- Aggressive addressing of backlogs; and
- High-quality financial and institutional governance evidenced by among others, clean audits.

6.4.2 Weaknesses

- Own cash reserves decreasing due to heavy reliance on own cash resources to fund its capital programme and the low reliance on utilisation of external borrowing;
- Urban limits & difficulties to densify;
- Repairs and Maintenance – below National Treasury Norm;
- High levels of unspent conditional grants since 2017; and
- Declining GVA growth rate.

6.5 Key Assumptions

The following key assumptions were used in the Long Term Financial Model:

Table 58: Key assumptions used in the LTFM

Variable	Base Case Average for a 10-Year Planning Period (per annum)
RSA consumer inflation rate (CPI)	5.7%
Population Growth Rate	1.2%
GVA Growth Rate	2.8%
Short term investment rate (Margin above CPI)	3.0%
Electricity Price Elasticity of Demand	-0.5
Water Price Elasticity of Demand	-0.2
Employee related cost escalation	9.1%
Bulk electricity cost escalation	6.9%
Collection Rate of customer billings	96.3%

6.6 Future Revenues

6.6.1 Municipal Revenue Risk Indicator (MRRI) = "Medium"

The latest iHS Global Insight update of the Stellenbosch economy reveals that the average economic growth rate during the past 5 years of 1.3% p.a is the 3rd highest of all municipalities in the district and with a relatively high Tress index[30] In combination these 2 factors result in an Economic Risk component of the MRRI of "Medium". However, the size of the local economy and GVA growth rate which is higher than similar Municipalities help moderate the risk metric.

[30]An increase in the tress index of a region reflects an increase in the dependence of the local economy on a single or a few economic activities and is an ostensibly negative trend.

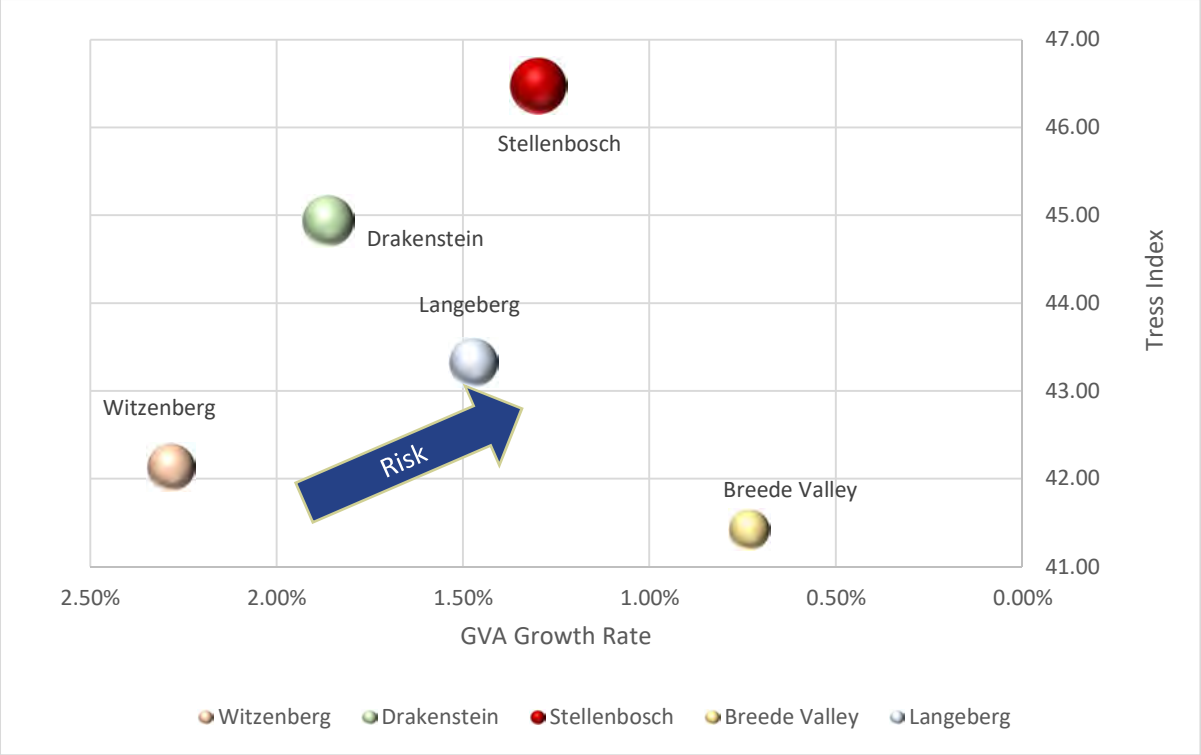


Figure 53: Economic Risk Component

The graph below indicates the non-payment risk by plotting the percentage of households earning less than R30 000 p.a and the unemployment rate. In comparison to municipalities in the region both these factors are higher than its peers in the case of Stellenbosch. Although these metrics are quite low within a national and provincial context the Household Ability to Pay Risk component of the MRRI is rated “Medium to High”.

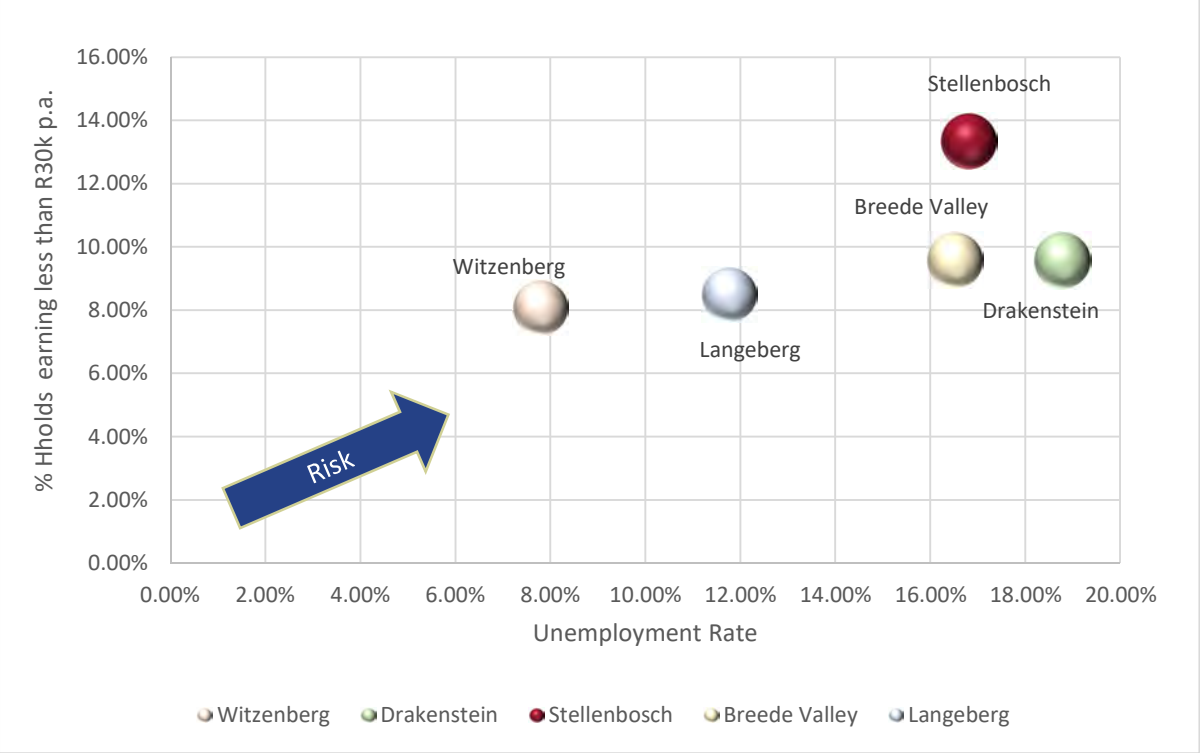


Figure 54: Household Ability to Pay Risk Component of MRRI

Based on the above, the overall Municipal Revenue Risk Indicator of Stellenbosch is considered to be "Medium".

In 2018 the declining trend of both Real Municipal Revenue per Capita and Real GVA per Capita evidenced since 2013, continued. It is unlikely that real revenues per capita can increase significantly in future without a structural change in the economy and a return to economic growth rates which will help create some fiscal space for tariff adjustments. This issue was dealt with in the recent State of City Finances Report (SACN 2018) which assessed the progressiveness of municipal bills and the impact this might have on tariffs.

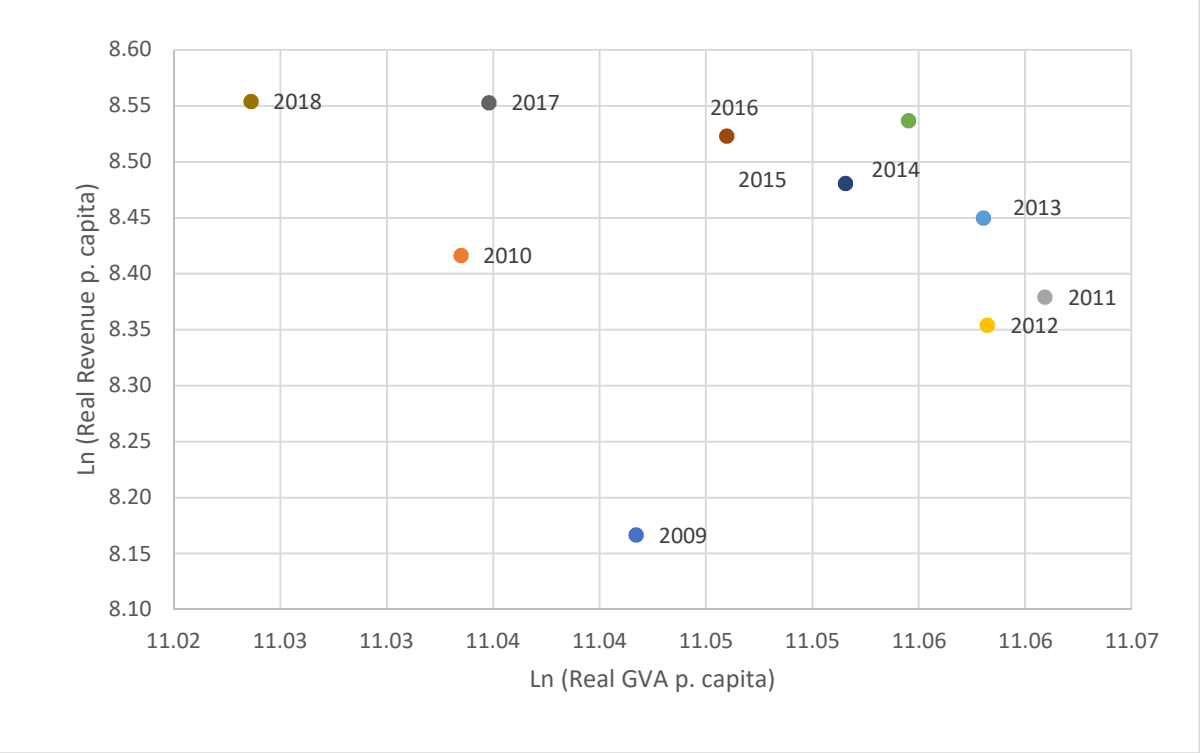


Figure 55: Real Revenues per Capital vs Real GVA

In Stellenbosch we note the rate of increase in the Real Revenue per Capita, but concurrently there is a decreasing growth rate in the Income per Capita. Such diverging trends place additional proportional financial pressure on households. The municipality should specifically note this situation when determining the fixed-cost portion of the household municipal bill going forward.

A comparison of the Average Household Bill for the Middle Income- and Affordable Range of a selected number of municipalities in the Western Cape (extracted from Budget Table SA14 as posted on the National Treasury local government database or the municipalities' websites), based on the 2018/19 tariffs, reveals that Stellenbosch features in the 2nd quartile of these municipalities. This suggest that the tariffs of Stellenbosch is comparatively more affordable.

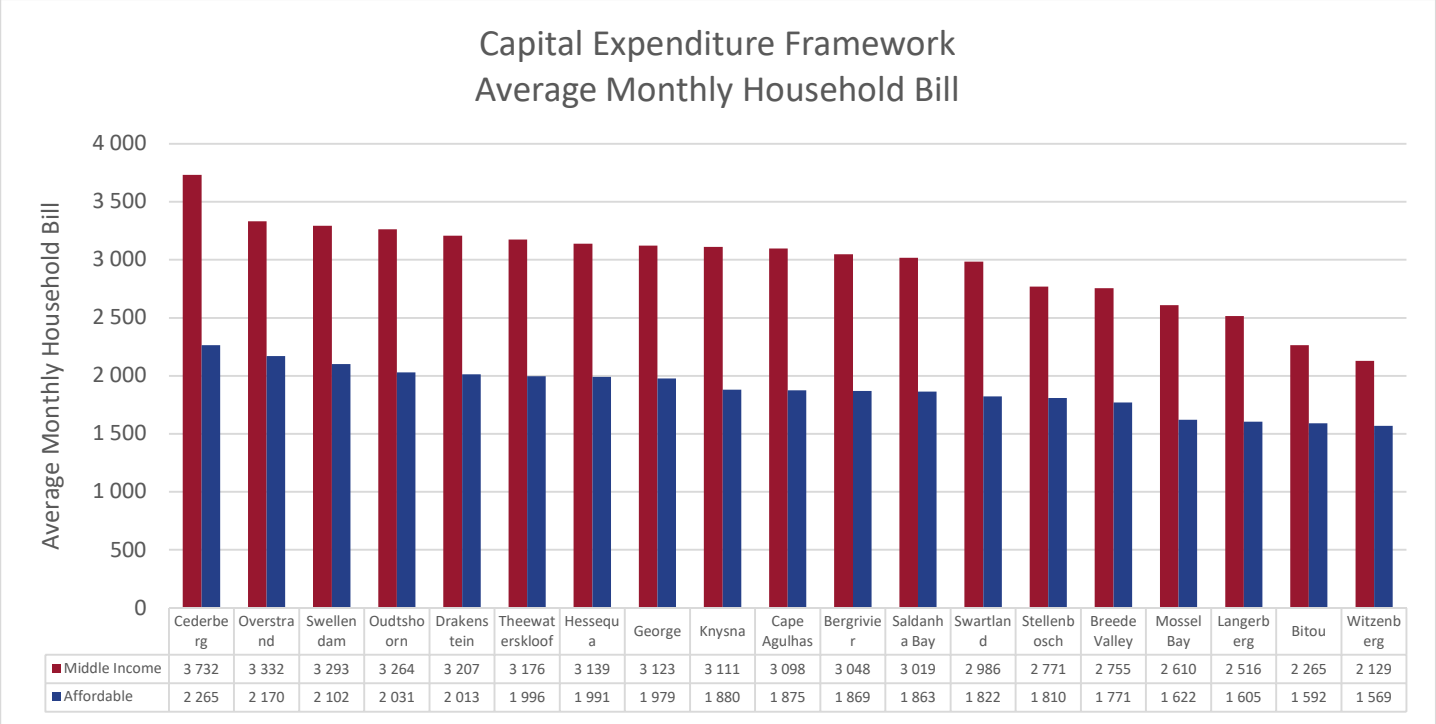


Figure 56: Average Monthly Household Bill

6.6.2 Municipal Revenues

In 2018 the Real Revenue per Capita of R 5 173 p.a. exceeded the expected amount for the Real GVA per Capita as researched by Schoeman[31]. This provides comfort since the proportional growth of indigent households the model forecast is in line with current data.

[31] Fiscal Performance of Local Government in South Africa - an Empirical Analysis; Niek Schoeman; UP 22 July 2011; https://editorialexpress.com/cgi-bin/conference/download.cgi?db_name=IIPF67&paper_id=40

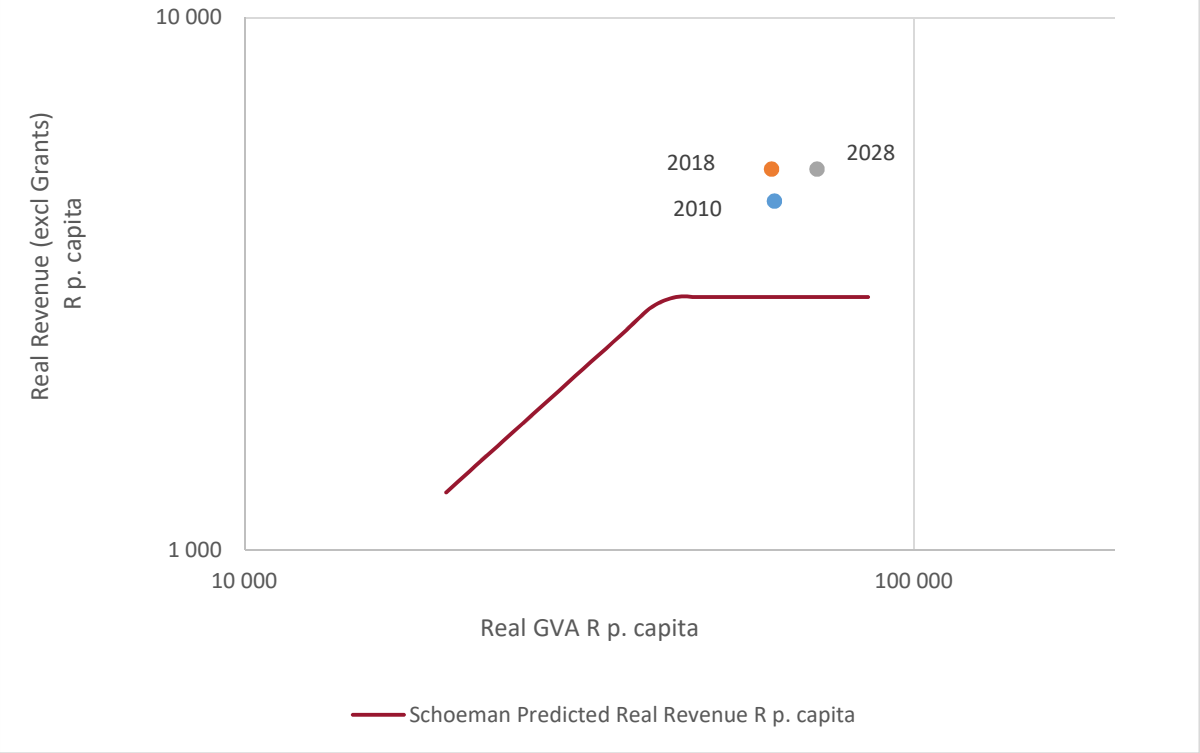
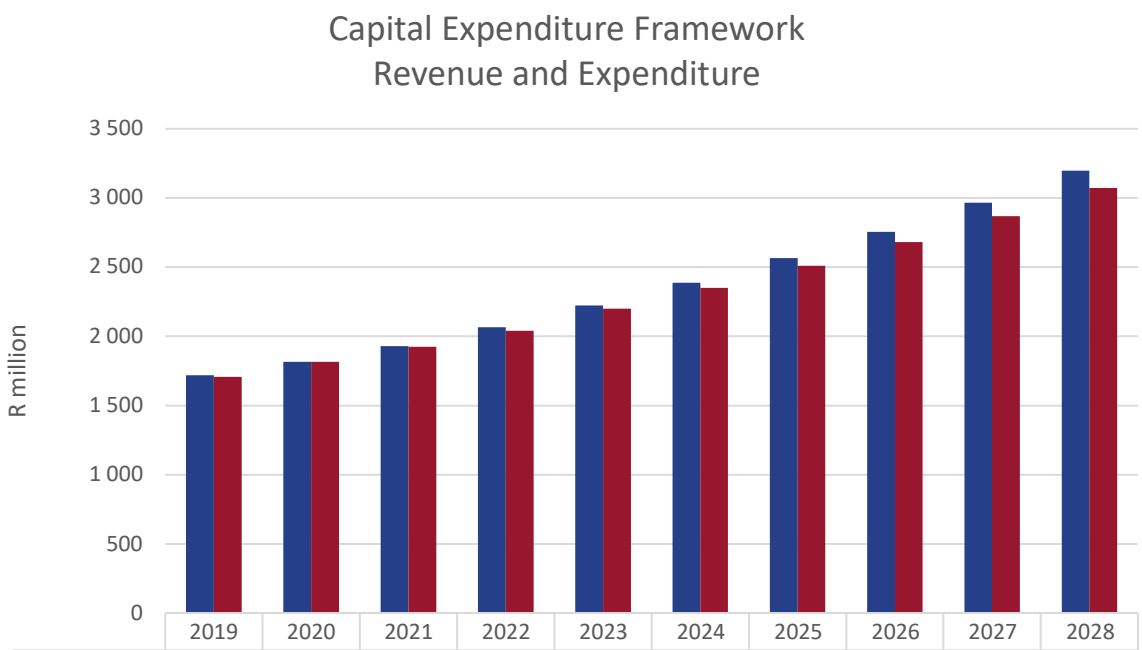


Figure 57: Real Revenue per Capita Across Time

Future Nominal Revenue (excluding Grants) is growing at an average rate of over 7 % p.a. Over the forecast period the municipality generates positive cash flow from operations and maintains a positive Accounting Surplus. The Total Operating Surplus (excluding grants) is negative up to 2028.

Improvements in revenue are ascribed to (i) tariff increases (ii) increased sales and (iii) additional revenue sources and importantly, (iv) sustained revenue-collection rates of over 96%. After 2022 we forecast a sustained period of Operating Surpluses.



	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue	1 718.6	1 816.1	1 929.2	2 066.2	2 223.3	2 388.0	2 564.9	2 755.5	2 964.5	3 195.1
Expenditure	1 707.1	1 816.0	1 925.8	2 040.4	2 200.0	2 349.0	2 508.9	2 681.2	2 867.9	3 071.4

Figure 58: Revenue and Expenditure

The Stellenbosch municipal region is not immune to national and provincial socio-economic conditions. In the graph below, one notices a decline in the Real Revenue per Capita to 2022. This is largely the result of the rate of increase in population growth being higher than the rate of increase in total revenue of the municipality. Both the Real GVA per Capita and the Real Revenue per Capita are expected to improve after 2022. This is due to an economic growth rate expected to exceed the population growth rate at that time but is highly dependent on broader socio-economic conditions.

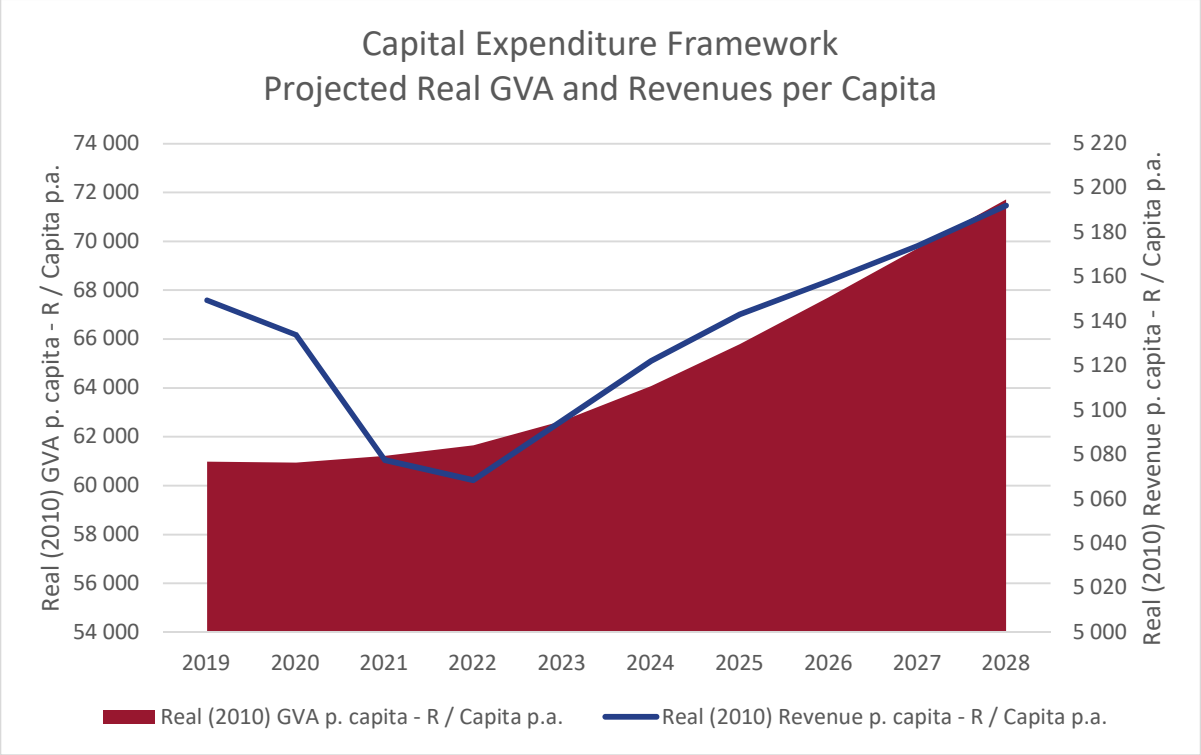


Figure 59: Projected Real GVA and Revenues per Capita

6.7 Affordable Future Capital Investment

The total affordable capital expenditure for the 10-year planning period amounts to R 4 129 million.

This 10-year amount was calculated by the Long Term Financial Model:

- by relying on and maintaining the capital programme and funding mix over the MTREF period up to 2020/21 (3 years), as contained in the latest approved MTREF budget of Stellenbosch; and
- forecasting the optimal capital programme and funding mix, taking several indicators and parameters into account, for the next 7 years of the forecast period.

The annual affordable envelope, which entails the forecast capital expenditure and proposed funding mix per annum is dealt with in detail in the next section of this report.

6.7.1 MTREF Capital Funding Mix

Stellenbosch Municipality's MTREF budget 2020/21 – 2022/23 expects a capital budget amounting to R1.4 billion and funded as follows:

Table 59: 3-Year MTREF Funding Mix

R'000	Total	2020/21	2021/22	2022/23
Loans	400 000	160 000	80 000	160 000
Cash	616 189	195 487	227 713	192 987
Grants	362 712	162 632	99 378	100 702
Total	1 378 901	518 120	407 091	453 689

The Long Term Financial Model accommodated the increased Borrowing of R400m, Internally Generated Funding of R616 m and Capital Grants of R362m for the MTREF period of 3 years to 2022/23 and allowed the model to calculate the future funding mix. Here we note the potential impact of the strong liquidity position on capital expenditure. Following sustained increases in the capital expenditure since 2014, this now declines over the MTREF-period to about R353m in 2020/21. To keep pace with anticipated population growth and ongoing investment in new infrastructure as well as upgrading and renewal projects, we increased the capital expenditure by 2% per year from 2022/23 over the planning period. The municipality has both sufficient own resources and capacity to borrow, allowing it to accelerate capital investment, despite the decreased grant transfers. (Fluctuations in grant amounts due to the allocation of housing grants for top structures and for infrastructure in different years.)

The capital expenditure budget of the municipality is financially feasible. Due to the healthy liquidity position, the budgeted capital expenditure can be implemented. Cash available is sufficient to cover the minimum recommended liquidity level to cater for unspent conditional grants, short term provisions, and working capital. These findings are illustrated in the graphs below.

The municipality's mainly relies on own reserves to fund the capital expenditure. The strong financial and liquidity position of the municipality allows it to accelerate the capital investment programmes which can be supported by borrowing.

6.7.2 10-Year Capital Funding Mix

Table 60: 10-Year Capital Funding Mix

Source	Rm	%
Public & Developers' Contributions	0	0%
Capital Grants	897	22%
Financing	1 529	37%
Cash Reserves and Funds	1 703	41%
Cash Shortfall	0	0%
Capital Expenditure	4 129	100%

Due to the prevailing national fiscal constraint, reliance on grant funding in future is probably doubtful and the amount of capital transfers in this latest estimate, when compared to previous estimates, has declined.

A balanced funding mix, incorporating a conservative level of external borrowing, will preserve Stellenbosch's own cash resources and will improve long term financial sustainability. Equally important is the average duration at which external borrowing are obtained in the market and the impact that this may have on liquidity and gearing levels. The most optimal average duration for loans is forecast at 13 years, to avoid breaching liquidity and/or gearing levels. IPM observed that Stellenbosch will breach minimum liquidity levels should an average duration of 10 years be achieved, while an average duration of 15 years may result in a breach of the upper gearing limit of 35%. Even at this upper gearing limits, these levels remain affordable and sustainable.

6.8 Scenarios

In the scenario analysis we developed two basic scenarios to compare to the Base Case. The Base Case reflects the model forecast. The Upside and Downside Scenarios were developed by adjusting (upwards and downwards, respectively) 6 variables as follows:

Table 61: Variables assessed in a Scenario Analysis

Variable	Base Case % of Base Case	Upside	Downside
Population Growth Rate	100%	98%	102%
GVA Growth Rate	100%	120%	80%
Employee related cost escalation (Margin above Inflation rate)	100%	80%	120%
Bulk electricity cost escalation (Margin above Inflation rate)	100%	80%	120%
Bulk water cost escalation (Margin above Inflation rate)	100%	80%	120%
Collection Rate of customer billings	100%	110%	90%

The impact of these adjustments was measured on 11 selected financial metrics. We noted the following outcomes:

- Average Annual Increase in Revenue differs only marginally over the three scenarios. The impact on percentage increases in Expenditure is more pronounced. Cash generated by Operations ranges between –R 247m and R 3 207m. The cash position after 10 years remains very healthy at R2 213 m in the base case. In the down-side case this amount is in deficit of R 247m;

- The 10-year capital investment for the Base Case is R 4 129 million and R4 701 million in the Upside. This is a modest change and is also evident in the External Loan Financing and Gearing during the planning period; and

- The great variation of outcome for a realistic combination of input variables, demonstrates the need to manage the municipality's finances with care and discipline.

Table 62: Outcome of Scenario Analysis

Outcome	Base Case	Upside	Down Side
Average annual % increase in Revenue	7.1%	7.2%	7.0%
Average annual % increase in Expenditure	9.1%	8.9%	10.3%
Accounting Surplus accumulated during Planning Period (Rm)	R 454	R 1 304	-R 1 926
Operating Surplus accumulated during Planning Period (Rm)	-R 443	R 408	-R 2 823
Cash generated by Operations during Planning Period (Rm)	R 2 190	R 3 215	-R 246
Average annual increase in Gross Consumer Debtors	6.6%	-8.5%	19.4%
Capital investment programme during Planning Period (Rm)	R 4 129	R 4 852	R 3 495
External Loan Financing during Planning Period (Rm)	R 1 529	R 1 640	R 1 305
Cash and Cash Equivalents at the end of the Planning Period (Rm)	R 454	R 839	-R 1 519
Gearing at the end of the Planning Period	36.3%	38.6%	31.2%
Debt Service to Total Expense Ratio at the end of the Planning Period	7.5%	8.2%	9.7%

6.9 Ratio Analysis

The Base Case forecast ratios are presented below. The model provides comfort that the municipality is sustainable in future - on condition that it operates within the assumed benchmarks set in the financial plan.

Table 63: Outcome of Future Ratio Analysis

		N.T. NORM	1 2019	3 2021	5 2023	7 2025	9 2027
FINANCIAL POSITION							
ASSET MANAGEMENT							
R29	Capital Expenditure / Total Expenditure	10% - 20%	23.6%	15.5%	14.5%	13.6%	12.8%
R27	Repairs and Maintenance as % of PPE and Investment Property	8%	1.7%	1.7%	2.3%	2.3%	2.3%
DEBTORS MANAGEMENT							
R4	Gross Consumer Debtors Growth		7.7%	7.6%	5.5%	5.9%	6.3%
R5	Payment Ratio / Collection Rate	95%	96.1%	96.1%	96.5%	96.5%	96.5%
	Net Debtors Days	30	76	65	57	49	43
LIQUIDITY MANAGEMENT							
R49	Cash Coverage Ratio (excl. Working Capital)		5.4 : 1	9.6 : 1	5.3 : 1	4.3 : 1	4 : 1
R50	Cash Coverage Ratio (incl. Working Capital)		2.3 : 1	1.3 : 1	1.2 : 1	1.2 : 1	1.3 : 1
R51	Cash Surplus / Shortfall on Minimum Liquidity Requirements		R 255.2 m	R 50.8 m	R 49.9 m	R 53.9 m	R 89.8 m
R1	Liquidity Ratio (Current Assets : Current Liabilities)	1.5 - 2.0 : 1	1.6 : 1	1 : 1	1 : 1	1 : 1	1 : 1
LIABILITY MANAGEMENT							
R45	Debt Service as % of Total Operating Expenditure	6% - 8%	3.2%	4.0%	5.5%	6.7%	7.1%
R6	Total Debt (Borrowings) / Operating Revenue	45%	19.2%	23.3%	31.3%	35.2%	36.6%
R7	Repayment Capacity Ratio		1.09	2.30	3.23	3.79	3.91
R46	Debt Service Cover Ratio (Cash Generated by Operations / Debt Service)		5.9 : 1	3 : 1	2.3 : 1	1.9 : 1	1.9 : 1
SUSTAINABILITY							
	Net Financial Liabilities Ratio	< 60%	18.6%	39.8%	47.3%	50.9%	50.6%
	Operating Surplus Ratio	0% - 10%	-4.9%	-3.5%	-2.9%	-1.6%	-0.4%
	Asset Sustainability Ratio	> 90%	21.1%	21.3%	21.4%	21.4%	21.4%

		N.T. NORM	1 2019	3 2021	5 2023	7 2025	9 2027
FINANCIAL PERFORMANCE							
EFFICIENCY							
R42	Net Operating Surplus / Total Operating Revenue	>= 0%	-4.9%	-3.5%	-2.9%	-1.6%	-0.4%
R43	Electricity Surplus / Total Electricity Revenue	0% - 15%	38.2%	38.5%	39.5%	40.7%	41.9%
R44	Water Surplus / Total Water Revenue	>= 0%	92.0%	91.9%	92.3%	92.3%	92.2%
REVENUE MANAGEMENT							
R8	Increase in Billed Income p.a. (R'm)		R 97.3 m	R 98.1 m	R 112.7 m	R 131.8 m	R 153.0 m
R9	% Increase in Billed Income p.a.	CPI	8.2%	7.1%	7.1%	7.2%	7.3%
R12	Operating Revenue Growth %	CPI	6.1%	5.9%	7.6%	7.5%	7.6%
R14	Contribution per Income Source: Equitable Share		7.6%	8.1%	8.6%	8.8%	9.0%
R15	Contribution per Income Source: Conditional Operating Grants		1.3%	2.1%	1.8%	1.8%	1.7%
R16	Contribution per Income Source: Property Rates		20.1%	19.6%	19.2%	19.0%	19.0%
R17	Contribution per Income Source: Electricity Services		33.8%	34.0%	34.0%	34.1%	34.3%
R18	Contribution per Income Source: Water Services		13.9%	14.4%	14.5%	14.3%	13.9%
R19	Contribution per Income Source: Interest on Investments		2.7%	1.2%	0.9%	1.0%	1.1%
R20	Annual Increase per Income Source: Equitable Share		12.2%	10.4%	10.7%	8.6%	8.8%
R21	Annual Increase per Income Source: Property Rates		5.7%	5.5%	6.5%	7.1%	7.5%
R22	Annual Increase per Income Source: Electricity Services		5.1%	7.1%	7.2%	7.7%	7.9%
R23	Annual Increase per Income Source: Water Services		14.2%	8.2%	6.9%	6.4%	5.9%
R24	Annual Increase per Income Source: Interest on Investments		-21.3%	-40.6%	12.9%	10.5%	13.9%
R47	Cash Generated by Operations / Own Revenue		21.6%	14.0%	14.5%	14.7%	15.0%
R48	Cash Generated by Operations / Total Operating Revenue		19.6%	12.6%	13.0%	13.1%	13.4%
EXPENDITURE MANAGEMENT							
	Creditors Payment Period	30	84	101	99	96	93
R30	Contribution per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)	25% - 40%	26.2%	29.7%	29.9%	30.1%	30.5%
	Contribution per Expenditure Item: Contracted Services	2% - 5%	9.9%	9.9%	9.8%	10.3%	10.7%
R31	Contribution per Expenditure Item: Electricity Services		15.2%	17.1%	17.1%	17.2%	17.3%
R32	Contribution per Expenditure Item: Water Services		0.8%	0.9%	0.9%	0.9%	0.9%

		N.T. NORM	1 2019	3 2021	5 2023	7 2025	9 2027
R33	Contribution per Expenditure Item: Repairs & Maintenance		4.1%	4.5%	5.6%	5.3%	5.0%
R34	Contribution per Expenditure Item: Depreciation and Asset Impairment		7.9%	8.8%	8.2%	7.7%	7.2%
R35	Contribution per Expenditure Item: External Interest Charged		1.5%	2.0%	2.8%	3.3%	3.5%
R36	Annual Increase per Expenditure Item: Staff Cost (Salaries, Wages and Allowances)		26.8%	7.5%	6.5%	6.7%	7.0%
R37	Annual Increase per Expenditure Item: Electricity Services		8.4%	6.8%	6.1%	6.6%	6.8%
R38	Annual Increase per Expenditure Item: Water Services		11.9%	8.5%	4.8%	6.9%	7.0%
R39	Annual Increase per Expenditure Item: Repairs & Maintenance		111.6%	7.7%	30.2%	2.9%	2.9%
R40	Annual Increase per Expenditure Item: Depreciation		7.2%	5.5%	2.9%	3.0%	3.0%
R41	Annual Increase per Expenditure Item: External Interest Charged		75.3%	12.8%	21.1%	13.5%	9.7%
GRANT DEPENDENCY							
R10	Total Grants / Total Revenue		13.8%	13.3%	13.9%	13.9%	13.9%
R11	Own Source Revenue to Total Operating Revenue		91.1%	89.8%	89.6%	89.5%	89.3%
	Capital Grants to Total Capital Expenditure		17.4%	19.4%	23.1%	24.1%	25.6%
BUDGET IMPLEMENTATION							
R28	Actual Capital Expenditure / Budgeted Capital Expenditure						

6.10 Outcome of the Long Term Financial Model

6.10.1 The socio-economic base and future revenue

- Strong economic base and diversified economy, but rapid increase in migration to the municipal area placing pressure on existing infrastructure;
- However – national conditions also impact on the municipality – with only moderate growth forecast over the forecast period;
- A key structural weakness can now be identified: as economic growth rates slow, which might have a negative on revenue collection to extract additional revenue for ever-growing needs;
- To pursue and sustain progressive / redistributive / pro-poor policies – it is essential that the economic base expands and critically, job creation (especially at entry-level) accelerates; and
- Over the forecast period – we still see scope for tariff increases (broadly aligned with CPI) and for more progressive tariff structures.

6.10.2 Capital investment

- Stellenbosch embarked on an aggressive capex programme since 2014 – largely funded from own resources;
- As the population continues to increase, the municipality needs to deal with normalising historic settlement patterns to accommodate new migrants and improve access to and mobility within the municipal area;
- Although the total budgeted investment returns to the R350 million p.a. level over the MTREF period, we envisage a moderate growth-rate in capex over the forecast period. This is to ensure capital investment keeps pace with population growth and continues to address backlogs;
- We have introduced a conservative borrowing programme which remains well within the prudential limits;
- More spatial and economic modelling is required for a comprehensive perspective on the long-term corridor development and spatial settlement patterns in the municipal area;
- Significant ”high-impact projects” can be modelled to determine long-term financial impact of such projects on the financial position of the municipality; and
- Despite continued use of own resources and a depletion of cash reserves, the liquidity metrics remain positive over the forecast period.

6.10.3 Scenario analysis

- The generic scenario analysis forecast reasonable logical outcomes;
- Two aspects worth noting is the modest differences between the scenarios on total capital expenditure (R4.7 b and R3.5 b in the upside and downside scenarios respectively) and on gearing ratio which is 30.1% and 23.5% for the up- and down side scenarios respectively.

