

Annexure B:

Western Cape Government

**INTEGRATED PLANNING AND
BUDGETING ASSESSMENT: ANALYSIS
OF MUNICIPAL IDP, SDF AND BUDGET**



**Western Cape
Government**

STELLENBOSCH MUNICIPALITY

INTEGRATED PLANNING AND BUDGETING ASSESSMENT: ANALYSIS OF MUNICIPAL IDP, SDF AND BUDGET

Western Cape Government

APRIL/MAY 2020

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LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CBA	Critical Biodiversity Areas
CBD	Central Business District
CEF	10-Year Capital Expenditure Framework
CMLs	Coastal Management Lines
CMP	Coastal Management Plan
CMP	Coastal Management Programme
COVID-19	Coronavirus disease 2019
CPP	Coastal Private Property
CSIR	Council for Scientific and Industrial Research
D: ELE	Directorate: Environmental Law Enforcement
DCAS	Department of Cultural Affairs and Sport
DDM	District Development Model
DEA&DP	Department of Environmental Affairs and Development Planning
DEFF	Department of Environment, Forestry and Fisheries
DHS/DOHS	Department of Human Settlements
DLG	Department of Local Government
DM	District Municipality
DSP	District Safety Plan
DWA	Department of Water Affairs
ECD	Early Childhood Development
EFZ	Estuary Functional Zone
EIAs	Environmental Impact Assessments
EO	Environmental Officer
EPWP	Expanded Public Works Programme
ESAs	Ecological Support Areas
FBE	Free Basic Electricity
FBS	Free Basic Sanitation
FBS	Free Basic Services
FBW	Free Basic Water
FRP	Financial Recovery Plan
HSP	Human Settlement Plan
ICM Act	Integrated Coastal Management Act

IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
IPSS	Integrated Performance Support System
IPWIS	Integrated Pollutant and Waste Information System
ISDF	Integrated Strategic Development Framework
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
IYM	In-year Monitoring
JDA	Joint District Approach
JOC	Joint Operations Centre
kl	Kilolitre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour (1000 watt hours)
LED	Local Economic Development
LUPO	Land Use Planning Ordinance
MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
MERO	Municipal Economic Review and Outlook
MFMA	Municipal Finance Management Act
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan
MMP	Maintenance Management Plan
MRF	Material Recovery Facility
MSA	Municipal Systems Act
mSCOA	Municipal Standard Chart of Accounts
MTEF	2019 – 2024 Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
MVA	Megavolt Amperes (1 Million volt amperes)
MWh	Megawatt hour (1 Million watt hours)
NDHS	National Department of Human Settlements
NEM: AQA	National Environmental Management: Air Quality Act
NEMP	National Estuarine Management Protocol

NRW	Non-revenue Water
NT Database	National Treasury Database
NT LG Database Upload Portal	National Treasury Local Government Database Upload Portal
O&M	Operations and Maintenance
PMS	Performance Management Systems
PRTA	Project Segment Tabled Budget
PSP	2019 – 2024 Provincial Strategic Plan
RMA's	Responsible Management Authorities
RMP	Road Management Plan
S@S	Separation of Waste at Source
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SEP-LG	Socio-Economic Profile Local Government
SOP	Standard Operating Procedure
SWMP	Stormwater Management Plan
TABB	Tabled Budget
VIP	Vision Inspired Priority
WC	Water Conservation
WCBSP	Western Cape Biodiversity Spatial Plan
WCG	Western Cape Government
WDF	Waste Disposal Facilities
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

SECTION 1: INTRODUCTION

The annual assessment of municipal integrated development plans and budgets presents an opportunity to deepen and strengthen existing partnerships, as well as identify new areas for collaboration to promote the 'Integrated Service Delivery' approach. The importance of this assessment is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32 of 2000 (MSA), the MSA Regulations and the Local Government Municipal Finance Management Act 56 of 2003 (MFMA). Provincial assessments afford the provincial sphere of government an opportunity to exercise its monitoring and support role to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and constitutional mandates. This report encapsulates comments by the Western Cape Provincial Government on the draft 2020/21 MTREF Budget, 2020/21 proposed amendments to Integrated Development Plan (IDP) and related documentation.

The assessment covers the following key areas:

- Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR) and mSCOA regulations;
- Responsiveness of draft budget, IDP and SDF; and
- Credibility and sustainability of the Budget.

The MBRR A-Schedules, budget documentation, IDP and related documentation submitted by the Municipality are the primary sources for the analysis. The quality of this assessment report therefore depends on the credibility of the information contained in the documents submitted by the Municipality. The Provincial Government plans to engage the executives of your Municipality via video conference on 4 May 2020 where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as taken up in the draft budget, IDP and related strategies and plans.

An overview of the detailed assessment report can be found below to provide the Municipality with a synopsis from each of the main sections of the report.

■ Public Value Creation

This section seeks to assess the Municipality's Integrated Development Plan as well as provides an environmental analysis of the Municipality and how it collectively contributes to achieving maximum public value.

■ Economic Sustainability

This section examines if the tabled 2020/21 MTREF Budget is responsive from an economic and socio-economic perspective and the Municipality's ability to meet the legitimate expectations of the community for services from its limited resources to effect inclusive growth.

■ Financial Sustainability

This section examines the financial health position of the Municipality through ratio analysis and assess the sustainability and credibility of the 2020/21 MTREF operating and capital budgets.

1.1 RESPONDING TO THE CORONAVIRUS (COVID-19): CONSIDERATIONS FOR MUNICIPAL PLANNING AND BUDGETING

The COVID-19 virus was recently declared a global pandemic by the World Health Organisation (WHO). On 5 March 2020, South Africa registered its first positive case where after new infections and transmissions spread rapidly across the country. Having considered the magnitude and severity of the virus and the possible future impact thereof on South Africa, the Minister of Cooperative Governance and Traditional Affairs on 15 March 2020 officially declared a national state of disaster as per section 27(1) of the Disaster Management Act, 2002 (Act No. 57 of 2002). As the spread of the virus intensified, President Ramaphosa on 23 March 2020 announced a nationwide 21-day lockdown which would come into effect at midnight, Thursday, 26 March 2020. On 9 April 2020, the President announced the extension of the lockdown to 30 April 2020. Section 27(2) of the Disaster Management Act allows for the development of regulations to, for the duration of the state of disaster, assist, protect and provide relief to the public; protect property; prevent disruptions and/or assist with dealing with the destructive and other effects of the disaster in question. Such regulations were official proclaimed in the Government Gazette on 25 March 2020.

The spread of the virus impacts severely on the municipal budget and planning process insofar it coincides with the tabling of draft annual budgets, draft reviewed IDPs and SDFs in terms of section 16(2) of the MFMA. Given that municipalities were expected to table these documents before council by no later than the end of March 2020, most of the strategic planning priorities and associated budget allocations for the 2020/21 financial year were finalised at the time when the lockdown was announced. Municipalities did as such not have sufficient time to adjust budget allocations to properly reflect their respective strategic responses to the virus.

The purpose of this section is to provide tangible recommendations as to how Stellenbosch Municipality can adjust, revise and review their tabled budget to mitigate the effects of the virus, albeit only within their mandated areas of responsibility. Upon receipt of the final budget documentation, the various departments will consider to what extent Stellenbosch Municipality took cognisance of below mentioned recommendations.

1.2 PUBLIC VALUE CREATION

1.2.1 Environmental Management and Development Planning

- Directions in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) and related legislation:
 - In the absence of a national determination, on 26 March 2020 Minister Bredell issued a decision in terms of Section 47C of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) in terms of all matters for which Minister Bredell is the Competent Authority, to extend all timeframes in terms of NEMA (excluding matters related to Section 28, 30 and 31 of NEMA) and the EIA Regulations for two months (27 March 2020 to 26 May 2020), but the extension did not apply to actions related to decisions issued after the 21-Day Lockdown period.
 - On 26 March 2020 the Department of Environmental Affairs and Development Planning also issued a Circular (Departmental Circular: *DEA&DP 0003/2020*) regarding Minister Bredell's Section 47C timeframes extension decision as well as communicating a protocol for the administration of Environmental Impact Assessments (EIAs), Atmospheric Emission License (AEL), Waste Management License (WML) and Section 24G applications and related formal enquiries/requests in the Western Cape Province during the COVID-19 Lockdown Period.