6.11 Projected Financial Statements

Figure 78: Projected Financial Statements

Municipal Financial Model - Stellenbosch
Statement of Financial Performance

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
R thousands											
Revenue											
Property rates	309,989	327,692	344,938	363,823	384,930	409,858	437,898	469,140	503,652	541,509	582,725
Service Charges	862,001	938,822	1,015,185	1,093,245	1,178,283	1,264,292	1,359,447	1,457,873	1,561,470	1,674,024	1,796,978
Rental of facilities and equipment	14,992	17,766	18,831	19,961	21,159	22,940	24,886	27,021	29,370	31,962	34,828
Interest earned - external investments	55,110	43,352	39,030	23,172	17,275	19,507	21,574	23,845	26,644	30,349	35,871
Interest earned - outstanding debtors	6,849	10,576	11,264	11,996	12,776	15,323	15,098	16,390	17,822	19,422	21,194
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	114,767	102,132	107,239	112,601	118,231	128,183	139,057	150,988	164,113	178,599	194,613
Licences and permits	6,571	5,092	5,398	5,722	6,065	6,584	7,197	7,905	8,712	9,617	10,620
Agency services	2,365	2,690	2,852	3,023	3,204	3,474	3,769	4,092	4,448	4,840	5,274
Transfers and subsidies (operating)	133,057	144,700	176,317	188,974	203,157	223,010	240,805	260,291	281,692	305,275	331,303
Other revenue	27,070	34,009	36,050	38,213	40,506	43,915	47,641	51,728	56,225	61,188	66,674
Gain on disposal of PPE	91	–	–	–	–	–	–	–	–	–	–
Revaluation on investment property gain / (loss)	–	–	–	–	–	–	–	–	–	–	–
Total revenue before Capital Grants	1,532,862	1,626,831	1,757,104	1,860,729	1,985,587	2,137,088	2,297,371	2,469,276	2,654,147	2,856,785	3,080,082
Capital Grants	77,477	91,804	58,980	68,477	80,586	86,238	90,669	95,674	101,332	107,743	115,002
Public & developers contributions	796	–	–	–	–	–	–	–	–	–	–
Total Revenue after Capital Grants	1,611,135	1,718,635	1,816,084	1,929,206	2,066,173	2,223,326	2,388,040	2,564,950	2,755,479	2,964,528	3,195,084
Operating expenditure											
Employee related costs	444,579	566,808	609,230	655,019	700,661	746,368	795,778	849,481	908,095	972,257	1,042,609
Remuneration of councillors	17,308	18,693	19,814	21,003	22,467	23,708	25,040	26,480	28,042	29,743	31,598
Debt impairment	47,971	123,344	130,735	138,442	146,709	149,862	161,917	174,952	189,133	204,715	221,867
Depreciation and asset impairment	163,948	175,830	189,268	199,705	205,364	211,352	217,624	224,156	230,941	237,967	245,221
Finance charges	18,775	32,922	40,888	46,137	59,042	71,478	83,343	94,582	105,115	115,294	125,671
Bulk purchases	329,682	357,921	384,259	410,738	437,334	463,881	494,086	526,721	562,040	600,419	642,231
Other Materials	–	31,909	33,488	34,504	35,551	39,249	43,357	47,937	53,054	58,788	65,224
Contracted services	123,010	220,297	216,541	224,717	233,202	252,832	274,280	297,813	323,700	352,273	383,860
Transfers and subsidies	6,261	9,102	8,377	8,828	9,303	10,086	10,942	11,881	12,914	14,053	15,314
Other expenditure	85,540	170,316	183,444	186,718	190,752	231,151	242,614	254,911	268,134	282,400	297,823
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	1,280,280	1,707,142	1,816,044	1,925,810	2,040,383	2,199,968	2,348,982	2,508,914	2,681,167	2,867,910	3,071,417
Suplus/ (Shortfall) for the year	**330,856**	**11,493**	**40**	**3,396**	**25,789**	**23,358**	**39,058**	**56,036**	**74,312**	**96,617**	**123,667**

Municipal Financial Model - Stellenbosch
Statement of Financial Position

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
R thousands											
Non-current assets:	5,151,150	5,507,811	5,795,454	5,949,254	6,106,765	6,269,174	6,436,524	6,608,890	6,786,368	6,969,073	7,157,143
Property, plant and equipment	4,710,275	5,062,486	5,340,880	5,493,480	5,650,991	5,813,400	5,980,750	6,153,116	6,330,594	6,513,299	6,701,369
Intangible assets	8,368	8,718	8,868	8,968	8,968	8,968	8,968	8,968	8,968	8,968	8,968
Investment properties	423,252	425,652	434,652	435,652	435,652	435,652	435,652	435,652	435,652	435,652	435,652
Investments	–	–	–	–	–	–	–	–	–	–	–
Long-term receivables	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158
Other non-current assets	7,095	8,795	8,895	8,995	8,995	8,995	8,995	8,995	8,995	8,995	8,995
Current assets:	920,735	821,219	641,061	575,600	602,296	639,664	667,576	700,485	742,521	803,371	876,556
Inventories	46,991	73,133	78,452	80,003	81,841	97,788	103,420	109,523	116,156	123,389	131,294
Trade and other receivables	345,064	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594
Cash & Short term investments	528,680	456,491	271,015	204,002	228,860	250,281	272,562	299,367	334,771	388,387	453,668
TOTAL ASSETS	**6,071,884**	**6,329,029**	**6,436,515**	**6,524,854**	**6,709,061**	**6,908,838**	**7,104,100**	**7,309,375**	**7,528,889**	**7,772,444**	**8,033,699**
Municipal Funds:	5,194,083	5,205,576	5,205,615	5,209,012	5,234,801	5,258,159	5,297,217	5,353,253	5,427,565	5,524,183	5,647,850
Housing development fund & Other Cash Backed Reserves	–	(80,944)	(42,349)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)
Reserves (Not Cash Backed)	–	–	–	–	–	–	–	–	–	–	–
Accumulated surplus	5,194,083	5,286,520	5,247,964	5,354,464	5,380,253	5,403,611	5,442,669	5,498,705	5,573,017	5,669,635	5,793,302
Non-current liabilities:	457,152	601,051	688,618	749,681	881,410	1,005,869	1,121,865	1,232,226	1,342,542	1,441,601	1,527,761
Long-term liabilities (Interest Bearing)	158,800	284,995	353,652	394,520	504,821	606,606	698,683	783,880	867,785	939,188	996,446
Non-current provisions	298,352	316,057	334,966	355,161	376,589	399,263	423,182	448,347	474,757	502,413	531,315
Current liabilities:	420,649	522,402	542,282	566,162	592,851	644,810	685,018	723,896	758,782	806,660	858,088
Consumer deposits	15,674	17,587	20,359	23,336	26,553	29,963	33,621	37,545	41,746	46,263	51,123
Provisions	47,888	50,986	54,270	57,752	61,423	65,285	69,339	73,584	78,021	82,649	87,469
Trade and other payables	342,586	426,571	436,311	445,941	455,176	488,147	507,670	528,171	549,731	572,498	596,568
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Current portion of interest bearing liabilities	14,502	27,258	31,342	39,133	49,699	61,414	74,387	84,597	89,284	105,249	122,928
TOTAL MUNICIPAL FUNDS AND LIABILTIES	**6,071,884**	**6,329,029**	**6,436,515**	**6,524,854**	**6,709,061**	**6,908,838**	**7,104,100**	**7,309,375**	**7,528,889**	**7,772,444**	**8,033,699**

Municipal Financial Model - Stellenbosch
Statement of Financial Position

Model year	0	1	2	3	4	5	6	7	8	9	10
Financial year (30 June)	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
R thousands											
Non-current assets:	5,151,150	5,507,811	5,795,454	5,949,254	6,106,765	6,269,174	6,436,524	6,608,890	6,786,368	6,969,073	7,157,143
Property, plant and equipment	4,710,275	5,062,486	5,340,880	5,493,480	5,650,991	5,813,400	5,980,750	6,153,116	6,330,594	6,513,299	6,701,369
Intangible assets	8,368	8,718	8,868	8,968	8,968	8,968	8,968	8,968	8,968	8,968	8,968
Investment properties	423,252	425,652	434,652	435,652	435,652	435,652	435,652	435,652	435,652	435,652	435,652
Investments	–	–	–	–	–	–	–	–	–	–	–
Long-term receivables	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158	2,158
Other non-current assets	7,095	8,795	8,895	8,995	8,995	8,995	8,995	8,995	8,995	8,995	8,995
Current assets:	920,735	821,219	641,061	575,600	602,296	639,664	667,576	700,485	742,521	803,371	876,556
Inventories	46,991	73,133	78,452	80,003	81,841	97,788	103,420	109,523	116,156	123,389	131,294
Trade and other receivables	345,064	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594	291,594
Cash & Short term investments	528,680	456,491	271,015	204,002	228,860	250,281	272,562	299,367	334,771	388,387	453,668
TOTAL ASSETS	**6,071,884**	**6,329,029**	**6,436,515**	**6,524,854**	**6,709,061**	**6,908,838**	**7,104,100**	**7,309,375**	**7,528,889**	**7,772,444**	**8,033,699**
Municipal Funds:	5,194,083	5,205,576	5,205,615	5,209,012	5,234,801	5,258,159	5,297,217	5,353,253	5,427,565	5,524,183	5,647,850
Housing development fund & Other Cash Backed Reserves	–	(80,944)	(42,349)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)	(145,452)
Reserves (Not Cash Backed)	–	–	–	–	–	–	–	–	–	–	–
Accumulated surplus	5,194,083	5,286,520	5,247,964	5,354,464	5,380,253	5,403,611	5,442,669	5,498,705	5,573,017	5,669,635	5,793,302
Non-current liabilities:	457,152	601,051	688,618	749,681	881,410	1,005,869	1,121,865	1,232,226	1,342,542	1,441,601	1,527,761
Long-term liabilities (Interest Bearing)	158,800	284,995	353,652	394,520	504,821	606,606	698,683	783,880	867,785	939,188	996,446
Non-current provisions	298,352	316,057	334,966	355,161	376,589	399,263	423,182	448,347	474,757	502,413	531,315
Current liabilities:	420,649	522,402	542,282	566,162	592,851	644,810	685,018	723,896	758,782	806,660	858,088
Consumer deposits	15,674	17,587	20,359	23,336	26,553	29,963	33,621	37,545	41,746	46,263	51,123
Provisions	47,888	50,986	54,270	57,752	61,423	65,285	69,339	73,584	78,021	82,649	87,469
Trade and other payables	342,586	426,571	436,311	445,941	455,176	488,147	507,670	528,171	549,731	572,498	596,568
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Current portion of interest bearing liabilities	14,502	27,258	31,342	39,133	49,699	61,414	74,387	84,597	89,284	105,249	122,928
TOTAL MUNICIPAL FUNDS AND LIABILTIES	**6,071,884**	**6,329,029**	**6,436,515**	**6,524,854**	**6,709,061**	**6,908,838**	**7,104,100**	**7,309,375**	**7,528,889**	**7,772,444**	**8,033,699**

Section 7 Affordability Envelope

7 Affordability Envelope

7.1 Contextualisation

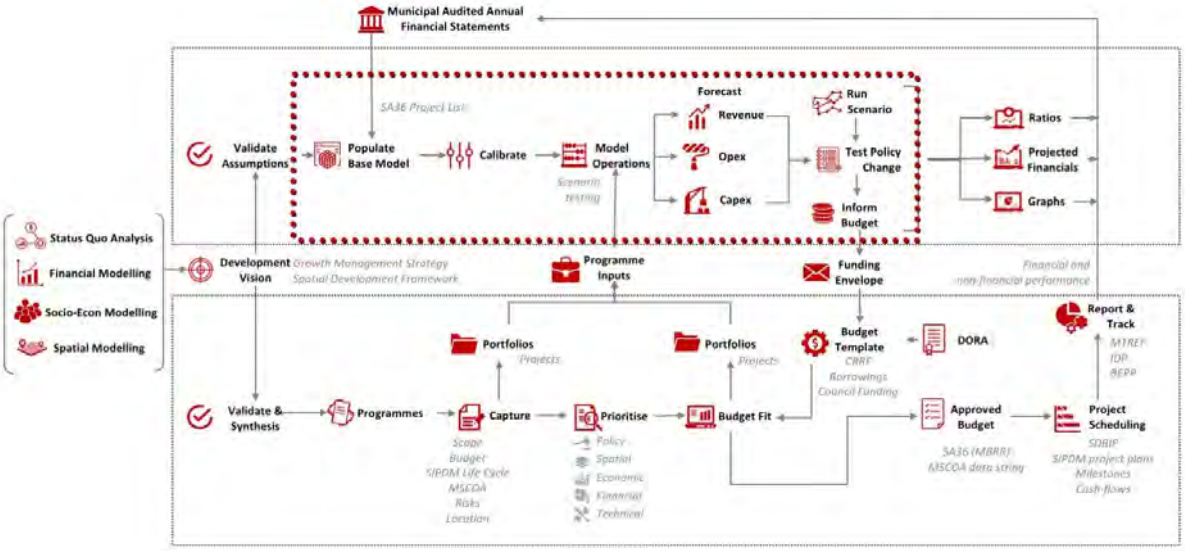


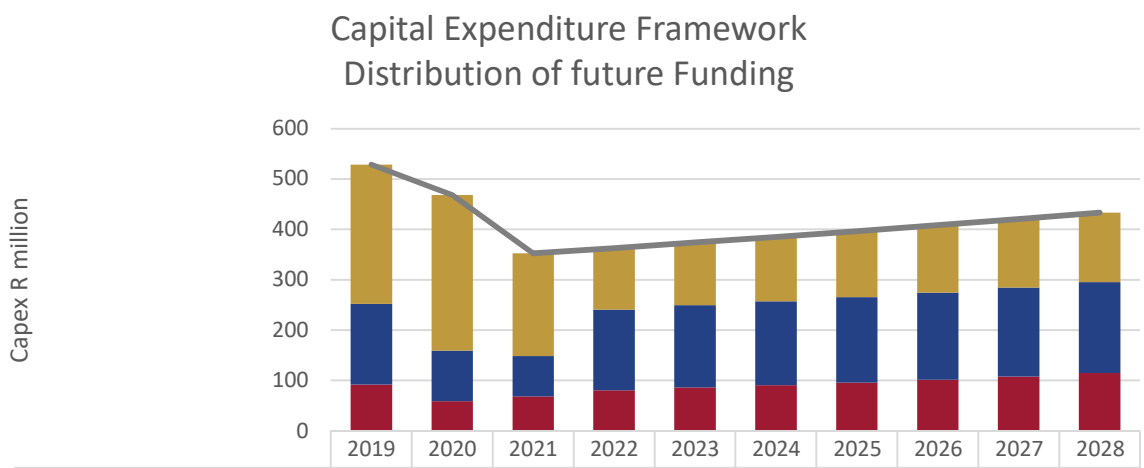
Figure 60: Affordability Envelope in the context of the CEF

The affordability envelope, or otherwise stated, the funding envelope is the result of the Long Term Financial Strategy. The aim of the Long Term Financial Model is to define a set of parameters to which the municipality can roll out capital expenditure projects. The key parameter of interest for the budget scenario process to continue is the total capital expenditure that is deemed as affordable per year.

The purpose of this section is therefore to take the results of the Long Term Financial Strategy and to indicate what should be actively used to guide capital investment through the budget scenario template – better defined as the total available capital expenditure budget per year.

7.2 A Sustainable Funding Mix

The annual funding mix proposed by the model, given the approved budget and optimal forecast thereafter, is illustrated by the graph below.



	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Cash Shortfall	0	0	0	0	0	0	0	0	0	0
Cash Reserves and Funds	277	309	204	122	124	128	131	134	136	138
Financing	160	100	80	160	163	166	170	173	177	180
Capital Grants	92	59	68	81	86	91	96	101	108	115
Public & Developers' Contributions	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	528	468	352	363	374	385	397	408	421	433

Figure 61: Distribution of Future Funding

7.2.1 Liquidity and Capital Replacement Reserve

For purposes of the projections in this report the minimum required liquidity level caters for unspent conditional grants, reserves, short term provisions, consumer deposits and 1 month's working capital. The municipality exceeds the minimum liquidity requirement over the MTREF-period and throughout the planning period.

Noteworthy though, is the decrease in liquidity over the MTREF period. Sufficient cash remains available to fund capital projects required with further potential for borrowing. The municipal bank balance recovers above the minimum required in later years Capital Expenditure Framework period.

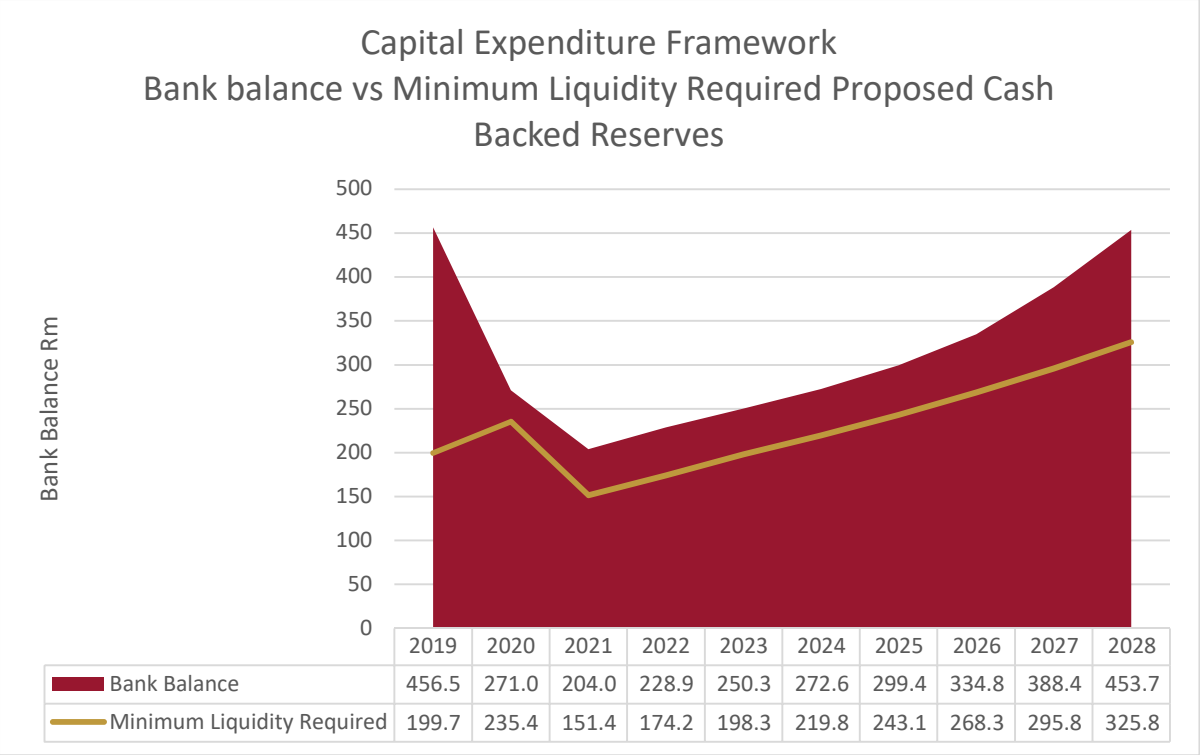


Figure 62: Bank balance vs Minimum Liquidity Required Proposed Cash Backed Reserves

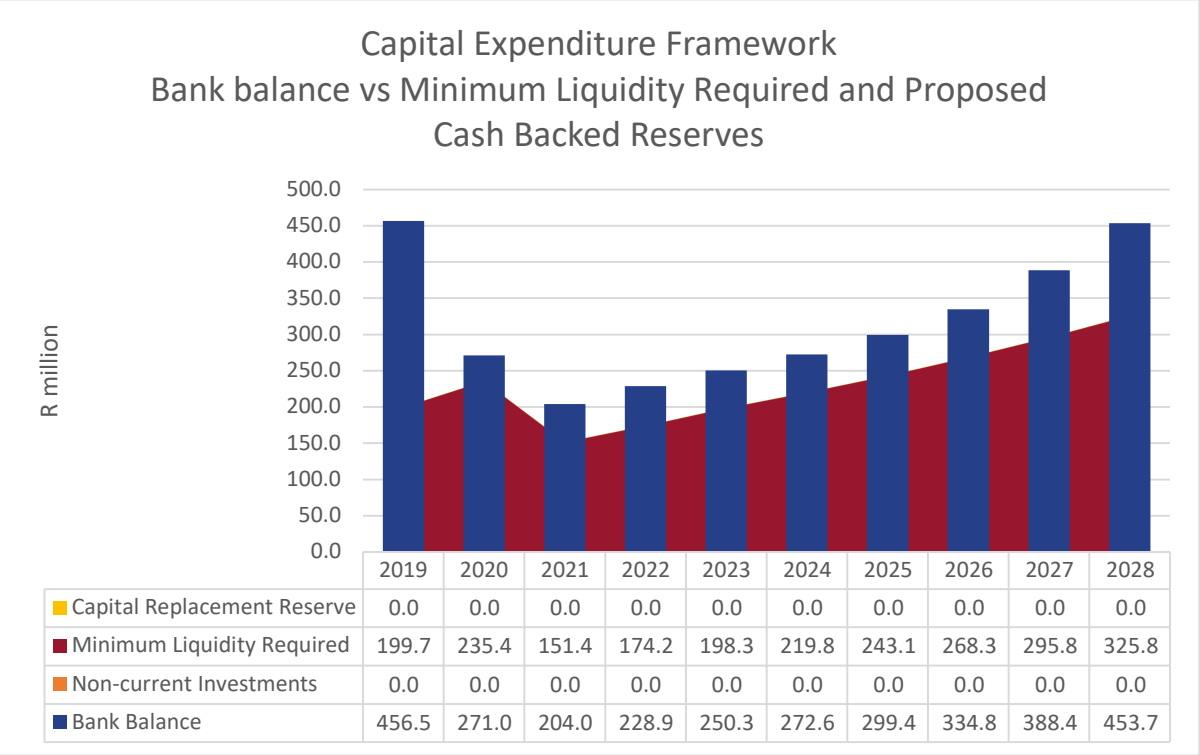
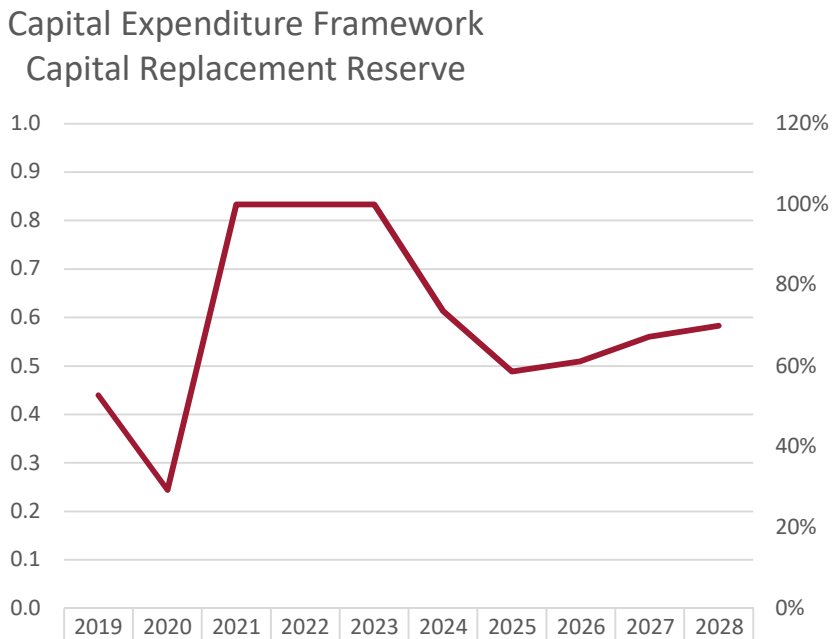


Figure 63: Bank balance vs Minimum Liquidity Required



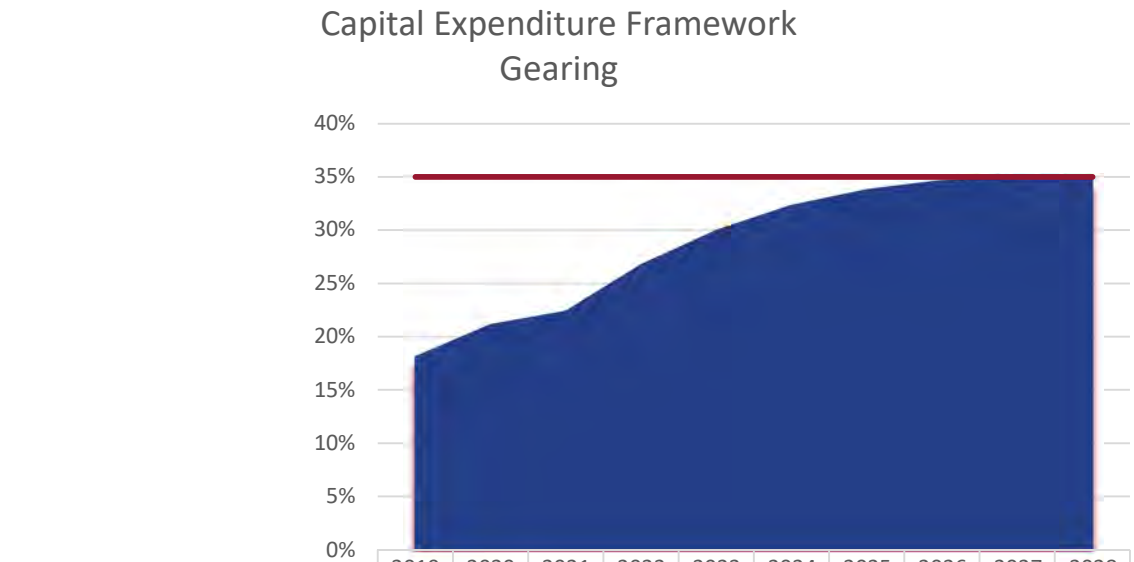
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Capital Replacement Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Funding as a % of Depreciation	53%	29%	100%	100%	100%	74%	59%	61%	67%	70%

Figure 64: Capital Replacement Reserve

7.2.2 Gearing

The ratio of Long-Term Interest-Bearing Liabilities to Income is illustrated in the graph below.

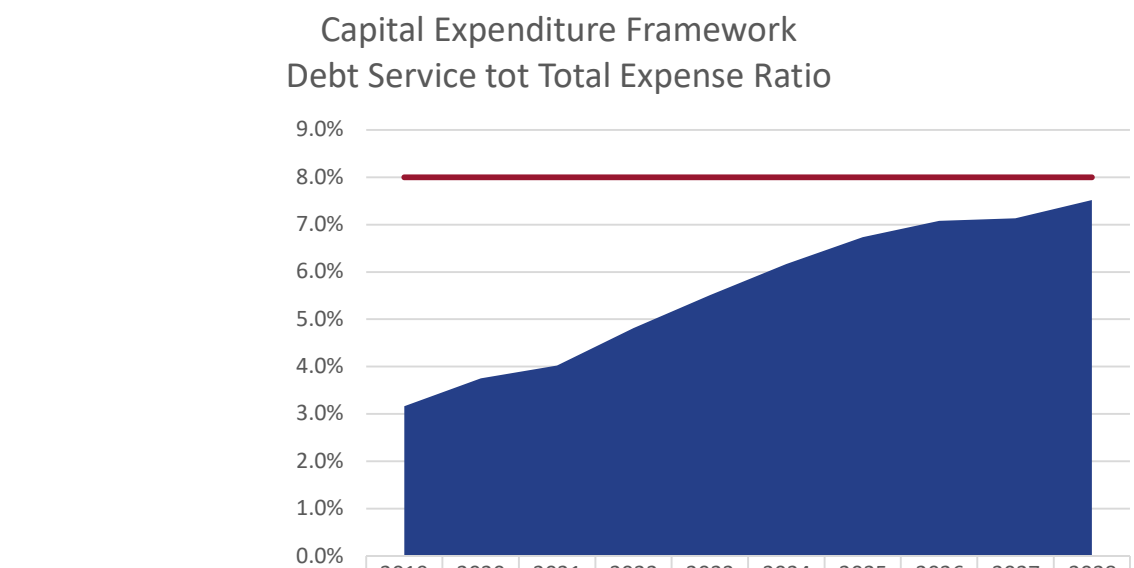
The Stellenbosch Local Municipality has a debt policy which sets the gearing-level to 35%. The model forecast that gearing increases from 2019 and peaks at 35% during 2028, but never breaches this level. This level of gearing is within both its policy and National Treasury guidelines.



	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
% Interest Bearing Liabilities to Total Income: Forecast	18%	21%	22%	27%	30%	32%	34%	35%	35%	35%
% Interest Bearing Liabilities to Total Income: Benchmark	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%

Figure 65: Gearing

Based on the forecast External Financing requirement, the Debt Service to Total Expense Ratio never breaches the 8% benchmark over the planning period.



	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Debt Service to Total Expense Ratio: Forecast	3.2%	3.8%	4.0%	4.8%	5.5%	6.2%	6.7%	7.1%	7.1%	7.5%
Debt Service to Total Expense Ratio: Benchmark	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

Figure 66: Debt Service tot Total Expense Ratio

The amount of annual external financing is estimated to be distributed as follows:

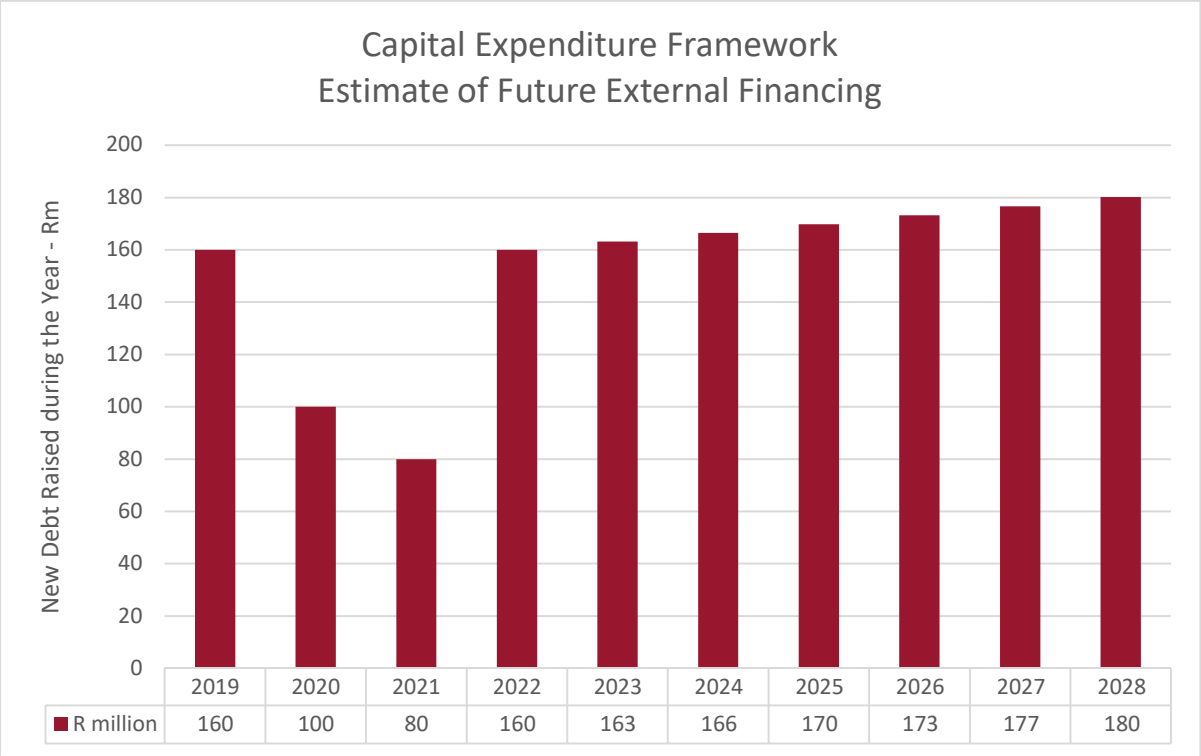


Figure 67: Estimate of Future External Financing

7.2.3 Capital Need and Affordability Envelope by Year

A summary of the capital need and affordability envelope by year is presented in the table below:

Table 64: Capex need

Year	Total Planned Capital Expenditure	Total Planned Capital Expenditure %
2020/2021	R721 785 076	12%
2021/2022	R698 492 030	12%
2022/2023	R628 843 580	10%
2023/2024	R735 459 363	12%
2024/2025	R570 881 401	9%
2025/2026	R531 788 364	9%
2026/2027	R604 008 592	10%
2027/2028	R547 032 074	9%
2028/2029	R563 960 613	9%
2029/2030	R410 858 322	7%
Total	R6 013 109 416	100%

The table above includes all capital projects captured by departments projected for the 10 year period of the Capital Expenditure Framework.

What the planned capital expenditure analysis illustrates is that:

- Near future is more predictable than the distant future;
- Insufficient demand captured across the ten year horizon;
- In total, the capital demand is equal to R5.8 billion, subject to what is affordable within the financial envelope available.

It is apparent that whilst good progress has been made to plan ahead over a longer period, more careful upfront planning, extension of master plan periods and upfront capturing of pending and approved projects must bear relevance.

Capital expenditure fluctuates annually in line with the needs identified.

Table 65: Affordability Envelope

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Public & Developers' Contributions	14	0	0	0	0	0	0	0	0	0	0
Capital Grants	59	68	81	86	91	96	101	108	115	123	123
Financing	100	80	160	163	166	170	173	177	180	184	184
Cash Reserves and Funds	309	204	122	124	128	131	134	136	138	139	139
Capital Expenditure	468	352	363	374	385	397	408	421	433	446	446

7.2.4 Proposed Amendments to MTREF Capital Programme and Associated Funding Mix

Whereas the current approved MTREF reflect a decrease in capital expenditure until 2021, the total capital spend over the next 10 years come to R4.1 billion, which is affordable to Stellenbosch LM.

The LTFM indicates that should there be a need for Stellenbosch to accelerate the capital spend over the MTREF, but still within an affordable envelope over the next ten years, such an acceleration would be possible with increased external borrowing. This will increase the capital spend over the next ten years to R4.3 billion. Such a scenario was modelled and is presented as part of Annexure A to this report.

Section 8 Project Prioritisation

8 Project Prioritisation

8.1 Contextualisation

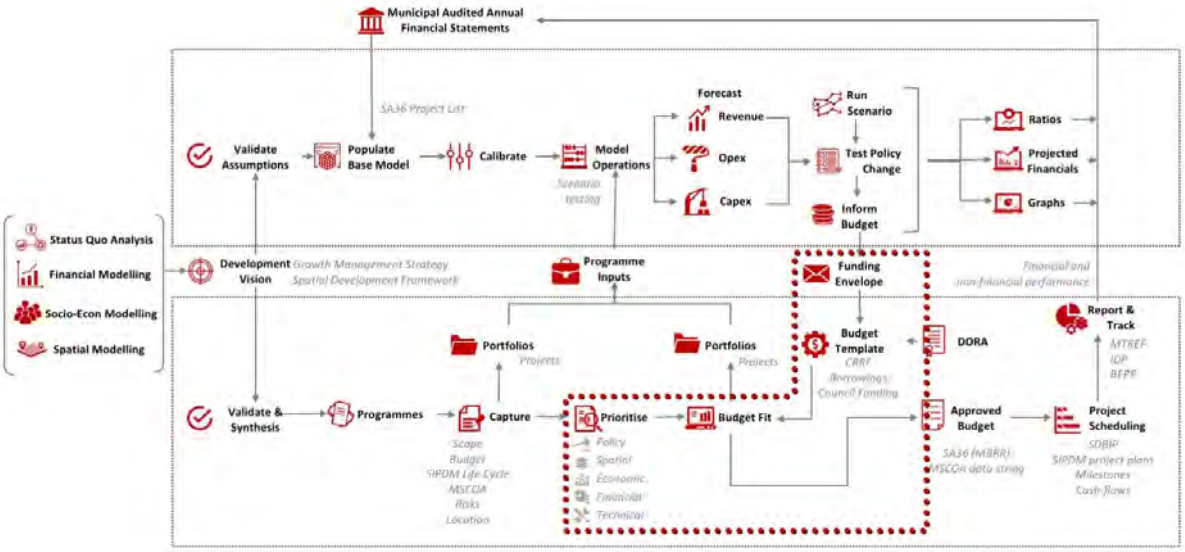


Figure 68: Prioritisation in the context of the CEF

The CP3 Capital Prioritisation Model (CPM) of the municipality is a systematic and objective methodology that provides a way to sort a diverse set of items / projects into an order of importance based on each project's alignment to the strategic, developmental, social, economic, environmental and financial objectives of the municipality. The CPM identifies each project's relative importance by deriving a numerical value representative of the project's priority.

The model provides a means for ranking projects (or project requests) based on criteria that are the most important to focus on first in terms of meeting the Municipality's overarching developmental objectives and strategies. This also assists in promoting co-ordinated and aligned departmental planning and budgeting.

Project prioritisation can therefore be described as a process for assessing a project against a number of variables such as, economic, social, environmental, legislative and financial variables, in order to determine a capital project's alignment with or contribution to such variables. It provides for a systematic and objective assessment of an ongoing or completed project. All the impacts associated with a capital project are identified, and where possible, costs and benefits valued in monetary terms, so as to ensure that project prioritised and selected by government will provide the maximum net benefit to the community, economy and environment – the balancing effect.

8.2 Planning for Priority

In South Africa, the capital expenditure of a municipality should primarily be driven by the IDP. SPLUMA,[32] as explained in the introduction of this document, furthermore compels local authorities to formulate a Capital Expenditure Framework (CEF). The meaningful allocation of capital expenditure for municipalities is however a challenging balancing act that must seek to address:

- Infrastructure backlogs;

[32] Spatial Planning and Land Use Management Act, Act 16 of 2013 section 21 (n).

- The restoration of human dignity;
- The creation of a safe and secure environment;
- The provision of basic services;
- The maintenance of existing assets;
- The protection of our heritage and environment;
- The creation of sustainable job opportunities;
- The boosting and creation of economic activities/opportunities; and
- Strategically investing into a growing, sustainable, liveable and globally competitive city environment.

A prioritisation methodology is therefore required that will consider qualitative, quantitative and spatial priorities as articulated by municipality's strategic as well as technical leadership, and as enshrined by municipality's various strategic plans. It is recognised that the planning environment is continuously changing in response to new challenges and new dynamics are introduced constantly due to a variety of reasons. The process of prioritisation therefore, must possess of the ability to comprehensively on-board new issues for consideration and easily, and most importantly transparently, bring on board and change to the changing needs of the municipality.

The need for a mechanism to drive the strategic, yet equitable, allocation of capital within the city, stems from the following realities:[33]

- Urbanisation, immigration and growth: "The State of South African Cities" report produced by Cities Support Network in 2016, report that South African Cities are inundated by rapid urbanisation. A significant number of the population within South African Municipalities has low levels of education resulting in high unemployment, very low incomes and poor living standards. There are not enough job opportunities for unskilled labourers in the economy to address this issue adequately. Because of this urbanisation, Municipalities must deal with a relentless demand for infrastructure and services. Unconstrained urbanization and population growth have resulted in the demand for infrastructure and services outstripping the financial resources of Municipalities. Given the limited resources to address these needs, prioritization of capital expenditure has become a factor of critical importance. Typical prioritsation metrics used in this regard includes the consideration of a project with respect to the Urban Edge.

- The importance of the city and regional economy: One of the main drivers of economic sustainability is the creation of job-opportunities. Affecting economic changes requires a multi-pronged approach involving a range of interventions across a number of industries. From a capital expenditure perspective though, the process of prioritisation can benefit from the sophistication of a complex, macro-economic econometric model. Typical priortisation metrics used in this regard includes Job creation (opportunities - per R1m capex).

- Increasing maintenance burden: Municipalities are faced with the conundrum of balancing spatial, social and economic transformation, whilst maintaining the existing asset base of the city. Spatial, social and economic transformation is often associated with the provision of new, quality

[33] For more information on how the realities are addressed in the prioritisation process, please refer to the annexure that unpacks the prioritisation model.

infrastructure in support of liveable communities either in newly demarcated development areas or as part of upgrading severely marginalized communities, with a poor service provision history and a backlog of service delivery demands. A balanced approach to capital spending, focusing partially on the provision of new infrastructure, whilst maintaining the existing asset base and revenue stream is important. A fundamental consideration of all capital expenditure therefore must include the estimated operating expenditure burden that will result from the capital that is being spent. The operating expenditure burden is inevitable – a situation can however arise whereby the operating expenditure continues to grow to the extent that it starts to impact on the available capital expenditure. Typical prioritsation metrics used in this regard is the lifespan of a specific asset.

- Coordination and Inter-dependency: Capital project preparation is often undertaken in a non-integrated way in that the different departments, divisions and agencies plan and budget for capital projects in isolation from each other. This is not necessarily intended, it is simply a consequence of a large, multi-disciplinary organisation. Departments often have their own priorities and their own methods of determining such priorities. These methods vary in terms of sophistication and detail. The provision of municipal infrastructure requires integrated project planning and preparation. Therefore, a decision support system, which facilitates the coordination and integration between planning and infrastructure provision on a project preparation as well as an institutional level is critical.

- Competing Interests: Although basic services infrastructure (i.e. water, sanitation, electricity and solid waste management) is often as high on the community delivery agenda as social facilities and amenities (i.e. clinics, libraries, community facilities etc.), these different infrastructure types do not always receive equitable capital allocation. Often, income generating capital expenditure (i.e. capital spent on infrastructure which can yield some form of monetary return) receives larger quantities of capital budget than non-income generating infrastructure. A decision support system, which allows for scenario testing in relation to the ratio of income generating and non-income generating capital expenditure, taking into account the impact that this would have on the city's financial sustainability is required.

- Spatial transformation agenda: The spatial vision of South African Municipalities seeks to transform the developmental landscape to become a more inclusive, efficient and equitable. Consequently, capital spending should be earmarked to drive the spatial transformation agenda which in turn will result in a spatially transformed and economically sustainable city structure. A decision support system, which enables capital project prioritisation, reporting and tracking quantitatively, qualitatively and spatially, is required to ensure that capital spending is focused on strategic spatial structuring areas to achieve the desired city spatial form. Typical prioritisation metrics used in this regard is the spatial consideration of the SDF.

The complexity and interdependency of these issues is very challenging, and each year, new considerations and priorities are introduced. The need for a system that assist in the facilitation of such a process, together with additional benefits of record-keeping, tracking and reporting is therefore evident.

The prioritisation process facilitated by a system, should be easy to understand and interpret whilst allowing for accessibility and input by its users on any level of detail required. Given the diverse range of different departments and divisions within the typical South African municipality and the divergent needs stemming from each department, it is essential that the prioritization methodology lends itself towards participation and allows for easy calibration by key decision makers.

In the process of prioritization, the importance of a multitude of considerations must be emphasized. Although it is commonly accepted that the municipality's IDP should be the primary driver of priorities, there are however many other metrics that should be considered in the process. Some of these considerations are briefly highlighted.

The first fundamental to consider is funding that is available for implementation and how this capital is sourced. This informs of the affordability of implementing the list of capital needs. In a municipal environment, capital is sourced from a number of places. Among these sources are bonds and loans. The affordability and the debt thresholds set by the MFMA are important considerations in this process.

Technical inputs stemming from the municipality's asset management system or from other technical reports or processes represent another important aspect to consider in the process of prioritization. These technical inputs often do not align optimally with IDP objectives but are important all the same due to age, wear or other important reasons. Other technical aspects such as the technical interdependence of projects also play an important role. This will have the consequence that projects that appear to be of a lower priority, may be elevated in importance if they are enablers of other, important projects.

The economic, socio-economic and environmental impacts also represent impact lenses that casts an important perspective on project impacts. There are various methods and models to determine these impacts to varying degrees of accuracy. Within a service delivery framework, it is essential that these elements be included in the prioritization process.

Lastly and very importantly, the spatial alignment of a project to a municipality's strategic or political objectives needs to be included in prioritization process. The assumption is often erroneously made that these spatial aspects are adequately captured by the IDP process. The reality is however more complex and dynamic. Spatial priorities are often revealed throughout the IDP cycle by new processes such as the development of Spatial Development Frameworks (SDFs).

8.3 Capital Prioritsation Model Mathematical Framework

The prioritisation process should be easy to understand and interpret whilst allowing for accessibility and input by its users on any level of detail required. Given the diverse range of different departments and divisions within the municipality and the divergent needs stemming from each, it was deemed essential that the methodology lends itself towards participation and allows for easy calibration by key decision makers.

To fully take into account all factors relevant in deciding which projects to receive priority, the utility analysis method is used that takes all the relevant system constraints into account.

> *"Utility analysis is in effect a semi-quantitative means of 'trading off' the effects of implementing any given scheme, that is, the relative desirability of achieving a given set of goals and objectives and the degree to which this target system is fulfilled, are combined to give a measure of how far each scheme will go in meeting all or any of the goals and objectives, and so provides the answer to the question of effectiveness of the scheme. The distinguishing feature of utility analysis is that it can handle financial, quantitative and qualitative effects simultaneously. Consequently, all of the impacts or effects of a project which can be envisaged can be included in the analysis."*
>
> *Evaluation of Transportation Projects – Utility Analysis; JV Baxa; January 1981; CSIR*

A utility analysis provides a structured input for the decision-maker. It provides an indication to the overall effectiveness with which alternatives will satisfy the complex target system. The process begins

by defining the problem in a structured way. As already mentioned, the problem definition can incorporate diverse inputs which covers quantitative, qualitative and financial factors. Firstly, certain goals that should ultimately be addressed, must be established. For each of these goals, relevant objectives then must be established. Each objective requires a specific input, which will be modelled based on a predetermined method or value function, to provide an output. The following basic steps apply:

- Define the relative preferences for each goal that was set out;
- Define relative preferences for each objective that was set out; and
- Weight each criterion that was set up to reflect their relative importance.

By following these steps, each alternative can be 'scored' to attain a measurement of performance that can be translated into a number of points. The points system with which each criterion is weighted, as indicated on the matrix of utilities, is a number between 0 and 100.

The complexity of the number of issues that had to be taken into account in the model from the municipality's point of view, required that the model methodology had to be adapted to allow for more than one level of "objectives". Importantly, these objectives all contribute towards a fundamental set of goals. These goals possess of the ability to influence the way in which projects will be rated rather dramatically. The benefit of this is that the municipality now has the ability to fix the fundamental considerations on this level, to ensure that it manifests in prudent financial management whilst still ensuring that the transformation as contained in the various municipal strategies, manifests itself at this level.

The figure below shows the basic structure of the model. More about the actual criteria that will be used is discussed later in this document.

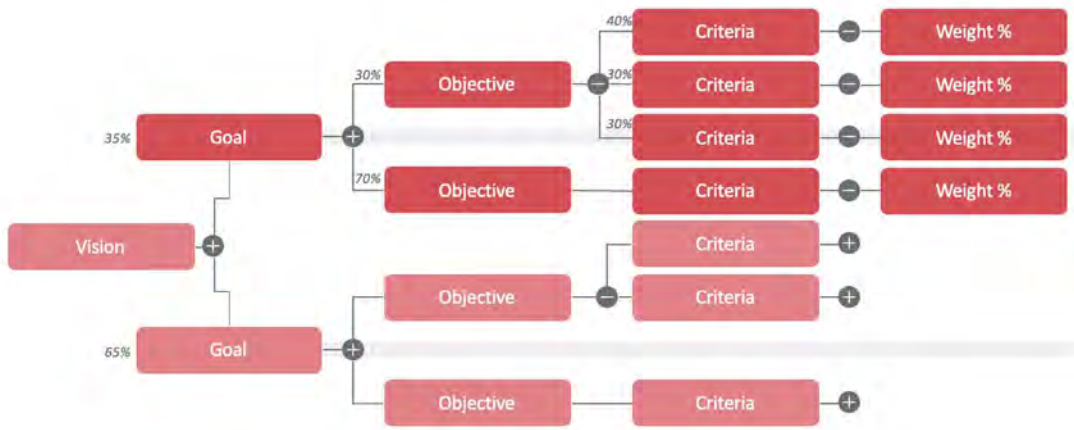


Figure 69: CP3 Capital Prioritisation Model (CPM) Mathematical Framework

The application of this methodology in CP3 had to find a balance between complexity and simplicity. This is required to ensure participation in the process by a very broad range of departments and divisions within departments. Not all departments are technically focussed to the same level of

sophistication – as is the case with the infrastructure departments. It is therefore necessary to find criteria and measurements that do not exclude such department.