- On 31 March 2020 *Directions issued by the Minister of Forestry, Fisheries and Environment in terms of Regulation 10(8) of the Regulations issued in terms of Section 27(2) of the Disaster Management Act, 2002 (Act No. 57 of 2002): Measures to address, prevent and combat the Spread of COVID-19* was published in the *Government Gazette* (Notice No. R. 439 published in *Government Gazette* No. 43190 on 31 March 2020 refers). (A copy of the Directions is available at: <https://www.gov.za/documents/disaster-management-act-environment-directions-measures-address-prevent-and-combat-spread>)
- As a result of the publication of the abovementioned Directions, Minister Bredell on 1 April 2020 withdrew his decision of 26 March 2020 in terms of Section 47C of NEMA, and also indicated that the abovementioned Directions replaces the Departmental Circular: *DEA&DP 0003/2020* issued on 26 March 2020. As such, only the abovementioned Directions issued by the National Minister of Forestry, Fisheries and Environment apply in the Western Cape Province.
- The Department of Environmental Affairs and Development Planning is working with the Department of Local Government and others to provide assistance to Municipalities in terms of basic service provisions. In line with the Regulation R399 Disaster Management Act (57/2002): Directions made in terms of Section 27(2) by the Minister of Cooperative Governance and Traditional Affairs of 25 March 2020, Waste Management has been declared as an essential service, and is crucial to the management and containment of the spread of the virus, therefore a concern has been raised that waste from the households of infected or quarantined patients or those in self-isolation could pose a considerable risk if not managed appropriately. After consultation with the Department of Environment, Forestry and Fisheries (DEFF), the Provincial Department of Environmental Affairs and Development Planning (DEA&DP) proposed that the certain important measures be put in place by municipalities and households. On 27 March 2020 a *Protocol on Managing COVID-19 General Waste at Households* were issued to all municipalities in the Western Cape to guide municipalities on how to manage COVID-19 infectious waste at households. On 2 April 2020, DEA&DP Circular 0006/2020 was issued to municipalities and the Provincial and District/Metro Disaster Management Centres w.r.t. the Amendment to this Protocol, as a result of operational challenges expressed with household-level data not being made available due to patient confidentiality and ethical implications and the stigmatisation of patients under quarantine or self-isolation in households; as such municipalities would rather concentrate on hotspots. After the protocol being issued an intergovernmental COVID-19 Waste Management Workstreams were established with Waste Managers and Environmental Health Practitioners, respectively that would coordinate, align operations and share information.
- The Department of Environmental Affairs and Development Planning is also working with the Western Cape Department of Human Settlements, and other partners, in terms of possible de-densification of certain informal settlements as part of the COVID-19 Disaster Response interventions. For more information regarding proposed de-densification of informal settlements the Department of Human Settlements, as the coordinating Department, should be approached.
- In terms of any environmental and planning regulatory requirements during the COVID-19 Disaster the abovementioned officials of the Department of Environmental Affairs and Development Planning can be contacted for guidance details are disclosed under **Annexure A** below.

1.3 ECONOMIC SUSTAINABILITY

1.3.1 Budget Responsiveness

- The lockdown comes amidst already dire macro-economic conditions which has seen South Africa slump into a technical recession while consumer and business confidence dwindles. Towards the end of March 2020, Moody's classified South Africa's sovereign credit rating to sub-investment grade. The country now has a sub-investment grade credit classification from all three major international rating agencies. The lockdown will have a catastrophic effect on industry as non-essential business are forced to shut down completely resulting in a drastic reduction in overall economic output, productivity and substantial job losses. The impact will be particularly pronounced in labor-intensive industries such as construction, manufacturing and mining.
- The lockdown and closure of industries will also potentially influence short-term migratory patterns as workers travel back to their families. The subsequent population changes will result in changed consumption patterns of trading services. Data on conventional household sizes might therefore be inaccurate and municipalities are urged to use such data with caution as part of their planning processes.
- To stop the spread of transmissions, authorities are proactively encouraging good hygiene practices which includes frequent washing of hands and deep cleaning. This will drive up household water and sanitation consumption which could prove problematic in especially rural areas of the Western Cape where many local communities are still battling the ongoing drought.
- The lockdown is also expected to have far reaching implications from an educational perspective. As economic hardship intensifies, many children might end up not returning to school when lockdown measures subsides in order to assist their families to generate income. This will in turn have far reaching implications for future earning potential which ensures the continuation of the poverty cycle. Unlike their more affluent counterparts, students in vulnerable communities do not have sufficient tools to facilitate remote learning. Municipalities can assist in this regard by considering ways to improve broadband connectivity throughout low income communities, including informal settlements, which would allow students to access study material from within their dwellings.
- The physiological impact of the lockdown on informal settlements should not be underestimated. Communities must also guard against the spread of misinformation which can further increase stress and anxiety. Municipalities have an active role to play in this regard, by collating and distributing reliable and verified information.

Considerations for responsiveness allocations:

- **Basic service delivery:** Local government remains the coalface of basic service delivery. Access to trading services, especially in poor communities must be prioritised. Dedicated focus on water and sanitation to improve overall hygiene i.e. access to potable water in the form of water storage devices, installation of temporary communal taps and ablution facilities. Lockdown is expected to result in notable increase in residential household consumption which will require above inflationary operational increases, for the provision of water and sanitation. Municipalities must also pre-empt a drastic reduction in commercial consumption which will negatively influence the revenue base.
- **Human settlements:** Allocations towards human settlements must be prioritised to ensure improved service delivery to the most vulnerable citizens living in informal settlements. Allocations to the housing function must be directed towards the provision of basic services, the facilitation

of logistical arrangements to deliver relief food, grant collections and where possible, de-densification efforts.

- **Food Relief:** The Western Cape Government is currently busy finalising an extensive food security initiative which will provide much needed relief to poor households (including child feeding schemes). Details of this plan and the associated financial and non-financial support interventions will shortly be communicated to all district and local municipal role-players. Municipalities are urged to align their relief allocations with the commitments of the WCG plan. Thought should also be given to facilitate home deliveries of essential goods and services to restrict unnecessary movement.
- **Safety and Security:** Restricted movement brought on by the lockdown will arguably result in a decrease across all primary criminal offence categories, but does render commercial assets vulnerable. The ban on the sale of non-essential goods will also potentially give rise to illicit activities, while the lockdown will be difficult to enforce in densely populated areas. The country is also faced with high rates of gender-based violence. This is more likely to increase during the difficult period of lockdown. The contact details of the relevant authorities to contact in reporting these cases should be widely shared with communities as well as information on safe spaces such as shelters during the lockdown period. Law enforcement should be acutely trained to respond to call of gender-based violence promptly to protect vulnerable women and children during this time. These circumstances will necessitate increased budget allocations towards the safety and security function to strengthen municipal law enforcement capacity.

1.3.2 Supply Chain Management

On the 30 March 2020, the Minister of Co-operative Governance and Traditional Affairs issued a directive in terms of Section 27 (2) of the Disaster Management Act to prevent and combat the spread of COVID-19 in South Africa. This directive informs municipalities and municipal entities to take cognisance of the following requirements as it relates to emergency procurement:

- Undertaking of emergency procurement within the Disaster Management Act, 2020 and the transversal contracts issued by the National Treasury;
- Adhering to all the applicable National Treasury Regulations and MFMA Circular 100;
- Decision-making that would have been approved by the Municipal Councils, will be made by the Municipal Manager on recommendation by the Chief Financial Officer with the concurrence of the Mayor or Executive Mayor;
- Decisions taken must be taken in respect of an emergency nature and be reported to the first council meeting after the lockdown period; and
- Reporting of all procurement undertaken during the disaster period to the first council meeting after the period has lapsed.

In view of the above, municipalities are urged to use the following procurement methods:

- Provision of emergency procurement in terms of SCM Regulation 36;
- Provision in terms of Regulation 32 as it relates to national transversal contracts e.g. MFMA Circular No. 100 of 2019/20; and
- Tapping into the provincial disaster procurement systems as provided for by Department of Health and Department of Transport and Public Works.

Municipalities must also take cognisance of the following reporting requirements as it relates to the above procurement processes:

- Recording of the reasons for any deviations undertaken in terms of regulation 36(1)(a) and report such reasons to the next municipal council meeting and record the same as a note in the Municipality's annual financial statements as soon as is reasonably possible post lock down; and
- Reporting to Council in terms of SCM Regulation 6, on any procurement processes followed in terms of SCM Regulation 32 at a convenient time to be arranged as soon as it is reasonably practical and safe to do so.

Provincial Treasury will continue to guide and support municipalities regarding emergency procurement activities coupled to COVID-19. Further to this, the Provincial Treasury will be assisting municipalities post COVID-19 with systems and instruments to expedite the procurement planning process, with the aim to align municipal adjustment budgets and IDP deliverables.

1.4 FINANCIAL SUSTAINABILITY

- Specifically, reprioritisation of expenditure will have to be carefully planned and managed. From a reporting perspective, the Municipality may have to revisit the budget for interest costs, for payment holidays from finance institutions, can expect a sharper incline in unpaid debt due to the evident recession and the sharp increase in unemployment, and management may have to urgently revisit the indigent policy. This will necessitate the revisiting of the credit control policy.
- The Municipality is further encouraged to consider the re-assessment of its going concern ability considering the impact of the expected sharp increase in non-paying ratepayers. A further consideration is to reflect on the Covid-related costs for goods and services which will be priced at a premium as there are indications of global shortages.
- Much of the efforts of the Municipality will be geared for humanitarian support, donations received must be considered and appropriately planned for. Lastly, as many of the expenses will have to be reconsidered, a re-assessment of the bad debt provision must be performed, and a relook at the repairs and maintenance budgets, and consequently, the impairment of assets as these expenditures are normally considered once all other critical expenses are considered.
- It is advisable to follow a conservative approach when projecting revenue and eliminate any waste and unnecessary expenditure for the 2020/21 MTREF, to mitigate the financial impact of COVID-19 and optimise savings that can in turn be applied for disaster relief.

SECTION 2: PUBLIC VALUE CREATION

2.1 INTEGRATED PLANNING

2.1.1 Introduction

An Integrated Development Plan (IDP) 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 a municipality. An IDP provides the strategic direction for all the activities of a municipality over five years linked to the council term of office.

Each municipal council must annually review and may amend the IDP of the Municipality. Should the review process determine that an amendment is required, a municipality should follow the process as stipulated in Regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations of 2001.

The 2020/21 IDP Review of the Stellenbosch Municipality (the Municipality) is the third review of the 2017 - 2022 IDP. The 2020/21 IDP Review approach took into consideration an assessment of the performance measurements of the Municipality and the extent that changing circumstances so demand.