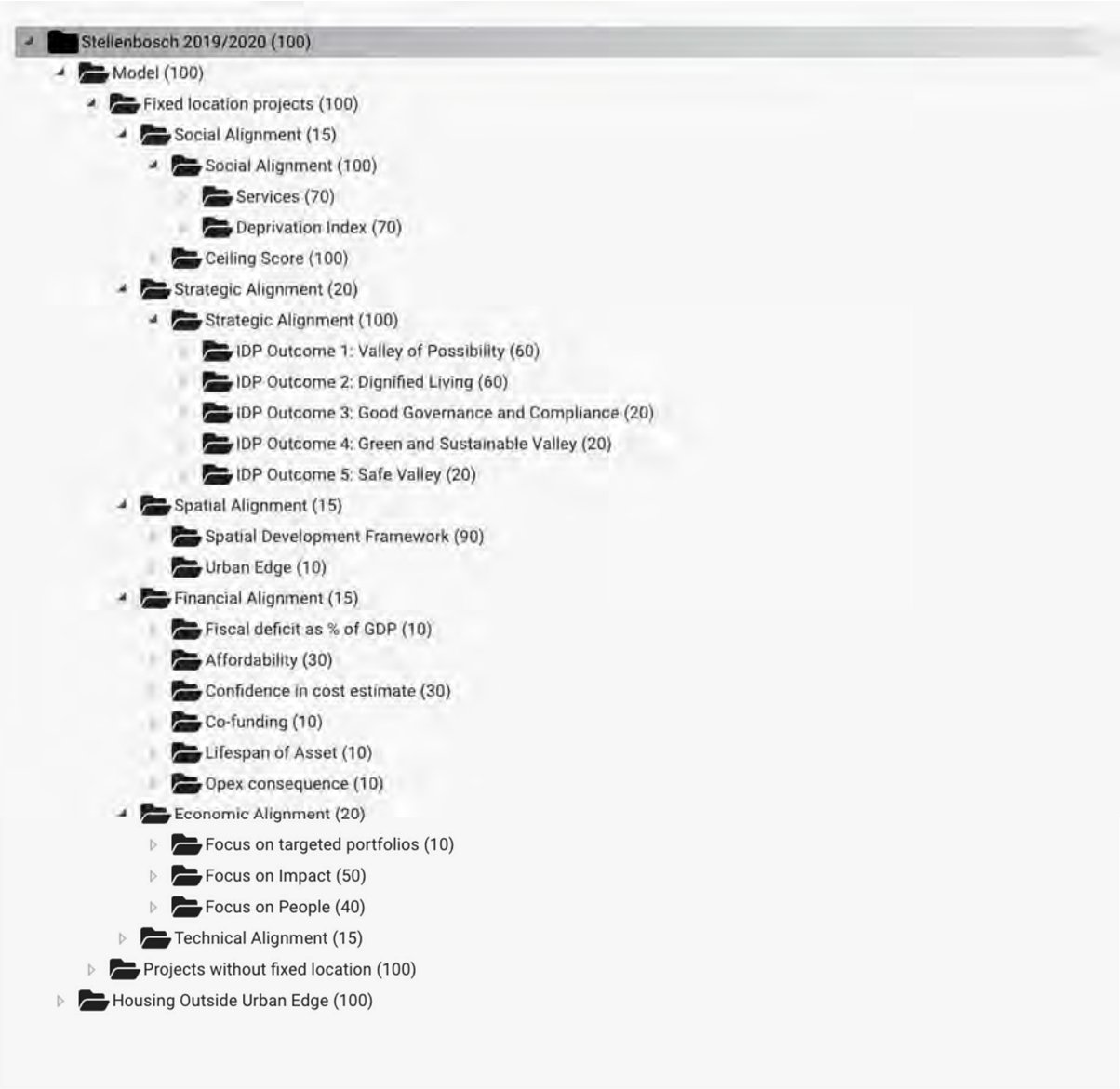
This approach offers a significant advantage in that the "principles" of prioritisation becomes important debating points, instead of individual merits projects. Projects emanating from different departments do not have "common ground" to enable a meaningful one-to-one comparison. Using this model though, provides a platform where all projects, irrespective of their origin or sophistication, is subjected to the same principles.

8.4 Capital Prioritisation Model High Level Structure

The following part of this document will show how the prioritisation model works. It should be noted that this part of this section will start at the high level model structure, followed by a detailed layout of how each branch of the multi criteria decision making tool is used to evaluate projects.

The following figure displays a typical Prioritsation for Stellenbosch, as developed in CP3.

Figure 70: Screenshot of the prioritisation model that is used.



The CPM allows for projects to be ranked or scored between two mutually exclusive branches, namely:

- Model;
- Housing Outside Urban Edge.

The "Model" allows for projects to be ranked or scored between two mutually exclusive branches, namely:

- Spatially Mapped;

- City Wide; or
- Administrative Head Quarters.

These two model branches are mutually exclusive, which means that any project can only pass through one of the two branches and can never be scored on both branches. Projects which have spatial locations (i.e. works and affected areas) are evaluated through the "Spatially Mapped" branch of the model, whereas unmapped projects marked under the MSCOA regional segment as "City Wide" or "Admin HQ" are evaluated through the "City Wide / Admin HQ" branch of the model. This distinction is made so that City Wide and Admin HQ projects are not artificially penalised under the "Spatial" branch of the prioritisation model.

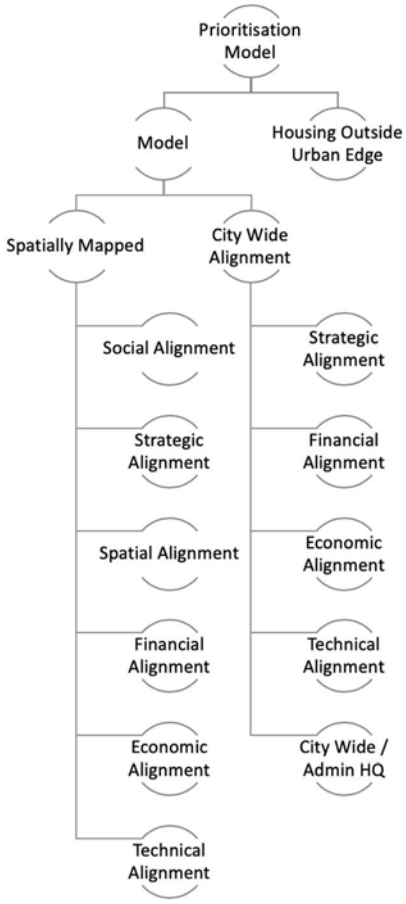


Figure 71: Capital Prioritisation Model High level Structure

Once it has been determined whether a project is **spatially mapped**, the project evaluation takes place according to the following themes or goals:

- Social alignment;
- Strategic alignment;
- Spatial alignment;
- Financial alignment;
- Economic alignment; and

- Technical alignment.

Once it has been determined whether a project is **city wide or Admin HQ**, the project evaluation takes place according to the following themes or goals:

- Social alignment;
- Strategic alignment;
- Financial alignment;
- Economic alignment; and
- Technical alignment.

It is evident from the high-level tree structure above that the "Spatial alignment" theme is only utilised under the "Spatially Mapped" scorecard.

The "Housing Outside Urban Edge" branch excludes all housing projects that are partially or totally outside the Urban Edge of Stellenbosch.

8.5 Capital Prioritisation Model Detailed Criteria

The following sections should be read in conjunction with Annexure 4: Prioritsation model. The annexure provides a more detailed description for each scoring criteria, whereas this section provides an overview of the scoring criteria branches.

The capital prioritisation model criteria will be discussed in more detail under the five (5) themes of the model, namely:

- Strategic alignment;
- Spatial alignment;
- Financial alignment;
- Economic alignment;
- Social alignment; and
- Technical alignment.

8.5.1 Strategic Alignment

The strategic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the organisations developmental objectives as well as strategic outcomes set out in the strategic guiding document of the municipality. The policy alignment score is calculated within five distinct categories[34], namely:

- IDP Outcome 1: Valley of Possibility;

[34] These categories are aligned with the IDP Outcomes.

- IDP Outcome 2: Dignified Living;
- IDP Outcome 3: Good Governance and Compliance;
- IDP Outcome 4: Green and Sustainable Valley; and
- IDP Outcome 5: Safe Valley.

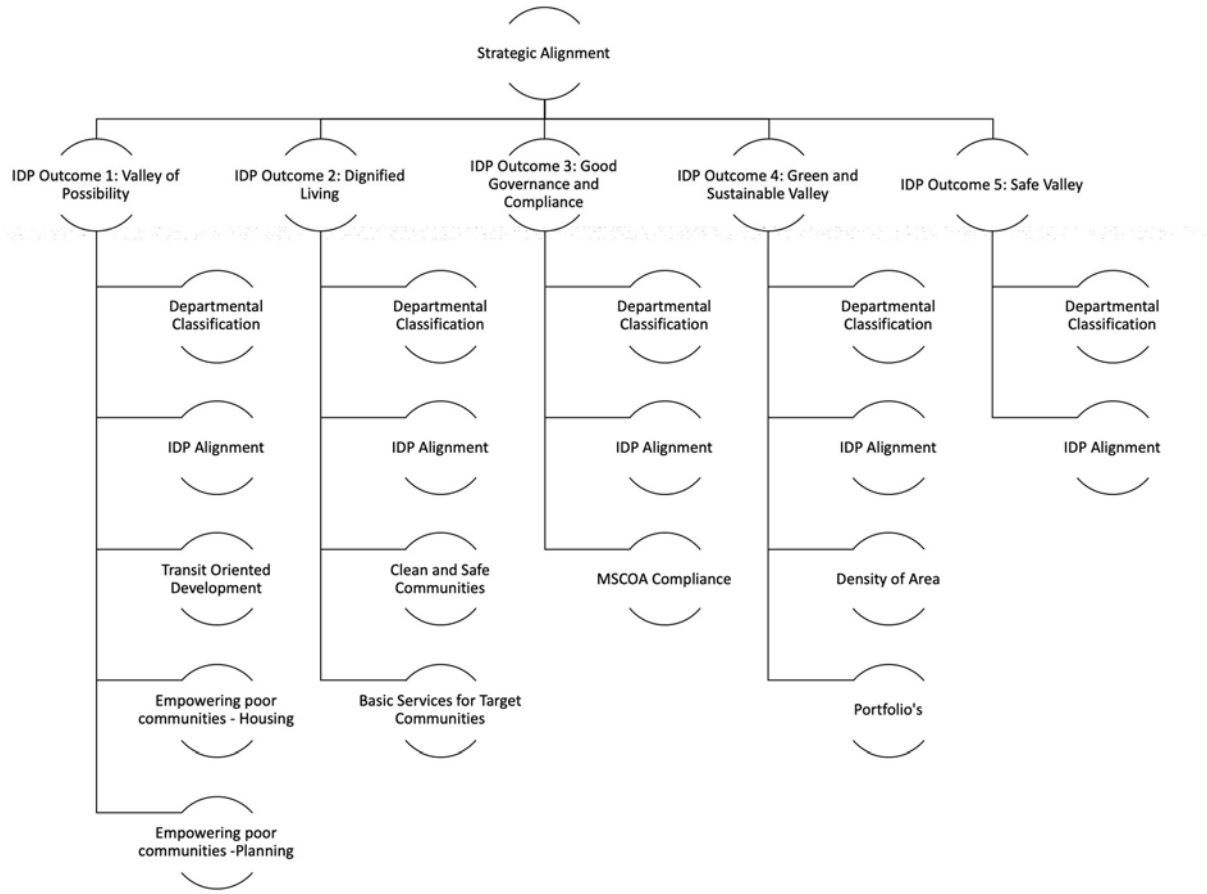


Figure 72: Capital Prioritisation Model: Strategic Alignment

8.5.2 Spatial Alignment

The spatial alignment goal or theme of the prioritisation model evaluates the degree to which projects aligns with the spatial development framework and other spatial targeting objectives set out in various strategic documents of the municipality (i.e. IDP, SDF, CIF etc.). The alignment of projects to the spatial targeting areas of the municipality are scored according to the following criteria:

- Spatial Development Framework; and
- Inside Urban Edge.

These criteria measured under these sub-branches seek to ensure that projects within the municipal budget align with the spatial structure or spatial development objectives of the municipality.

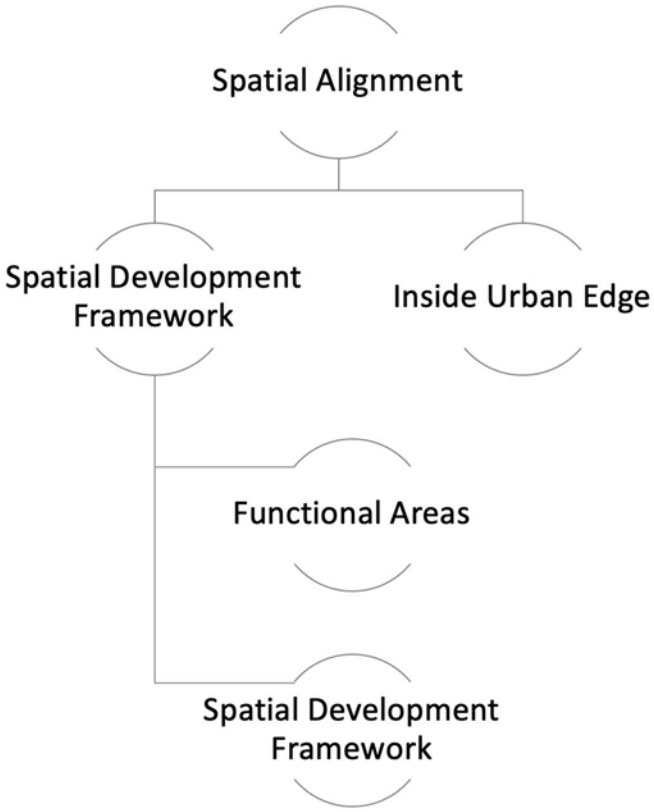


Figure 73: Capital Prioritisation Model: Spatial Alignment

8.5.3 Financial Alignment

The financial alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget are considered to be credible, affordable, funded, applied to expand the rateable asset base and improving the fiscal position of the municipality. The financial alignment score is calculated within six distinct categories, namely:

- Fiscal deficit as % of GDP;
- Affordability;
- Confidence in Cost Estimate;
- Co-Funding;
- Lifespan of asset; and
- Opex Consequence.

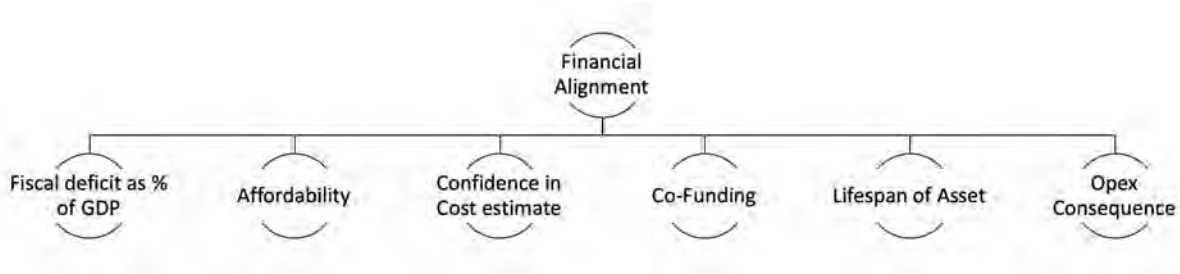


Figure 74: Capital Prioritisation Model Financial Alignment

8.5.4 Economic Alignment

The economic alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget contributes to the growth of the municipal economy and improves the economic position of the residents within the municipality.

A macro-economic impact model (EIM) was developed for the municipality specifically to make use of the data from the CP3 system. The econometric model is specific for the municipality and draws from a sophisticated range of financial data, regional data, and population data sourced from STATSSA. As such, the EIM generates values for the impact of individual and portfolio capital projects in terms of a set of economic, socio-economic and fiscal indicators – for the City as a whole, as well as a selection of key sub-regions or 'main places'.

The EIM is based on the outputs of a comprehensive suite of econometric models. The workings of the EIM are dynamic and consider the indirect City-wide impacts of projects and programmes – not only the localised ward-specific impact.

The EIM therefore captures the iterative, dynamic impacts of all of the role-players within the economy – households, business, government, foreign sector, as well as the full economic flow of goods, services, factors and money is accounted for, and an iterative computational process is utilised.

The outputs from the economic model is further augmented spatially by evaluating the alignment of the project's location and affected area, with geographic areas that were graded across the entire

municipal area in terms of its economic impact in a separate economic study that was conducted for this purpose.

The economic alignment score is calculated within two distinct categories, namely:

- Focus on targeted portfolios;
- Focus on impact; and
- Focus on people.

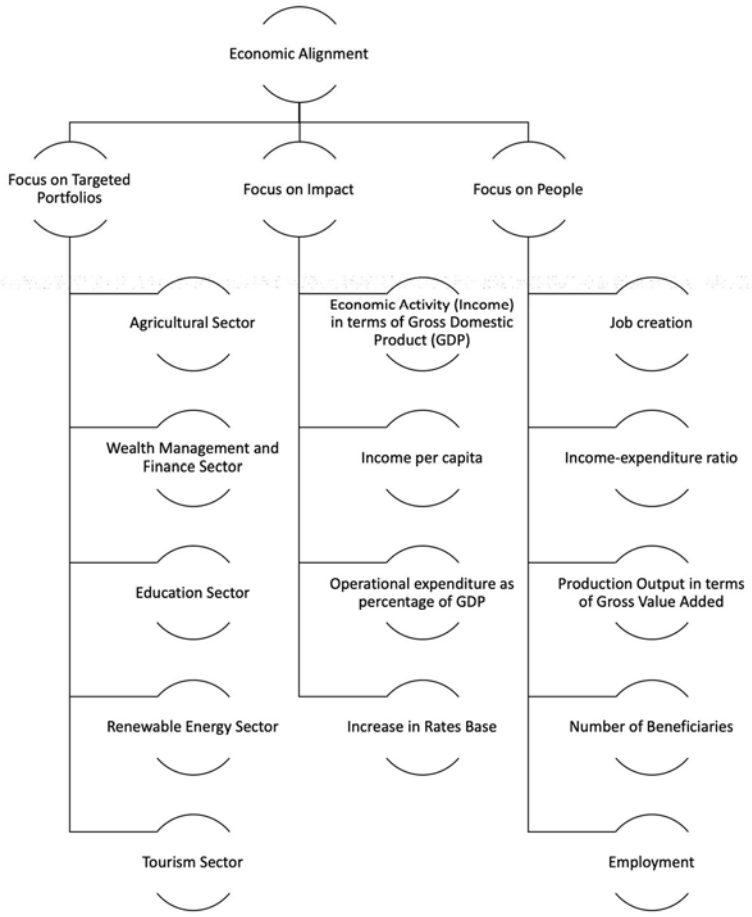


Figure 75: Capital Prioritisation Model: Economic Alignment

8.5.5 Social Alignment

The social alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipality aligns with servicing of areas with the highest demand and where the most vulnerable communities are situated.

The social alignment score is calculated within two distinct categories, namely:

- Services; and
- Deprivation Index.

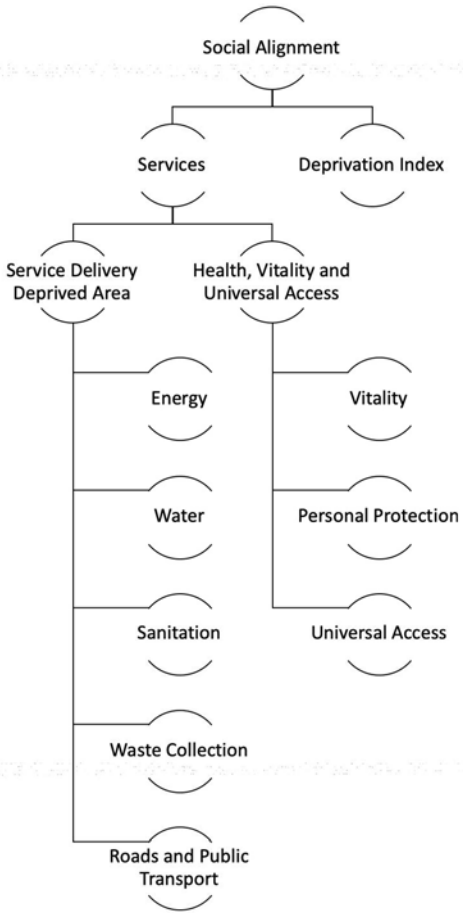


Figure 76: Capital Prioritisation Model: Social Alignment

8.5.6 Technical Alignment

The technical alignment goal or theme of the prioritisation model evaluates the degree to which projects in the municipal capital budget aligns with the asset management plans, analysis and modelling of the technical or utility services departments as well as the sustainability goals of the municipality, and most importantly, whether the project is ready to be implemented (i.e. all statutory and governance requirements have been met).

The technical alignment score is calculated within four distinct categories, namely:

- Implementation readiness;
- Risk Rating;
- Departmental Rating; and
- Legally Bound.

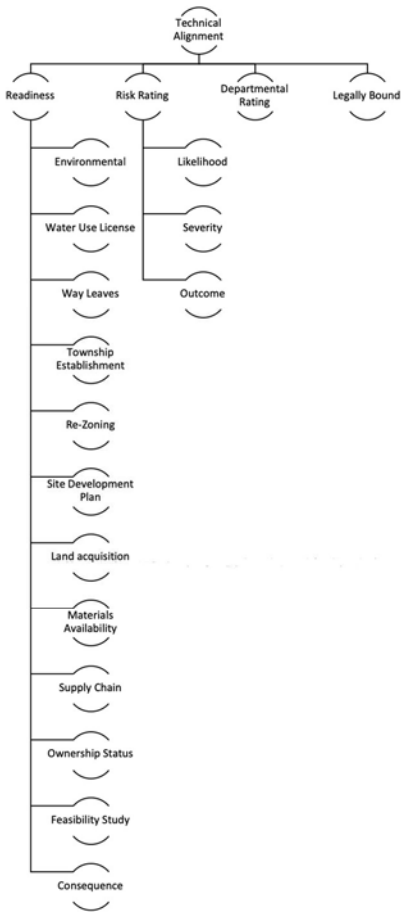


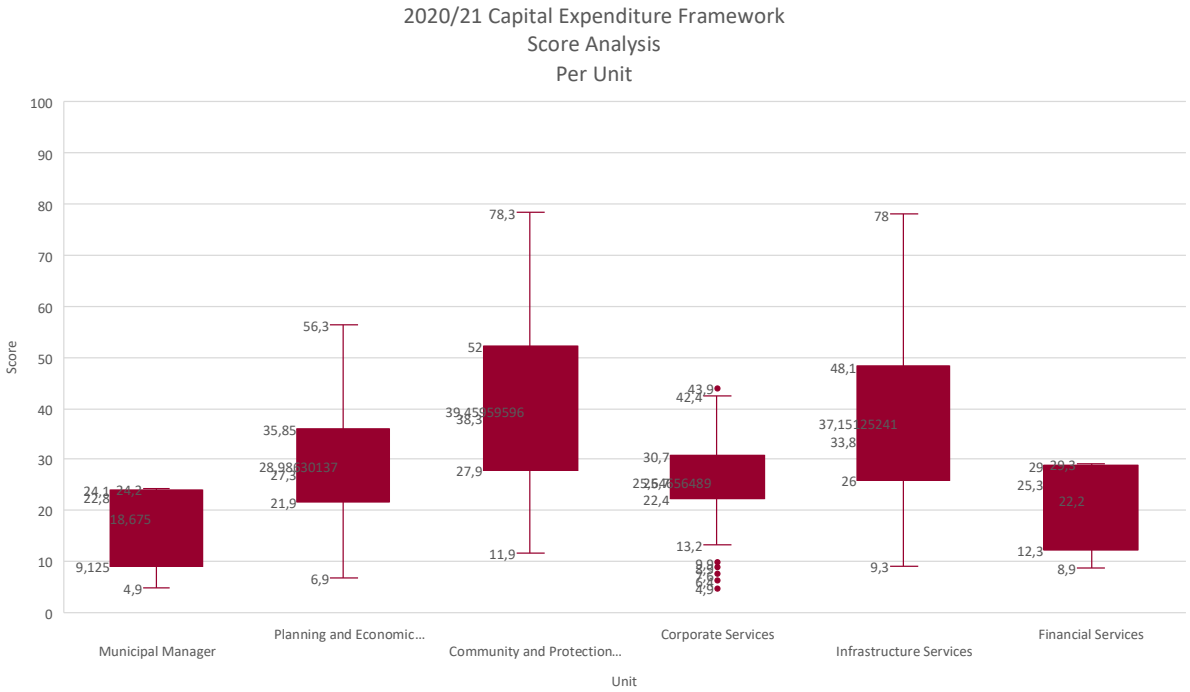
Figure 77: Capital Prioritisation Model: Technical Alignment

8.6 Capital Prioritisation Model Results

Based on the information captured on CP3, the Capital Prioritisation Model (CPM) has been run. The relative ranking which will contribute during the budget scenario routine are discussed in detail in the next sub section.

8.6.1 Scores per Unit

Figure 78: Prioritisation model results – score per unit



A box and whisker diagram are used to summarise a range of results per a unit. The box component of the diagram shows where the projects that scored between the 25th and 75th percentile scored of the specific unit. The average score of the unit is depicted by the "x". the ends of the whiskers are the maximum and minimum scores. Projects scoring between the minimum value and the 25th percentile are arranged along the bottom whisker, and projects scoring between the maximum value and the 75th percentile are arranged along the top whisker and the box.

The figure above shows that Community and Protection services, and Infrastructure services has the highest variability of project scores for the majority of their projects. The Municipal Manager and the Finance service units, scores relatively lower, but most of the projects within the units score close to the maximum value achieved within the department.

The project with the best score is situated in the Infrastructure services unit, whereas the project with the lowest score is situated in Corporate services.

8.6.2 Scores per Department

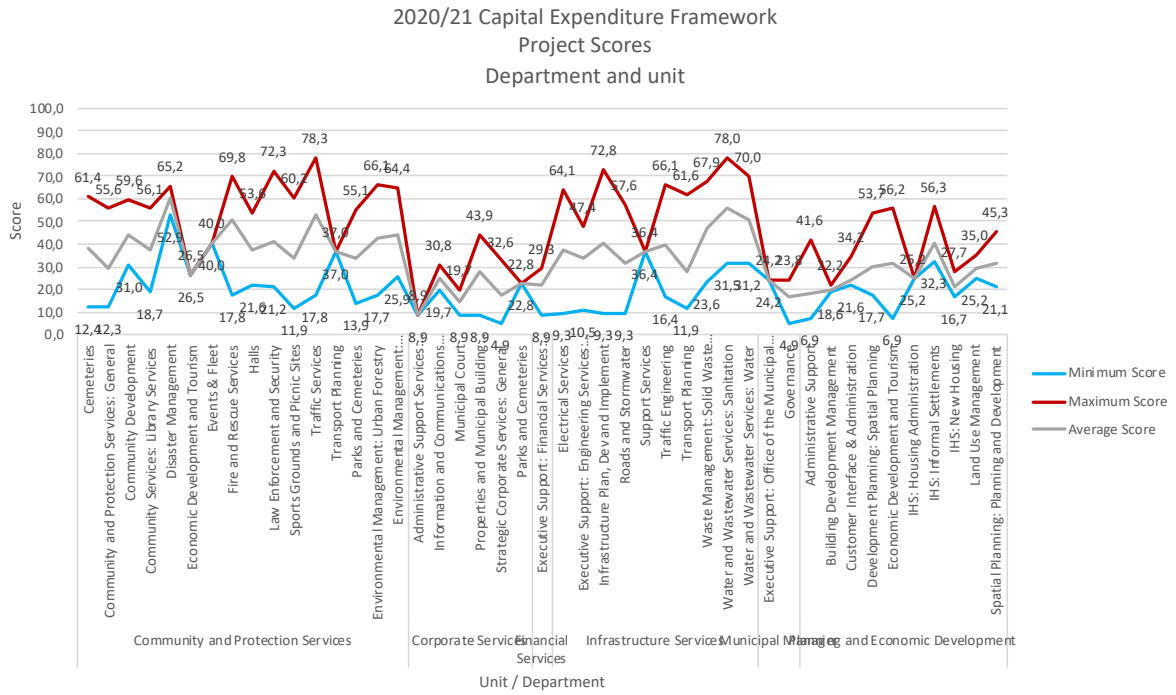


Figure 79: Prioritisation model results – Score per department

Table 66: Prioritisation model results

Unit / Department	Minimum Score	Maximum Score	Average Score
Community and Protection Services	11,9	78,3	39,5
Cemeteries	12,4	61,4	37,9
Community and Protection Services: General	12,3	55,6	29,6
Community Development	31,0	59,6	44,1
Community Services: Library Services	18,7	56,1	37,6
Disaster Management	52,9	65,2	60,2
Economic Development and Tourism	26,5	26,5	26,5
Events & Fleet	40,0	40,0	40,0
Fire and Rescue Services	17,8	69,8	50,8
Halls	21,6	53,6	37,1
Law Enforcement and Security	21,2	72,3	41,3
Sports Grounds and Picnic Sites	11,9	60,2	33,6
Traffic Services	17,8	78,3	52,7
Transport Planning	37,0	37,0	37,0
Parks and Cemeteries	13,9	55,1	33,5
Environmental Management: Urban Forestry	17,7	66,1	42,5
Environmental Management: Implementation	25,9	64,4	44,2

Unit / Department	Minimum Score	Maximum Score	Average Score
Corporate Services	4,9	43,9	25,6
Administrative Support Services: Communications	8,9	8,9	8,9
Information and Communications Technology (ICT)	19,7	30,8	24,9
Municipal Court	8,9	19,7	14,3
Properties and Municipal Building Maintenance	8,9	43,9	27,6
Strategic Corporate Services: General	4,9	32,6	17,2
Parks and Cemeteries	22,8	22,8	22,8
Financial Services	8,9	29,3	22,2
Executive Support: Financial Services: General	8,9	29,3	22,2
Infrastructure Services	9,3	78,0	37,2
Electrical Services	9,3	64,1	37,7
Executive Support: Engineering Services: General	10,5	47,4	33,6
Infrastructure Plan, Dev and Implement	9,3	72,8	40,0
Roads and Stormwater	9,3	57,6	31,4
Support Services	36,4	36,4	36,4
Traffic Engineering	16,4	66,1	39,9
Transport Planning	11,9	61,6	28,0
Waste Management: Solid Waste Management	23,6	67,9	47,1
Water and Wastewater Services: Sanitation	31,5	78,0	55,9
Water and Wastewater Services: Water	31,2	70,0	50,8
Municipal Manager	4,9	24,2	18,7
Executive Support: Office of the Municipal Manager	24,2	24,2	24,2
Governance	4,9	23,8	16,8
Planning and Economic Development	6,9	56,3	29,0
Administrative Support	6,9	41,6	18,5
Building Development Management	18,6	22,2	19,8
Customer Interface & Administration	21,6	34,2	24,0
Development Planning: Spatial Planning	17,7	53,7	29,7
Economic Development and Tourism	6,9	56,2	31,4
IHS: Housing Administration	25,2	25,2	25,2
IHS: Informal Settlements	32,3	56,3	40,0
IHS: New Housing	16,7	27,7	21,3
Land Use Management	25,2	35,0	29,0
Spatial Planning: Planning and Development	21,1	45,3	31,5
Grand Total	4,9	78,3	35,6

8.6.3 Scores Distribution

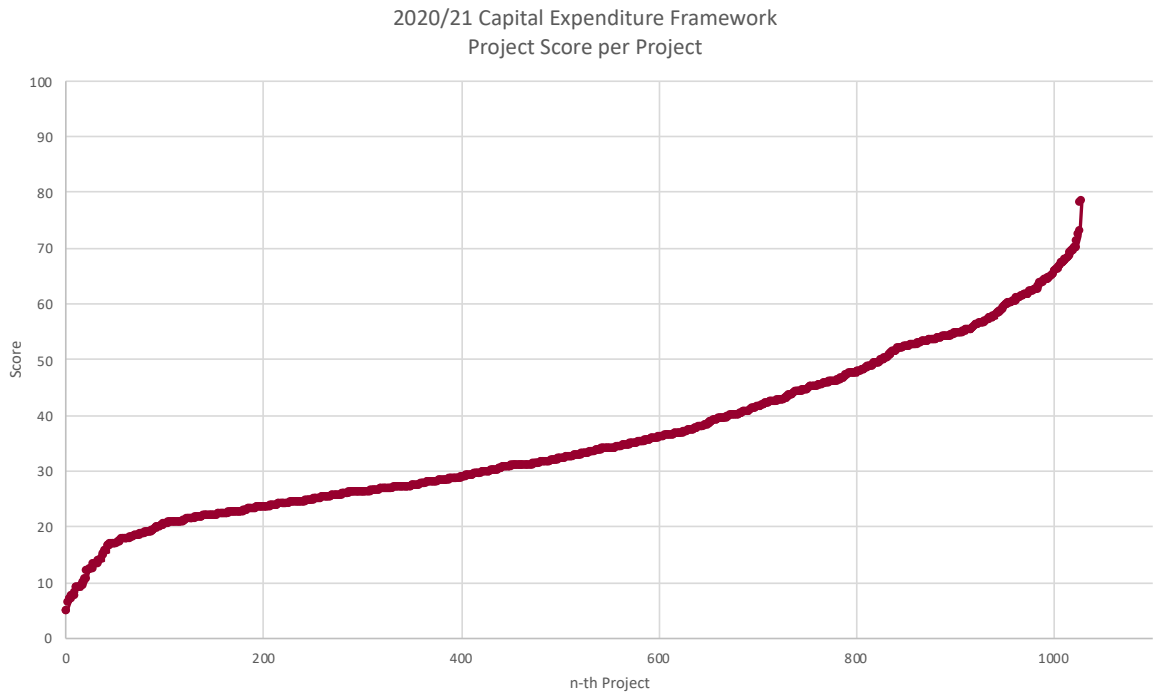


Figure 80: Project Score Distribution – per score

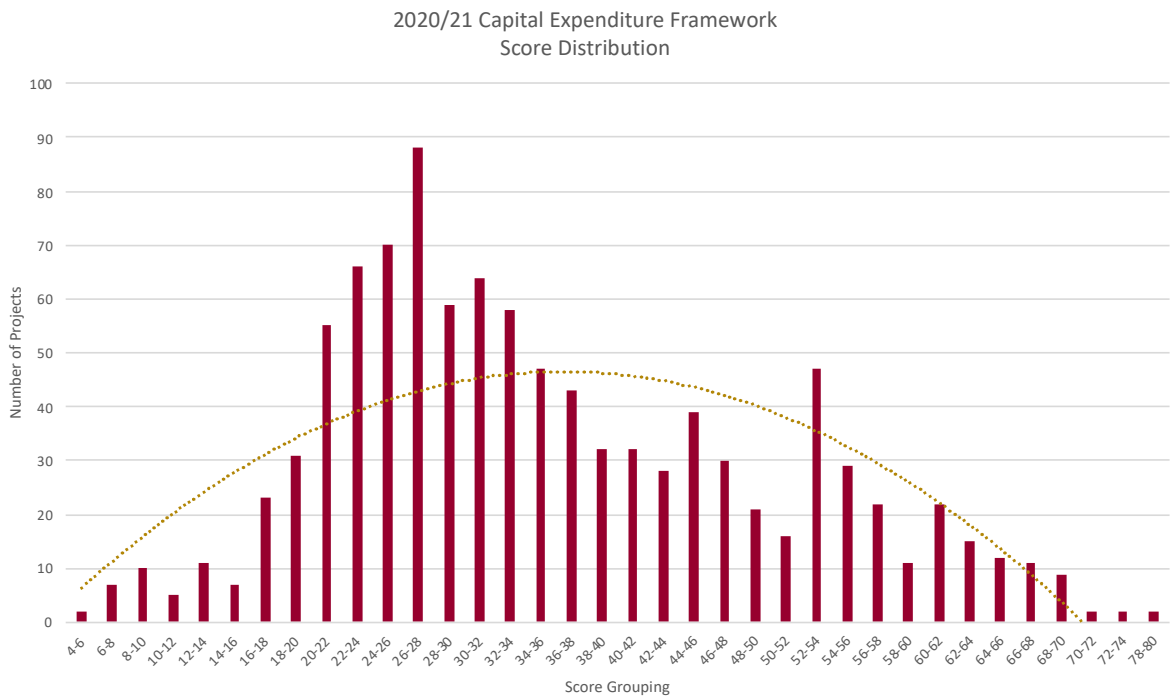


Figure 81: Project Score Distribution – per number of projects in score category

The project scores emanating from the Stellenbosch CPM approximates a normal distribution, which is indicative of the following:

- The prioritisation model is not bias towards any project;
- The prioritisation model evaluates projects on a scientific basis, and;

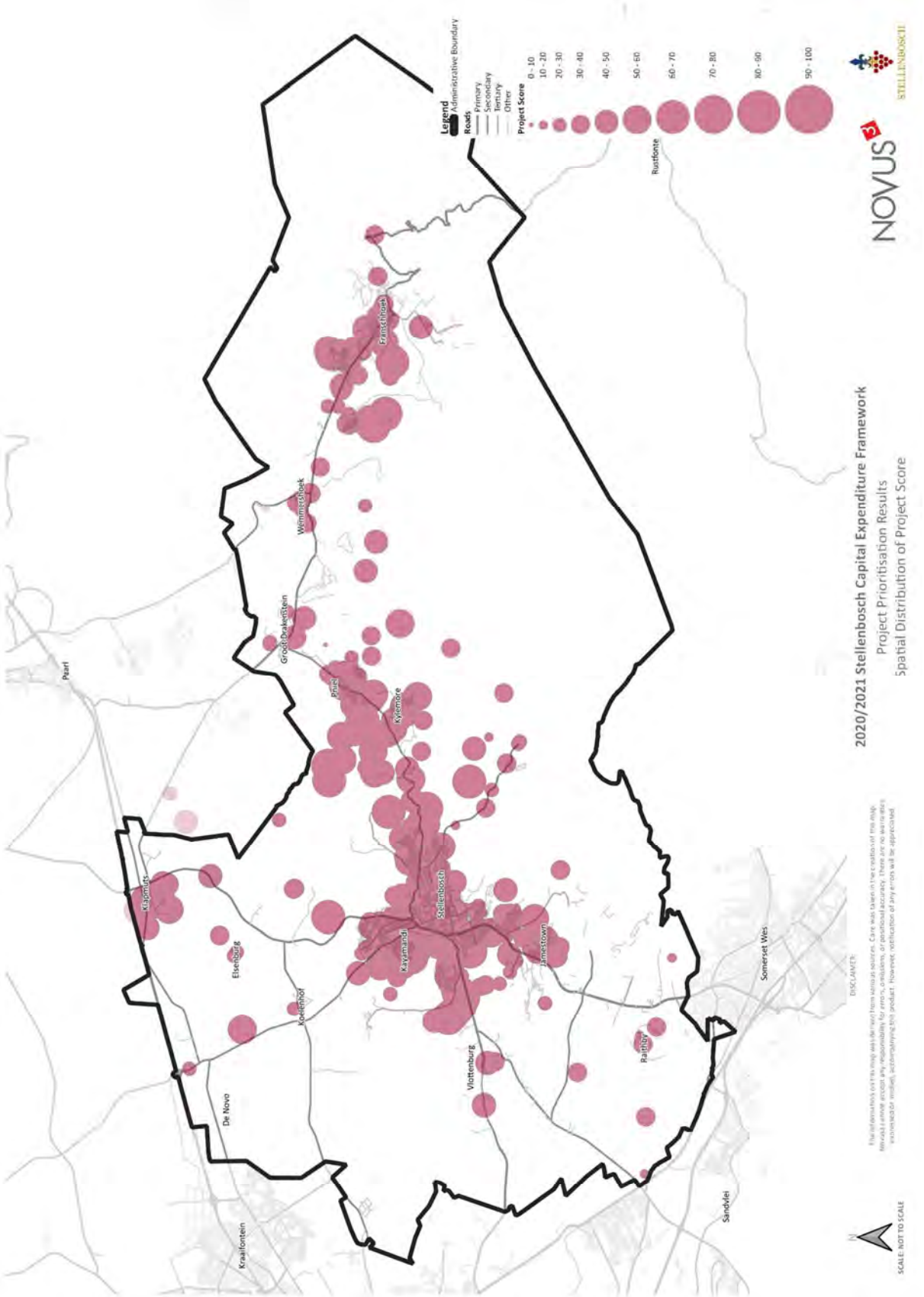
The fundamental data captured for projects is sufficient for a prioritisation.

8.6.4 Scores Distribution: Spatial distribution

One of the key benefits of the prioritisation model is that it enables alphanumeric and spatial data analytics, which means that spatial inputs are used to prioritise projects. Spatial prioritisation and budget alignment is not only a prerequisite in terms of SPLUMA, but it is also a policy imperative for the IUDF – therefore, spatially-based prioritisation enables true spatial targeting.

Considering the spatial parameters used in the CPM, it is not surprising to see that projects within the FAs, and PDAs scored higher than projects in the commercial farming areas. This is as a result of the increased emphasis and weighting on these criteria within the CPM. It is important to take note of the following when interpreting the spatial distribution of project prioritisation scores:

- Projects' geo-referenced locations are captured on CP3 as either a point, line or polygon geometry;
- Project geo-referenced locations were reduced to the centroid of each project location for aggregation and displaying purposed, and;



Project score distribution locations are therefore an approximation of a project's location, and not an absolute indication of the project's location or implementation area.

Map 20: Project Prioritisation Results - Spatial

Section 9 Budget Scenario

9 Budget Scenario

9.1 Contextualisation

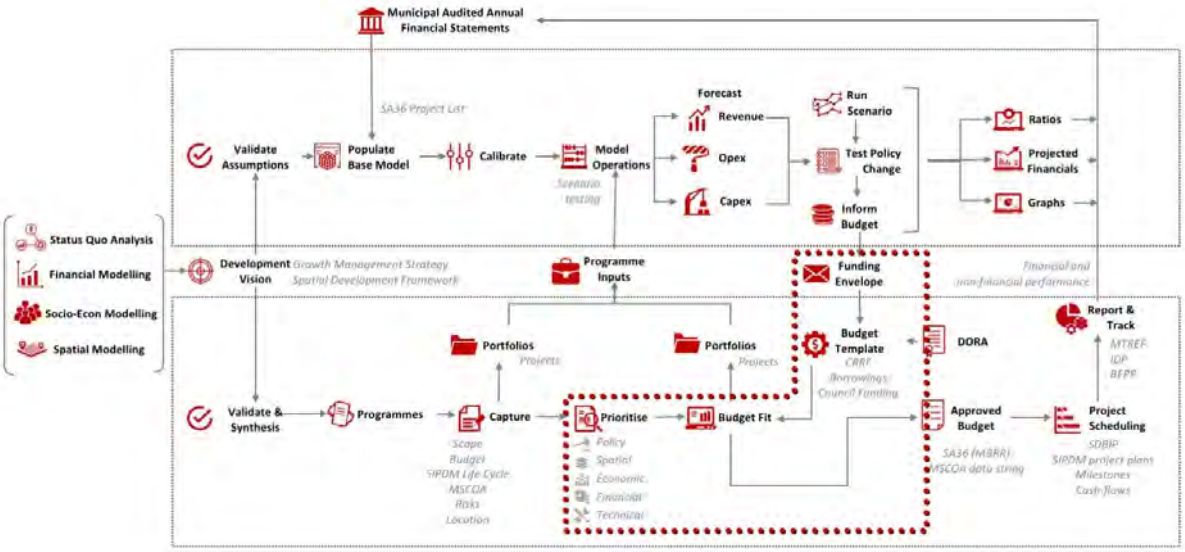


Figure 82: Budget Scenario

> *"Improved processes for municipal planning and budgeting empower a municipality to make more informed decisions and are fundamental to sustainable and efficient service provision. - The generic municipal budget cycle is set out in the MFMA and described in MFMA circular 19."*
>
> *National Treasury Local Government Budget and Expenditure Review: 2006/07 – 2012/13*

The previous section explained the purpose of the CP^3 Capital Prioritisation Model (CPM) as a systematic and objective methodology that provides a way to rank a diverse set of projects into an order of importance based on each project's alignment to the strategic, spatial, social, economic, and financial objectives of the municipality. However, this process alone does not result in a capital budget for the municipality. The ranking of projects is but one input into the budget scenario methodology.

The purpose of this section of the Capital Expenditure Framework is to discuss the methodology, rule set and criteria used during the budget scenario process as well as to demonstrate how different choices regarding the budget scenario strategies will result in different capital budget results.

The budget scenario methodology can be summarised in a schematic diagram shown in the figure below. Essentially the budget scenario methodology is a systematic application of a set of rules and parameters which will result in a project either being added to the draft budget or rejected from the draft budget portfolio.