2.2 INTEGRATED PLANNING ANALYSIS

2.2.1 IDP Overview

The 2020/21 IDP Review maintains council's strategic direction by outlining its vision, mission, strategic objectives and its alignment to national and provincial priorities. This embodies the strategic thrust of the Municipality to deliver basic services; create an enabling environment for economic growth and decent employment; and improve the living conditions of all households.

With an estimated population of 186 274 in 2019, Stellenbosch is the third most populated municipal area in the Cape Winelands District. The Municipal 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. A forward projection on age cohorts reveals that between 2019 and 2025, the largest population growth will be in the 65-plus aged cohort which will grow at an annual average rate of 4.1 per cent. This predicted growth rate will significantly increase the Municipality's dependency ratio towards 2025 as reflected in the 2019, Western Cape, Socio-Economic Profile.

The 2020/21 IDP Review includes key municipal wide needs, challenges, and priorities emanating from the public consultation process. The priorities and projects identified in the 2020/21 IDP Review is aligned with the registered needs of the 22 Wards and seeks to achieve the strategic objectives set by council in its 2017-2022 IDP.

The needs raised by the community are captured in the 2020/21 IDP Review and in responding to the needs of the communities, the Municipality has translated these service delivery challenges into various projects. Projects range from basic service provision to a set of infrastructure projects such as the Mandela City in Klapmuts that have been upgraded with prefabricated structures and the installation of bulk services. The 2020/21 IDP Review demonstrates how the Municipality's capital budget expenditure aligns to the strategic focus areas determined by and aligned to the needs of the community.

Communication about IDP meetings were conveyed 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 website, social media, distributed as flyers to households per ward, loud-hailed in the suburbs and through SMS cellular phone messaging. In addition, the Municipality provided transport to members of the public who wished to attend the public engagements.

The 2020/21 IDP Review indicates that public participation takes place through various means and has thus tailored consultation mechanisms to suit specific audiences depending on different socio-economic backgrounds of wards. The Municipality indicates that it is working closely with all stakeholders including the Western Cape Government and Stellenbosch University on a collective response to the Coronavirus (COVID-19).

The 2020/21 IDP Review reflects strategic challenges faced by the Municipality relating to the following: waste management and the severe shortage of landfill airspace; urbanisation and in-migration leading to uncontrolled growth of informal settlements and backyard dwellers; decreased rainfall as a result of climate change and water supply disruptions which are aggravated by the water demand from the agricultural sector; infrastructure management; citizen interface; human settlement development and mobility, transport and roads network development especially for the town of Stellenbosch.

The 2020/21 IDP Review also indicates that the Municipality's risks have been aligned to the IDP through linkages made to the strategic focus areas reflected in categories relating to revised strategic and operational risk areas.

The 2020/21 IDP Review reflects a list of medium and longer-term sector plans that direct the implementation of the different functional areas and forms an integral part of the IDP.

2.2.2 IDP process

In terms of Sections 28 and 29 of the MSA, a municipality must follow a prescribed process when reviewing and/or amending an IDP. Furthermore, key activities and deadlines for the process must be set out in a Time Schedule adopted in terms of Section 21 of the Municipal Finance Management Act 56 of 2003 (MFMA).

In line with Section 28 of the MSA, the Municipality's 2020/21 IDP Review was guided by Process Plan adopted in August 2016 detailing the mechanisms to be utilised for stakeholder engagement and subsequently the MFMA Time Schedule in August 2019 which guides the drafting, review and adoption of the 2020/21 IDP Review.

The MFMA Time Schedule further outlines the mechanisms established to ensure the community is adequately involved in the Municipality's strategic planning process. The 2020/21 IDP Review indicates that the IDP was reviewed in accordance with MFMA section 21 Time Schedule of key deadlines adopted by council on 28 August 2019 (ITEM 11.10.1). The Municipality conducted public participation sessions through engagements with ward committees between 4 and 26 September 2019 as part of the IDP consultation phase.

According to the 2020/21 Public Participation Engagement programme the Municipality will be launching a second round of public participation sessions through a series of public meetings on the IDP and Budget early between 7 - 22 April 2020. Furthermore, the Municipality's 2020/21 MFMA Time Schedule indicates a council meeting on 31 May 2020 for the adoption of the 2020/21 IDP Review.

The placement of the 2020/21 IDP Review and related documents on the municipal website is also noted together with the legislative requirement binding on the Municipality to submit a copy of the IDP Review and related documents to the MEC for Local Government. To conclude the process the 2020/21 MFMA Time Schedule indicates notice giving to the public of the adopted 2020/21 IDP Review within 14 days of the adoption of the plan.

2.2.3 IDP notable changes

The 2020/21 IDP Review indicates that chapters 1 to 10 have been reviewed and updated to take into account the changing circumstances of the Municipality. An increase in community unrest due to growth in demand for housing exceeds the resources available for development is included on page 32. To this extent the 2020/21 IDP Review also attribute the increase in civil unrest and crime to the current economic downturn.

The prevalence of the Covid-19 pandemic has been listed at the top of the strategic risks while other strategic risks relate to: Insufficient burial space; Business Continuity; Climate Change; Timeous Capital Spending; Water Scarcity.

Statistical changes of the greater Stellenbosch area reveal changes to population growth, the matric pass rate as well as a significant increase in the grade 12 drop-out rate from 23 per cent in 2016 to 72.5 per cent in 2018. Chapter 4 of the 2020/21 IDP Review is included and reflects the integration of the recently amended Spatial Development Framework.

The statistics and related information reflecting the socio-economic perspective was updated with the latest information reflected in the Socio-Economic Profile of 2019. The 2020/21 IDP Review reflects alignment between the Municipality's strategic focus areas (SFAs) and the Vision Inspired Priorities of the Western Cape Government, which replaces the previous Provincial Strategic Objectives. While the Municipality's five (SFAs) remained unchanged, it is noted that the 7 priorities of the Medium Term Strategic Framework (MTSF) was excluded in the alignment matrix as part of the updated strategic alignment with key national, provincial and regional strategies.

Tables 39 and 40 on the public participation engagement programme were updated to reflect the latest dates and times of public engagements. The 2020/21 IDP Review reflects a new section dealing with the Municipality's aim to progressively realise the principles of a smart city to enable the Municipality to adapt to change and respond to the demands that emanate from the rapid growth faster.

The 2020/21 IDP Review reflects a summarised version of the latest municipal housing pipeline that is aligned with the Department of Human Settlements' housing delivery program. While the 2020/21 IDP Review indicates some general alignment between bulk infrastructure and housing development, the dependencies between bulk infrastructure projects and housing projects are not evident for each specific settlement.

2.2.4 Outstanding areas for improvement

The 2020/21 Reviewed IDP could reflect integration of the information of the District Health Plan, already submitted to the Municipality, to ensure that communities are informed of health care facilities and services in their respective towns.

2.3 ENVIRONMENTAL AND PLANNING ANALYSIS (INPUT FROM DEA&DP)

2.3.1 Compliance, Performance, Implementation and Changing Circumstances

This section seeks to articulate the findings (from each legislated functional area) based on a verification process of the reviewed information, in terms of compliance and performance. This includes information extracted from the IPSS (WCMES), draft tabled budget, IDP/SDF and sector plans. The functional areas refer to the participating internal DEA&PD components and include the following; Biodiversity Management, Development Management, Waste Management, Pollution and Chemical Management, Coastal Management, Climate Change, Sustainability, Air Quality Management.

Additionally, where relevant, the level of implementation (what the municipalities were supposed to achieve in terms of compliance and performance) will be highlighted.

This section will, furthermore, consider any changing circumstances that might affect the planning and budgeting for the next financial year and highlight these where appropriate.

Spatial Planning

The SPLUMA principles have been addressed in the SDF approved in 2019. The real test however is whether or not these principles are being implemented.

As stated in the SDF, Stellenbosch Municipality is a sought-after area due to the opportunity and quality of life that it offers. However, these benefits bring with them numerous pressures.

The Municipality faces the pressure of having to deal with the demand for high income residential development in agricultural areas; overcrowded, under resourced township areas; historic settlements surrounded by prime agricultural land; apartheid legacy spatially segregated settlements; and insufficient funds to address the service backlogs and infrastructure needs of the future.

To effectively navigate these pressures the Municipality needs to work towards implementing what is contained in the SDF and in so doing address the SPLUMA Principles. An example of a "New Development Action" referred to in the SDF which addresses the SPLUMA principles is the proposed Adam Tas Corridor. The implementation of this corridor will assist in addressing spatial justice by allowing the under resourced community of Kayamandi to be spatially integrated to a far greater extent with the town of Stellenbosch. The implementation of the principle of spatial sustainability will be supported by the proposed provision of mixed-use development in this currently underutilised corridor. This mixed-use development will provide well located housing opportunities, reducing the need to continuously expand the urban edge to accommodate increasing population numbers. Furthermore, the proposed corridor will address the principle of efficiency through optimising the use of existing resources and infrastructure, rather than creating the need for additional infrastructure on or outside of the urban edge.

It was not clear from the draft budget recently tabled, whether funding is specifically directed to further the development of the Adam Tas Corridor concept.

Additional important tools that will assist with the implementation of the SDF are the Integrated Transport Plan and the Human Settlement Plan, as well as the day to day development permissions processes.

Biodiversity

The Municipality has not assigned the Core Spatial Planning Categories (SPC) to Critical Biodiversity Areas (CBAs). Buffer areas in Table 53 of the SDF include non-statutory protected areas and “ecological corridors” (which encompass CBAs but the link could be made more explicit) and “urban green areas”. The latest SDF and EMF do now reference the latest biodiversity spatial plan i.e. the WCBSP 2017. The IDP contains no specific mention of CBAs. The IDP recognises the need to budget for the alien invasive management plan.