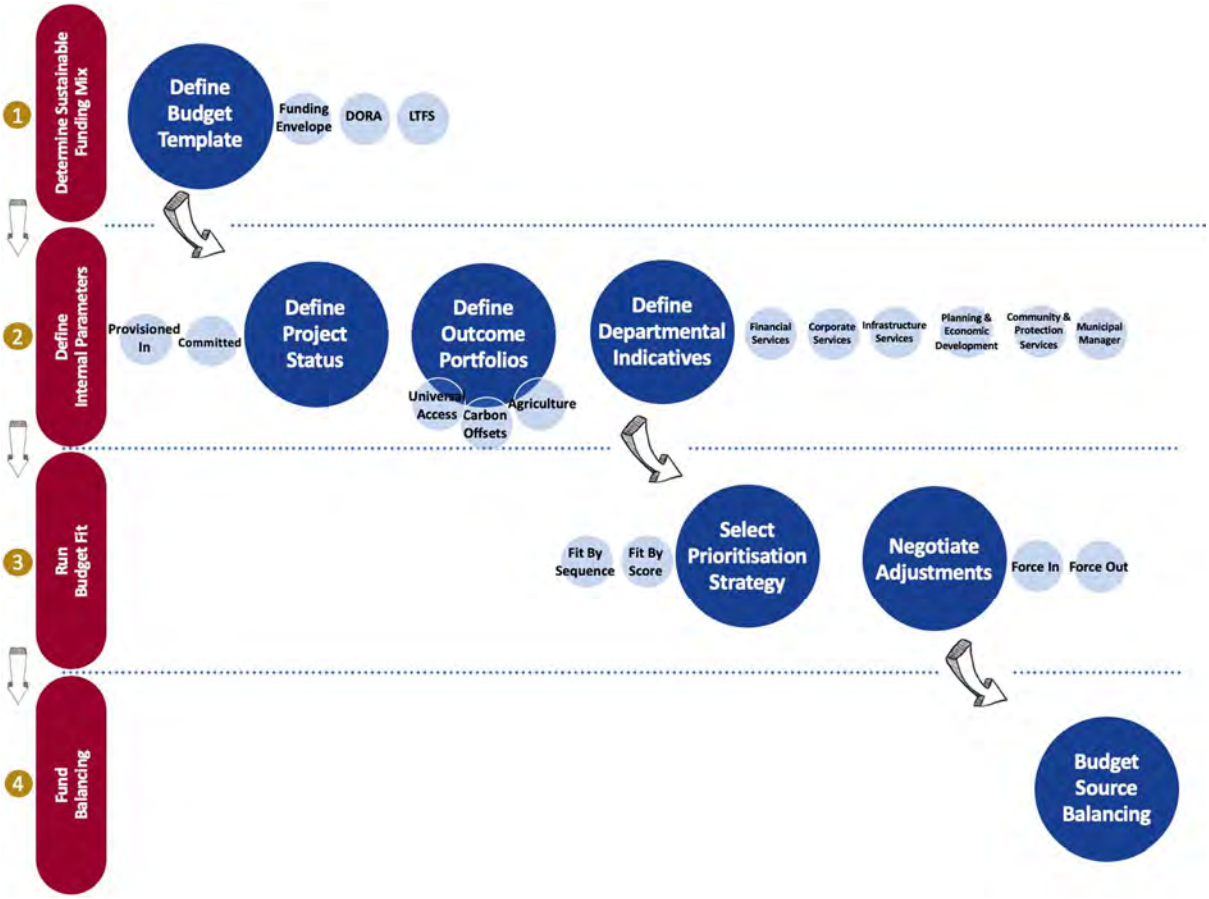


Figure 83: budget scenario methodology

9.2 budget scenario parameters

The following parameters all take part within the budget scenario process:

9.2.1 Affordability Envelope

The affordability envelope is the sustainable and financially tested total budget that should be maintained by the municipality. If the capital budget exceeds this total, the municipality could encounter some unforeseen circumstances in future that will compromise its financial sustainability.

The parameters of the affordability envelope determine the strategy used for budget scenario. It is possible to express the affordability envelope in terms of:

- Portfolios;
- Stages;
- Departments; and
- Total budget per year.

In each of the above-mentioned strategies, the total budget available are determined by either a Portfolio, Stage, or Department, or a combination of the different strategies. The sequence in which these strategies are organised, also determine the outcome of the budget scenario process. If no

strategy applies, or if a strategy's budget is depleted, the total budget parameter per year is utilised. Once the total budget parameter per year has been depleted, projects will obtain a "No Fit" status.

9.2.2 Project Score

Project scores has been determined as described in a previous section in this document. The purpose of a project score is to determine a relative ranking between all the projects with a capital demand. Projects with the highest score has the first opportunity to be allocated budget.

9.2.3 Project Status

Within the budget scenario, projects can be allocated a specific status based on the previous MTREF. These statuses are:

- Committed - Committed projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, and which are contractually committed as assets under construction. Termination of any committed projects will result in either legal or financial liability for the municipality. Given commitments made on these projects by the municipality, the budget scenario methodology regards these projects as non-negotiable, irrespective of their CPM project score. Furthermore, projects that fall under this category will be fitted to the capital budget in the financial year in which they request money (no delays may be applied) and they may exceed the municipal, portfolio or departmental cap which have been applied in the template.

- Provisioned In - Provisioned projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, but which are not contractually committed as assets under construction. Termination of any provisioned projects will not result in either legal or financial liability for the municipality. The budget scenario methodology regards these projects as having a higher priority than normal projects in the list (given their status received during previous MTREF budget publications) however their implementation timeframes are negotiable to an extent. Projects that fall under this category will be fitted to the capital budget in the financial year in which they request money only if there is sufficient capital budget available in the capital budget template and they may not exceed the municipal, portfolio or departmental cap which have been applied in the template. If the capital budget requests exceed the municipal capital budget template either at a municipal, portfolio or departmental indicative level, then provisioned projects may be fitted with delay to a financial year where there is sufficient municipal capital budget cap available.

9.2.4 Year of Budget Request

Projects has a specific budget request in a specific year, or a specific budget request over a period of years. The unique combination of budget request versus budget year is considered in the budget scenario process.

9.2.5 Project Budget Request

The project budget request is used to compile a MTREF budget, and is captured across the total lifecycle of the project.

9.3 budget scenario process

The following process explains how the above-mentioned parameters interact in order to compile a budget.

9.3.1 Step 1: Define a DORA MTREF Budget Template

The first step of the budget scenario process is a mandatory step required to determine the municipal capital budget cap or total amount of available capital funding for the Medium-Term Revenue and Expenditure Framework (MTREF). This is usually informed by a number of sources:

9.3.1.1 *Division of Revenue Act (DORA)*

The Division of Revenue Act is published on an annual basis with the distinct purpose to document the equitable share and grant allocations to municipalities. The exact publication dates of the DORA may differ from year to year. The DORA publication will therefore set out all the external available capital funding for the municipality emanating from the national and provincial budgets. Typical funding sources for the municipal capital budget emanating from the DORA publication include:

- Public Transport Infrastructure Systems Grant (PTIS);
- Neighbourhood Development Partnership Grant (NDPG);
- Urban Settlements Development Grant (USDG);
- Integrated National Electrification Programme (INEP);
- Community Library Services (CLS);
- Social Infrastructure Grant (SIG);
- LG SETA Discretionary Allocation;
- Integrated City Development Grant (ICDG); and
- Housing Delft Grant.

9.3.1.2 *Stellenbosch Long Term Financial Strategy*

All internally generated capital budget funding is determined through financial modelling undertaken by the Stellenbosch Local Municipality as part of their submissions to National Treasury on the Municipal Budget Reporting Regulations templates. Internal capital budget funding typically comprises the following funding sources:

- Own Municipal Funding: Funding generated from municipality revenue (i.e. rates and taxes).
- Public Contributions and Donations: Donations and bulk services contributions for capital expenditure to provide additional bulk capacity to service new developmental demand.
- Capital Replacement Reserves (CRR): Savings by the municipality for deferred capital expenditure to maintain the existing municipal asset base.

- Borrowings: External loans from the financial markets or bonds issued by the municipality to the financial markets.

It is important to note that not all projects are eligible to utilise all funding sources. For example, the PTIS grant is only applicable to infrastructure directly supportive of public transport and the INEP grant is only applicable to electrification programmes and projects. Therefore, although the budget template cap for the municipality is equal to the sum of the DORA publication and all internal capital funding sources, a funding source balancing exercise should be undertaken prior to publishing the final budget in order to ensure that only projects eligible for certain grants are funded by those grants.

The Stellenbosch Long Term Financial Modelling also results in a Long Term Financial Strategy which evaluates amongst others the Stellenbosch Local Municipality financial position and calculate what the optimal funding mix should be per annum, in order to maintain a desirable financial situation.

9.3.2 Step 2: Define project Committed or Provisional Status

The next step in the budget scenario process is regarded as an optional step, given that the municipality may decide to prepare a budget which either includes or excludes the budget scenario impact of multi-year capital project commitments. In reality, no budget preparation process is undertaken in isolation and the effect or commitments published in the previous financial year's approved capital budget (Annexure A) or the mid-year adjusted budget (Annexure B), will have an effect on the availability of capital funding for new projects to enter the budget list.

The municipality's CP3 system allows for two different project statuses during budget scenario n order to account for the multi-year budget effect of projects which were previously published as part of either the approved or adjusted municipal capital budget:

- Committed Projects

Committed projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, and which are contractually committed as assets under construction. Termination of any committed projects will result in either legal or financial liability for the municipality. Given commitments made on these projects by the municipality, the budget scenario methodology regards these projects as non-negotiable, irrespective of their CPM project score. Furthermore, projects that fall under this category will be fitted to the capital budget in the financial year in which they request money (no delays may be applied) and they may exceed the municipal, portfolio or departmental CP3 which have been applied in the template.

- Provisioned Projects

Provisioned projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, but which are not contractually committed as assets under construction. Termination of any provisioned projects will not result in either legal or financial liability for the municipality. The budget scenario methodology regards these projects as having a higher priority than normal projects in the list (given their status received during previous MTREF budget publications) however their implementation timeframes are negotiable to an extent. Projects that fall under this category will be fitted to the capital budget in the financial year in which they request money only if there is sufficient capital budget available in the capital budget template and they may not exceed the municipal, portfolio or departmental CP3 which have been applied in the template. If the capital budget requests exceed the municipal capital budget template either at a municipal, portfolio or departmental

indicative level, then provisioned projects may be fitted with delay to a financial year where there is sufficient municipal capital budget cap available.

From the above it is evident that the classification of committed and provisioned status of projects may have a profound impact on the content of the capital project budget list. For example, if the entire adjusted budget capital project list of the municipality is regarded as committed, then the only discretionary expenditure available to the municipality will be the difference between the adjustment budget bottom line for year 2 and year 3 of the MTREF and the available capital budget sources, as well as the total budget cap for year 3 of the MTREF, given that the adjusted budget publication does not extend to the third year of the new MTREF budget.

9.3.3 Step 3: Define Outcome Portfolios

The budget template which is the primary input to the budget scenario also allows the municipality to define capital budget amounts for key portfolios. The definition of portfolios and setting up budget cap amounts per portfolio is also an optional step in the budget scenario process. These budget amounts will be ring-fenced for these portfolios and only projects which are earmarked to form part of those portfolios may compete for those budget amounts. For example, suppose the municipality executives decide that 15% of the total municipal budget must be ring-fenced for repairs and maintenance of existing assets. The budget template could be used to ring-fence 15% of the total capital budget for a portfolio called “Repairs and Maintenance”.

During the budget preparation period, projects would be classified as contributing to the “Repairs and Maintenance” portfolio by virtue of their MSCOA project segment classification. When the budget scenario is executed, projects which belong to the “Repairs and Maintenance” portfolio will be fitted to the budget in order of highest CPM score to lowest CPM score until the budget cap of the “Repairs and Maintenance” portfolio has been reached.

This does not mean that no other repairs and maintenance projects will be fitted to the capital budget. It simply means that their preferential treatment during the budget scenario process has been depleted and that the remaining repairs and maintenance projects will have to compete on an even basis with other capital requests based on their CPM score.

Setting up of various portfolio budget CP3 based on the outcome which is achieved by each of the portfolios is one mechanism by which a municipal capital budget could be generated based on the desired outcomes which the municipality advocates in their strategic documents.

9.3.4 Step 4: Define Departmental Indicatives

The fourth step in preparing the budget scenario template allows for the municipality to set departmental budget CP3 or indicatives. The setting of budget cap amounts per department is also an optional step in the budget scenario process. Departmental CP3 can be set for all departments or only for some departments. For example, some projects have difficulty competing effectively for budget owing to their nature. Capital investments in the form of library books may struggle to compete on a CPM score basis with utility services projects such as water and sanitation or electricity.

Setting of departmental indicatives or departmental budget CP3 could be an alternative strategy to provide a minimum budget threshold amount for departments who struggle to compete effectively for capital budget based on the CPM project score. The budget scenario mechanism for departmental indicatives or departmental CP3 works on much the same basis as the portfolio CP3. The departmental budget amounts will be ring-fenced per department and only projects which are earmarked to form part of those departments may compete for those budget amounts. When the budget scenario is

executed, projects which belong to the ring-fenced departments will be fitted to the departmental budget cap in order of highest CPM score to lowest CPM score until the budget cap of that department has been reached.

9.3.5 Step 5: Select Prioritisation Model Run / Results

The prioritisation model (including the Economic Impact Model) must be run prior to undertaking any form of budget scenario . Therefore, the selection of a prioritisation model and its associated results is a mandatory step in any budget scenario process.

When the budget scenario is executed, as a rule, projects will be in order of highest CPM score to lowest CPM score until the municipal, portfolio or departmental budget CP3 has been reached, depending on the budget template which has been specified.

A visualisation of the budget scenario result is shown below. This shows the ranking of projects from highest CPM priority (on the right) to lowest CPM priority (on the left). Each project is shown as a stacked bar in bar graph format, where the sum of the MTREF financial year capital requests for the projects (total MTREF capital budget) is shown as the height of the bar.

35

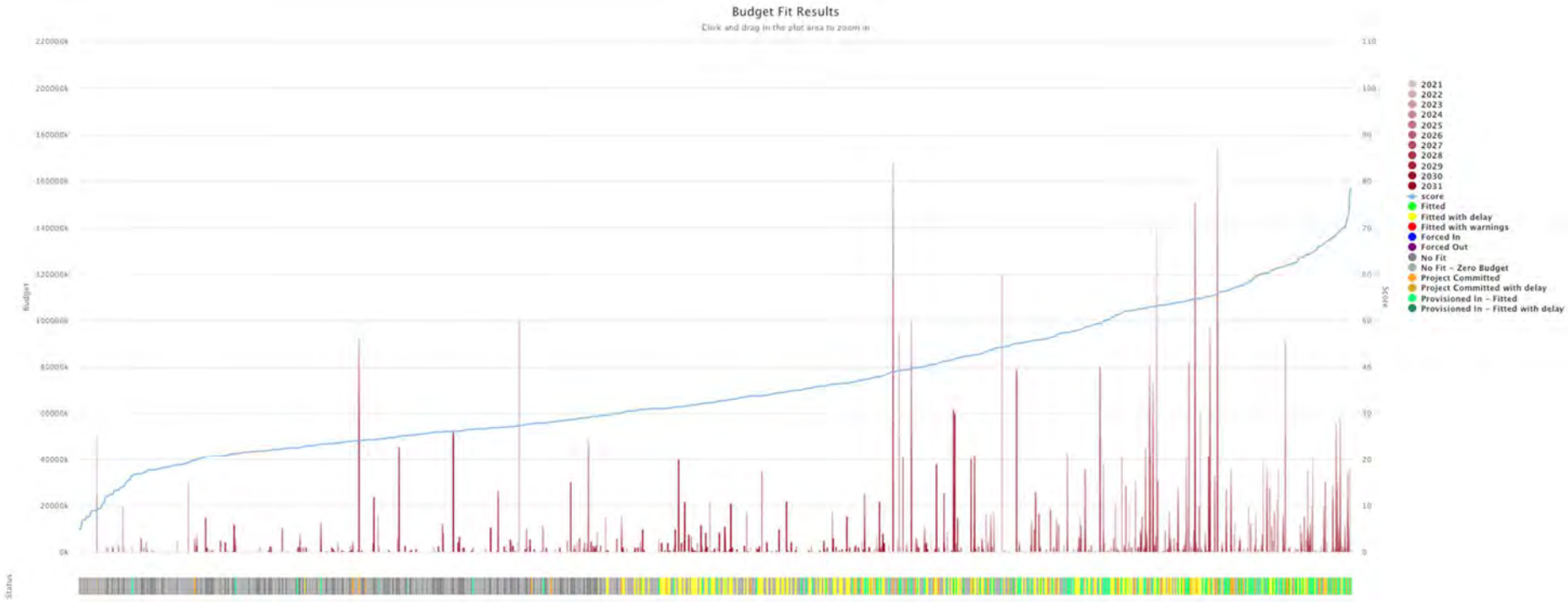


Figure 84: budget scenario results

[35] The budget scenario results graph is an interactive graph that can be accessed via the CP3 system used by the City.

The budget scenario status of each project, after executing of the budget scenario routine, is shown below the bar graph in colours. Each colour represents a different status. In the example provided, the orange projects represent committed projects, which means they were fitted irrespective of their CPM project score in the financial year in which they requested budget.

Green projects represent projects which were fitted based on their CPM project score in the year which they requested funding, given that there was available capital budget available in that financial year. The yellow projects represent projects that were fitted with delay. These projects received high scores on the CPM but there was not sufficient budget available in the financial year in which they requested capital funding, therefore the budget scenario routine fitted them to a financial year later than they requested budget, where sufficient available capital budget was available in the budget template.

Eligible status include:

- Committed: Committed projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, and which are contractually committed as assets under construction. Termination of any committed projects will result in either legal or financial liability for the municipality.

- Provisioned-In: Provisioned projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, but which are not contractually committed as assets under construction. Termination of any provisioned projects will not result in either legal or financial liability for the municipality.

- Provisioned-in with delay: Provisioned projects are those projects which formed part of either the approved capital budget (Annexure A) or the adjusted capital budget (Annexure B) of the municipality for the previous financial year, but which are not contractually committed as assets under construction. Termination of any provisioned projects will not result in either legal or financial liability for the municipality and are therefore delayed in the budget scenario process. A project will then be delayed to a financial year where the budget cap total has not been exceeded.

- Fit: Projects that enjoy the status “fit” are projects that scores highest in relation to the remaining projects to be fit, with the provision that the budget cap total has not been exceeded.

- Fit with Delay: Projects that enjoy the status “fit with delay” are projects that scores highest in relation to the remaining projects to be fit, with the exception that the budget cap total for the year in which the project requests budget has been exceeded. A project will then be delayed to a financial year where the budget cap total has not been exceeded.

- No Fit: This status is assigned to projects that were not able to qualify for budget.

- No Fit – Zero Budget: This status is assigned to projects that do not request budget.

9.3.6 Step 6: Negotiated adjustments (Force-in / Force-out)

Once a draft capital budget has been developed using the budget scenario process, the portfolio of projects which make up the draft capital budget needs to undergo a number of municipal approvals.

It is inconceivable that any portfolio of capital projects which has been prepared in a complex multi-disciplinary collaborative framework will meet all the expectations. Therefore, a negotiated

adjustment process is accommodated in the budget scenario process whereby projects can be added or removed from the portfolio of capital projects based on motivations and representations made during budget forums.

9.3.7 Step 7: Budget Source Balancing

The last step in the budget scenario process is to ensure that all available funding sources documented in the budget scenario Template have been utilised in full and that none of the funding sources are over-subscribed. The funding source balancing is also the last check to ensure that all projects which are linked to grant funding are eligible according to the funding definitions and rules as set out in the Division of Revenue Act (DORA).

9.4 Budget Scenario Results Analysis

9.4.1 Planned capital expenditure review

Overall planned capital expenditure was estimated at R6,0 Bn over the planning period, subsequent to the second capital demand capturing cycle. This, although already in excess of the affordable capital expenditure forecasted, represents only those planned capital expenditure which are captured in the CP3 system. The annual planned capital expenditure can be expressed as follows:

Table 67: Planned Capital Expenditure and Affordable Capital Expenditure

Year	Planned Capital Expenditure	%
2020/2021	R721 785 076	12%
2021/2022	R698 492 030	12%
2022/2023	R628 843 580	10%
2023/2024	R735 459 363	12%
2024/2025	R570 881 401	9%
2025/2026	R531 788 364	9%
2026/2027	R604 008 592	10%
2027/2028	R547 032 074	9%
2028/2029	R563 960 613	9%
2029/2030	R410 858 322	7%
Total	R6 013 109 416	100%

This planned capital expenditure should be considered in light of an affordable capital programme of R 4 150 million, as forecast by the Long Term Financial Model taking into account the 2019/20 Capital Expenditure Framework of Stellenbosch.

9.4.2 Budget Scenario Results

9.4.2.1 *Fit Status*

Table 68: Fit Status

Budget Scenario Status	Total during analysis period	Total %
Fitted	R331 486 898	6%
Fitted with delay	R1 788 436 438	33%
No Fit	R1 002 376 247	18%
No Fit - Zero Budget	R-	0%
Committed	R1 077 228 900	20%
Provisioned In - Fitted	R1 238 983 097	23%
Total	R5 438 511 581	100%

Table 68 expresses the capital budget after applying the budget scenario mechanism as described in the sub-section leading up to the budget scenario results. It shows that 49% of the capital demand has been assigned in the same year as it requests. 20% Of the capital demand however is Committed, which means it is projects with a higher priority than other projects and so were firstly eligible to the funding envelope. This means that the funding envelope were significantly smaller for other planned capital expenditure. It is because of the previously mentioned fact that 33% of the capital has been fit, but with a delay.

18% Of capital demand has not been fit over the 10 years. It is important to notice, that the following scenario would have realised if the funding envelope was bigger:

- the bigger the funding envelop, the less projects will be fit with delay, which means that capital demand will roll out as capital assets sooner, rather than later;
- The bigger the funding envelope, the less projects will not fit to the Capital Expenditure Framework at all, and;
- The bigger the funding envelope, the more projects will be fit to the Capital Expenditure Framework.

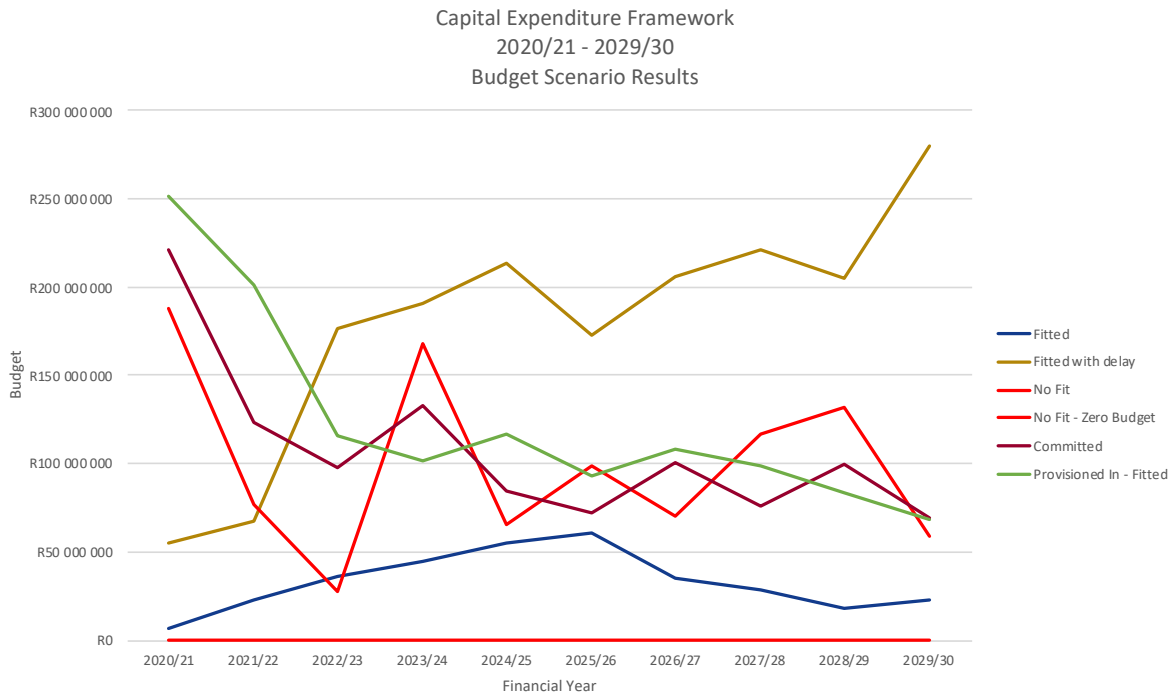


Figure 85: budget scenario status over time

Th figure above represents the fit results as per the budget scenario applied. It can be interpreted as follow:

- Committed: In the first year, project that are currently under construction, still has contractual commitments and cannot be fit at any other stage without having a negative impact on the municipality. These projects therefore are allocated budget in the first year, and not at a later

stage over the 10 year period. These projects also have a long term effect in that it commits certain portions of each years available budget.

- Provisioned in: These projects receive the most budget in the first years as they are already declared on the MTREF. As time continues, these commitments decrease, and so does the capital requirement of these projects over time.

- Fitted: Between the first and second financial year there is a sharp increase in capital demand that is fitted. This is because of the finalisation of projects with a committed status. Once the commitments has been served, the funding envelope opens up capacity to fit new projects.

- Fitted with delay: In the first financial years almost no capital expenditure is allocated to projects with delay. That is because there is no capacity in the first year, and a Fit with Delay status can only be assigned to projects that are delayed. Fit with Delay budget gradually increase as the funding envelope opens up., and then decrease as the capital demand decrease.

- No Fit: Projects that do not fit are projects with the lowest score. This means that projects with higher score was fitted with delay. Once the funding envelopes has been depleted, these projects – the no fit projects – are not included in the budget scenario. It has a high proportion of the Capital demand in the first year, as the low scoring projects in this year compete with high capital demand assigned to statuses such as committed and provisioned in. It decrease sharply as more capital is fitted with delay.

- No Fit – Zero Budget: Even though these projects do not ask for any Capital Demand, they have been conceptualised and will reach a point of maturity in the next ten years where the will have a Capital Demand. It is therefore important to have sight of these projects on one single platform, together with the rest of the project pipeline.

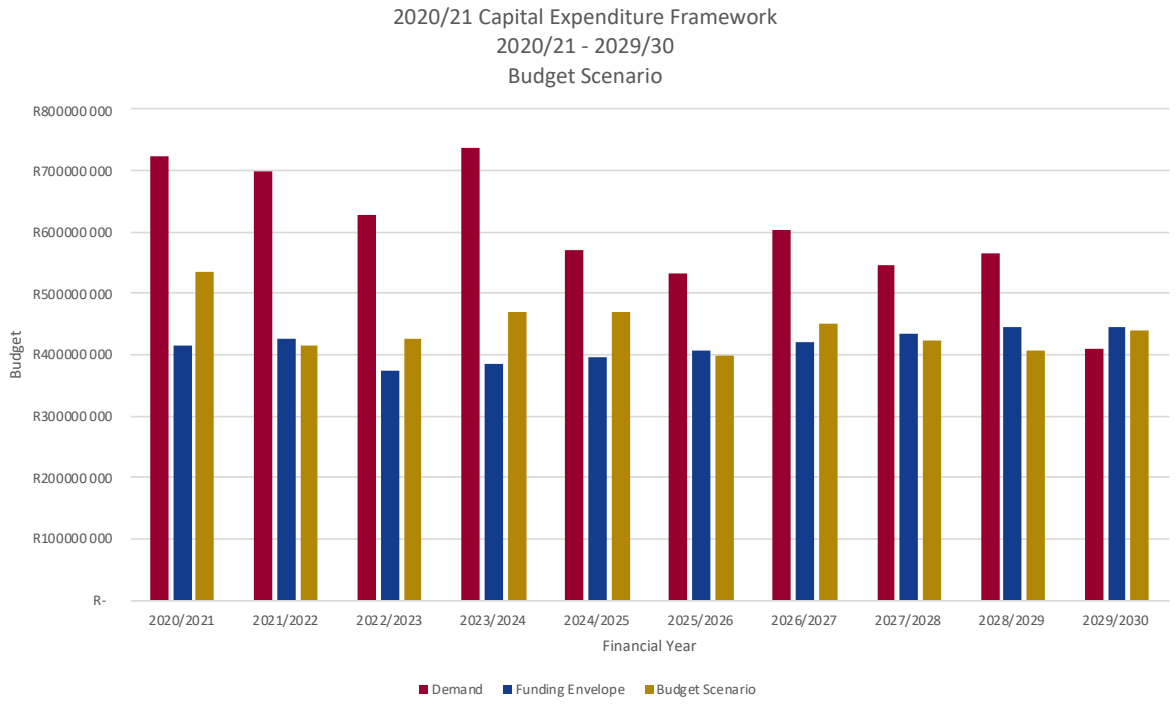


Figure 86: Planned capital expenditure vs funding envelope vs budget scenario results

Table 69: Planned capital expenditure vs funding envelope vs budget scenario results

Financial Year	Demand	Funding Envelope	Budget Scenario
2020/2021	R721 785 076	R414 612 759	R534 796 260
2021/2022	R698 492 030	R426 337 700	R415 019 562
2022/2023	R628 843 580	R374 000 000	R424 821 988
2023/2024	R735 459 363	R385 000 000	R470 221 953
2024/2025	R570 881 401	R397 000 000	R470 610 372
2025/2026	R531 788 364	R408 000 000	R398 923 043
2026/2027	R604 008 592	R421 000 000	R450 142 614
2027/2028	R547 032 074	R433 000 000	R424 041 406
2028/2029	R563 960 613	R446 000 000	R406 744 850
2029/2030	R410 858 322	R446 000 000	R440 813 285
Total	R6 013 109 416	R4 150 950 459	R4 436 135 333

From the graph above the following findings can be made:

- Planned capital expenditure exceed the desired funding envelope up to 2028/29 after which the available capital in terms of the funding envelope exceed the demand. The first four years has the highest proportion between planned capital expenditure and the funding envelope. This is because of the nature of forward planning and project budget estimation – project managers has more clarity and certainty on how much a project will cost in the near future versus a period further than that.

- In 2020/2021 the funding envelope is fitted to more than 100%. This means that the funding envelope is achieved, and that the municipality is planning to spend more than the funding envelope.

- In 2020/2021 the funding envelope is exceeded by the budget that is fitted. This is due to some projects that enjoy committed statuses and has a low first year capital demand, but increase in capital demand in the outer two years. These "trojan horses" should be reviewed as they place immense pressure on outer year budgets.

9.5 Budget profile

9.5.1 Contextualisation

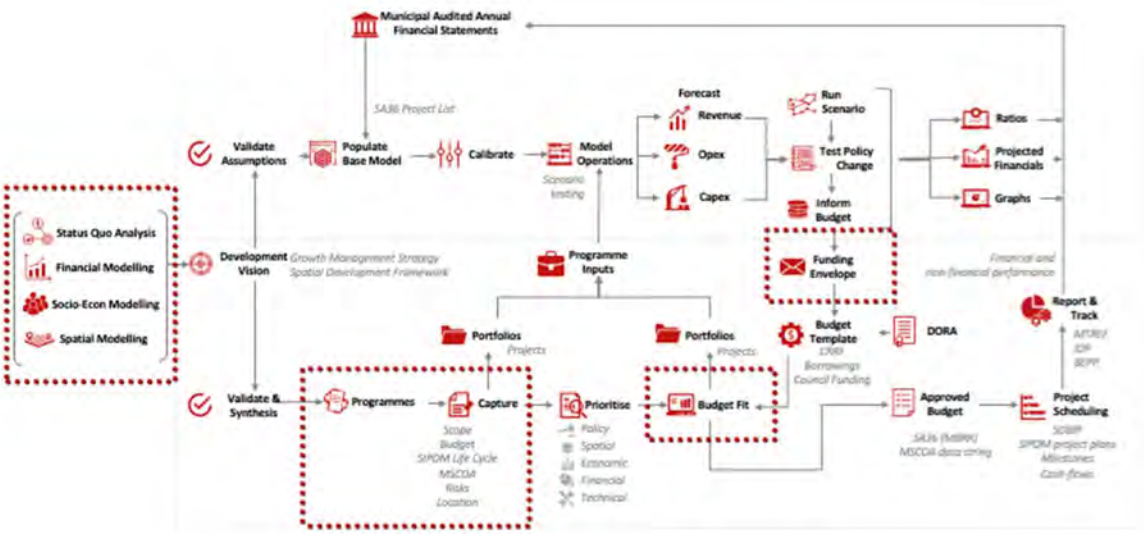


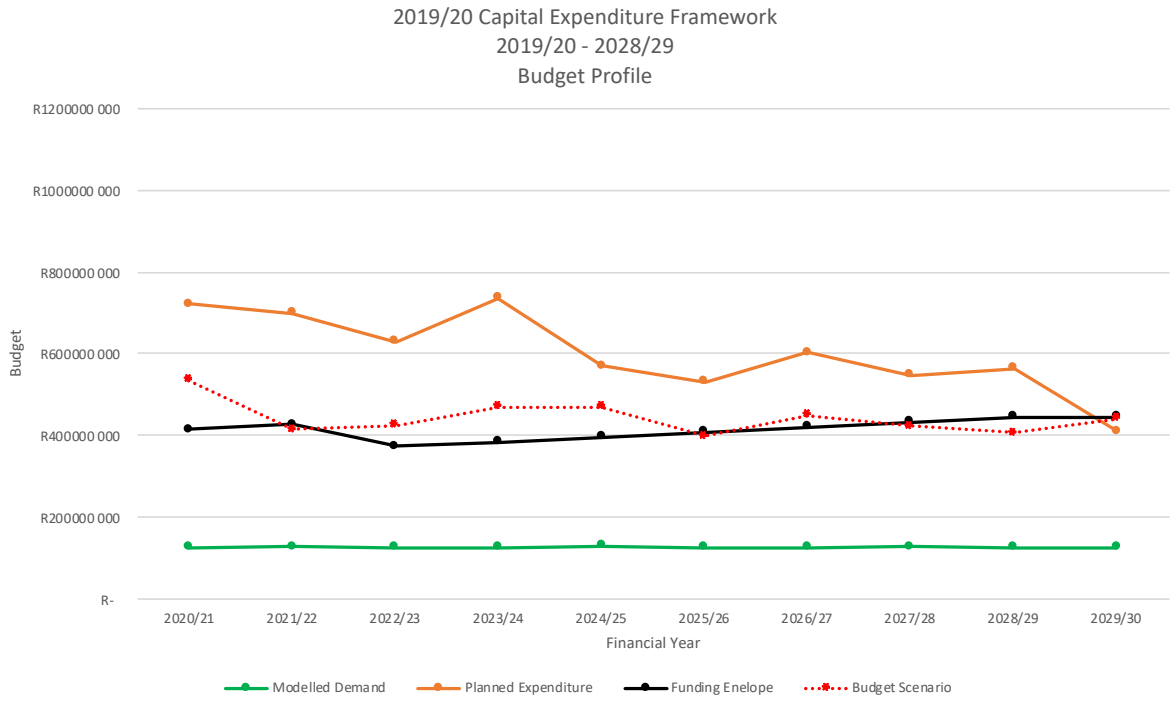
Figure 87: Budget profile input data

Four elements are used as input to the budget profile. This includes:

- Capital demand quantum modelling (Section 4);
- Planned capital expenditure (Section 5);
- Affordable envelope (Section 7), and;
- Budget scenario results (Section 9).

9.5.2 Key findings

Figure 88: Budget Profile



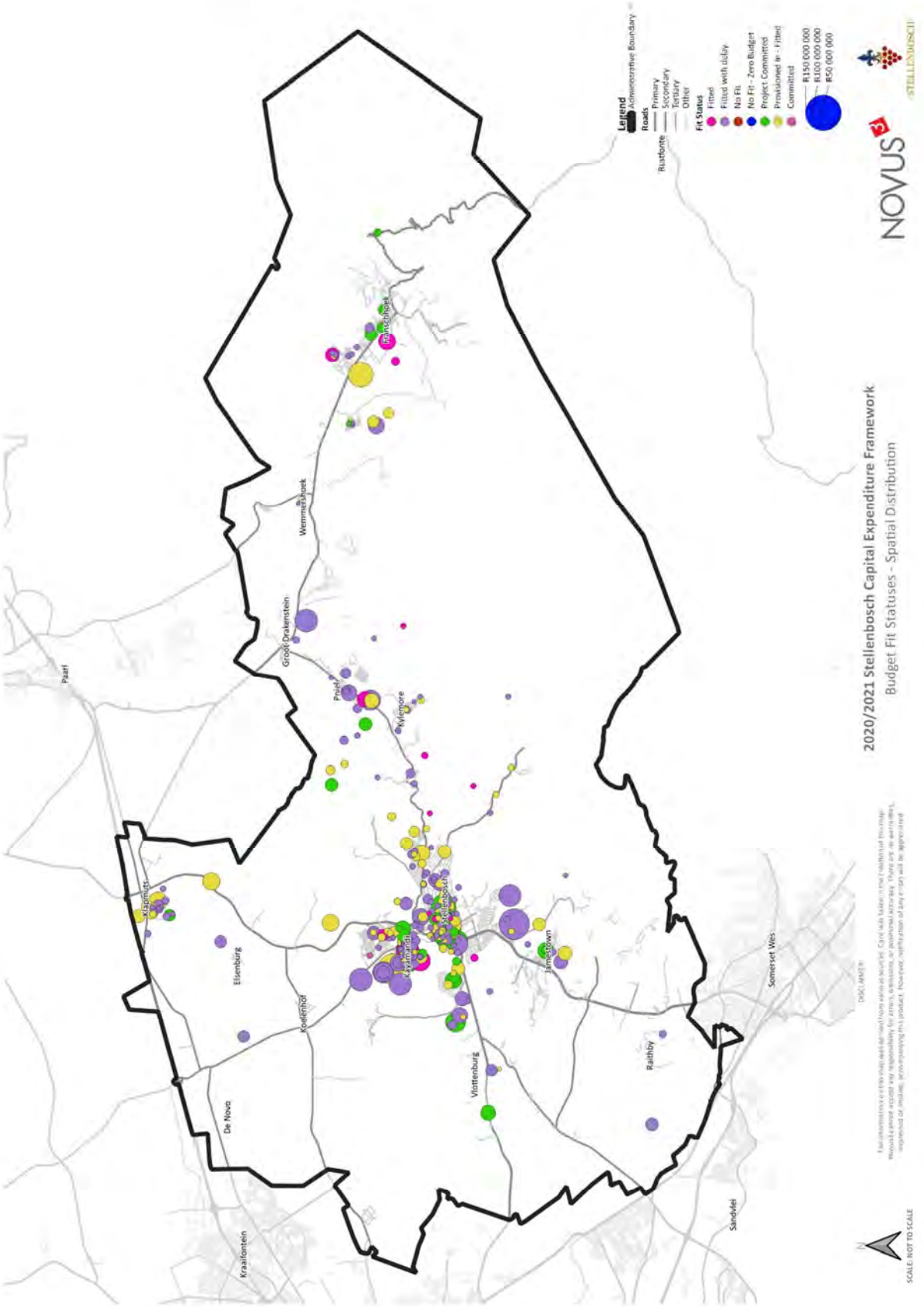
The budget profile is the culmination of the CEF, where the Modelled Demand, the Planned Capital Expenditure, the Funding Envelope and the Budget Scenario is compared over time.

- Modelled Demand: The modelled demand does not exceed the funding envelope. This means that the municipality can afford to deal with the modelled infrastructure demand based on the assumption that a dramatic influx of population will not be experienced in the short to medium term.
- Planned Capital Expenditure: The planned capital expenditure is significantly higher than what is affordable as per the funding envelope, and exceeds what is minimum requirements as per the modelled demand in terms of providing for the growing population of the municipality.
- Funding Envelope: The funding envelope that was proposed as per the Long Term Financial Plan was noted, however the first three years were increased. The assumption is, that even though the LTFP suggests a lower MTREF capital budget, the municipality was still able to find the necessary funds to allocate more funds in the first three years. From year 4 onward the budget scenario

aligns with the funding envelope, but reduce slightly in the last two financial years as there are not sufficient capital request eligible for these financial years.

- Budget Scenario: The budget scenario uses the funding envelope as guidance to fit projects to the affordable budget.

9.5.2.1 *Fit Status: Spatial*



Map 21: Budget scenario statuses - Spatial

From Map 21: above it can be seen that the spatial investment paradigm has realised through the Prioritsation and budget scenario methodology:

- Klapmuts: Most projects in this area either has no budget requested or are fit with delay. This highlight the fact that this future expansion node of Stellenbosch will enjoy capital expenditure, but the majority thereof will realise later on.

- Koelenhof: The Koelenhof node development is still in concept phase. One this area has a clear spatial vision, the municipality can respond with capital projects required to facilitate such expansion.

- Vlottenburg: The potential that boasts within this area is unprecedented. It is for that reason that most of the capital projects within the Vlottenburg area has been fit as per the budget scenario module of CP3.

- Stellenbosch Central: It is clear from the figure above that Stellenbosch central is house of a variety of projects, and so a variety of fit statuses is assigned to this part of the municipality.

- Franschoek: Small capital projects within the Franschhoek area has been fitted to the Capital Expenditure Framework. The majority has been fitted with delay which means that other projects across the municipality has been prioritised and fitted to the budget first.

Row Labels	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Community and Protection Services	R47 889 347	R39 480 000	R67 200 000	R62 045 000	R64 410 000	R57 320 000	R63 820 000	R35 595 000	R72 745 000
Cemeteries	R1 530 000	R8 000 000	R10 500 000	R10 000 000	R5 000 000	R3 000 000	R2 000 000	R2 000 000	R1 000 000
Community Development	R585 000	R100 000	R560 000	R55 000	R60 000	R2 750 000	R50 000	R60 000	R570 000
Community Services: Library Services	R2 490 000	R170 000	R615 000	R250 000	R250 000	R450 000	R410 000	R-	R730 000
Disaster Management	R800 000	R-	R1 500 000	R-	R-	R-	R-	R-	R-
Fire and Rescue Services	R6 700 000	R-	R4 200 000	R5 500 000	R1 300 000	R-	R6 000 000	R1 400 000	R-
Halls	R250 000	R200 000	R950 000	R1 400 000	R1 350 000	R3 120 000	R740 000	R1 450 000	R2 050 000
Law Enforcement and Security	R8 000 000	R12 300 000	R7 450 000	R21 450 000	R11 450 000	R11 700 000	R8 750 000	R13 800 000	R8 850 000
Sports Grounds and Picnic Sites	R5 980 000	R5 980 000	R8 450 000	R3 625 000	R10 650 000	R6 820 000	R8 420 000	R8 120 000	R9 290 000
Traffic Services	R1 620 000	R2 010 000	R10 965 000	R1 755 000	R1 030 000	R2 140 000	R400 000	R2 575 000	R1 755 000
Transport Planning	R-	R-	R-	R-	R-	R-	R-	R-	R-
Parks and Cemeteries	R10 130 000	R5 800 000	R9 230 000	R10 180 000	R22 390 000	R14 210 000	R24 070 000	R2 160 000	R20 120 000
Environmental Management: Urban Forestry	R1 150 000	R1 750 000	R3 480 000	R2 980 000	R3 030 000	R5 230 000	R5 530 000	R1 030 000	R25 580 000
Environmental Management: Implementation	R8 654 347	R3 170 000	R9 300 000	R4 850 000	R7 900 000	R7 900 000	R7 450 000	R3 000 000	R2 800 000
Corporate Services	R39 450 000	R48 050 000	R11 650 000	R34 250 000	R9 300 000	R10 010 000	R24 950 000	R21 000 000	R74 200 000
Information and Communications Technology (ICT)	R5 100 000	R5 200 000	R6 600 000	R6 800 000	R6 800 000	R6 900 000	R6 900 000	R7 000 000	R53 000 000
Properties and Municipal Building Maintenance	R34 350 000	R42 850 000	R5 050 000	R27 450 000	R2 500 000	R3 100 000	R18 050 000	R14 000 000	R21 200 000
Parks and Cemeteries	R-	R-	R-	R-	R-	R10 000	R-	R-	R-
Financial Services	R850 000	R200 000	R200 000	R-	R-	R-	R-	R-	R-
Executive Support: Financial Services: General	R850 000	R200 000	R200 000	R-	R-	R-	R-	R-	R-
Infrastructure Services	R446 035 113	R327 026 762	R333 157 988	R368 902 953	R394 625 872	R328 298 043	R349 097 614	R345 146 406	R234 922 250
Electrical Services	R71 000 000	R72 977 862	R151 637 988	R94 612 953	R108 840 872	R90 110 043	R51 719 614	R56 016 406	R44 166 750
Executive Support: Engineering Services: General	R5 400 000	R15 000 000	R-	R-	R10 000	R40 010 000	R40 000 000	R-	R900 000
Infrastructure Plan, Dev and Implement	R45 955 682	R16 303 900	R13 025 000	R37 575 000	R63 575 000	R46 078 000	R61 578 000	R46 580 000	R61 905 500
Roads and Stormwater	R30 000 000	R16 000 000	R14 200 000	R17 300 000	R24 100 000	R22 800 000	R29 800 000	R33 800 000	R56 250 000
Traffic Engineering	R18 850 000	R15 050 000	R3 800 000	R2 500 000	R2 400 000	R2 750 000	R2 900 000	R4 500 000	R5 900 000
Transport Planning	R19 350 000	R6 350 000	R11 150 000	R10 750 000	R6 200 000	R32 400 000	R31 700 000	R33 800 000	R9 400 000
Waste Management: Solid Waste Management	R9 245 000	R23 745 000	R50 245 000	R36 665 000	R33 100 000	R12 700 000	R18 450 000	R7 950 000	R2 600 000
Water and Wastewater Services: Sanitation	R115 734 431	R92 850 000	R44 600 000	R57 600 000	R40 500 000	R18 000 000	R19 250 000	R39 300 000	R300 000
Water and Wastewater Services: Water	R130 500 000	R68 750 000	R44 500 000	R111 900 000	R115 900 000	R63 450 000	R93 700 000	R123 200 000	R53 500 000
Municipal Manager	R40 000	R44 000	R49 000	R-	R-	R-	R-	R-	R-
Executive Support: Office of the Municipal Manager	R40 000	R44 000	R49 000	R-	R-	R-	R-	R-	R-
Planning and Economic Development	R531 800	R218 800	R12 565 000	R5 024 000	R2 274 500	R3 295 000	R12 275 000	R22 300 000	R24 877 600
Administrative Support	R-	R-	R-	R-	R-	R1 000 000	R10 000 000	R20 000 000	R15 000 000
Development Planning: Spatial Planning	R-	R-	R-	R-	R-	R-	R-	R-	R255 000
Economic Development and Tourism	R285 000	R-	R4 500 000	R-	R-	R-	R-	R-	R5 000 000
IHS: Informal Settlements	R-	R-	R8 000 000	R5 000 000	R2 250 000	R2 270 000	R2 250 000	R2 270 000	R2 275 000
IHS: New Housing	R81 800	R93 800	R65 000	R24 000	R24 500	R25 000	R25 000	R30 000	R-
Land Use Management	R130 000	R125 000	R-	R-	R-	R-	R-	R-	R-
Spatial Planning: Planning and Development	R35 000	R-	R-	R-	R-	R-	R-	R-	R2 347 600
Grand Total	R534 796 260	R415 019 562	R424 821 988	R470 221 953	R470 610 372	R398 923 043	R450 142 614	R424 041 406	R406 744 850

Table 70: Capital Expenditure Framework – budget scenario Results

Section 10 Programme per Functional Area

10 Programme per Priority Development Area

10.1 Contextualisation

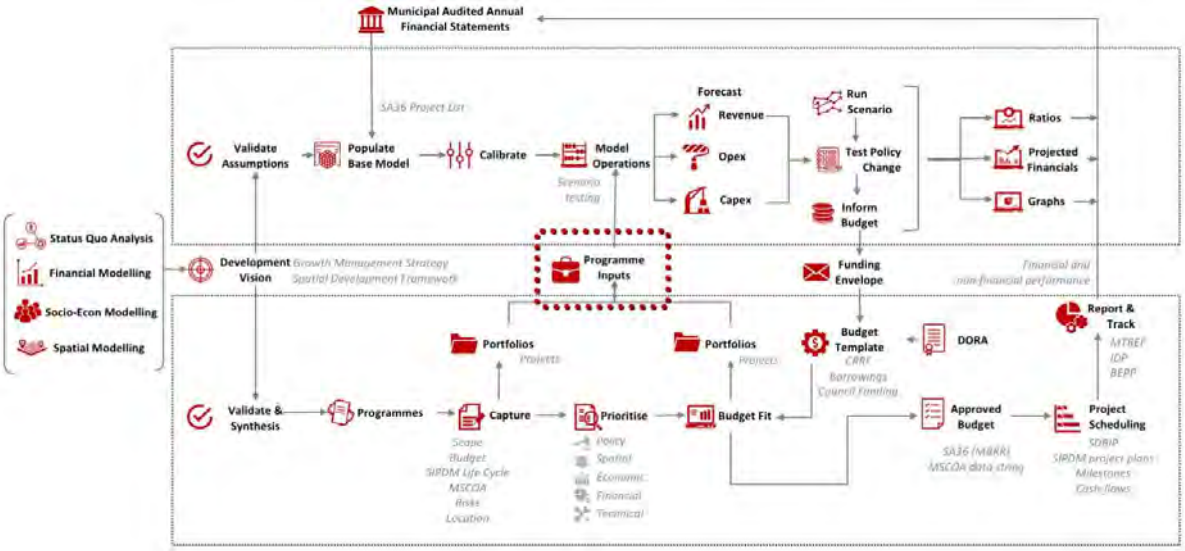


Figure 89: Programme analysis

The policies, plans and programmes of any sphere of government are part of a basic methodology developed in public administration for the rational performance of governmental functions entrusted by law to the Government. The policies, plans and programmes stand in a tiered or hierarchical relationship with one another:

- At the first level in this hierarchy lies the formulation of a governmental policy, which in essence identifies the desired outcome or goal of the governmental functions in question which the particular sphere of government is entrusted with;

- The second level in this hierarchy consists of the development of a plan, setting out the preferred strategy or pathway by means whereof the desired outcome or goal of the governmental functions in question will be pursued; in other words, the plan at this level manifests a strategic choice at a high level between the various options available for realising the adopted policy, inter alia taking into account the availability of resources, and;

- At the third level in this hierarchy then follows the identification of programmes, each of which details how various aspects of the approved plan will be implemented so that the desired outcomes or goals of the governmental functions in question can be achieved and the objectives of the adopted policy can be realised.

Within the context of this methodology, these three instruments (policies, plans and programmes) operate on a higher level of strategic assessment and decision-making. At the next level different projects are the implementation agents of programmes. Given the focus by government policy such as the National Development Plan, the Integrated Urban Development Framework and the Spatial Development Framework on spatial targeting, spatial justice, and spatial transformation projects are allocated to area based programmes to ensure an integrated view op project roll out and true integrated spatial development. To take a disciplinary based view of programmes revert planning methodology back to a per-line-function mentality within the municipality and so move away from the integrational effort of the IUDF and CEF, and toward the historic silo based planning style.

10.2 Investment paradigm

The investment paradigm of Stellenbosch Local Municipality is at its core rooted in the following:

- The Spatial Planning and Land Use Management Act; and
- The Spatial Development Framework.

It is necessary to consider all three of these guiding foundational elements of the Investment paradigm when evaluating the programmes per Priority Development Area.

10.2.1 SPLUMA Principles

The investment paradigm of Stellenbosch Local Municipality is informed by the principles of Spatial Planning and land Use Management Act (SPLUMA), and by the Integrated Urban Development Framework. The Spatial Planning and land Use Management Act set out the following principles to be applied in any organ of state that invest in space:

- Spatial Justice;
- Spatial Sustainability;
- Efficiency;
- Spatial Resilience; and
- Good Administration.

Stellenbosch adhered to the above mentioned principles by defining the investment paradigm as follow:

- Spatial Justice: To guide capital expenditure related to maintenance and renewal in settled areas within the municipality's jurisdiction but are not contributing to the desired urban structure of the municipality.
- Spatial Sustainability: Allocate capital expenditure in defined areas to realise integrated and compact urban from.
- Efficiency: Adhere to parameters set out in the Long-Term Financial Strategy in order to ensure capital expenditure that is in line with good financial practices and optimal usage.
- Spatial Resilience: Align capital expenditure at the hand of the Spatial Development Framework, which is developed with the intention to cope with any spatially based disturbance to the desired urban form.
- Good Administration: By implementing a municipal wide Capital Project Prioritisation and Performance platform, it is possible to track the implementation of the Capital Expenditure Framework.

10.2.2 Draft Spatial Development Framework Narrative

The investment paradigm of Stellenbosch is also informed and based on a spatial vision[36], namely the Draft Spatial Development Framework.

The key spatial structuring elements of the draft Spatial Development Framework includes:

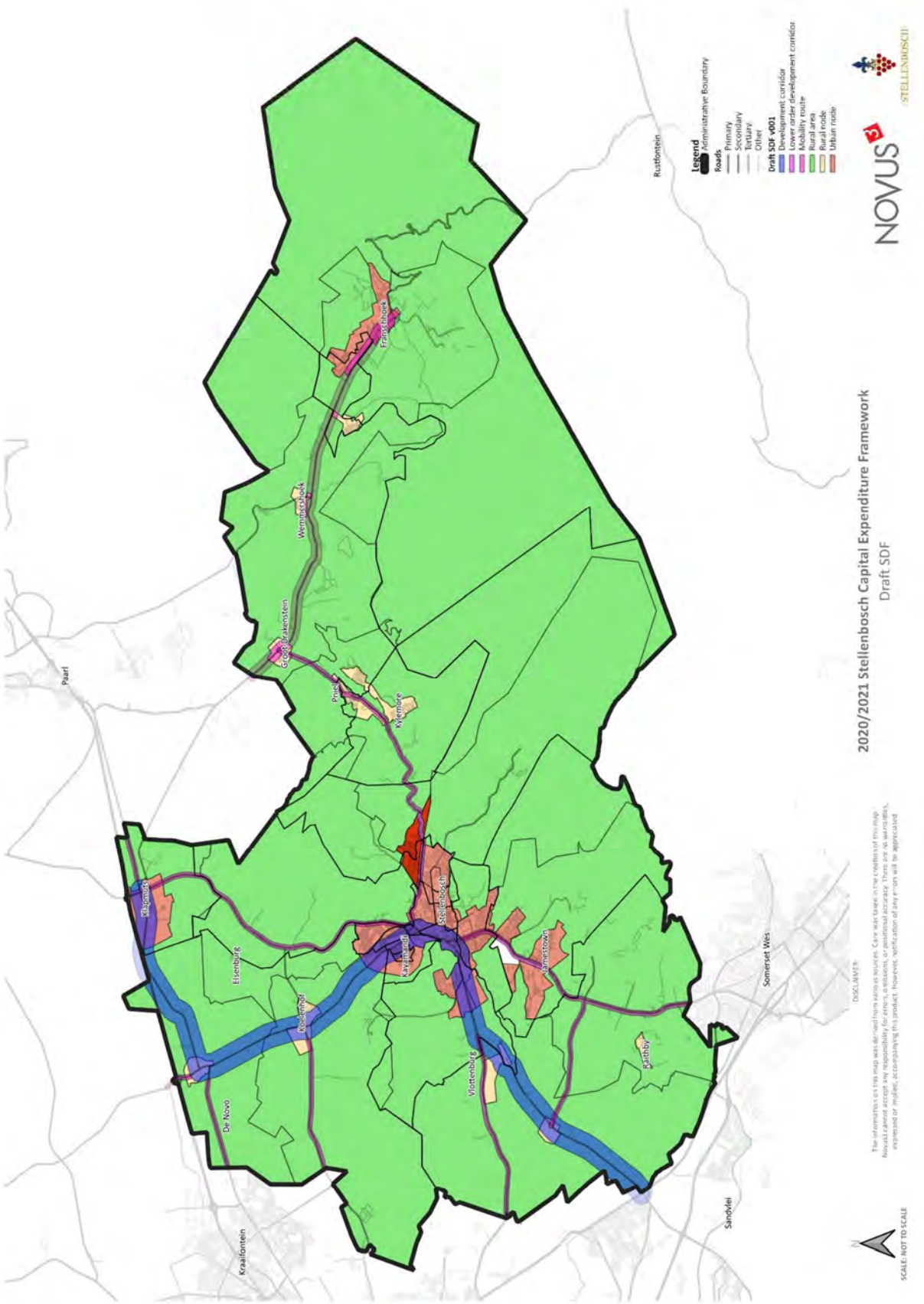
- Urban nodes: The primary urban nodes, firstly incudes Klapmuts as this is the identified area of expansion – based on development potential and the larger regional framework. Secondly is Stellenbosch central as this is the core of Stellenbosch and is deeded the area of compaction. Thirdly, is Franschhoek – which is a major role player in terms of the current space economy in the region. Stellenbosch cannot disregard this area and so prioritise maintenance investment in this area.

- Rural nodes: Rural nodes on their own are deemed as areas which should only enjoy maintenance expenditure in order to preserve the character of these areas. However, in the event where such a rural node is effected by the Adam Tas corridor, the investment paradigm shifts from a maintenance oriented approach to an investment oriented approach, in order to stimulate a specific need for compaction and densification.

- Rural Area: The rural areas represent the agricultural and tourism sector that plays a major role in the financial sustainability of Stellenbosch. Capital demand in these areas are usually of low intensity.

- Adam Tas Corridor: Capital Investment in the Adam Tas Corridor is vital in terms of the IUDF and the aims identified therein. The Corridor is deemed as a catalytic spatial structuring element that not only serves a local function, but also a regional function and, if enforced, will capture a critical mass with the potential to attract incredible potential for economic development spatial reform. Please refer to the Draft SDF form more information regarding the potential and rationale of the Adam Tas Corridor.

[36] The spatial development framework is in draft form, awaiting approval.



Map 22: Draft Spatial Development Framework

10.3 Functional area budget split

For this part of this section, the 2020/2021 capital expenditure framework has been expressed in terms of the Functional Areas. It seeks to identify the degree of spatial targeting achieved by the municipality.

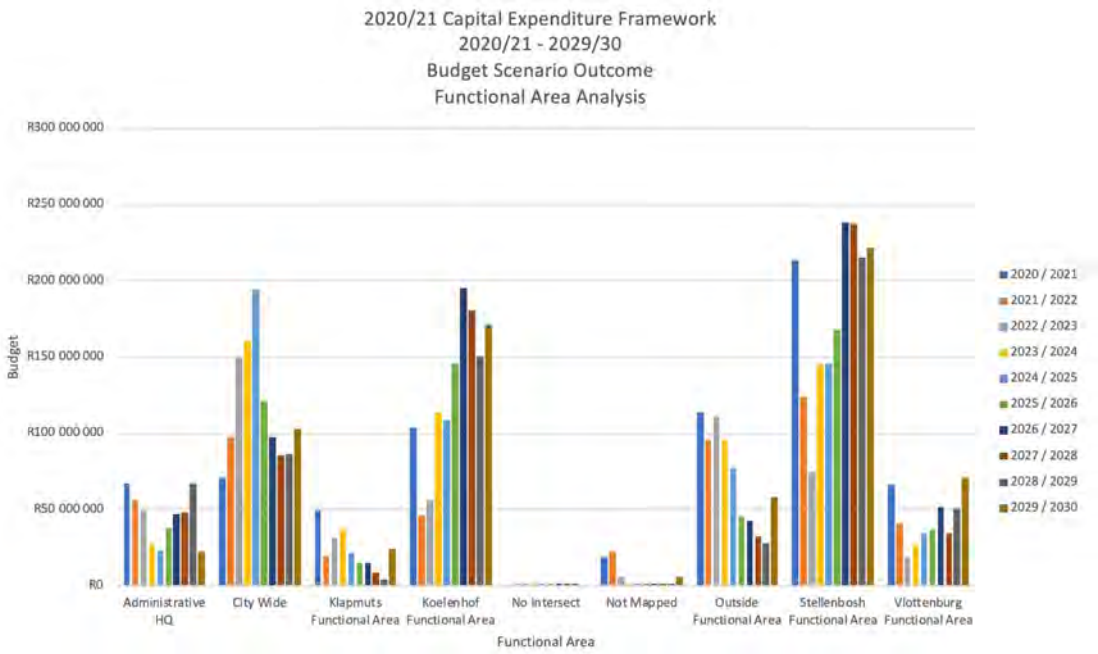


Figure 90: Programme totals per Functional Area

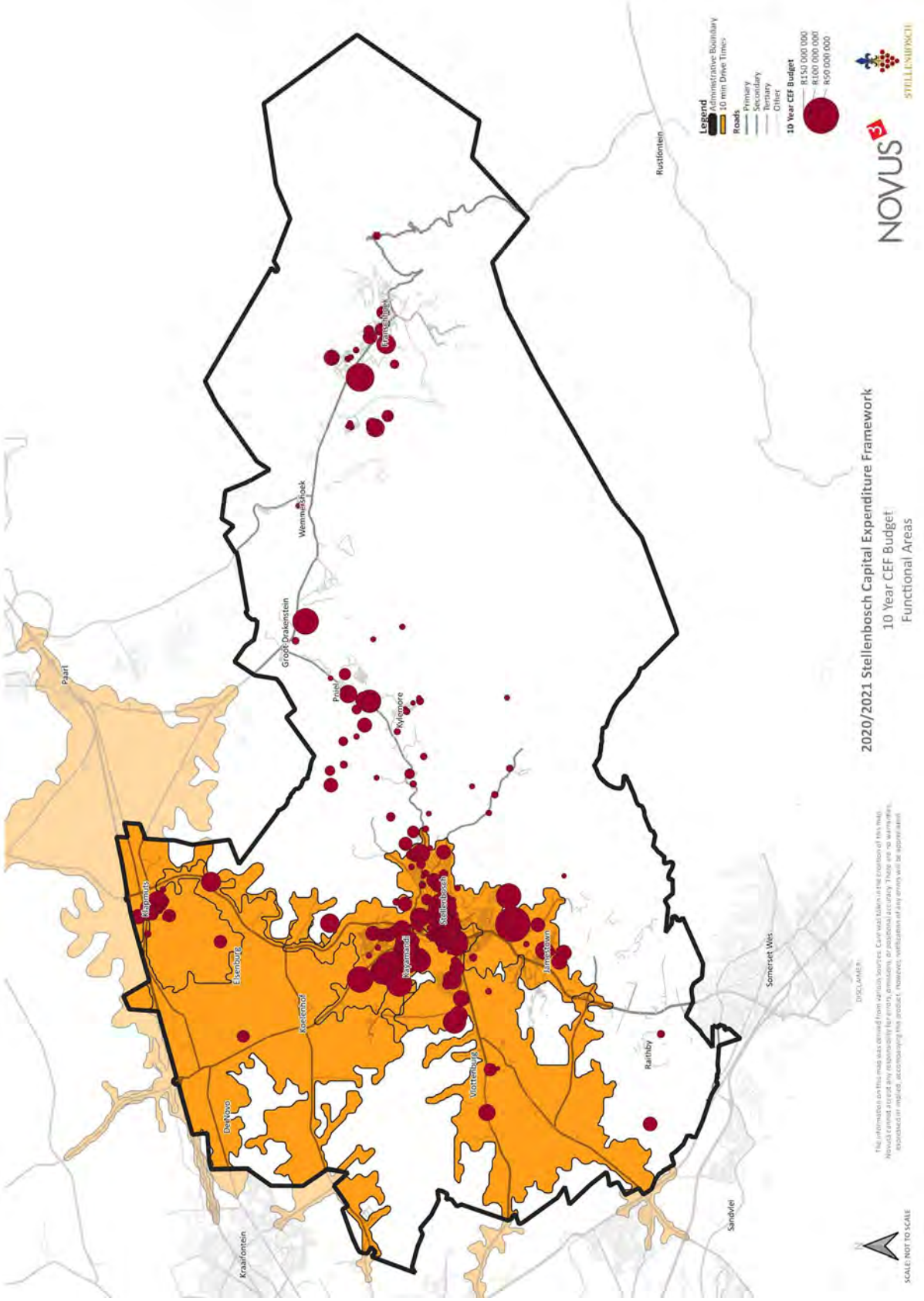
Functional Area Intersect	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Administrative HQ	R67 316 800	R56 015 800	R49 979 000	R26 524 000	R23 729 500	R38 126 060
City Wide	R70 770 000	R96 983 762	R149 772 988	R160 189 203	R194 020 872	R121 024 983
Klapmuts Functional Area	R49 540 000	R19 250 000	R31 849 937	R36 886 831	R21 191 241	R15 496 840
Koelenhof Functional Area	R103 450 835	R46 151 837	R56 189 225	R114 124 108	R107 976 792	R145 665 022
No Intersect	R0	R18 416	R28 880	R243 726	R120 333	R169 967
Not Mapped	R18 500 000	R22 800 000	R5 500 000	R500 000	R500 000	R500 000
Outside Functional Area	R113 637 662	R95 489 503	R111 016 834	R95 757 188	R77 241 110	R45 683 492
Stellenbosch Functional Area	R213 913 094	R123 728 756	R74 873 300	R145 187 280	R145 601 678	R168 102 709
Vlottenburg Functional Area	R66 415 824	R40 504 340	R18 741 864	R26 798 060	R33 906 269	R36 901 060
Grand Total	R703 544 215	R500 942 414	R497 952 029	R606 210 397	R604 287 795	R571 670 133

Functional Area Intersect	2026/27	2027/28	2028/29	2029/30	Total	Percentage
Administrative HQ	R47 095 164	R48 276 302	R66 945 472	R22 523 000	R446 531 098	7%
City Wide	R97 017 450	R85 043 104	R86 271 278	R102 946 185	R1 164 039 825	19%
Klapmuts Functional Area	R14 748 374	R9 047 703	R4 438 310	R24 186 198	R226 635 435	4%
Koelenhof Functional Area	R194 984 858	R180 369 231	R150 480 051	R171 712 964	R1 271 104 921	21%
No Intersect	R20 365	R19 325	R131 958	R0	R752 970	0%
Not Mapped	R500 000	R500 000	R500 000	R6 300 000	R56 100 000	1%
Outside Functional Area	R42 141 114	R32 267 848	R27 902 427	R57 767 213	R698 904 392	11%
Stellenbosch Functional Area	R238 521 353	R237 383 622	R215 382 652	R221 563 406	R1 784 257 850	29%
Vlottenburg Functional Area	R51 577 654	R34 037 585	R50 296 240	R71 311 395	R430 490 290	7%
Grand Total	R686 606 331	R626 944 718	R602 348 388	R678 310 361	R6 078 816 781	100%

From Table 71 it can be seen that 29% of the 10 year capital expenditure will occur in the Stellenbosch Functional Area, followed by 21% in the Koelenhof Functional Area. 7% of the capital expenditure will be allocated to Vlottenburg and 4% to Klapmuts. Considering the Investment paradigm of Stellenbosch, it is evident that Capital expenditure has been guided by the Prioritisation and budget scenario mechanisms towards the desired urban form. Subsequently, 11% of the capital expenditure is allocated outside the urban form, which relates to the principle of spatial justice.

Please note the following:

- Duplication of a project's budget is possible as the functional area, based on a 10 minute drive time overlap between most of the identified functional areas;
- No intersect refers to a portion of projects that falls outside the municipality's jurisdiction, and;
- Not Mapped refers to projects that that do not have geo-spatial data.



Map 23: Functional Area Programme based analysis

10.4 Priority Development Areas Budget Split

For this part of this section, the 2020/2021 capital expenditure framework has been expressed in terms of the Priority Development Areas. It seeks to identify the degree of spatial targeting achieved by the municipality.

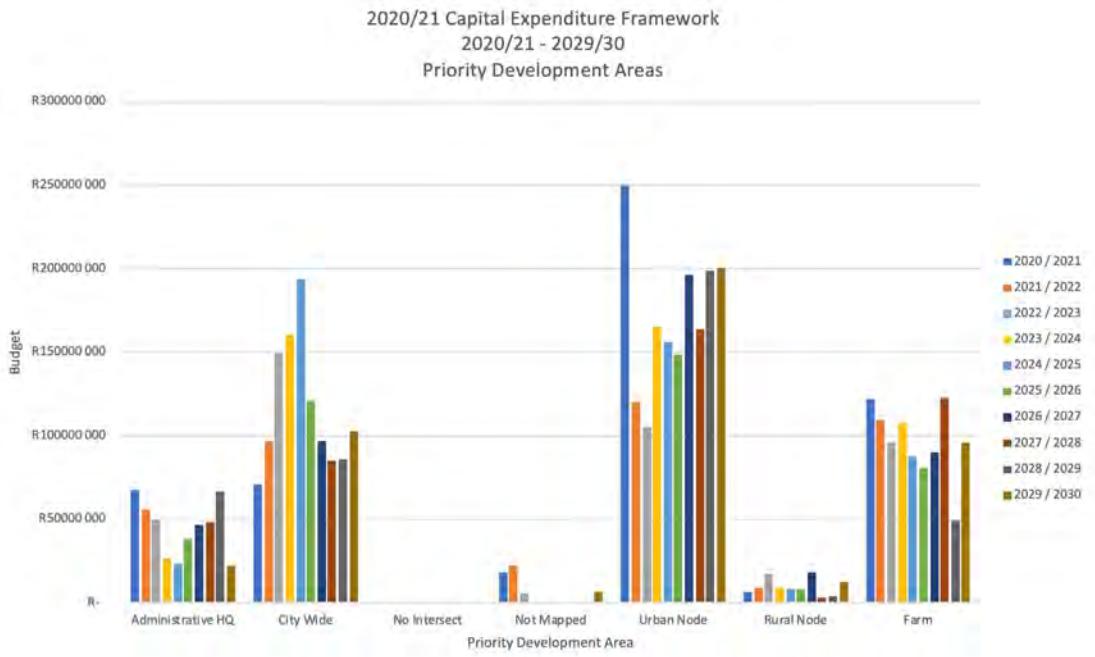


Figure 91: Programme totals per Priority Development Area

Priority Development Area	2020/21	2021/22	2022/23	2023/24	2024/25	2026/26
Administrative HQ	R67 316 800	R56 015 800	R49 979 000	R26 524 000	R23 729 500	R38 126 060
City Wide	R70 770 000	R96 983 762	R149 772 988	R160 189 203	R194 020 872	R121 024 983
No Intersect	R137 353	R18 416	R241 057	R660 298	R213 380	R956 102
Not Mapped	R18 500 000	R22 800 000	R5 500 000	R500 000	R500 000	R500 000
Urban Node	R249 628 710	R120 489 696	R105 702 324	R165 168 761	R155 987 837	R148 789 640
Rural Node	R6 396 405	R9 508 584	R17 215 246	R9 076 177	R8 452 909	R8 539 467
Farm	R122 046 993	R109 203 305	R96 411 373	R108 103 514	R87 705 875	R80 986 792
Grand Total	R534 796 260	R415 019 562	R424 821 988	R470 221 953	R470 610 372	R398 923 043

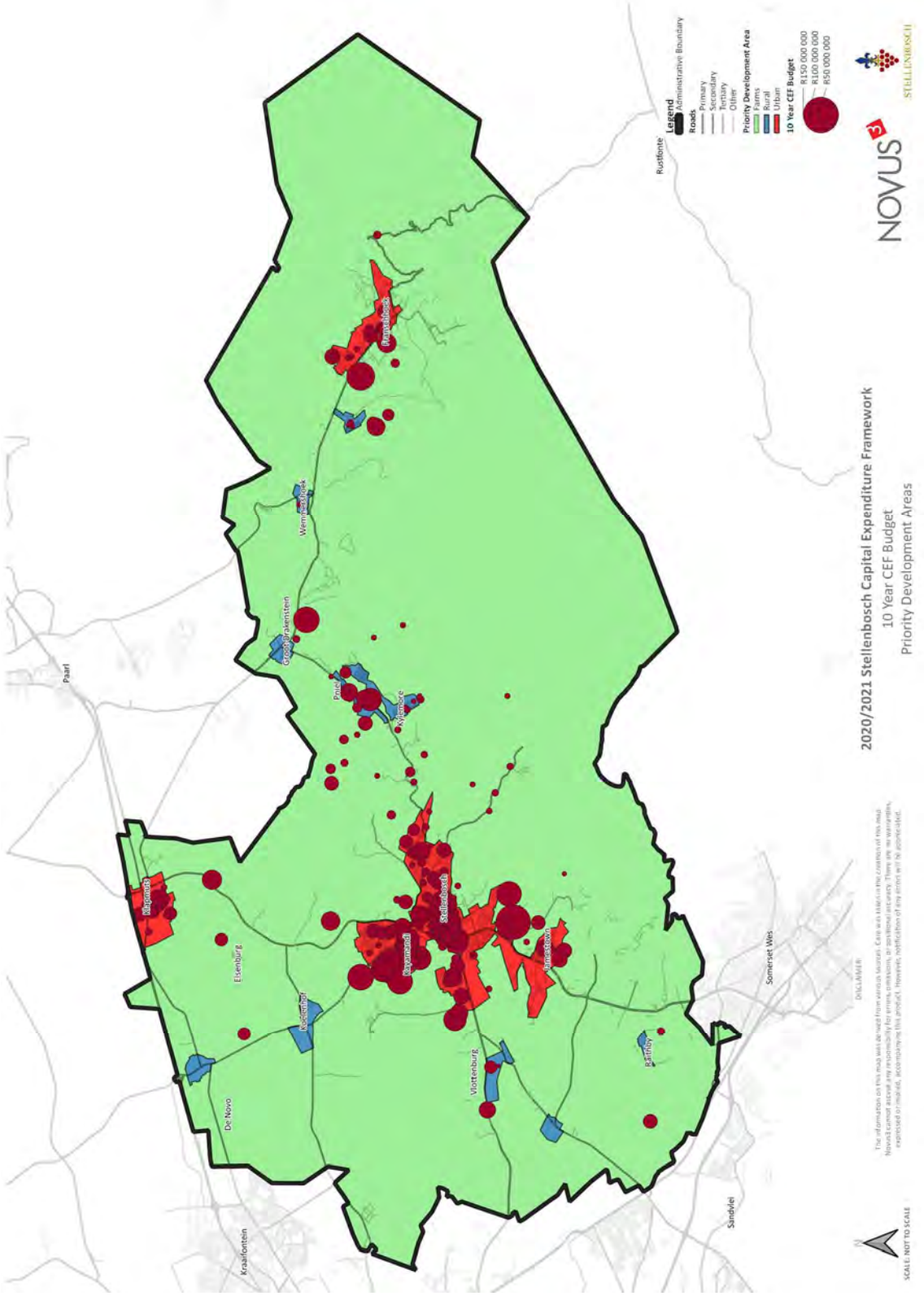
Priority Development Area	2026/27	2027/28	2028/29	2029/30	Total	Percentage
Administrative HQ	R47 095 164	R48 276 302	R66 945 472	R22 523 000	R446 531 098	10%
City Wide	R97 017 450	R85 043 104	R86 271 278	R102 946 185	R1 164 039 825	26%
No Intersect	R200 832	R65 848	R573 162	R133 463	R3 199 910	0%
Not Mapped	R500 000	R500 000	R500 000	R6 300 000	R56 100 000	1%
Urban Node	R196 533 539	R163 671 609	R199 297 391	R200 359 685	R1 705 629 192	38%
Rural Node	R18 594 731	R3 685 753	R3 810 095	R12 756 487	R98 035 852	2%
Farm	R90 200 898	R122 798 790	R49 347 452	R95 794 466	R962 599 458	22%
Grand Total	R450 142 614	R424 041 406	R406 744 850	R440 813 285	R4 436 135 335	100%

Table 72: Programme total per Priority Development Areas

Table 72 is indicative that 38% of the municipality's capital expenditure is assigned to the Urban Node Area, with only 2% allocated to Rural and 22% to Farm areas. This leaves the municipality with the remainder of the budget (equal to one MTREF) as Administrative HQ or City wide.

Please note the following:

- Duplication of a project's budget is possible as the functional area, based on a 10 minute drive time overlap between most of the identified functional areas;
- No intersect refers to a portion of projects that falls outside the municipality's jurisdiction, and;
- Not Mapped refers to projects that that do not have geo-spatial data.



Map 24: Priority Development area based analysis

10.5 Ward based Budget Split

This part of this section looks at the 2020/2021 capital expenditure framework has been expressed in terms of the municipality's wards. It seeks to identify the degree of spatial targeting achieved by the municipality in terms of ward based budget distribution.

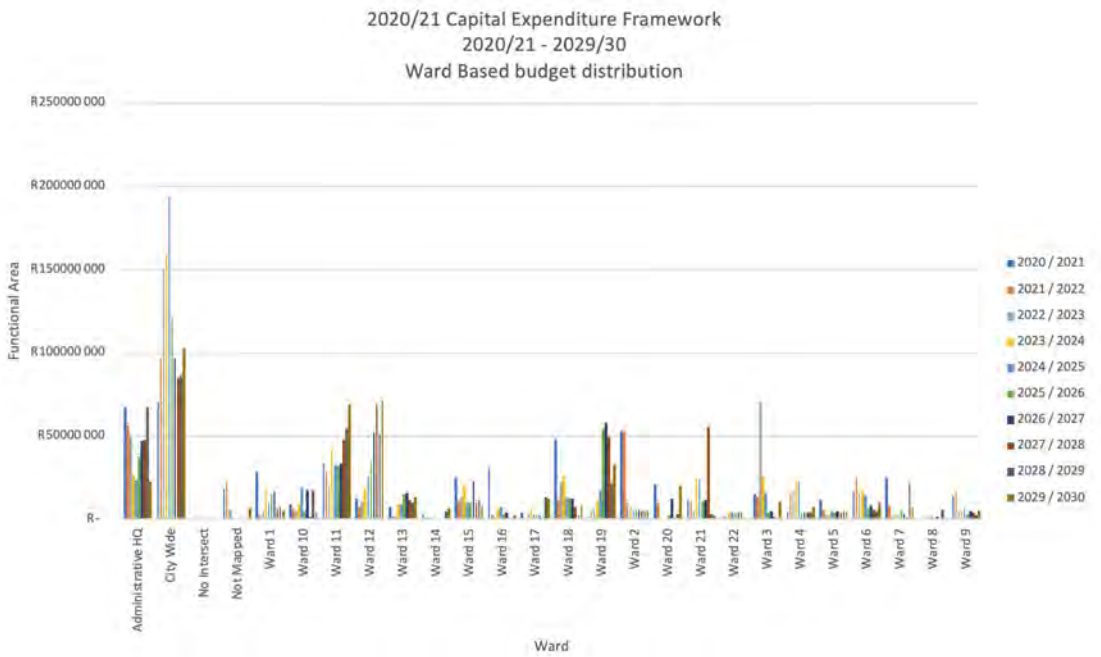


Figure 92: Programme totals per Ward

Ward	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026
Administrative HQ	R67 316 800	R56 015 800	R49 979 000	R26 524 000	R23 729 500	R38 126 060
City Wide	R70 770 000	R96 983 762	R149 772 988	R160 189 203	R194 020 872	R121 024 983
No Intersect	R137 353	R18 416	R241 019	R659 866	R213 380	R956 023
Not Mapped	R18 500 000	R22 800 000	R5 500 000	R500 000	R500 000	R500 000
Ward 01	R28 622 880	R2 406 815	R5 157 133	R18 318 957	R10 226 803	R15 295 479
Ward 02	R53 055 350	R53 330 317	R10 198 634	R8 195 921	R5 340 501	R5 580 880
Ward 03	R14 945 103	R13 160 165	R70 413 518	R26 426 779	R16 285 909	R4 466 294
Ward 04	R3 897 124	R15 636 904	R16 539 097	R22 648 763	R22 371 600	R4 401 545
Ward 05	R11 272 161	R6 138 771	R2 578 242	R2 548 853	R5 130 083	R4 304 333
Ward 06	R16 493 883	R25 027 623	R16 066 539	R17 157 551	R14 441 361	R6 727 105
Ward 07	R25 236 665	R8 399 169	R2 248 771	R3 374 319	R2 585 439	R5 386 912
Ward 08	R524 165	R606 447	R503 710	R1 582 897	R1 641 718	R953 962
Ward 09	R14 557 979	R16 411 733	R5 123 581	R4 577 580	R6 350 143	R3 685 263
Ward 10	R9 350 328	R6 481 436	R4 847 723	R9 154 950	R19 243 195	R5 262 229
Ward 11	R33 311 507	R28 163 083	R19 822 001	R41 696 424	R32 996 003	R31 748 118
Ward 12	R12 536 754	R7 137 303	R10 810 757	R18 053 800	R26 053 707	R34 742 992
Ward 13	R7 190 125	R1 793 297	R1 911 422	R8 979 763	R9 127 895	R14 808 426
Ward 14	R3 096 717	R1 624 347	R1 073 005	R1 400 187	R700 548	R408 540
Ward 15	R25 407 022	R10 892 613	R13 132 355	R19 826 479	R10 118 622	R9 590 325
Ward 16	R31 363 565	R2 565 406	R537 921	R6 856 372	R7 113 775	R3 530 269
Ward 17	R3 714 674	R547 819	R3 538 029	R6 300 938	R3 159 242	R2 637 588
Ward 18	R48 171 513	R11 951 404	R22 416 449	R25 973 074	R13 522 553	R12 235 967
Ward 19	R1 457 158	R4 319 961	R6 744 636	R11 057 605	R17 258 499	R54 973 284
Ward 20	R21 028 088	R10 303 724	R456 058	R12 172	R12 172	R2 765 479
Ward 21	R11 782 208	R10 866 192	R4 720 854	R24 355 946	R24 378 442	R10 594 280
Ward 22	R1 057 139	R1 437 057	R488 546	R3 849 557	R4 088 410	R4 216 708
Grand Total	R534 796 261	R415 019 563	R424 821 989	R470 221 955	R470 610 374	R398 923 044

Ward	2026 / 2027	2027 / 2028	2028 / 2029	2029 / 2030	Total	Percentage
Administrative HQ	R47 095 164	R48 276 302	R66 945 472	R22 523 000	R446 531 098	10%
City Wide	R97 017 450	R85 043 104	R86 271 278	R102 946 185	R1 164 039 825	26%
No Intersect	R200 821	R65 848	R573 063	R133 464	R3 199 253	0%
Not Mapped	R500 000	R500 000	R500 000	R6 300 000	R56 100 000	1%
Ward 01	R17 019 342	R6 370 032	R7 368 756	R4 877 660	R115 663 857	3%
Ward 02	R5 943 679	R4 820 889	R4 845 071	R5 795 745	R157 106 987	4%
Ward 03	R5 192 505	R1 474 060	R943 871	R11 244 160	R164 552 362	4%
Ward 04	R4 239 536	R4 169 233	R4 357 819	R7 555 004	R105 816 624	2%
Ward 05	R4 710 714	R3 844 550	R4 782 823	R5 028 978	R50 339 507	1%

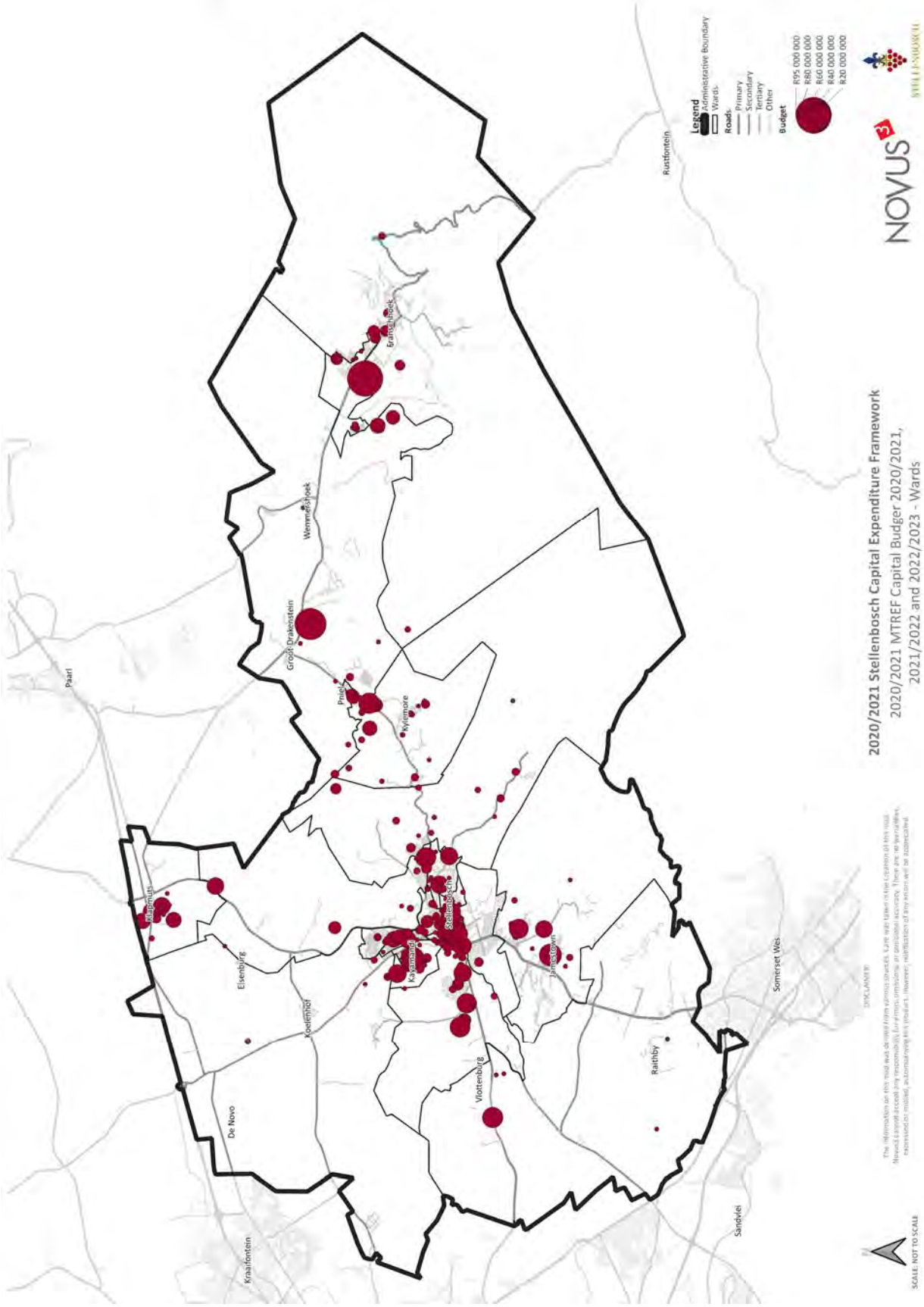
Ward	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026
Ward 06	R8 621 185	R5 921 520	R5 028 518	R10 275 371	R125 760 656	3%
Ward 07	R3 490 542	R1 405 015	R21 531 803	R7 173 309	R80 831 945	2%
Ward 08	R1 872 235	R633 457	R5 557 444	R352 615	R14 228 651	0%
Ward 09	R5 143 674	R3 774 976	R2 248 279	R4 875 425	R66 748 632	2%
Ward 10	R17 539 938	R1 214 598	R17 814 645	R3 957 751	R94 866 793	2%
Ward 11	R33 956 669	R47 984 932	R54 766 857	R68 616 427	R393 062 021	9%
Ward 12	R52 093 269	R69 007 756	R51 679 176	R71 311 741	R353 427 256	8%
Ward 13	R15 882 366	R11 472 617	R9 790 232	R13 033 026	R93 989 170	2%
Ward 14	R412 937	R487 220	R5 033 794	R6 866 099	R21 103 394	0%
Ward 15	R22 982 369	R9 765 362	R11 491 561	R8 532 087	R141 738 794	3%
Ward 16	R3 921 417	R808 145	R555 518	R2 656 313	R59 908 703	1%
Ward 17	R2 838 324	R825 418	R13 336 254	R12 284 045	R49 182 332	1%
Ward 18	R12 800 203	R7 192 439	R2 298 396	R8 325 713	R164 887 710	4%
Ward 19	R58 026 605	R49 538 121	R22 137 680	R32 683 849	R258 197 397	6%
Ward 20	R12 700 487	R-	R3 363 832	R20 309 393	R70 951 405	2%
Ward 21	R11 563 395	R55 390 810	R3 269 091	R2 257 969	R159 179 186	4%
Ward 22	R4 377 792	R4 055 009	R253 621	R904 287	R24 728 127	1%
Grand Total	R450 142 618	R424 041 412	R406 744 854	R440 819 616	R4 436 141 687	100%

Table 73: Programme total per Ward

36% Of the municipality's capital expenditure are assigned to assets of an Administrative HQ or City wide nature. This means that 64% of the budget should be distributed between 22 wards.