Climate Change

Currently there is no dedicated legislative obligation for municipalities to develop climate change response programmes. However, aspects of the climate change are legislated for municipalities in the Disaster Management Amendment Act and the Spatial Planning and Land Use Management Act, amongst others. The Climate Change Bill is under development which will prescribe roles for local government.

The IDP identifies climate change as an emerging risk for the Municipality and links it to Strategic Focus Area: Green and Sustainable Valley, as well as placing responsibility in the office of the Municipal Manager. The IDP further acknowledges that - '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.'

Waste Management

a) Waste Management Planning

The Municipality currently does not have a designated Waste Management Officer (WMO) as the waste manager resigned recently. The Municipality submitted a 3rd generation Integrated Waste Management Plan (IWMP) to the DEA& DP, which is currently being assessed for endorsement should it meet the minimum requirements as stipulated in the National Environmental Management: Waste Act (Act No. 59 of 2008) as amended. The IDP 3rd Review (March 2020) shows integration with the IWMP as waste issues are highlighted.

b) Waste Information Management

The Municipality has 2 waste activities registered on IPWIS and is reporting on:

- Stellenbosch Landfill
- Stellenbosch Recovery

The rating for reports submitted online on IPWIS during this period is 78 per cent, which is compliant in terms of the scoring applied for report submissions. Stellenbosch Municipality has submitted reports for this period and is 100 per cent compliant. Stellenbosch Municipality has reported 14337T waste diverted on IPWIS and has a waste diversion rate of 45 per cent. A 3rd waste data verification exercise was conducted on 4 October 2019 and the result was unsatisfactory. All operational waste management related queries and challenges needs to be logged as informed with details contained under **Annexure A** below.

c) Waste Minimisation & Policy Development

The Stellenbosch Municipality does not have a by-law. The Municipality has plans in place to implement their interventions. They have a drop-off facility, with another being constructed. A mini-MRF was developed and now been upgraded but will be relocated to accept more waste. This municipality has a split bag system, e-waste and organic waste initiatives in operation. Green waste is chipped on the landfill site, while composting is done offsite, and the builder's rubble is used as landfill cover. Household hazardous waste days are often hosted by the Stellenbosch Municipality. The Municipality procured customised tricycles that is designed for recycling collections in areas that vehicles struggle to service. This service conducted by private recyclers in the area is still underway. Swop shops were also initiated by the Municipality, but this stopped due to various challenges. The Municipality has "A Paper Tale" initiative aimed at minimising paper use within the municipal offices. Due to the staff limitations within this section, awareness is almost completely reliant on outside staff such as the past Youth Jobs in Waste staff. The Municipality has enlarged their awareness outreach by creating a newspaper based on waste management, called "Utter Rubbish". This is available electronically, while printed versions are distributed to residents.

d) Waste Management Licensing

The Devon Valley Waste Disposal Facility (WDF) has reached capacity, which places the Municipality under tremendous pressure w.r.t. waste disposal. Currently, all waste is diverted to the Klappmuts Waste Transfer Station, from where it is hauled to the Vissershok WDF for final disposal. This is at a huge monthly cost to the Stellenbosch Municipality.

The Municipality is currently in the process of obtaining an authorisation for the relocation of Eskom power lines which traverses the Devon Valley WDF. Once these are removed, the Municipality will apply for a variation of the current WML to build another cell where the powerlines were located. This will enable the Municipality to utilise the Devon Valley WDF again for a limited period.

The increased volumes of waste processed at the Klappmuts Transfer Station, has caused the compliance rating of the Klappmuts Transfer Station to decrease.

The Municipality performs regular internal and external audits, however internal audits are not sent to the Department in the quarter they are performed.

Air Quality Management

Urbanisation gives rise to an increase in housing and economic development opportunities in urban settings. Inadequate controls and unsustainable planning in urban settings can lead to increased environmental pollution, particularly as it relates to ambient air quality, when air pollution from increased human activity negatively impacts the environment and the health of a community. Recent global events have highlighted the need for greater emphasis on urban planning to reduce traffic congestion, to prevent or reduce emissions, as well as to improve air circulation in industrial, commercial and residential areas.

In terms of Section 14(3) and Section 15(2) of the National Environmental Management: Air Quality Act (NEM: AQA), a Municipality must designate an Air Quality Officer and adopt an Air Quality Management Plan (AQMP) within its jurisdiction. To ensure that a budget is allocated for air quality management, each municipality must include in its Integrated Development Plan (IDP), an AQMP.

The Stellenbosch Municipality has designated an Air Quality Officer and has adopted an AQMP, as per the NEM: AQA. However, the Stellenbosch Municipality must allocate funding to implement the AQMP, particularly in terms of monitoring ambient air quality to manage potential air pollution that may result from increased urbanisation.