Please note the following:

- Duplication of a project's budget is possible as the query layer contain delineations of different PDA's which overlaps at the same spot;
- No intersect refers to a portion of projects that falls outside the municipality's jurisdiction, and, and;
- Not Mapped refers to projects that that do not have geo-spatial data.



Map 25: MTREF Capital Budget per Ward

10.6 Discipline based Budget Split

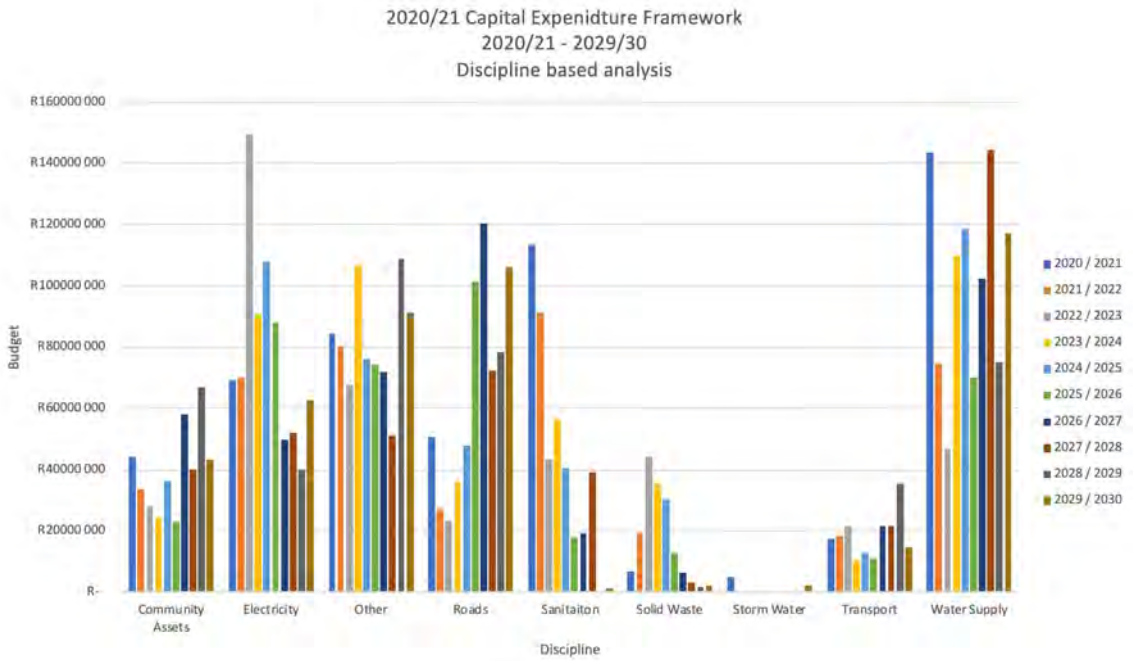


Figure 93: 2029/2030 MTREF Capital budget focussed on basic service delivery

Table 74: 2029/2030 MTREF Capital Budget focussed on basic service delivery

Discipline	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026
Community Assets	R44 349 347	R33 620 000	R28 115 000	R24 500 000	R36 650 000	R23 250 000
Electricity	R68 980 000	R70 301 853	R149 506 738	R91 043 418	R107 741 842	R88 335 250
Other	R84 426 800	R80 141 809	R67 600 250	R106 583 535	R75 988 530	R74 194 733
Roads	R50 650 682	R27 150 000	R23 350 000	R36 200 000	R47 900 000	R101 400 000
Sanitation	R113 384 431	R91 400 000	R43 200 000	R56 200 000	R40 500 000	R18 000 000
Solid Waste	R7 000 000	R19 500 000	R44 400 000	R35 600 000	R30 500 000	R12 800 000
Storm Water	R5 000 000	R-	R-	R-	R-	R-
Transport	R17 450 000	R18 325 000	R21 550 000	R10 445 000	R12 850 000	R10 963 060
Water Supply	R143 555 000	R74 580 900	R47 100 000	R109 650 000	R118 480 000	R69 980 000
Grand Total	R 558 276 528	R 414 612 759	R 426 337 700	R 373 996 754	R 384 977 719	R 397 007 956

Discipline	2026 / 2027	2027 / 2028	2028 / 2029	2029 / 2030	Total	%
Community Assets	R58 210 000	R39 950 000	R66 880 000	R43 180 000	R398 704 347	9%
Electricity	R49 819 866	R52 307 503	R40 084 176	R62 569 201	R780 689 847	18%
Other	R72 015 584	R51 082 601	R108 705 202	R91 201 884	R811 940 928	18%
Roads	R120 600 000	R72 400 000	R78 400 000	R105 925 200	R663 975 882	15%
Sanitation	R19 250 000	R39 300 000	R300 000	R1 550 000	R423 084 431	10%
Solid Waste	R6 400 000	R3 200 000	R1 700 000	R2 200 000	R163 300 000	4%
Storm Water	R-	R-	R200 000	R2 200 000	R7 400 000	0%
Transport	R21 617 164	R21 571 302	R35 345 472	R14 707 000	R184 823 998	4%
Water Supply	R102 230 000	R144 230 000	R75 130 000	R117 280 000	R1 002 215 900	23%
Grand Total	R450 142 614	R424 041 406	R406 744 850	R440 813 285	R4 436 135 333	100%

29% of the CEF is assigned to Roads, Sanitation and Solid Waste infrastructure disciplines respectively. Of concern is that no asset type that relates to Storm water are noted – however this could be a function of classification, rather than actual projects not receiving any capital in this regard. Community Assets is allocated 9%, while Electricity sitting on 18% of the capital expenditure. The discipline based budget split has been compiled based on the MSCOA project segment category per project. Please refer to Table 75 below:

Table 75: MSCOA – Type Category and Discipline relationship

Discipline	MSCOA - Type Category
Community Assets	Community Assets
Community Assets	Libraries

Discipline	MSCOA - Type Category
Electricity	Electrical Infrastructure
Roads	Roads Infrastructure
Sanitation	Sanitation Infrastructure
Solid Waste	Solid Waste Infrastructure
Storm Water	Storm water Infrastructure
Transport	Transport Assets
Water Supply	Water Supply Infrastructure
Other	Biological or Cultivated Assets
Other	Computer Equipment
Other	Expanded Public Works Programme
Other	Furniture and Office Equipment
Other	Heritage Assets
Other	Indigent and Cultural Management and Services
Other	Information and Communication Infrastructure
Other	Intangible Assets
Other	Investment Properties
Other	Machinery and Equipment
Other	Other Assets
Other	Spatial Planning
Other	Strategic Management and Governance
Other	(blank)

10.7 Asset type budget split

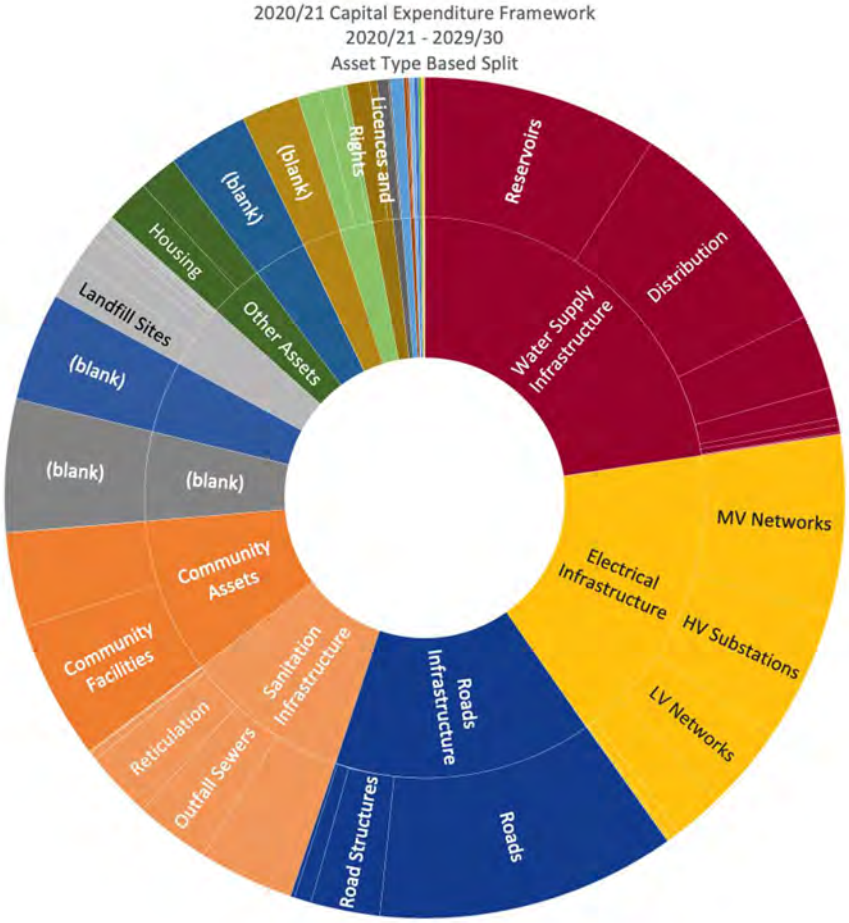


Figure 94: 2020/21 – 2029/30 Asset type budget split

From the sunburst diagram it is clear that Roads Infrastructure, Water Supply Asset and Electrical Infrastructure types represent a large portion of the 10 year capital expenditure framework. An approximate of a quarter of the portion is allocated to Community Assets, Sanitation Infrastructure as well as Housing. It should be noted that the category “blank” refers to one of two options: Firstly, the option exists that not all information has been captured. Secondly, the asset type selection is at its lowest reporting level, leaving the next selection redundant and so not possible – relating “blank” classifications.

10.8 Poor:Non Poor Expenditure

The IUDF guides municipalities to reconfigure urban spaces, from the inherited segregated spatial structure form to an integrated and optimally functional built environment. In order to do that noteworthy steps should be taken toward redeveloping and reconfiguring the spatial structure of today. One step towards achieving the vision of the IUDF is to identify the capital expenditure towards poor and non-poor communities. The CEF guidelines , in this regard, claims that a municipality should have the ability to report on the percentage of capital expenditure in poor versus non poor areas. This is however a difficult task for the following reasons:

- The definition of "poor":"non-poor" is not clear;
- The definition of an "indigent" population is broadly defined;
- Municipal wide information that relates to metrics qualifying one as "indigent" is not commonly available;
- Various criticism exists for only using income as a measure as it does not necessarily relate to elements such as housing structures, access to services, levels of services, education, population density, household dynamics etc;
- The majority of data sources relies on pseudo-realistic interpretations of the number of people within a specific area, and;
- By framing the question of poor : non-poor expenditure with respect to the current urban form, together with the principle to increase capital expenditure in non-poor areas, forces the municipality to perpetuate the segregates spatial structure.

- Regardless of the technical pitfalls noted above, it is still possible to take a relative simplistic view on where the poor and non-poor population is situated within the municipality, followed by where the capital expenditure occurs which enables the municipality to determine the poor : non-poor capital expenditure ratio.

10.8.1 Step-wise process to calculate the poor : non-poor capital expenditure ratio

- The following section will plot the process used to calculate the poor : non-poor capital expenditure ratio.
  - Step 1: Generate 500m hexagon grid
  - Step 2: Determine household distribution
  - Step 3: Identify households per hexagon
  - Step 4: Calculate household income ratio per hexagon
  - Step 5: Calculate capital expenditure per hexagon
  - Step 6: Calculate capital expenditure per income class

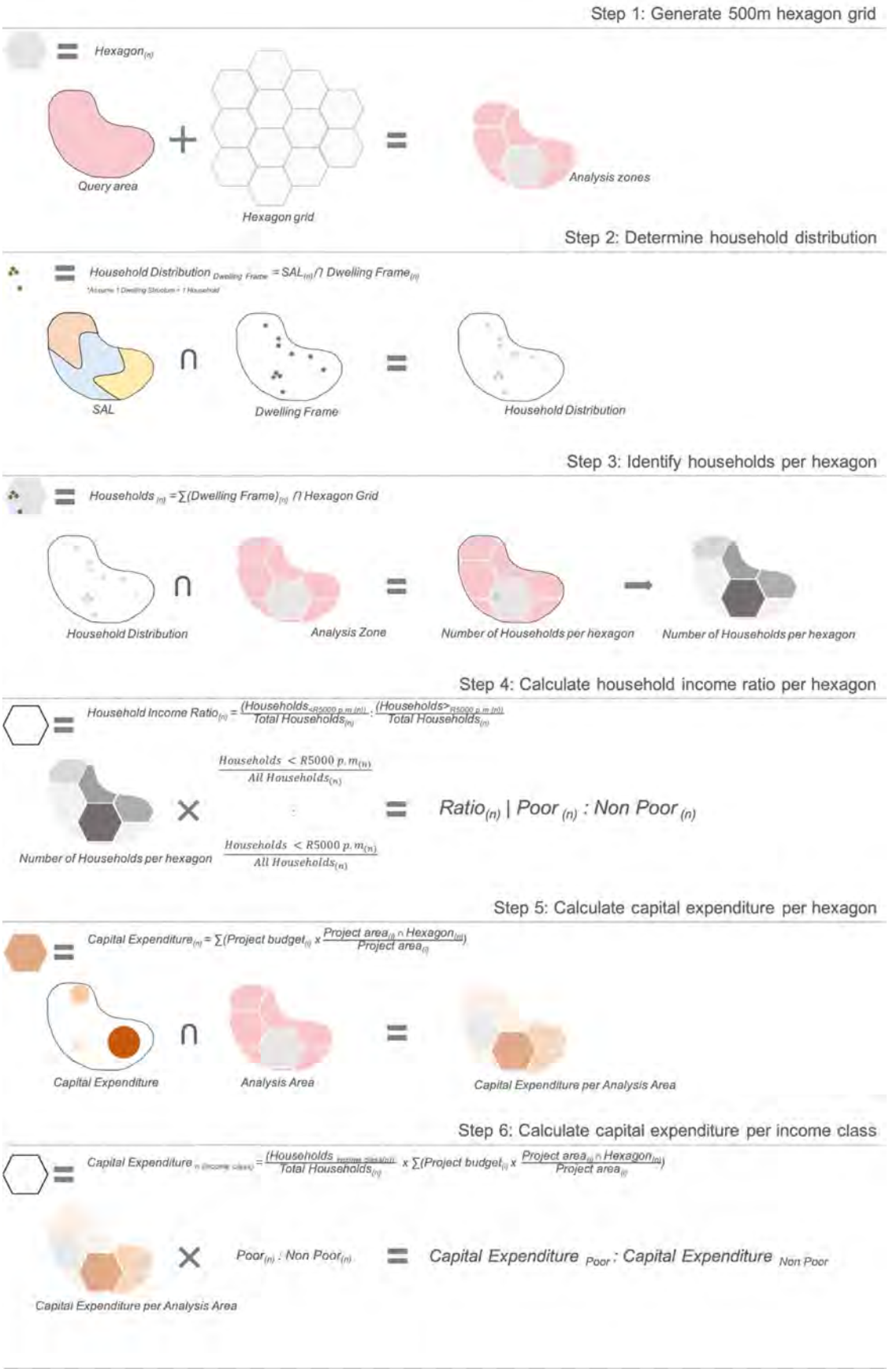


Figure 95: Poor : non-poor calculation process

10.8.2 Poor : non-poor capital expenditure ratio

- The following section will discuss the results after applying the poor vs non poor calculation methodology.

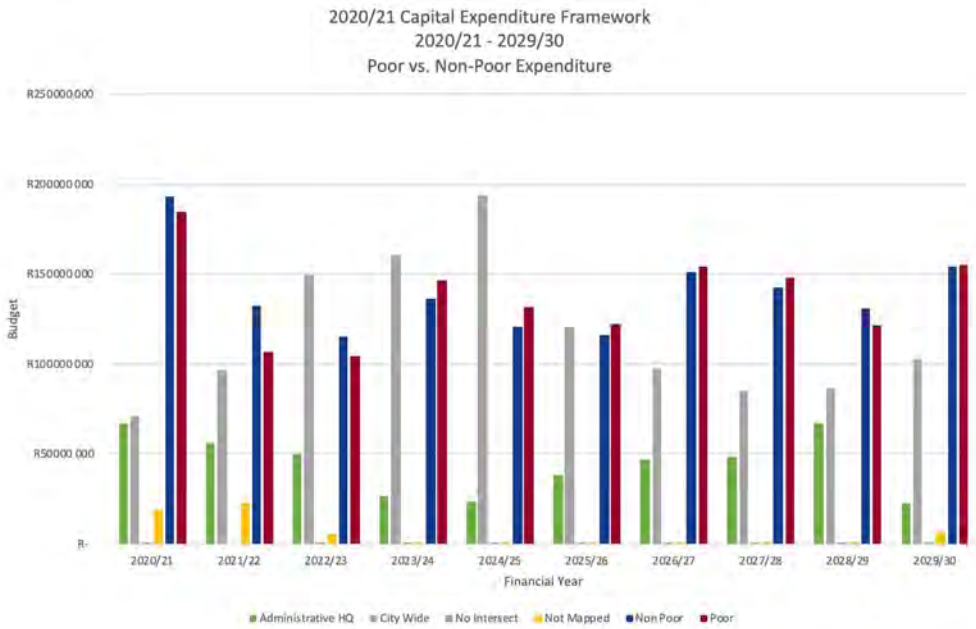


Figure 96: Poor : Non Poor capital expenditure ratio

Table 76: Poor : Non Poor capital expenditure ratio

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Administrative HQ	R67 316 800	R56 015 800	R49 979 000	R26 524 000	R23 729 500	R38 126 060
City Wide	R70 770 000	R96 983 762	R149 772 988	R160 189 203	R194 020 872	R121 024 983
No Intersect	R118 994	R1	R157 986	R211 856	R149 443	R863 150
Not Mapped	R18 500 000	R22 800 000	R5 500 000	R500 000	R500 000	R500 000
Non Poor	R193 398 297	R132 437 475	R115 136 620	R136 096 154	R120 914 672	R116 145 077
Poor	R184 673 841	R106 755 030	R104 213 090	R146 700 741	R131 295 886	R122 219 800
Total	R534 777 932	R414 992 068	R424 759 684	R470 221 954	R470 610 373	R398 879 070
Poor : Non Poor	**1 : 1**	**1 : 0,8**	**1 : 0,9**	**1 : 1,1**	**1 : 1,1**	**1 : 1,1**

	2026/27	2027/28	2028/29	2029/30	Total	%
Administrative HQ	R47 095 164	R48 276 302	R66 945 472	R22 523 000	R446 531 098	10%
City Wide	R97 017 450	R85 043 104	R86 271 278	R102 946 185	R1 164 039 825	26%
No Intersect	R162 744	R55 214	R430 352	R103 410	R2 253 150	0%
Not Mapped	R500 000	R500 000	R500 000	R6 300 000	R56 100 000	1%
Non Poor	R151 063 016	R142 126 431	R131 176 728	R154 125 050	R1 392 619 519	31%
Poor	R154 271 263	R148 040 357	R121 377 049	R154 802 883	R1 374 349 940	31%
Total	R450 109 637	R424 041 408	R406 700 878	R440 800 528	R4 435 893 532	100%
Poor : Non Poor	**1 : 1**	**1 : 1**	**1 : 0,9**	**1 : 1**	**1 : 1**	**1 : 1**

The most significant findings of the results are that over the next ten years, there is a rand-for-rand spending on the non-poor and pro-poor areas. There are three financial years respectively that illustrate a ration that is favourable to pro-poor development and two financial years where there is a noticeable reserve. This is a good indication for integrated planning and equitable expenditure – specifically deriving from the principles of spatial targeting.

Section 11 Capital Expenditure Implementation Plan

11 Capital Expenditure Implementation Plan

11.1 Contextualisation

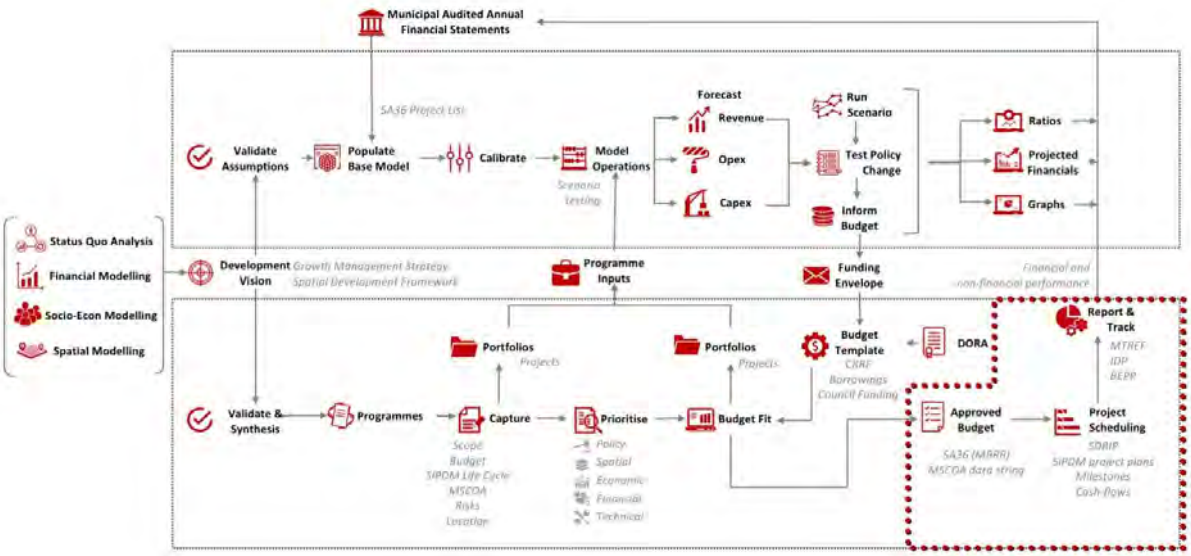


Figure 97: Capital Expenditure Implementation Plan

Once the ten year Capital Expenditure Framework has been set up as a result of the prioritisation and budget scenario process, a three year Capital Expenditure Implementation follows. In order to manage Capital Expenditure Implementation, National Government, through the MFMA has established the Medium Term Revenue and Expenditure Framework (MTREF). The MTREF is a rolling three-year expenditure planning tool and defines the expenditure priorities for a period of three years.

This section depicts the first three years of implementation. It show an estimation of the following implementation frameworks, however, one must take cognisance of the fact that the municipal planning and implementation process is ongoing and that the implementation framework will be adjusted as new capital demand is introduced to the Capital Expenditure Framework.

It is important to note that the Capital Expenditure Framework process must be aligned with the municipal budgeting process. This document will be submitted for approval with the final MTREF budget. The first three year therefore align 100% with the MTREF budget.

11.2 2020/2021 – 2022/23 Budget Analysis

The budget analysis will be done in terms of the total Capital Expenditure Framework. In some instance capital expenditure in the MTREF might seem without goal, but understanding that the budget is drafted with a ten year Capital Expenditure Framework in mind, it will be easier to rationalise several findings.

Given that the whole budgeting process up to this point has been done with the assistance of the CP3 platform, it is now possible to analyse the budget not only in terms of the total Capital Expenditure Framework, but also in terms of key project related information. It is therefore essential to plan on a project level – this enables to grouping and analysis of several project attributes.

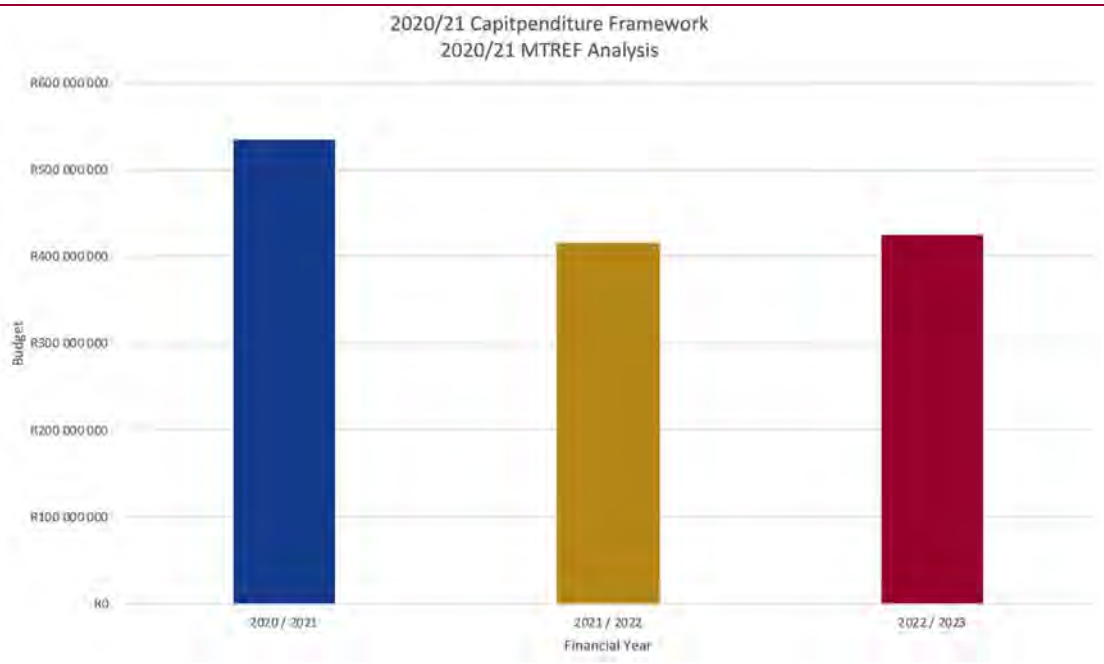


Figure 98: 2020/21 MTREF Annual Summary

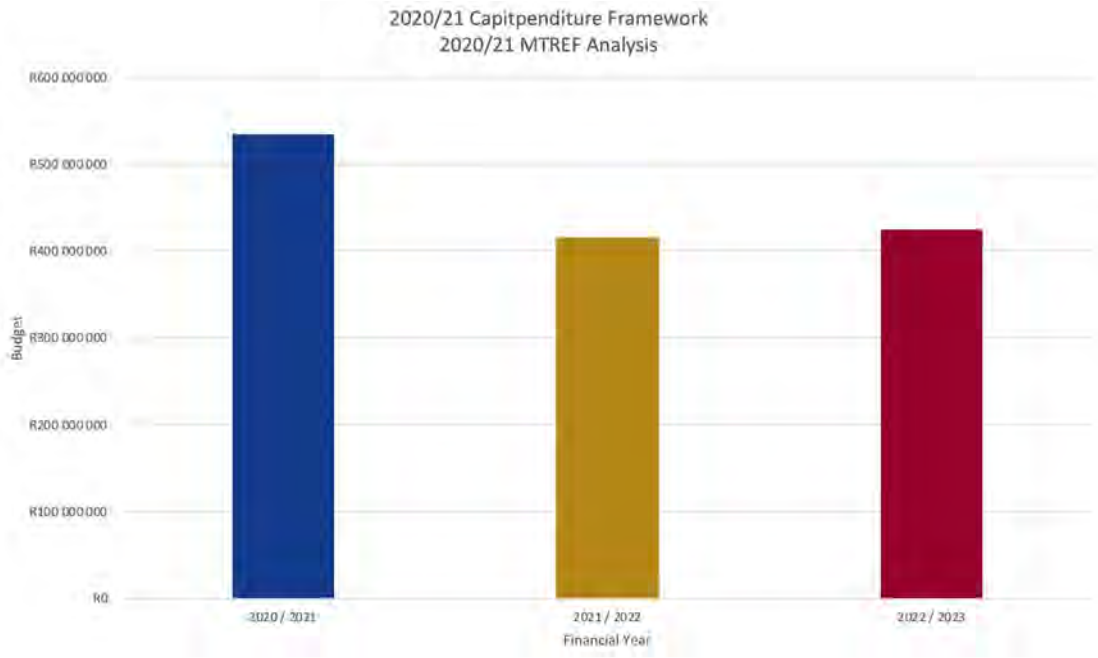
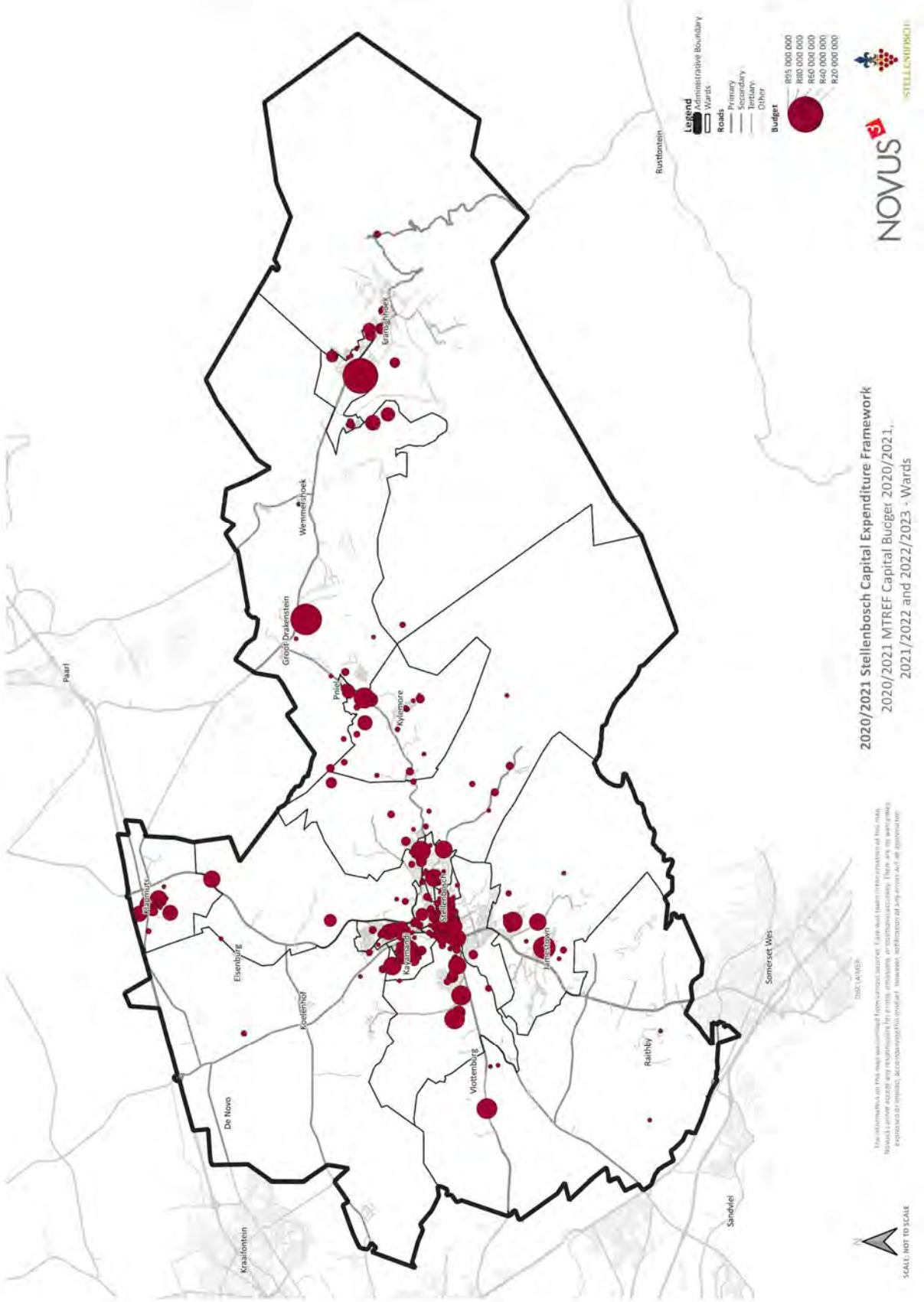


Figure 98 illustrates the 2020/21_MTREF for Stellenbosch Municipality. An observation from the graph shows that the first Financial Year (FY)represents an increased capital expenditure, as compared the following Financial Years. The heightened capital expenditure in first FY is due to the municipality's instruction to accelerate expenditure, in order to improve service delivery. The maps below are illustrative of the spatial distribution across the municipality during the three financial years

11.2.1 2020/2021 MTREF Capital Budget by Financial year



Map 26: 2020/21 MTREF Capital Budget by Financial year

11.2.2 2020/2021 MTREF Capital Budget by Unit

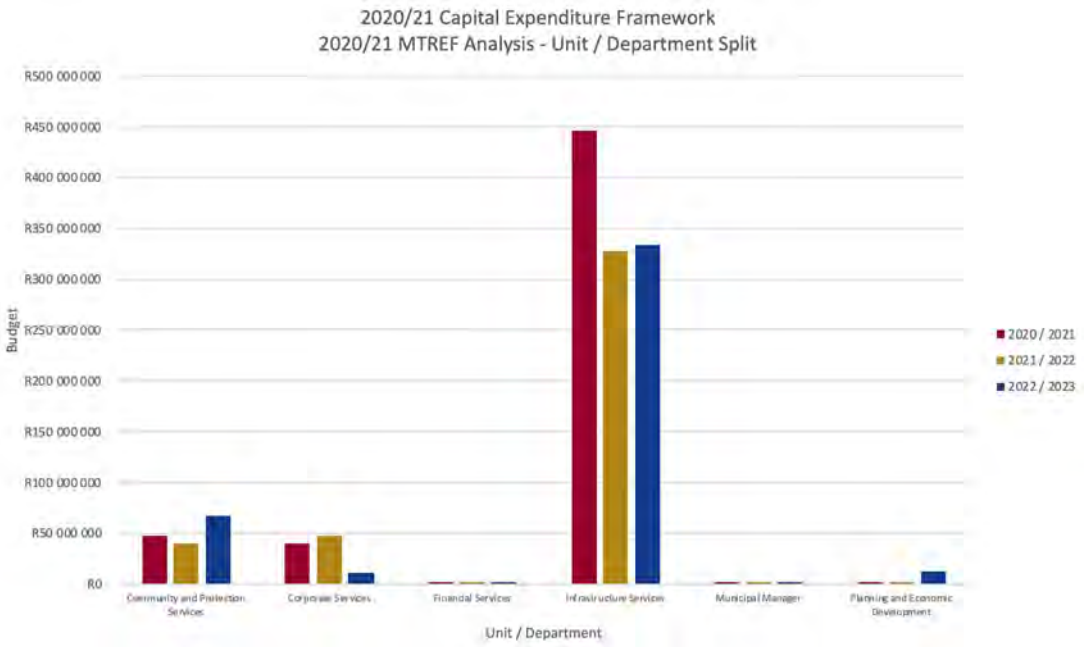


Figure 99: 2020/21 MTREF Capital budget per directorate

Row Labels	2020 / 2021	2021 / 2022	2022 / 2023	Total MTREF	%
Community and Protection Services	R47 889 347	R39 480 000	R67 200 000	R154 569 347	11%
Corporate Services	R39 450 000	R48 050 000	R11 650 000	R99 150 000	7%
Financial Services	R850 000	R200 000	R200 000	R1 250 000	0%
Infrastructure Services	R446 035 113	R327 026 762	R333 157 988	R1 106 219 863	80%
Municipal Manager	R40 000	R44 000	R49 000	R133 000	0%
Planning and Economic Development	R531 800	R218 800	R12 565 000	R13 315 600	1%
Grand Total	R534 796 260	R415 019 562	R424 821 988	R1 374 637 810	100%

80% of the capital expenditure in the MTREF is allocated to Infrastructure services – with specific focus on Water services and Sanitation. Community and Protection Services as well as Corporate Service receive a combined 18% total of capital expenditure in the MTREF, while Planning and Economic Development get 1% of the MTREF capital budget.

11.2.3 2020/2021 MTREF Capital Budget by mSCOA Expenditure and class

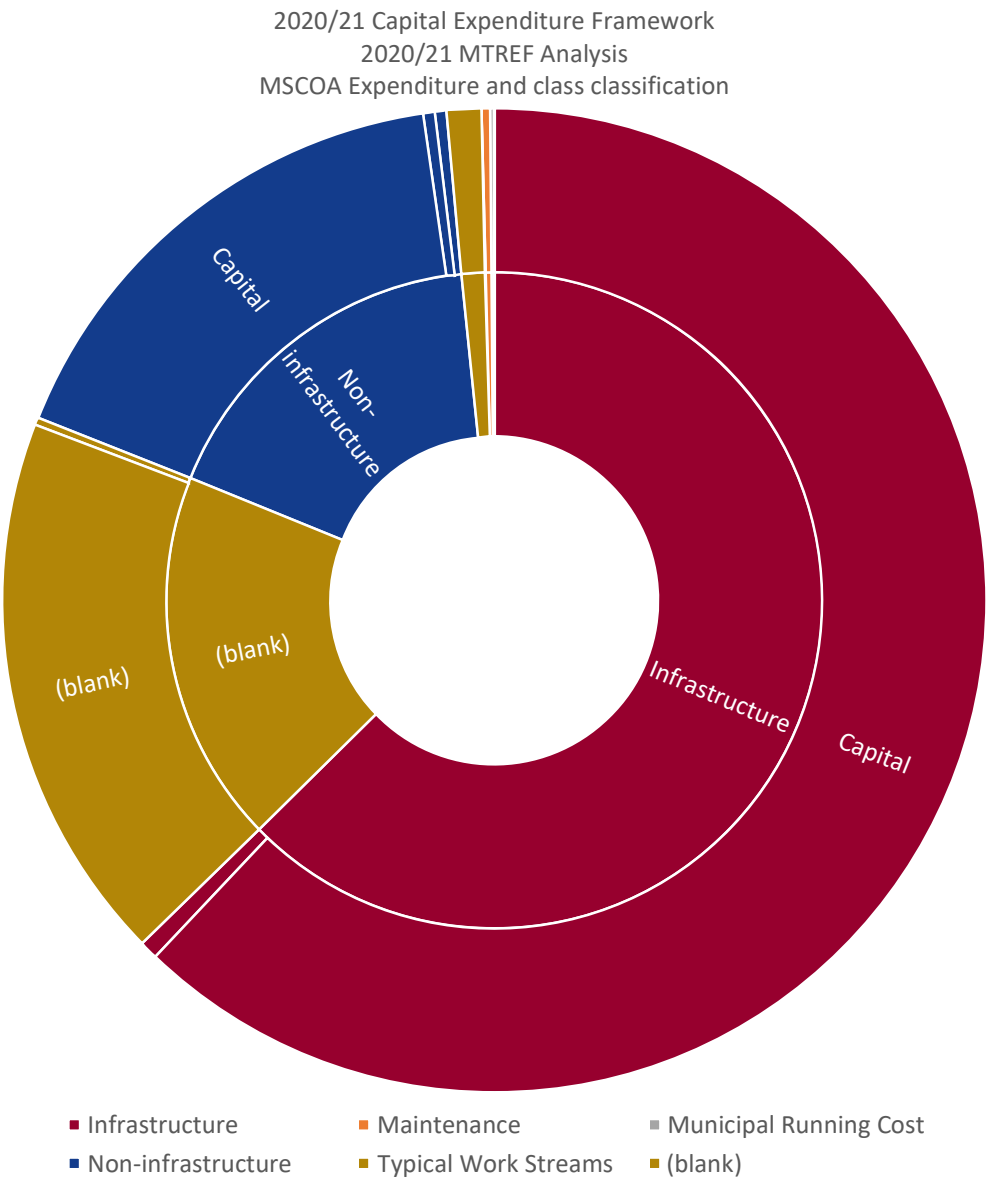


Figure 100: mSCOA Expenditure and class segment

This mSCOA segment aims to distinguish project based on existing or new assets. From Figure 100, it is indicative that the majority of capital expenditure across the analysis period relates to Infrastructure assets, of which the majority is reported as capital expenditure. "(blank)" refers to capital related to projects that are either not classified, or projects that exhausted their options of selections in another mSCOA segment – alternatively explained as "not applicable".

Table 77: mSCOA Expenditure and class segment

mSCOA Segment	2020/21	2021/22	2022/23	Total	%
Capital	R458 616 913	R333 597 109	R293 249 702	R1 085 463 724	79%
Infrastructure	R375 375 113	R259 330 300	R218 919 452	R853 624 865	62%
Non-infrastructure	R82 941 800	R73 966 809	R71 830 250	R228 738 859	17%
(blank)	R300 000	R300 000	R2 500 000	R3 100 000	0%
Operational	R4 650 000	R5 900 000	R15 850 000	R26 400 000	2%
Maintenance	R-	R-	R3 850 000	R3 850 000	0%

mSCOA Segment	2020/21	2021/22	2022/23	Total	%
Municipal Running Cost	R750 000	R1 000 000	R-	R1 750 000	0%
Non-infrastructure	R1 500 000	R1 500 000	R2 000 000	R5 000 000	0%
Typical Work Streams	R2 400 000	R3 400 000	R10 000 000	R15 800 000	1%
(blank)	R-	R-	R-	R-	0%
(blank)	R71 529 347	R75 522 453	R115 722 286	R262 774 086	19%
Infrastructure	R4 045 000	R2 280 900	R2 330 000	R8 655 900	1%
Non-infrastructure	R2 504 347	R1 000 000	R1 535 000	R5 039 347	0%
(blank)	R64 980 000	R72 241 553	R111 857 286	R249 078 839	18%
Grand Total	R534 796 260	R415 019 562	R424 821 988	R1 374 637 810	100%

11.2.4 2020/2021 MTREF Capital Budget by mSCOA Type Segment

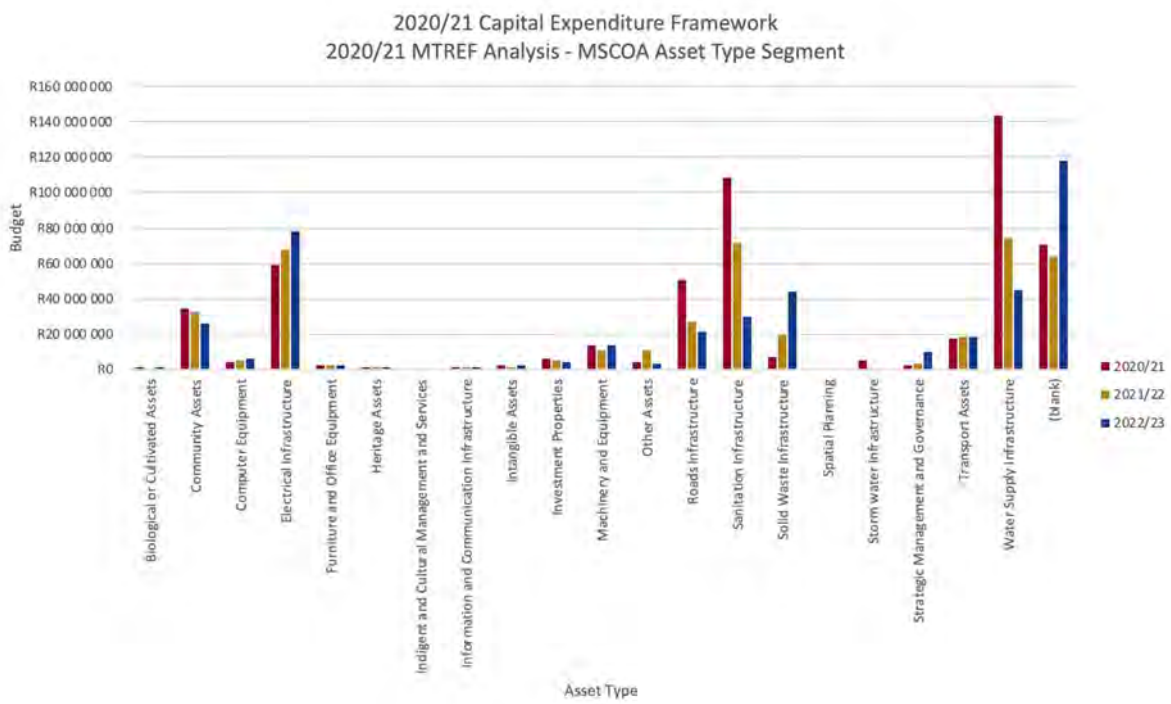


Figure 101: mSCOA Type Classification

The mSCOA type segment classifies projects in terms of the scope of projects and according to which typical programme it relates. Sanitation infrastructure, and Water supply infrastructure are the main benefactors of capital expenditure during the reporting period, followed by Electrical infrastructure.

Table 78: MSCOA -Type Classification

Asset Type	2020/21	2021/22	2022/23	Total	%
Biological or Cultivated Assets	R1 000 000	R-	R500 000	R1 500 000	0%
Community Assets	R34 349 347	R32 620 000	R26 365 000	R93 334 347	7%
Computer Equipment	R4 600 000	R4 650 000	R5 950 000	R15 200 000	1%
Electrical Infrastructure	R59 480 000	R67 730 300	R78 149 452	R205 359 752	15%
Furniture and Office Equipment	R2 715 000	R1 837 000	R2 394 000	R6 946 000	1%
Heritage Assets	R1 000 000	R1 500 000	R1 500 000	R4 000 000	0%
Indigent and Cultural Management and Services	R-	R-	R-	R-	0%
Information and Communication Infrastructure	R600 000	R600 000	R700 000	R1 900 000	0%
Intangible Assets	R1 800 000	R1 500 000	R2 200 000	R5 500 000	0%
Investment Properties	R5 700 000	R5 000 000	R4 000 000	R14 700 000	1%
Machinery and Equipment	R13 970 000	R11 166 009	R13 230 000	R38 366 009	3%
Other Assets	R4 300 000	R10 575 000	R3 061 250	R17 936 250	1%

Asset Type	2020/21	2021/22	2022/23	Total	%
Roads Infrastructure	R50 650 682	R27 050 000	R21 250 000	R98 950 682	7%
Sanitation Infrastructure	R108 384 431	R71 400 000	R29 700 000	R209 484 431	15%
Solid Waste Infrastructure	R7 000 000	R19 500 000	R44 400 000	R70 900 000	5%
Spatial Planning	R-	R-	R-	R-	0%
Storm water Infrastructure	R5 000 000	R-	R-	R5 000 000	0%
Strategic Management and Governance	R2 400 000	R3 400 000	R10 000 000	R15 800 000	1%
Transport Assets	R17 450 000	R18 325 000	R18 250 000	R54 025 000	4%
Water Supply Infrastructure	R143 555 000	R74 580 900	R45 100 000	R263 235 900	19%
(blank)	R70 841 800	R63 585 353	R118 072 286	R252 499 439	18%
Grand Total	R534 796 260	R415 019 562	R424 821 988	R1 374 637 810	100%

11.2.5 2020/2021 MTREF Capital budget focused on functional areas

Figure 102: 2020/2021 MTREF capital budget focused on functional areas

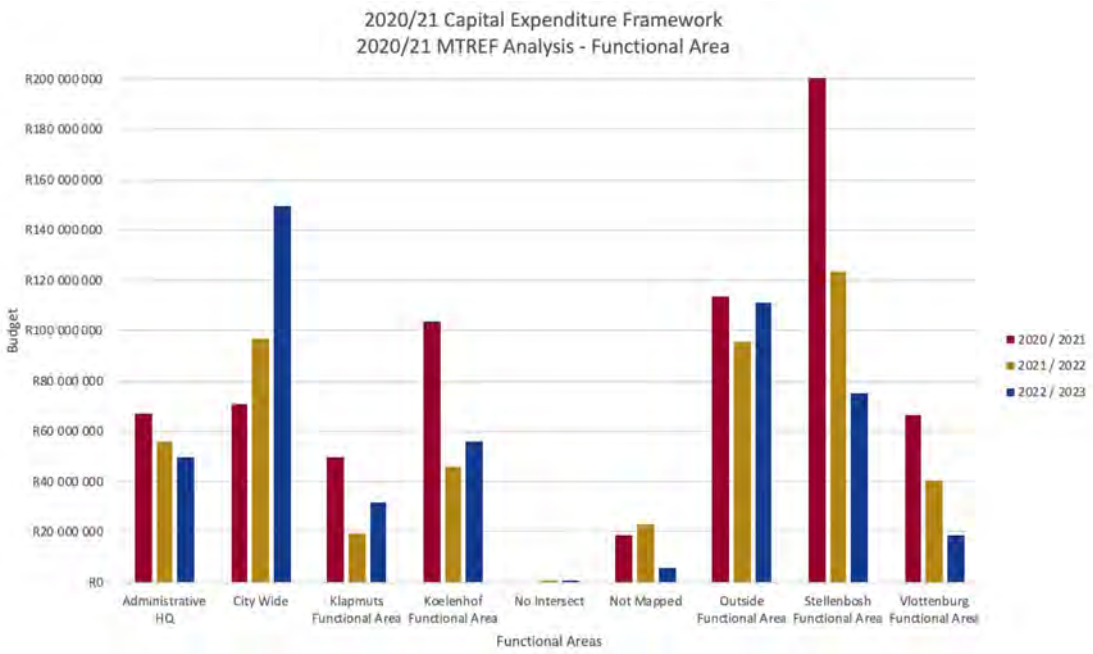
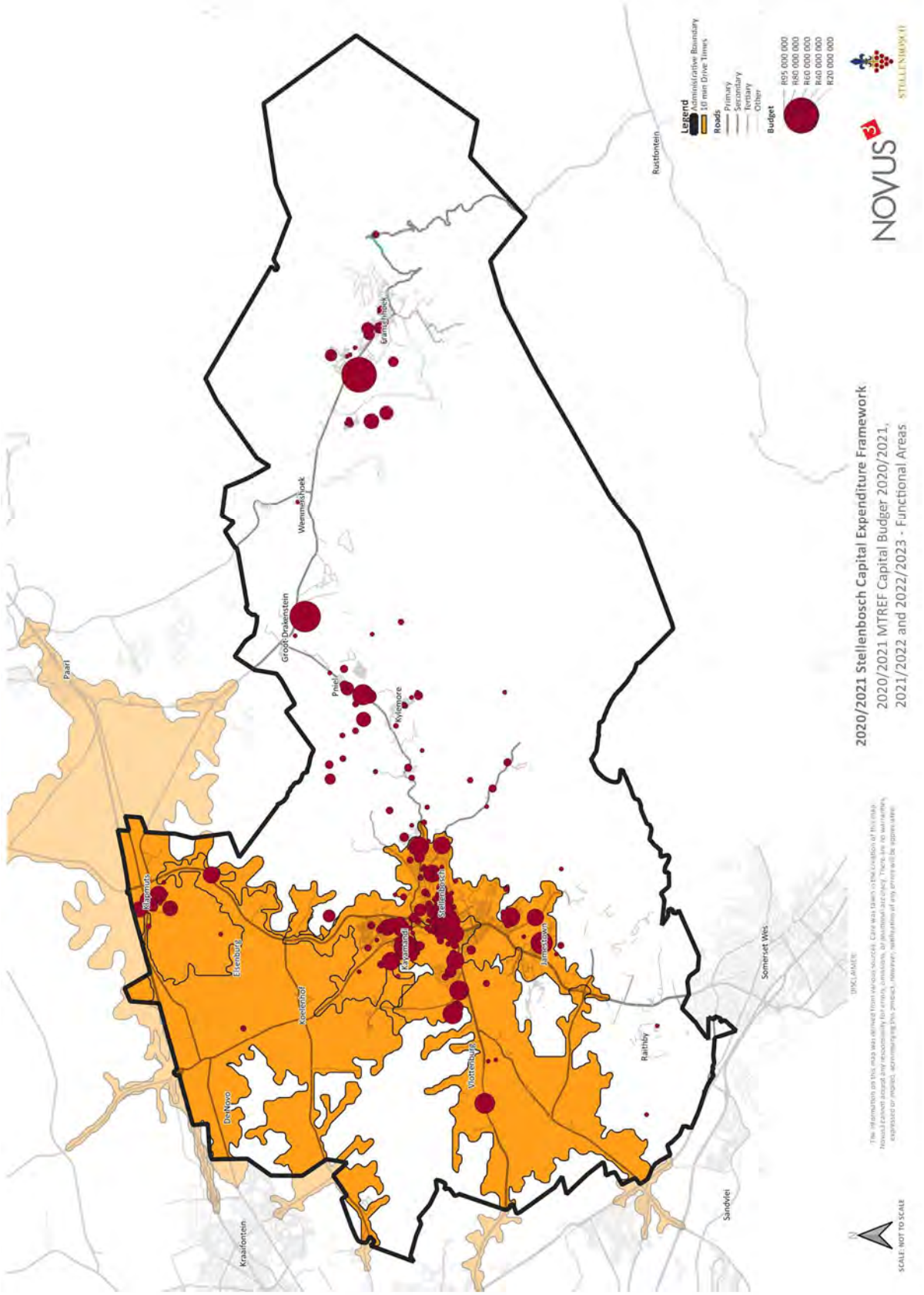


Table 79: 2020/2021 MTREF capital budget focused on functional areas

Functional Area	2020 / 2021	2021 / 2022	2022 / 2023	Total	Percentage
Administrative HQ	R67 316 800	R56 015 800	R49 979 000	R173 311 600	10%
City Wide	R70 770 000	R96 983 762	R149 772 988	R317 526 750	19%
Klapmuts Functional Area	R49 540 000	R19 250 000	R31 849 937	R100 639 937	6%
Koelenhof Functional Area	R103 450 835	R46 151 837	R56 189 225	R205 791 896	12%
No Intersect	R0	R18 416	R28 880	R47 296	0%
Not Mapped	R18 500 000	R22 800 000	R5 500 000	R46 800 000	3%
Outside Functional Area	R113 637 662	R95 489 503	R111 016 834	R320 143 999	19%
Stellenbosh Functional Area	R213 913 094	R123 728 756	R74 873 300	R412 515 150	24%
Vlottenburg Functional Area	R66 415 824	R40 504 340	R18 741 864	R125 662 029	7%
Grnd Total	R703 544 215	R500 942 414	R497 952 029	R1 702 438 657	100%



Map 27: 2020/2021 MTREF capital budget focused on functional areas

11.2.6 2020/2021 MTREF Capital budget by priority development area

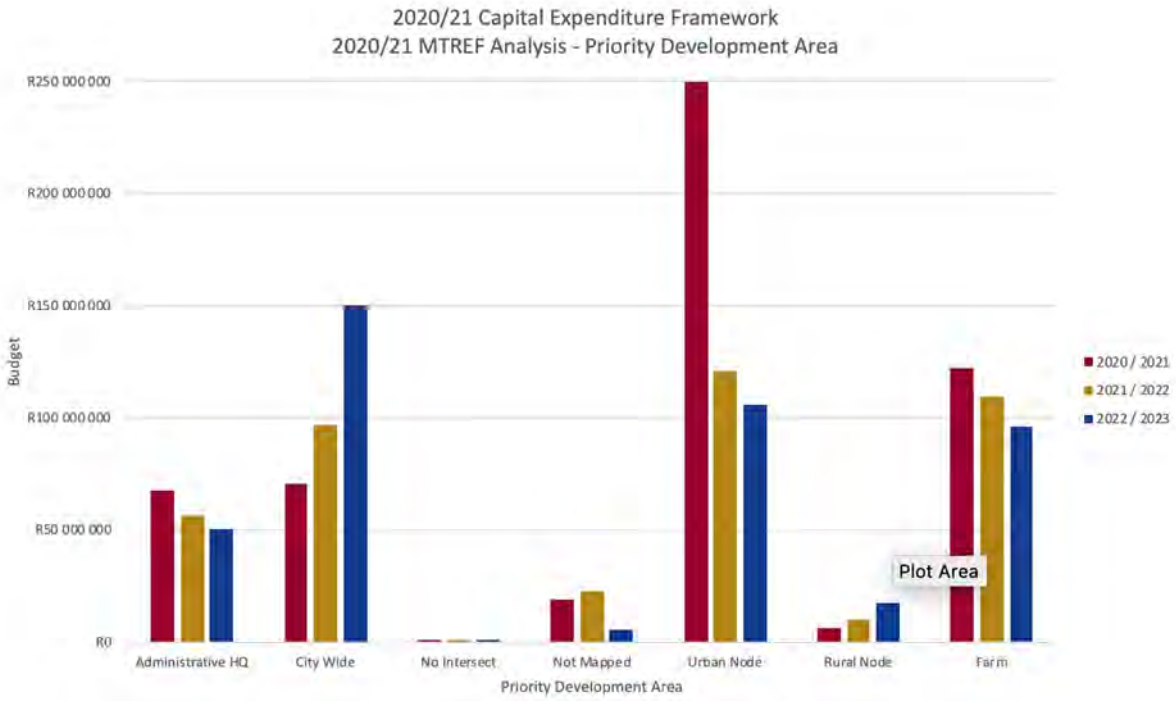
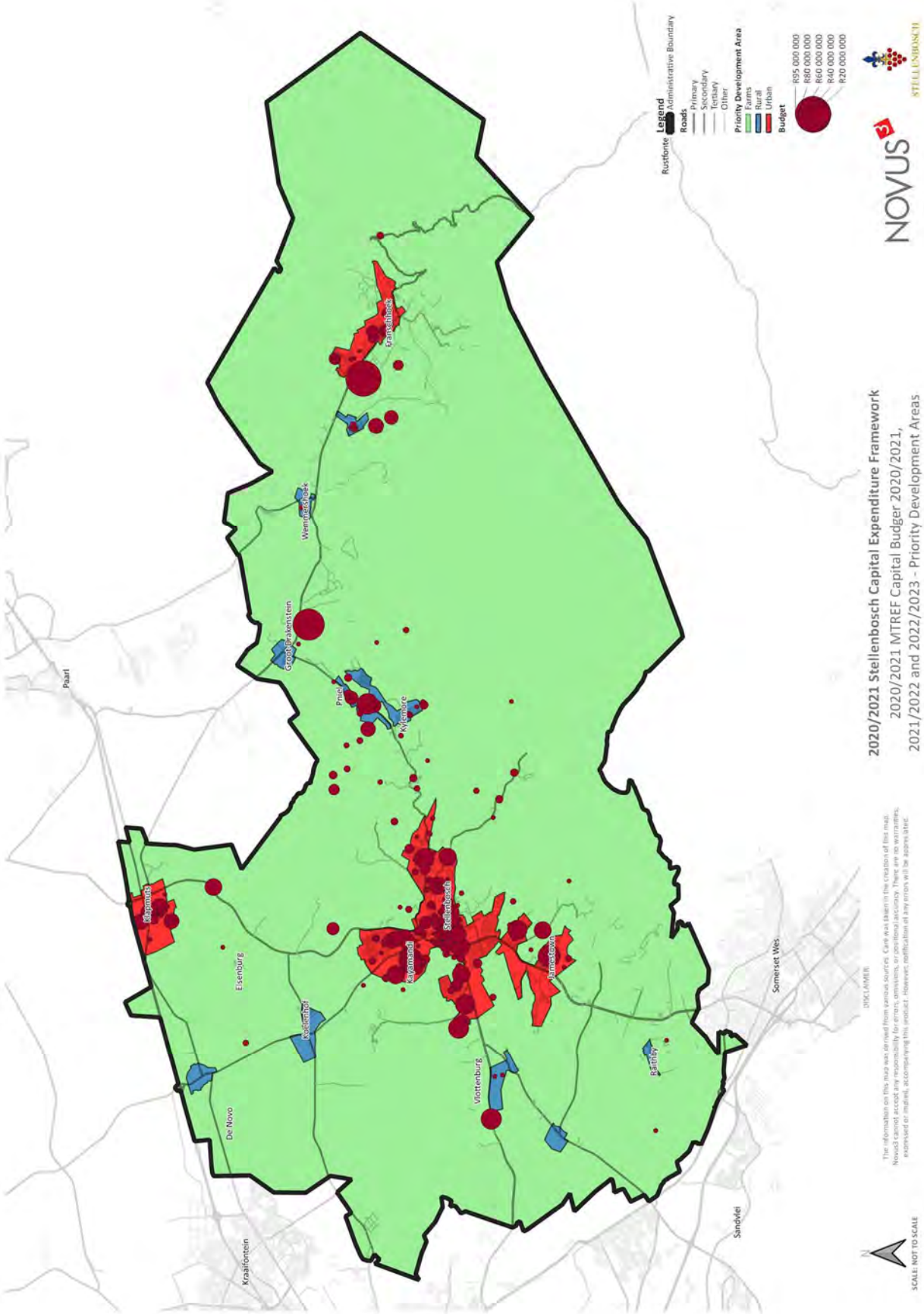


Figure 103: 2020/2021 MTREF capital budget focused on priority development areas

Table 80: 2020/2021 MTREF capital budget focused on priority development areas

PDA	2020 / 2021	2021 / 2022	2022 / 2023	Total	Percentage
Administrative HQ	R67 316 800	R56 015 800	R49 979 000	R173 311 600	13%
City Wide	R70 770 000	R96 983 762	R149 772 988	R317 526 750	23%
No Intersect	R137 353	R18 416	R241 057	R396 825	0%
Not Mapped	R18 500 000	R22 800 000	R5 500 000	R46 800 000	3%
Urban Node	R249 628 710	R120 489 696	R105 702 324	R475 820 730	35%
Rural Node	R6 396 405	R9 508 584	R17 215 246	R33 120 234	2%
Farm	R122 046 993	R109 203 305	R96 411 373	R327 661 670	24%
Grand Total	R534 796 260	R415 019 562	R424 821 988	R1 374 637 811	100%



Map 28: 2020/2021 MTREF capital budget focused on priority development areas

11.2.7 2020/2021 MTREF Capital budget by electoral ward

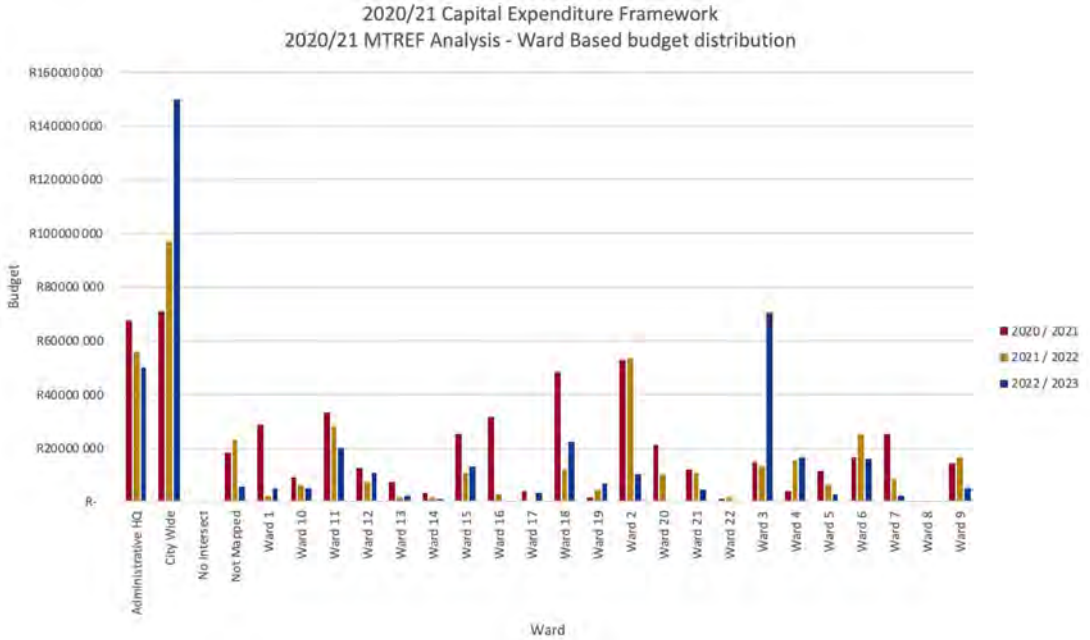
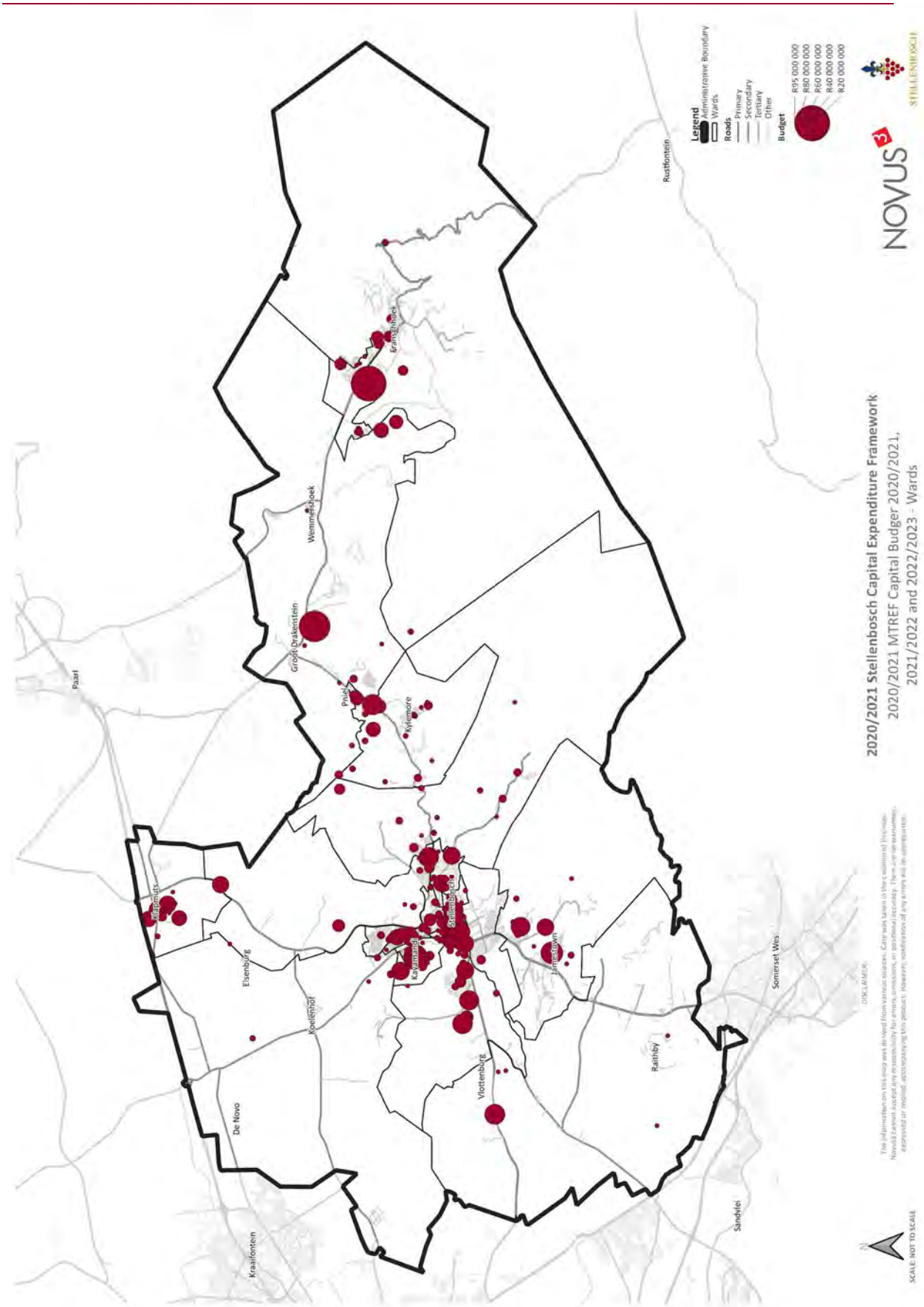


Figure 104: 2020/2021 MTREF capital budget focused on electoral wards

Table 81: 2020/2021 MTREF capital budget focused on priority electoral wards

Row Labels	2020 / 2021	2021 / 2022	2022 / 2023	Total	Percentage
Administrative HQ	R67 316 800	R56 015 800	R49 979 000	R173 311 600	13%
City Wide	R70 770 000	R96 983 762	R149 772 988	R317 526 750	23%
No Intersect	R137 353	R18 416	R241 019	R396 787	0%
Not Mapped	R18 500 000	R22 800 000	R5 500 000	R46 800 000	3%
Ward 1	R28 622 880	R2 406 815	R5 157 133	R36 186 828	3%
Ward 2	R53 055 350	R53 330 317	R10 198 634	R116 584 301	8%
Ward 3	R14 945 103	R13 160 165	R70 413 518	R98 518 785	7%
Ward 4	R3 897 124	R15 636 904	R16 539 097	R36 073 125	3%
Ward 5	R11 272 161	R6 138 771	R2 578 242	R19 989 174	1%
Ward 6	R16 493 883	R25 027 623	R16 066 539	R57 588 045	4%
Ward 7	R25 236 665	R8 399 169	R2 248 771	R35 884 606	3%
Ward 8	R524 165	R606 447	R503 710	R1 634 322	0%
Ward 9	R14 557 979	R16 411 733	R5 123 581	R36 093 293	3%
Ward 10	R9 350 328	R6 481 436	R4 847 723	R20 679 487	2%
Ward 11	R33 311 507	R28 163 083	R19 822 001	R81 296 592	6%
Ward 12	R12 536 754	R7 137 303	R10 810 757	R30 484 815	2%
Ward 13	R7 190 125	R1 793 297	R1 911 422	R10 894 844	1%
Ward 14	R3 096 717	R1 624 347	R1 073 005	R5 794 069	0%
Ward 15	R25 407 022	R10 892 613	R13 132 355	R49 431 989	4%
Ward 16	R31 363 565	R2 565 406	R537 921	R34 466 892	3%
Ward 17	R3 714 674	R547 819	R3 538 029	R7 800 522	1%
Ward 18	R48 171 513	R11 951 404	R22 416 449	R82 539 366	6%
Ward 19	R1 457 158	R4 319 961	R6 744 636	R12 521 755	1%
Ward 20	R21 028 088	R10 303 724	R456 058	R31 787 870	2%
Ward 21	R11 782 208	R10 866 192	R4 720 854	R27 369 254	2%
Ward 22	R1 057 139	R1 437 057	R488 546	R2 982 742	0%
Grand Total	R534 796 261	R415 019 563	R424 821 989	R1 374 637 814	100%



Map 29: 2020/2021 MTREF capital budget focused on priority electoral wards

11.3 2020/2021 – 2022/2023 MTREF Project List

Table 82: 2020/2021 – 2022/2023 MTREF Project list

MTREF PROJECT LIST	2020 / 2021	2021 / 2022	2022 / 2023
Community and Protection Services	R47 889 347	R39 480 000	R67 200 000
Cemeteries	R1 530 000	R8 000 000	R10 500 000
Extension of Cemetery Infrastructure	R1 500 000	R8 000 000	R10 000 000
Purchase of Equipment	R30 000	R-	R-
Purchase of Vehicles/ Fleet	R-	R-	R500 000
Community Development	R585 000	R100 000	R560 000
Furniture Tools and Equipment	R85 000	R100 000	R60 000
Sound Equipment for Outreaches	R-	R-	R-
SRD Vehicle	R-	R-	R500 000
Upgrading and Maintenance of buildings	R-	R-	R-
Upgrading of swimmingpool	R500 000	R-	R-
Community Services: Library Services	R2 490 000	R170 000	R615 000
Cloetesville: Furniture, Tools and Equipment	R50 000	R-	R-
Franschhoek: Furniture Tools and Equipment	R65 000	R-	R-
Groendal Library: Furniture Tools and Equipment	R75 000	R-	R-
Idas Valley: Furniture, Tools and Equipment	R55 000	R-	R-
Libraries: CCTV	R300 000	R-	R-
Libraries: Small Capital	R85 000	R-	R-
Library Books	R160 000	R170 000	R-
Mobile Libraries	R-	R-	R-
New Library: Kylemore	R-	R-	R-
Pniel: Furniture, Tools and Equipment	R-	R-	R35 000
Replacement of geysers	R-	R-	R100 000
Security cameras: All libraries	R-	R-	R-
Upgrading: Cloetesville Library	R1 700 000	R-	R180 000
Upgrading: Kayamandi Library	R-	R-	R-
Vehicles	R-	R-	R300 000
Disaster Management	R800 000	R-	R1 500 000
Disaster management incident command vehicle	R-	R-	R1 500 000
Rescue Vehicle	R800 000	R-	R-
Environmental Management: Implementation	R8 654 347	R3 170 000	R9 300 000
4x4 bakkie	R-	R-	R500 000
Air and Noise Control: FTE	R50 000	R70 000	R100 000
Botmaskop: Security Fencing	R1 500 000	R2 000 000	R2 000 000
Hiking Trails in Nature Areas	R-	R-	R2 000 000
Jan Marais Nature Reserve: Upgrading and maintenance of the reserve	R2 000 000	R-	R1 000 000
Jonkershoek Picnic Site: Upgrade of Facilities.	R-	R-	R-
Mont Rochelle Nature Reserve: Upgrade of Facilities.	R1 504 347	R-	R-
Nature Conservation:Vehicle Fleet	R-	R-	R800 000
Papegaaiberg Nature Reserve	R1 000 000	R-	R-
Upgrade office space: Simonsberg Road	R-	R-	R600 000
Upgrading of Jonkershoek Office Complex and Hatchery	R2 000 000	R-	R-
Workshop : FTE	R100 000	R100 000	R-
Workshop: Specialized equipment	R500 000	R1 000 000	R1 500 000
Workshop: Community Services Tractors	R-	R-	R800 000
Workshop: Upgrading of facilities	R-	R-	R-
Workshop: Vechicle lift	R-	R-	R-
Environmental Management: Urban Forestry	R1 150 000	R1 750 000	R3 480 000
Boreholes	R-	R-	R-
Design and implement electronic Urban Forestry management tool	R-	R-	R250 000
Irrigation Systems	R-	R-	R100 000
Revitalization of the Arboretum	R-	R-	R-
Security Fencing Gate	R-	R-	R-
Storage Containers: Fertilisers & Pesticides.	R-	R-	R30 000
Urban Forestry : Fleet vechiles	R1 000 000	R1 500 000	R1 000 000

MTREF PROJECT LIST	2020 / 2021	2021 / 2022	2022 / 2023
Urban Forestry Furniture, Tools and Equipment	R-	R-	R500 000
Urban Forestry Specialized equipment	R-	R-	R1 200 000
Urban Forestry: 8 ton tip truck	R-	R-	R-
Urban Forestry: Bakkie	R-	R-	R400 000
Urban Forestry: Double cab 4x4	R-	R-	R-
Urban Forestry:Digger loader	R-	R-	R-
Urban Greening: Beautification: Main Routes and Tourist Routes	R150 000	R250 000	R-
Fire and Rescue Services	R6 700 000	R-	R4 200 000
Furniture, tools & equiptment	R400 000	R-	R400 000
Major Fire Pumper	R5 000 000	R-	R-
Rapid Response Vehicle	R-	R-	R2 500 000
Replacement of fleet vehicles	R1 000 000	R-	R1 000 000
Rescue equipment	R300 000	R-	R300 000
Halls	R250 000	R200 000	R950 000
Furniture Tools & Equipment	R250 000	R200 000	R100 000
Upgrading of Halls	R-	R-	R250 000
Upgrading/Tar of Klapmuts Fire Station	R-	R-	R-
Vehicle Fleet	R-	R-	R600 000
Law Enforcement and Security	R8 000 000	R12 300 000	R7 450 000
Furniture Tools and Equipment	R300 000	R300 000	R200 000
Install and Upgrade CCTV/ LPR Cameras In WC024	R2 000 000	R2 000 000	R2 000 000
Install Computerized Access Security Systems and CCTV Cameras At Municipal Buildings	R950 000	R950 000	R500 000
Law Enforcement Tools and Equipment	R750 000	R750 000	R750 000
Law Enforcement: Vehicle Fleet	R2 500 000	R7 500 000	R2 500 000
Neighborhood Watch Safety equipment	R1 500 000	R800 000	R500 000
Office accommodation	R-	R-	R1 000 000
Parks and Cemeteries	R10 130 000	R5 800 000	R9 230 000
4 Ton Trucks	R-	R-	R-
Artificial grass on parks and gardens	R-	R-	R300 000
Beautification of Main Routes	R-	R-	R-
Building of ablution facilities: Die Laan	R-	R-	R-
Expand offices for Dept Community Services	R-	R-	R-
Facilities upgrade- Nursery	R100 000	R-	R50 000
Fencing on Various Parks and Gardens	R-	R-	R200 000
Franschhoek Pedestrian Paths	R-	R-	R-
Furniture, Tools and Equipment	R50 000	R50 000	R200 000
Grab/crane truck	R-	R-	R-
Landscaping of Circles in Stellenbosch	R150 000	R-	R-
Legacy park Project	R-	R-	R-
Ornamental Horticulture FTE	R80 000	R-	R30 000
Pathways on Parks & gardens	R100 000	R100 000	R200 000
Purchase of Specialised Equipment	R-	R-	R-
Purchase of Specialised Vehicles	R1 000 000	R-	R-
River developement	R-	R-	R250 000
SMART Parks Developement	R5 000 000	R-	R-
Spray/Water Parks	R2 000 000	R4 000 000	R4 000 000
Upgrading of Parks	R1 650 000	R1 650 000	R3 000 000
Vehicle Fleet, Tractors,Trucks and Bakkies	R-	R-	R1 000 000
Ward 16: Upgrading of Parks	R-	R-	R-
Ward 21: Fencing	R-	R-	R-
Ward 5: Play Items and Fencing	R-	R-	R-
Sports Grounds and Picnic Sites	R5 980 000	R5 980 000	R8 450 000
Borehole: Rural Sportsgrounds	R550 000	R550 000	R-
Construction of swimming pool: Pniel and Kylemore	R-	R-	R2 000 000
Fencing of Netball Courts	R-	R-	R-
Fencing: Sport Grounds (WC024)	R1 000 000	R1 000 000	R1 500 000
Furniture, Tools and Equipment	R200 000	R200 000	R200 000
Kayamandi Sports Ground	R-	R-	R-
Re-Surface of Netball/Tennis Courts	R-	R-	R550 000
Recreational Equipment Sport	R80 000	R80 000	R100 000

MTREF PROJECT LIST	2020 / 2021	2021 / 2022	2022 / 2023
Sight Screens/Pitch Covers Sports Grounds	R250 000	R250 000	R250 000
Specialised Vehicles	R-	R-	R-
Sport: Community Services Special Equipment	R300 000	R300 000	R300 000
Upgrade of Irrigation System	R-	R-	R200 000
Upgrade of Sport Facilities	R3 000 000	R3 000 000	R3 000 000
Upgrading of Tennis Courts: Idas Valley & Cloetesville	R-	R-	R-
Vehicle Fleet	R600 000	R600 000	R350 000
Traffic Services	R1 620 000	R2 010 000	R10 965 000
Alcohol Screeners	R20 000	R25 000	R30 000
Body Cams	R-	R360 000	R420 000
Furniture, Tools & Equipment	R200 000	R200 000	R120 000
Junior Training Centre	R-	R-	R35 000
Mascot for Junior Training Centre	R-	R-	R30 000
Mobile Radios	R200 000	R200 000	R-
Motorcycle test equipment	R-	R-	R300 000
PLANING OF CONSTRUCTION OF A GRADE A DRIVING LICENCE TESTING CENTER	R-	R-	R2 000 000
Procure recovery (breakdown rollback) vehicle	R-	R-	R1 500 000
Procure specialised vehicles	R-	R-	R1 200 000
Replacement of Patrol Vehicles	R1 200 000	R1 225 000	R1 300 000
Replacement of Vehicle Testing Station Equipment	R-	R-	R4 000 000
Sound Equipment	R-	R-	R10 000
TV/LED Screen	R-	R-	R20 000
Transport Planning	R-	R-	R-
Update of NMT and Cycle plan	R-	R-	R-
Corporate Services	R39 450 000	R48 050 000	R11 650 000
Information and Communications Technology (ICT)	R5 100 000	R5 200 000	R6 600 000
Public WI-FI Network	R600 000	R600 000	R700 000
Purchase and Replacement of Computer/software and Peripheral devices	R500 000	R600 000	R600 000
Upgrade and Expansion of IT Infrastructure Platforms	R4 000 000	R4 000 000	R5 300 000
Parks and Cemeteries	R-	R-	R-
Radios	R-	R-	R-
Properties and Municipal Building Maintenance	R34 350 000	R42 850 000	R5 050 000
Beltana: Security Fencing	R-	R-	R-
Early Childhood Development Centre - Klapmuts	R-	R-	R-
Facilities for the Disabled	R-	R-	R-
Flats: Interior upgrading - Kayamandi	R-	R-	R-
Flats: Interior Upgrading: Cloetesville - Kloof and Long Streets	R1 500 000	R-	R-
Furniture Tools and Equipment: Property Management	R350 000	R250 000	R550 000
Kayamandi: Upgrading of Strongyard Hall	R-	R-	R-
Kaymandi: Upgrading of Makapula Hall	R1 000 000	R1 000 000	R-
La Motte Clubhouse	R800 000	R-	R-
Multi- Purpose Centre: Kayamandi	R-	R-	R-
New Library: Klapmuts	R-	R-	R-
Purchasing of land	R-	R-	R-
Rebuild: Kleine Libertas Theatre	R10 000 000	R12 000 000	R-
Structural Improvement: General	R3 400 000	R5 000 000	R2 000 000
Structural improvements at the Van der Stel Sport grounds	R1 000 000	R1 000 000	R-
Structural Upgrade: Heritage Building	R1 000 000	R1 500 000	R1 500 000
Structural Upgrading: Community Hall Lamotte	R300 000	R-	R-
Terrain Improvements: Klapmuts Sportgrounds	R-	R-	R-
Upgrade Millenium Hall Pniel	R-	R-	R-
Upgrading Fencing	R300 000	R300 000	R500 000
Upgrading of Business Hub: La Motte	R-	R-	R-
Upgrading of Community Facilities: Jonkershoek	R200 000	R1 800 000	R-
Upgrading of Community Facilities: Wemmershoek Cape access	R-	R-	R-
Upgrading of Creche: Kayamandi	R-	R-	R-
Upgrading of Eike Town Town Hall	R2 000 000	R-	R-

MTREF PROJECT LIST	2020 / 2021	2021 / 2022	2022 / 2023
Upgrading of Groendal Hall	R-	R-	R-
Upgrading of Groendal Sports Grounds	R-	R-	R-
Upgrading of Kayamandi Corridor	R-	R-	R-
Upgrading of Kylemore Community Hall	R-	R-	R-
Upgrading of Library in Kayamandi	R200 000	R1 000 000	R500 000
Upgrading of New Office Space: Ryneveld Street	R1 800 000	R9 000 000	R-
Upgrading of Public Amenities: Kayamandi	R-	R-	R-
Upgrading of Stellenbosch Town Hall	R2 500 000	R-	R-
Upgrading of Traffic Offices: Stellenbosch	R8 000 000	R10 000 000	R-
Upgrading of Wemmershoek Community Hall	R-	R-	R-
Financial Services	R850 000	R200 000	R200 000
Executive Support: Financial Services: General	R850 000	R200 000	R200 000
Furniture, Tools & Equipment	R600 000	R200 000	R200 000
Vehicle Fleet	R250 000	R-	R-
Infrastructure Services	R446 035 113	R327 026 762	R333 157 988
Electrical Services	R71 000 000	R72 977 862	R151 637 988
Ad-Hoc Provision of Streetlighting	R2 000 000	R2 300 000	R2 645 000
Automatic Meter Reader	R400 000	R400 000	R400 000
Bien don 66/11kV substation new (new development and demand)	R1 500 000	R2 200 000	R70 000 000
Buildings & Facilities Electrical Supply - Stellenbosch	R500 000	R575 000	R661 250
Cable replacement 66kV oil MN - US - MK	R-	R-	R480 000
Cloetesville - University New 66kV cable	R450 000	R16 800 000	R-
Construction and Maintenance Of Municipal Facilities - Franschhoek	R-	R-	R-
Data Network	R-	R500 000	R500 000
DSM Geyser Control	R200 000	R100 000	R100 000
Electricity Network: Pniel	R3 500 000	R3 500 000	R3 500 000
Energy Balancing Between Metering and Mini-Substations	R500 000	R500 000	R-
Energy Efficiency and Demand Side Management	R2 000 000	R2 300 000	R2 645 000
General System Improvements - Franschhoek	R2 000 000	R2 000 000	R2 000 000
General Systems Improvements - Stellenbosch	R3 500 000	R3 521 000	R3 542 126
Infrastructure Improvement - Franschoek	R1 500 000	R1 500 000	R1 500 000
Integrated National Electrification Programme (Enkanini)	R16 400 000	R11 500 000	R13 225 000
Jan Marais Upgrade: Remove Existing Tx 1 and 2 and replace with 20MVA units	R15 800 000	R5 000 000	R500 000
Kayamandi(Costa grounds)new substation 66/11 kV 2x 20MVA	R-	R-	R300 000
Kwarentyn Sub cables: 11kV 3 core 185mmsq PILC(Table19) copper cabling, 3.8km	R5 500 000	R-	R-
Laterra SS	R8 000 000	R371 553	R427 286
Main substation - Tx upgrade: Remove Existing Tx 2 and 3 and replace with 10MVA units from Jan Marais	R-	R-	R27 571 200
Meter Panels	R500 000	R500 000	R400 000
Network Cable Replace 11 Kv	R3 000 000	R3 000 000	R3 000 000
Northern Extension: Phase 2 Electricity Infrastructure	R-	R-	R-
Replace Ineffective Meters & Energy Balance of mini-substations	R600 000	R250 000	R-
Small Capital: Fte Electrical Engineering Services	R-	R1 601 009	R-
Specialized Vehicles	R1 600 000	R-	R-
STB Switchgear (11kV) replace oil type with SF6	R-	R13 000 000	R13 272 470
Substation 66kV equipment, control, VT's, CT's, Isolator links and cable terminals	R-	R-	R1 950 000
System Control Centre & Upgrade Telemetry, Fiber optic cables, smart grid	R1 550 000	R1 559 300	R1 568 656
University substation upgrade 66/11kV 20MVA Trfr x 3	R-	R-	R450 000
Vehicle Fleet	R-	R-	R1 000 000
Vehicle Replacements 2000cc LVD's	R-	R-	R-
Executive Support: Engineering Services: General	R5 400 000	R15 000 000	R-

MTREF PROJECT LIST	2020 / 2021	2021 / 2022	2022 / 2023
Asset Management & Maintenance System Implementation	R-	R-	R-
Building Plan MIS	R-	R-	R-
Development Application MIS	R-	R-	R-
Environmental studies for Bulk Services	R-	R-	R-
Furniture, Tools & Equipment	R100 000	R-	R-
New Project	R5 000 000	R15 000 000	R-
Northern Extension: R304 dueling	R-	R-	R-
Planning & Design of Bulk Services	R-	R-	R-
Scanning and georeferencing of As-Built plans	R-	R-	R-
Update of DC tariff System	R-	R-	R-
Update of Engineering Infrastructure GIS Data	R300 000	R-	R-
Infrastructure Plan, Dev and Implement	R45 955 682	R16 303 900	R13 025 000
Access to Basic Services	R1 465 000	R280 900	R300 000
Basic Improvements: Langrug	R2 720 682	R-	R-
Computer - Hardware/Equipment: Human Settlements & Property	R100 000	R50 000	R50 000
Enkanini ABS	R3 250 000	R250 000	R250 000
Enkanini Planning and Implementation (Roads and Basic Services)	R180 000	R-	R-
Erf 64, Kylemore (±171 services & ± 171 units)	R-	R-	R-
Erf 7001 and other possible sites for mix-used development in Cloetesville	R-	R500 000	R1 400 000
Furniture,Tools and Equipment: Human Settlements and Property	R20 000	R23 000	R25 000
Idas Valley IRDP / FLISP	R1 000 000	R-	R-
ISSP Kayamandi Enkanini (Interim Services)	R-	R-	R-
Jamestown: Housing (Phase 3 & 4)	R500 000	R500 000	R-
Kayamandi Town Centre - top structures	R-	R-	R-
Kayamandi Town Centre: Planning (±700 units)	R1 000 000	R-	R-
Kayamandi: Zone O (±711 services)	R10 680 000	R-	R-
Klapmuts: Erf 2181 (298 serviced sites)	R15 540 000	R-	R-
La Motte Old Forest Station (±430 services & ±430 units)	R-	R1 200 000	R-
La Rochelle development (Erf 2183)	R-	R-	R-
Langrug Planning	R-	R-	R-
Longlands, Vlottenburg (±144 Services and ±144 units)	R-	R-	R-
Northern Extension: Feasibility	R1 000 000	R11 000 000	R11 000 000
Smartie Town, Cloetesville	R1 000 000	R-	R-
Town Centre Stellenbosch (Social Housing)	R-	R-	R-
Upgrading of The Steps/Orlean Lounge	R7 500 000	R2 500 000	R-
Roads and Stormwater	R30 000 000	R16 000 000	R14 200 000
Adhoc Reconstruction Of Roads (WC024)	R4 000 000	R4 000 000	R4 000 000
Airport Precinct Link Road	R-	R-	R-
Bridge Rehabilitation	R3 000 000	R-	R-
Furniture, Tools and Equipment : Tr&Stw	R500 000	R500 000	R500 000
Intersection Improvements	R-	R-	R-
Lower Dorp Straat Upgrading	R-	R-	R-
Parking area upgrades	R2 500 000	R-	R-
Planning of Klapmuts Hills Access Road	R-	R-	R-
Reseal Roads - Brandwacht & Surrrounding	R1 500 000	R-	R-
Reseal Roads - Cloetesville & Surrrounding	R-	R-	R1 500 000
Reseal Roads - Die Boord & Surrrounding	R1 500 000	R-	R-
Reseal Roads - Groendal & Surrrounding	R1 500 000	R-	R-
Reseal Roads - Idasvalley & Surrounding	R-	R-	R1 500 000
Reseal Roads - Jamestown & Technopark	R-	R1 500 000	R-
Reseal Roads - Johannesdal, Pniel, Lanquedoc	R-	R1 500 000	R-
Reseal Roads - Kayamandi & Surrounding	R1 500 000	R-	R-
Reseal Roads - Klapmuts, Raithby, Meerlust, wemmershoek, LaMotte, Maasdorp	R-	R1 500 000	R-
Reseal Roads - Kylemore & Surrounding	R-	R-	R700 000
Reseal Roads - Lacoline, Tennantville, Plankenburg	R-	R1 500 000	R-

MTREF PROJECT LIST	2020 / 2021	2021 / 2022	2022 / 2023
Reseal Roads - Mostertsdrif & Surrounding	R-	R1 500 000	R-
Reseal Roads - Onderpapegaai & Surrounding	R-	R-	R1 500 000
Reseal Roads - Paradyskloof & Surrounding	R-	R-	R1 500 000
Reseal Roads - Stellenbosch CBD	R2 000 000	R2 000 000	R2 000 000
Reseal Roads- Franschhoek CBD	R1 000 000	R1 000 000	R1 000 000
River Rehabilitation Implementation	R2 000 000	R-	R-
Rivers - Rehabilitation - Planning & Design	R1 000 000	R-	R-
Specialized Vehicles	R4 000 000	R1 000 000	R-
TLB - Digger Loader	R-	R-	R-
Update Pavement Management System	R-	R-	R-
Upgrade Gravel Roads - Johannesdal, Pniel, Kylemore	R-	R-	R-
Upgrade Gravel Roads- Jamestown	R-	R-	R-
Upgrade Stormwater implementation	R-	R-	R-
Upgrade Stormwater Water Conveyance System	R2 000 000	R-	R-
Upgrade Stormwater: WC024 - Planning & Design	R-	R-	R-
Upgrading Banghoek Street	R-	R-	R-
Upgrading of Laquedoc Access Road and Bridge	R2 000 000	R-	R-
Upgrading of Main Roads - WC024	R-	R-	R-
Vehicle Replacement / Procurement - Heavy Vehicles	R-	R-	R-
Western Bypass: Northern Extension	R-	R-	R-
Traffic Engineering	R18 850 000	R15 050 000	R3 800 000
Asset Management - Implement Traffic Calming Management System	R-	R-	R-
Asset Management - Roads Signs Management System	R-	R-	R-
Asset Management: Traffic Signaling Systems	R-	R-	R-
Directional Information Signage	R200 000	R-	R-
Furniture, Tools and Equipment : Traffic Engineering	R100 000	R-	R-
Jamestown South Transport Network	R2 000 000	R-	R-
Main Road Intersection Improvements: Franschhoek	R1 700 000	R-	R100 000
Main Road Intersection Improvements: Franschhoek - Design	R-	R-	R-
Main road intersection improvements: Helshoogte rd/La Colline	R2 400 000	R-	R700 000
Main road intersection improvements: R44 / Helshoogte	R2 000 000	R100 000	R100 000
Main Road Intersection Improvements: R44 / Merriman Street	R2 000 000	R100 000	R100 000
Main road intersection improvements: R44 / Molteno Street	R-	R-	R-
Main Road Intersection Improvements: Strand / Adam Tas / Alexander	R4 000 000	R1 700 000	R-
Main Road Intersection Improvements:: R44 / Dorp Street	R-	R-	R-
Main Road Intersection Improvements:Pniel / Kylemore	R-	R4 000 000	R-
Pedestrian Crossing Implementation	R100 000	R2 000 000	R-
Road Traffic Management System	R1 500 000	R2 000 000	R-
Road Transport Safety Master Plan - WC024	R-	R500 000	R-
Signalisation implementation	R250 000	R3 000 000	R-
Specialised Equipment: Roadmarking Machine + Trailer	R-	R-	R-
Specialized Vehicle	R-	R500 000	R2 400 000
Traffic Calming Projects: Implementation	R1 000 000	R100 000	R100 000
Traffic Management Improvement Programme	R1 000 000	R250 000	R-
Traffic Signal Control: Installation and Upgrading of Traffic Signals and Associated Components	R500 000	R500 000	R-
Universal Access Implementation	R100 000	R300 000	R-
Vehicles	R-	R-	R300 000
Transport Planning	R19 350 000	R6 350 000	R11 150 000
Adam Tas Road	R-	R-	R750 000
Bicycle Lockup Facilities	R-	R1 000 000	R500 000
Comprehensive Integrated Transport Plan	R1 000 000	R1 000 000	R1 000 000
Cycle Plan - Design & Implementation	R-	R500 000	R500 000
De Beer St	R-	R100 000	R100 000

MTREF PROJECT LIST	2020 / 2021	2021 / 2022	2022 / 2023
Eastern Link Road: Concept, Feasibility, Prelim design	R-	R-	R450 000
Feasibility to establish an transport operating company	R-	R-	R-
Freight Strategy for Stellenbosch & Franschhoek	R-	R-	R200 000
Joubert St	R-	R1 500 000	R-
Khayamandi Pedestrian Crossing (R304, River and Railway Line)	R2 500 000	R-	R-
New Development Transport Analysis	R-	R-	R-
NMT and site development	R-	R-	R-
NMT routes along all major arterials	R-	R-	R-
Non-Motorised Transport Implementation	R2 000 000	R-	R-
Northern Extension: Public Transport Network	R-	R-	R-
OLP Revision	R-	R-	R-
Park and Ride hub	R-	R-	R-
Parking Development	R1 000 000	R-	R-
Pedestrian and Cycle paths Design and Phased implementation	R-	R2 000 000	R-
Public Transport Facilities	R-	R-	R2 000 000
Public Transport Infrastructure (Public Transport Shelters & Embayments)	R350 000	R-	R500 000
Re-design of Bergzicht Public Transport Facility	R500 000	R-	R-
Stellenbosch NMT: Jamestown - new sidewalks	R1 000 000	R-	R2 000 000
Taxi Rank - Franschhoek	R5 000 000	R-	R1 500 000
Taxi Rank - Kayamandi	R3 500 000	R-	R-
Taxi Rank: Klapmuts	R2 000 000	R250 000	R250 000
Tour Bus Parking	R500 000	R-	R400 000
Update Roads Master Plan for WC024	R-	R-	R1 000 000
Waste Management: Solid Waste Management	R9 245 000	R23 745 000	R50 245 000
Expansion of the landfill site (New cells)	R2 000 000	R7 000 000	R20 000 000
Formalize skip areas in Franschhoek and Kayamandi	R-	R-	R500 000
Furniture, Tools and Equipment : Solid Waste	R45 000	R45 000	R45 000
Integrated Waste Management Plan	R-	R-	R100 000
Landfill Gas To Energy	R500 000	R2 000 000	R8 000 000
Major Drop-Offs : Construction - Franschhoek	R-	R-	R-
Major Drop-offs : Construction - Klapmuts	R-	R-	R-
Mini Waste drop-off facilities at inf. Settlements	R-	R-	R100 000
New Project	R-	R1 000 000	R5 000 000
Skips (5,5Kl)	R200 000	R200 000	R200 000
Street Refuse Bins	R1 000 000	R1 000 000	R1 000 000
Transfer Station: Stellenbosch Planning and Design	R1 000 000	R8 000 000	R10 000 000
Upgrade Refuse disposal site (Existing Cell)- Rehab	R2 000 000	R1 000 000	R1 000 000
Vehicles	R2 000 000	R3 000 000	R-
Waste Biofuels	R-	R-	R300 000
Waste Management Software	R-	R-	R200 000
Waste Minimization Projects	R500 000	R500 000	R500 000
Waste to Energy - Implementation	R-	R-	R3 000 000
Waste to Energy - Planning	R-	R-	R300 000
Waste to Food	R-	R-	R-
Water and Wastewater Services: Sanitation	R115 734 431	R92 850 000	R44 600 000
100 New Development Bulk Sewer Supply WC024	R2 000 000	R2 000 000	R5 000 000
110 Bulk Sewer Outfall: Jamestown	R30 000 000	R6 000 000	R-
111 Sewerpipe Replacement: Dorp Straat	R12 000 000	R6 000 000	R-
113 Sewer Pumpstation & Telemetry Upgrade	R1 000 000	R1 000 000	R1 500 000
114 Sewerpipe Replacement	R3 000 000	R4 000 000	R7 000 000
122 Furniture, Tools and Equipment : Sanitation	R-	R-	R200 000
131 Update Sewer Masterplan and IMQS	R1 500 000	R1 500 000	R-
140 Compilation of Water Service Development Plan (tri-annually)	R-	R-	R-
150 Upgrade of WWTW: Pniel & Decommissioning Of Franschhoek	R44 684 431	R50 000 000	R-
151 Upgrade of WWTW: Klapmuts	R500 000	R1 000 000	R15 000 000
152 Upgrade of WWTW Wemmershoek	R15 000 000	R-	R-
154 Refurbish Plant & Equipment - Raithby WWTW	R-	R-	R-

MTREF PROJECT LIST	2020 / 2021	2021 / 2022	2022 / 2023
160 Furniture, Tools and Equipment	R-	R-	R200 000
160 Furniture, Tools and Equipment : Sanitation	R200 000	R200 000	R-
162 Upgrade Auto-Samplers	R100 000	R150 000	R200 000
Blaauwklippen Drainage Area	R-	R-	R-
Bulk Sewer Upgrade: Dwarsriver Area (Kylemore, Boschendal, Pniel)	R-	R20 000 000	R11 000 000
Cloetesville Bulk Sewer Upgrade	R-	R-	R1 000 000
Effluent Recycling of Waste Water 10Ml per day	R-	R-	R500 000
Franschhoek Sewer Network Upgrade	R5 000 000	R-	R-
Industrial Effluent Monitoring	R750 000	R1 000 000	R-
Kayamandi Bulk Sewer	R-	R-	R500 000
Klapmuts Bulk Sewer Upgrade	R-	R-	R1 000 000
Northern Extension: Phase 2 Sanitation Infrastructure	R-	R-	R-
Update Sewer Masterplan	R-	R-	R500 000
Vehicles	R-	R-	R1 000 000
Water and Wastewater Services: Water	R130 500 000	R68 750 000	R44 500 000
101 Bulk water Supply Pipe Line & Pumpstations: Franschhoek	R12 000 000	R-	R-
102.5 Bulk water Supply Pipe : Cloetesville/ Idas Valley	R-	R-	R1 000 000
103 Bulk Water Supply Pipeline & Reservoir - Jamestown	R10 000 000	R10 000 000	R-
104 Bulk water supply pipe and Reservoir: Kayamandi	R19 500 000	R-	R-
105 Bulk water supply Klapmuts	R15 000 000	R5 000 000	R-
107 Bulk Water Supply Pipe: Idas Valley/Papegaaiberg and Network Upgrades	R-	R-	R1 000 000
108 Water Treatment Works: Idasvalley	R11 000 000	R15 000 000	R2 000 000
109 Water Treatment Works: Paradyskloof and Associated works	R-	R-	R500 000
112 New 5 MI Reservoir: Cloetesville	R-	R-	R-
113 New 1 ML Raithby Reservoir Planning & Design	R-	R-	R-
115 Storage Dam and Reservoir Upgrade	R-	R-	R-
116 Chlorination Installation: Upgrade	R500 000	R500 000	R500 000
117 Water Conservation & Demand Management	R10 000 000	R5 000 000	R5 000 000
118 Reservoirs and Dam Safety	R1 500 000	R1 500 000	R1 500 000
119 New Developments Bulk Water Supply WC024	R2 000 000	R2 000 000	R8 000 000
120 Waterpipe Replacement	R8 000 000	R7 000 000	R10 000 000
121 Water Telemetry Upgrade	R500 000	R750 000	R1 500 000
122 Furniture, Tools and Equipment : Reticulation	R100 000	R100 000	R150 000
123 Upgrade and Replace Water Meters	R2 500 000	R3 000 000	R1 500 000
124 Vehicles	R1 000 000	R1 000 000	R1 500 000
125 Update Water Masterplan and IMQS	R1 500 000	R1 500 000	R2 000 000
Dwarsriver Bulk Supply Augmentation and Network Upgrades	R-	R-	R1 000 000
Franschhoek Bulk Water Upgrades	R-	R-	R-
Koelenhof and Mariendahl Bulk Water Supply Upgrade	R-	R-	R-
Longlands Vlottenburg: Infrastructure - Reservoir	R-	R-	R-
New 5 MI Reservoir: Kayamandi	R-	R-	R-
New Reservoir & Pipeline: Vlottenburg	R20 000 000	R10 000 000	R-
New Reservoir Kayamandi Northern Extension and Network Upgrade	R-	R-	R-
New Reservoir Rosendal	R15 000 000	R6 000 000	R-
Northern Extension: Phase 2 Water Infrastructure	R-	R-	R2 000 000
Provision of Services Jonkershoek: Planning	R-	R-	R-
Specialized vehicle: Jet Machine	R-	R-	R3 850 000
Upgrade of Franschhoek Reservoirs and Pipelines	R-	R-	R1 000 000
Upgrading of Koelenhof Water Scheme	R-	R-	R500 000
Upgrading of Raithby Water Scheme	R-	R-	R-
WSDP (tri-annually)	R400 000	R400 000	R-
Municipal Manager	R40 000	R44 000	R49 000
Executive Support: Office of the Municipal Manager	R40 000	R44 000	R49 000
Furniture, Tools and Equipment	R40 000	R44 000	R49 000
Planning and Economic Development	R531 800	R218 800	R12 565 000

MTREF PROJECT LIST	2020 / 2021	2021 / 2022	2022 / 2023
Administrative Support	R-	R-	R-
Enkanini (Planning)	R-	R-	R-
Development Planning: Spatial Planning	R-	R-	R-
Furniture, Tools and Equipment	R-	R-	R-
Economic Development and Tourism	R285 000	R-	R4 500 000
Development of 4-Passes Mountain Bike trail	R-	R-	R-
Establishment of Informal Trading Markets Bird Street	R-	R-	R-
Furniture Tools and Equipment	R35 000	R-	R-
Local Economic Development Hub Kayamandi	R-	R-	R4 500 000
Upgrading of the Kayamandi Economic Tourism Corridor	R250 000	R-	R-
IHS: Informal Settlements	R-	R-	R8 000 000
Furniture, Tools and Equipment	R-	R-	R-
Klapmuts ABS	R-	R-	R-
Langrug ABS	R-	R-	R-
Langrug UISP (1899)	R-	R-	R8 000 000
Upgrading of Informal Settlements: General	R-	R-	R-
IHS: New Housing	R81 800	R93 800	R65 000
Furniture, Tools and Equipment	R81 800	R93 800	R65 000
Land Use Management	R130 000	R125 000	R-
Furniture, Tools & Equipment	R130 000	R125 000	R-
Spatial Planning: Planning and Development	R35 000	R-	R-
AirConditioning Units	R-	R-	R-
Furniture, Tools and Equipment	R35 000	R-	R-
Hi speed and quality A0 network scanner	R-	R-	R-
Urban Planning	R-	R-	R-
Grand Total	R534 796 260	R415 019 562	R424 821 988

Section 12 Institutional Arrangements

12 Institutional Arrangements

Stellenbosch Local Municipality is one of the municipalities who has developed a Capital Expenditure Framework, and one of the only municipalities. The ease with which the CEF could be developed is largely attributable to the levels of institutional maturity which allowed function in an integrated fashion as intended by the IUDF.

Regardless of the institutional maturity, the municipality still identified areas of improvement that can be worked on towards the next version of the Capital Expenditure Framework.

This section will deal with mainly three components:

- Firstly, it will discuss elements of possible improvements and additions towards the second generation Capital Expenditure Framework;
- Secondly, it will unpack the performance indicators that could potentially be introduced in the second generation Capital Expenditure Frameworks, and;
- Thirdly, it will show the alignment of the Capital Expenditure Framework in terms of National, Provincial, and Municipal strategic outcomes.

12.1 Towards the second generation Capital Expenditure Framework

12.1.1 Volume based data collection

This CEF is financially oriented. In order to ensure that the service delivery needs within the municipality are met, it is necessary to have a better understanding of the asset quality within the municipality and what the volumes are that will be obtained after spending the capital as expressed in the CEF. This will lead to a CEF that not only look at whether the municipal budget is sustainable, but also meet the potential needs that is facing the municipality as identified in the demand quantification chapter of this document.

12.1.2 Updated master plans

The CEF is reports on an ongoing cycle of project conceptualisation, planning budgeting and implementation. Part of this process is to update master plans – alternatively referred to as sector plans. This will then feed into the Integrated Infrastructure Investment Framework (IIIF). Stellenbosch is in process of updating various master plans which, once updated, will result in a project list which will then feed into the CEF, and so ensure that the CEF remains current and relevant.

12.1.3 Continuation of the Capital Planning Forum

The Capital Planning Forum (CPF), is a mechanism within the Stellenbosch municipality where the proverbial tyre hits the proverbial ground. It is the engine room that led to a collaborative effort in delivering the CEF.

The CPF is headed by the CFO and Director of Governance (Responsible for the IDP, Public Participation and Performance Management) calling together all departments with a vested interest in capital planning, budgeting and implementation.

The CPF is the platform where integrative planning and collaboration occurs, and where departments have the opportunity to raise concerns, questions and suggestions regarding amongst others the capital budget. As a result the CPF is a critical forum for integrated infrastructure planning and budgeting.

12.1.4 Incorporation of Provincial departments capital need lists

The IIIF is intended to not only show the IIIF of the municipality, but rather the total planned capital expenditure within the municipal jurisdiction, and beyond. A first step would be to start gathering the information, and incorporating it into the reporting component of the CEF and as an informant to integrated planning.

12.1.5 Clear set of performance indicators

During the process of developing the CEF, various indicators were provided and discussed. The first round CEF's should show which metrics could assist in measuring performance towards the IUDF. Two such indicators include the Poor versus Non-Poor capital expenditure ratio, as well as the % of capital expenditure that is spatially targeted.

12.1.6 Adjustment of submission dates

There is a call for better alignment between municipal and national planning processes in terms of submission dates of critical document such as the MTREF budget, SDF review, IDP update and a CEF. What makes this even more critical of a call, is the fact that the said documents are all intertwined, which calls for stronger coordination within the municipality.

12.2 Performance Indicators

12.2.1 Contextualisation

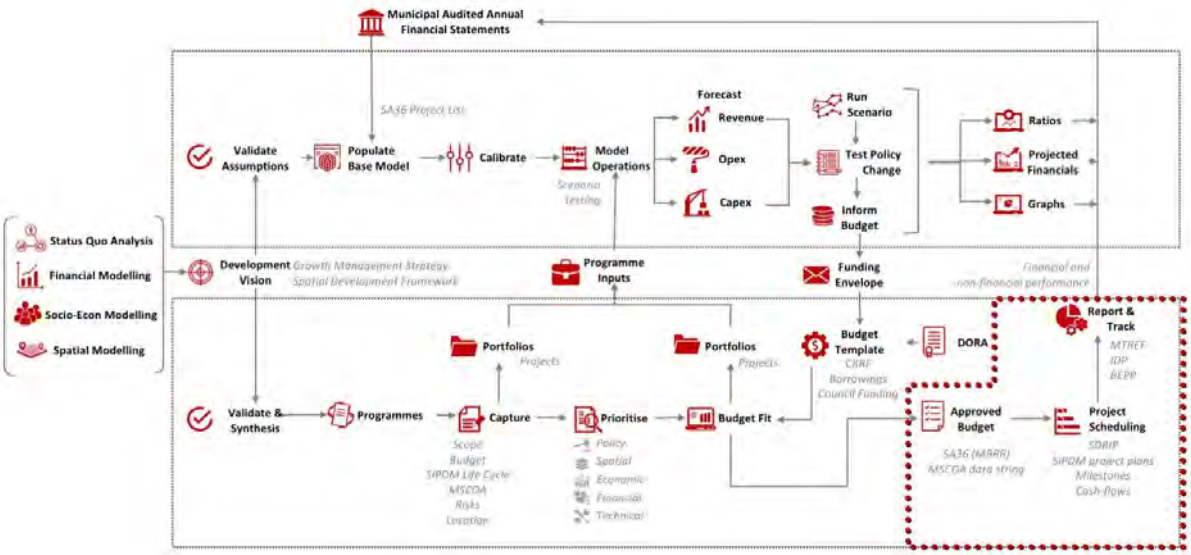


Figure 105: Reporting and Tracking

Reporting and tracking is one of the most important components of the total process. It enables a municipality, and other spheres of government to track the impact of capital investment. Performance indicators aims to assist in understanding the performance of a municipality in order to ensure that the municipality are strategically aligned with legislative, planning and budgeting requirements.

The CP3 system not only allows for project identification and implementation based on certain spatial targeted areas, but it continues to evaluate and track implementation. It provides a platform for reporting and evaluation and in doing so provides more credibility to the municipality's prioritisation process. Specific elements to which the said system can report include:

- Specific spatial impact of projects;
- Capital expenditure versus a multitude of spatial filters;
- Capital expenditure in terms of strategic direction of various tiers of government;
- CIDMS Phasing of projects; and
- Requested expenditure versus Planned expenditure versus Actual expenditure.

As this is the first reporting period of the IUDF programme, the maturity of the CEF process within different municipalities varies which means that the ability to respond to specific performance indicators varies. Based on the maturity and ability of the different municipalities, the performance indicators will evolve to enable uniform tracking of progress. Performance indicators are therefore used as a beta reporting attempt – pending further clarity on performance indicator requirements.

This section aims to shed a light on the performance indicators as required by the IUDF guidelines, with specific focus on a performance bonus available within the IUDF grant, and to show the expenditure of the City in terms of the various spheres of governments' outcomes.

12.2.2 Indicators for Performance based funding allocation

Each indicator will be discussed based on the following format:

- Target: outlines the factors (data) required in order to calculate each of the Indicators.
- Source data: outlines the datasets that have been collected for purposes of the calculation method as well as the corresponding source of each dataset.
- Data Integrity and comments: outlines a summarised data audit of the datasets collected as well as limitation factors that need to be taken into account during the calculation process.
- Assumptions: outlines assumptions made to conform to the criteria as set out by National Treasury. Calculating the Performance Indicator – outlines the methodology process used to calculate the indicator.
- Results: outlines the results from the methodology followed within the reporting format as set out by National Treasury.
- Proposed Methodology and Data Improvements: outlines solutions to the limitation factors described within the data audit process as well as factors that need to be taken into account for future calculation of the indicators.

For the indicators that could not be calculated a proposed methodology has been included for implementation once the outstanding/adequate datasets have been collected.

12.2.3 Indicator 1: Own funded capital expenditure

12.2.3.1 *Target*

The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings, as indication of the Municipality's level of Grant Dependency in funding its capital programme. No norm is proposed at this time, but a lower result will indicate lower level of grant dependency, which indicates a stronger ability by the municipality to be financially sustainable in the longer term. It is critical that the funding mix of capital expenditure is undertaken in such a manner that affordable borrowing is directed towards addressing service delivery needs and that there is also opportunity for increased capacity on internally generated funding to attain an improved balance of the funding sources.

12.2.3.2 *Source Data*

Statement of Financial Position, Budget, Annual Financial Status Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports

12.2.3.3 *Data integrity and comments*

Unqualified audited annual financial statements of the municipality proves the most reliable source. In-year reports can be relied on for the purposes of ongoing and interim monitoring end reporting

12.2.3.4 *Calculating the indicator*

$$Indicator\ 1 = \frac{Own\ funded\ Capital\ Expenditure_{Internally\ Generated\ funds+Borrowin}}{Total\ Capital\ Expenditure} \times 100$$

12.2.3.5 *Results*

Based on the 2018 audited annual financial statements of Stellenbosch a result of 82.13% was achieved, which indicates a low level of grant dependency to fund its capital expenditure.

12.2.3.6 *Proposed Methodology and Data Improvements*

The methodology followed are as proposed by National Treasury.

12.2.4 indicator 2: Total maintenance expenditure as percentage of carrying value of PPE

12.2.4.1 *Target*

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services. A ratio result of 8% is recommended by National Treasury as an industry norm. A ratio below the norm may be a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets. An increasing expenditure trend may be indicative of high asset-usage levels, which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicate that the Municipality is experiencing cash flow problems and therefore unable to spend at appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

12.2.4.2 *Source Data*

Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports.

12.2.4.3 *Data integrity and comments*

Unqualified audited annual financial statements of the municipality proves the most reliable source. The repairs and maintenance expense can be obtained from Table SA1 and SA34c in the latest approved MTREF budget and supporting schedules. In-year reports can be relied on for the purposes of ongoing and interim monitoring end reporting. Due to the nature of carrying value of PPE and the impact that Stellenbosch's accelerated capital investment in recent years may have had, this ratio should be seen as a guideline of average spend which need to be achieved over the longer term, considering average ageing of infrastructure on the entire asset register. Allocating repairs and maintenance correctly within mSCOA classification requirements is of essence in the calculation of this ratio.

12.2.4.4 *Calculating the indicator*

$$Indicator\ 2 = \frac{Total\ Repairs\ and\ Maintenance\ Expenditure}{Property, Plant\ and\ Equipment\ and\ Investment\ Property_{Carrying\ Value}} \times 100$$

12.2.4.5 *Results*

Based on the 2018 audited annual financial statements of Stellenbosch a result of 0.8% was achieved, which indicates a very low level of repairs and maintenance to PPE. This may be due to lack of data integrity and availability, but may also indicate likelihood of possible impairments of PPE in future due to lack of proper maintenance. This may also result in increased spend on replacement assets as part of its annual capital programme. Over the longer term Stellenbosch should aim to improve this result to more acceptable levels.

12.2.4.6 *Proposed Methodology and Data Improvements*

The reasons for this low result should be investigated by the municipality. This result may be due to incomplete repairs and maintenance expense disclosure in its schedules to its latest approved budget (the repairs and maintenance expense appears to omit repairs and maintenance cost included under employee related costs, other materials and contracted services).

12.2.5 Indicator 3: Asset management plan is in place

12.2.5.1 *Target*

Asset management plans is vital in the context of capital expenditure as they provide the roadmap for achieving value from physical assets by optimising cost, risk and performance across the asset lifecycle. They define the implementation activities necessary to realise the municipality asset management objectives.

This indicator therefore aims to understand how the municipality is tracking previous capital expenditure, and how well current infrastructure is being monitored.

12.2.5.2 *Source Data*

Directorate, Infrastructure Services.

12.2.5.3 *Data integrity and comments*

Asset management plans listed here are the asset management plans that are in use by the municipality currently.

12.2.5.4 *Calculating the indicator*

The following steps were taken to determine this indicator:

- Identify if an asset management plan in place (if yes, proceed to next step, if no, score zero);
- Identify if they have been approved by municipality (if yes, proceed to next step, if no, score zero);
- Determine when last the asset management plan has been update (if equal to or less than three years, score 100%, if more than 3 years, score zero).

12.2.5.5 *Results*

Table 83: Indicator 3: Asset management plan is in place

Department	Asset Management Plan in Place	Approved by Municipality	Approval Date	Update Within last 3 Years (2018 FY)
Electricity	Yes	Yes	2016	Yes
Water	Yes	Yes	2017	Yes
Waste Water	Yes	Yes	2017	Yes
Solid Waste	Yes	Yes	2017	Yes
Roads, Stormwater	Yes	Yes	2015	Yes
Transport	Yes	Yes	2016	Yes
Result	1	1	1	1
Final Result				100%

12.2.5.6 *Proposed Methodology and Data Improvements*

The Boolean test implied in the formation of this indicator has been followed. This indicator should however consider asset registers as opposed to asset management plans.

12.2.6 Indicator 4: Number of land use applications processed in priority areas

NB: As per the IUDG description document, this indicator is dormant for 2019/20.

12.2.6.1 *Target*

This indicator aims to identify whether private development pressure are within the priority development areas and whether private development occurs outside the Priority Development Areas.

12.2.6.2 *Source Data*

The data is provided via the database of the internal system dealing with land use applications.

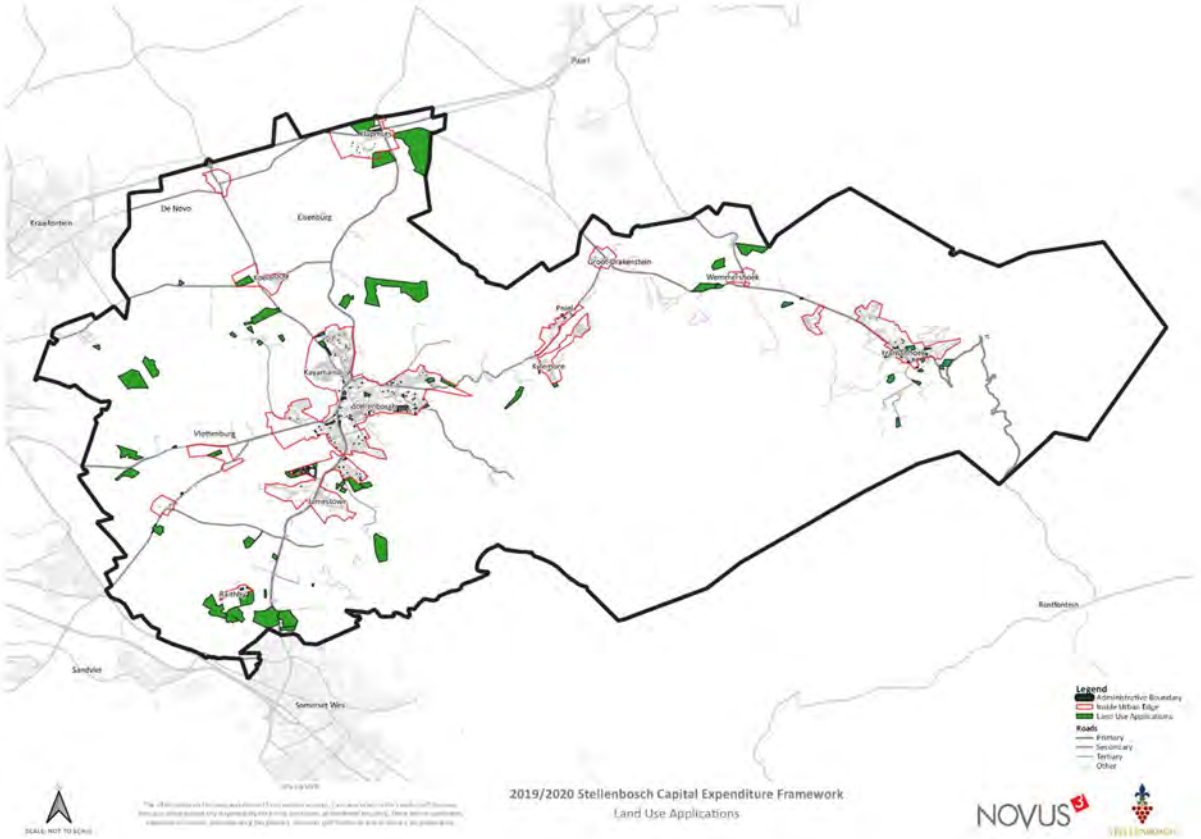
12.2.6.3 *Data integrity and comments*

Number of land use applications does not necessarily reflect development pressure. A land use application for a block of flats has a major impact on number of households and so on infrastructure, where a consent use for a creche does not.

12.2.6.4 *Calculating the indicator*

- Step 1: Collect data ranging from 2018-01-01 to 2018-12-31.
- Step 2: Clean data in order to link to the Cadastre of Stellenbosch local municipality.
- Step 3: Join the data spatially.
- Step 4: Identify Spatial Development Priority Development Areas.
- Step 5: Intersect the Cadastre and Priority Development Areas.
- Step 6: Calculate results.

12.2.6.5 *Results*



Map 30: Indicator 4: Number of land use applications processed in priority areas

Table 84: Indicator 4: Number of land use applications processed in priority areas

	Count	As a % of total number of land use applications	As a % of total number of land use applications joined
Total number of land use applications	376	100%	
Total number of land use applications joined	288	77%	100%
Total number of land use applications within urban edge	241	64%	84%

12.2.6.6 *Proposed Methodology and Data Improvements*

Municipality is in process to establish a land use application platform on an ESRI platform which will enable 100% accuracy in this indicator.

12.2.7 Indicator 5: Number of building plan applications processed in priority areas.

NB: As per the IUDG description document, this indicator is dormant for 2019/20.

12.2.7.1 *Target*

This indicator aims to identify whether development is being allowed outside the priority development areas. It aims to evaluate whether the municipality is aligning private development and infrastructure provision.

12.2.7.2 *Source Data*

The data is provided via the database of the internal system dealing with building plan applications.

12.2.7.3 *Data integrity and comments*

Given the fact that the data was provided from an online platform means that the data enjoys a high level of confidence, and will enjoy it even more so when the ESRI platform has been fully implemented within the Municipality.

12.2.7.4 *Calculating the indicator*

- Step 1: Collect data ranging from 2018-01-01 to 2018-12-31.
- Step 2: Clean data in order to link to the Cadastre of Stellenbosch local municipality.
- Step 3: Join the data spatially.
- Step 4: Identify Spatial Development Priority Development Areas.
- Step 5: Intersect the Cadastre and Priority Development Areas.
- Step 6: Calculate results.

12.2.7.5 *Results*

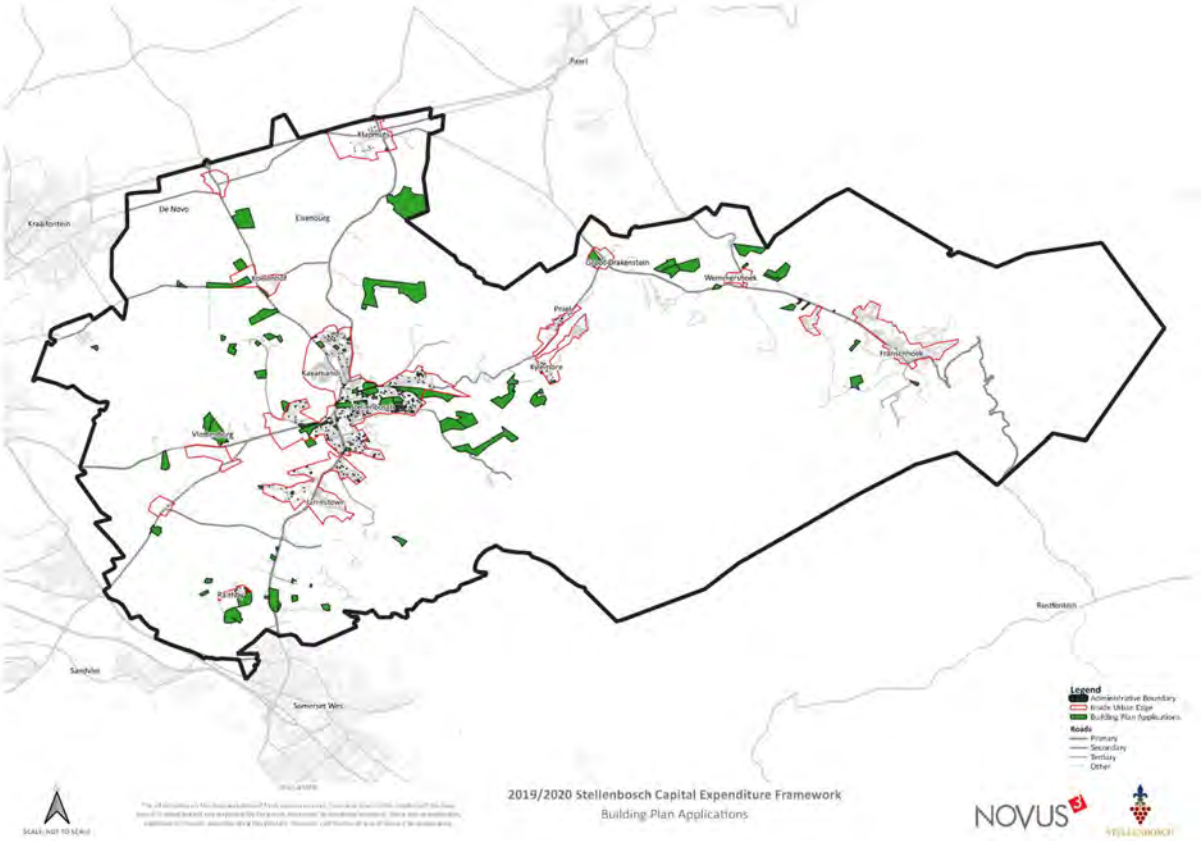
Table 85: Indicator 5: Number of building plan applications processed in priority areas

	Count	As a % of total number of building plan applications	As a % of total number of building plan applications joined
Total number of building plan applications	1 471		
Total number of building plan applications joined[37]	552	38%	100%
Total number of la building plan applications within urban edge	488	33%	88%

[37] 341 of building plan applications do not have erf related information to join.

12.2.7.6 *Proposed Methodology and Data Improvements*

The Stellenbosch Local Municipality has approved the development and integration of a GIS based management system. This system will be integrated to the. Whole municipality, and will have a spatial engine which enables spatial reporting. This institutional arrangement will ease the calculation of this performance indicator, and enable the calculation of other potential indicators.



Map 31: Indicator 5: Number of building plan applications processed in priority areas

12.2.8 Summary

Table 86: Performance Indicators Summary

Performance Measure	Definition	Score Parameters	Result	Score (Unweighted)	Weight	Score (Weighted)
Indicator 1: Own funded capital expenditure (internally generated funds + borrowing) as a percentage of total capital expenditure.	Own funded capital expenditure (internally generated funds + borrowing) as a percentage of total capital expenditure	Score of 1 if 70% or higher Score of 0 if 30% or lower Linear scale in between	82%	100%	40	40,0%
Indicator 2: Total maintenance expenditure as percentage of carrying value of PPE and investment property.	Total maintenance expenditure as percentage of carrying value of PPE and investment property	Score of 1 if 8% or higher Score of 0 if 2% or lower Linear scale in between	0,8%	0%	30	0,0%
Indicator 3: Asset management plan is in place, has been approved by Municipality and has been updated in last 3 years.	Asset management plan is in place, has been approved by Municipality and has been updated in last 3 years	Score 1 if yes for all three conditions Score 0 if no for any of the three conditions	Yes for all three	100%	30	30,0%
Indicator 4: Number of land use applications processed in priority areas identified in the spatial development framework as a percentage of the total number of land use applications submitted municipality-wide.	Number of land use applications processed in priority areas identified in the spatial development framework as a percentage of the total number of land use applications submitted municipality-wide.	Score of 1 if 50% or higher Score of 0 if 10% or lower Linear scale in between	84%	100%	0	Not Applicable

Indicator 5: Number of building plan applications processed in priority areas identified in the spatial development framework as a percentage of the total number of building plan applications submitted municipality-wide.	Number of building plan applications processed in priority areas identified in the spatial development framework as a percentage of the total number of building plan applications submitted municipality-wide.	Score of 1 if 50% or higher Score of 0 if 10% or lower Linear scale in between	88%	100%	0	Not Applicable
Total				67%	100	70%

Section 14 Bibliography

13 Bibliography

Sections of this report is based on queries generated from the MapAble® database (www.mapable.co.za). The data sources are indicated in the table below. All the data utilised is in the public domain and can be sourced from the respective data custodians.

The bulk of the data comes from census data from Statistics South Africa. Each census is queried at the smallest data level at which a census was released. The 1996 census was released at enumerator area (EA) level while the 2001 census was only released at sub-place level. A sub place consists of a number of EAs. The 2011 census was released as a small area layer (SAL). Small areas are larger than EA's but smaller than sub-places. It is important to note that the censuses are not consistent insofar as data categories are concerned. It was therefore necessary to adjust some census data (subdividing categories or lumping categories together) in order to get the data at a consistent and comparable basis. Due to the way data is extracted from the census the totals in the tables in the report are not necessarily consistent or the same throughout the report. The following affects table totals:

- When data is extracted from the censuses, values of less than 5 are randomised with values between 1 and 5 in order to protect individual's identities. This accounts for smaller variations in totals;
- Data categories are not consistent between the censuses; and
- The process of data partitioning is by its very nature affected by the physical scale at which queries are done. The smaller an area is the bigger the possibility for anomalies become.

Notwithstanding these issues, the results are valid and sufficiently accurate for general use.

Data partitioning is used in MapAble® to determine values for the selected areas. Data partitioning calculates the proportional ratios of underlying data sets (data linked to polygons such as EA's or sub-places) within a selected query area (ward, municipality, farm portion, etc.). Data partitioning is used to overcome the need for information on census demographics for areas that are not consistent with the standard boundaries themselves, or as the case in this report, where boundaries change from time to time and area profiles are not directly comparable. The proportions are based on the area of the intersecting themes.

Data partitioning allows for comparisons between datasets, which each having their own unique demarcations, and data that is not necessarily spatially comparable or compatible.

Data table	Data source
The area's demarcation history	Municipal Demarcation Board from 1996 to 2016
Smaller towns, settlements and villages	MapAble® 2015
Population and gender	Statistics South Africa. Census data for 1996, 2001 and 2011
Population groups	Statistics South Africa. Census data for 1996, 2001 and 2011
Age groups	Statistics South Africa. Census data for 1996, 2001 and 2011

Data table	Data source
Language groups	Statistics South Africa. Census data for 1996, 2001 and 2011
Total households, size and density	Statistics South Africa. Census data for 1996, 2001 and 2011
Dwelling frame 2018	Statistics South Africa 2018
Head of household by gender	Statistics South Africa. Census data for 1996, 2001 and 2011
Household income per month in 2011 Rand values	Calculated by MapAble® from census data 2016
Household income indicators per month in 2011 Rand values	Calculated by MapAble® from census data 2016
Dwelling type	Statistics South Africa. Census data for 1996, 2001 and 2011
Dwelling ownership	Statistics South Africa. Census data for 1996, 2001 and 2011
Migration - country of origin	Statistics South Africa. Census data for 1996, 2001 and 2011
Province of previous residence	Statistics South Africa. Census data for 1996, 2001 and 2011
Highest level of education	Statistics South Africa. Census data for 1996, 2001 and 2011
Employment within the area	Statistics South Africa. Census data for 1996, 2001 and 2011
Primary schools' statistics within the area	Department of Basic Education 2016
Secondary schools' statistics within the area	Department of Basic Education 2016
Intermediate schools' statistics within the area	Department of Basic Education 2016
Combined schools' statistics within the area	Department of Basic Education 2016
List of public health facilities within the area	Department of Health 2015
Private health facility and ownership within the area	Department of Health 2015
Number of beds per facility within the area	Department of Health 2015
Police stations	South African Police Services 2015
Area covered by SAPS precincts	Institute for Security Studies as calculated by Mandala GIS 2015
Lower courts in the area	Department of Justice mapped by MapAble
Land cover 1990 and 2014: Natural elements	GeoTerraImage (Pty) Ltd 2014

Data table	Data source
Land cover 1990 and 2014: Primary economic activities	GeoTerraImage (Pty) Ltd 2014
Land cover 1990 and 2014: Human settlement	GeoTerraImage (Pty) Ltd 2014
Access to water services 1996, 2001 and 2011	Statistics South Africa. Census data for 1996, 2001 and 2011
Access to sanitation services 1996, 2001 and 2011	Statistics South Africa. Census data for 1996, 2001 and 2011
Access to electricity services 1996, 2001 and 2011	Statistics South Africa. Census data for 1996, 2001 and 2011
Access to refuse removal services 1996, 2001 and 2011	Statistics South Africa. Census data for 1996, 2001 and 2011
Road services in the area	Calculated by MapAble® from various sources 2016

End of Document

9.	**REPORT BY THE MUNICIPAL MANAGER**

9.1	**DELEGATION TO THE EXECUTIVE MAYOR AND EMERGENCY ASSISTANCE TO CITIZENS IN LIGHT OF COVID-19**

KINDLY NOTE: THIS ITEM WILL BE DISTRIBUTED UNDER SEPARATE COVER