Development Management

The capacity at the Stellenbosch Directorate Planning and Development, particularly the capacity to process development applications, has been reported as a major challenge in 2019/20. Whilst it has to be acknowledged that the Municipality has made some progress with appointments of professional staff, the capacity remains constrained and consequently a large backlog of development applications still exists.

The Department provided a Rapid Review of the Capacity Constraints to the Stellenbosch Municipality during December 2019, detailing the source of the challenge as well as suggestions to alleviate the problem. During January 2020 a new Senior Manager: Development Management was employed who immediately identified the challenges and reported to the Municipal Manager. To date however very few of the suggestions have been implemented and therefore the capacity challenges are growing. Development and growth in Stellenbosch remains under pressure therefore and much needed job creation is stifled. The Department is committed to assist the Municipality but it is imperative that the capacity of the Municipality is improved internally. It does possess the necessary funding and staff structure to effectively deal with the challenge, but certain barriers to achieve this remain problematic.

Pollution and Chemicals Management

The Budget Review dated 6 March 2020 states that there are no water and sanitation backlogs in the urban areas (p 198). It is unclear whether services are being provided in accordance with the national norms and standards of 1 toilet/20 people and 1 tap within 100m of every user. The IDP also recognises that the informal settlements are contributing to the pollution of the water courses in the area, but no cohesive plan to address this is evident. Priority should be given in the budget to providing functional basic water and sanitation services where these are not meeting the national norms and standards or are continuously breaking down.

The links between the areas indicated as critical in the WSDP Topic 4 and its prioritising in the budget is unclear. The critical needs identified in the WSDP, especially with respect to minimum staff requirements, should be prioritised.

It is noted with satisfaction that priority is being given to various large-scale water and sanitation infrastructure projects including Pniel and Klapmuts. The upgrade at Wemmershoek has been allocated R15.0 million, however, this is a concern as it has been indicated that this plant may be rebuilt and no additional budget has been allocated for the 2021/22 financial year.

The IDP notes that some of the rivers within the municipal area are in a poor state. It is unclear whether provision have been made in the budget for the maintenance of the Stiebuel River. River maintenance and rehabilitation is mentioned for ward 10, however it is not clear which rivers or river sections are being referred to here or whether a maintenance plan for this has been developed. There is no mention of rehabilitation of the Veldwachters River which has been polluted over a long time prior to the upgrading to the Stellenbosch WWTW.

Legacy Project 22 also mentions maintenance for the Plankenberg River, however no budgetary allocation is mentioned other than the allocation to the ward councilor, however this may not be sufficient as the wards have many other priorities.

The IDP indicates that 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 Franschoek for the urban area. It is a development condition for all future developments to do a flood line determination. On page 146 a section related to risk mitigation indicates that some developments are already below the 1:50 flood lines and the

flood line determination project will provide the guidance for allowing future developments. This is strongly supported.

2.3.2 Strategic Support/Programmes Initiatives and Projects

This section will include the APP, non-APP, SP and support initiatives for each District in terms of, for example, Waste Management, Water security and Disaster Management.

Spatial Planning

Officials from DEA&DP are working with Stellenbosch Municipality around the Adam Tas Corridor concept in Stellenbosch.

Biodiversity

A portion of Stellenbosch municipality is included in the Cape Winelands Biosphere Reserve covering an area from the Kogelberg Biosphere Reserve in the south and northwards along the Cape Fold Mountains and valleys of the Cape Winelands.

The EMF recognises the need to manage aliens, particularly in the catchment areas for increasing water production. The Municipality produced an alien invasive management plan in 2016 but this is due for an update as no target or hectares achieved were provided. A portion of Hottentots Holland Nature Reserve, managed by CapeNature, is located within Stellenbosch Municipality and various initiatives are underway in this Nature Reserve to clear aliens and increase water production.

The SDF contains a development checklist which includes the consideration of CBAs and ESAs when determining if a development proposal is acceptable. Both the SDF and EMF recognises the need to maintain ecological corridors but no specific management plans have been put in place. Some of the urban edges were adjusted to avoid some of the more sensitive areas.

Climate Change

The Climate Change Directorate is currently waiting for clarity on the requirements for municipalities of the Climate Change Act, once promulgated. This information will then be shared with municipalities and a Climate Change Municipal Support Programme will be re-established.

Access to finance for climate change response is a definite challenge for many municipalities. The lack of budget linked to responding to climate hazards could be testament to this. Provincial/ National Government is cognisant of this and will consider supporting local government in this regard.

Waste Management

(a) Waste Management Planning

The DEA& DP will host a 2-day Integrated Waste Management Workshop in the 2nd quarter of 2020/21, which will cover various waste-related topics of interest to the municipalities. In the 2020/ 21 financial year, the DEA& DP will develop a Status Quo on Sewage Sludge and a Status Quo on current Municipal Transport and Collection of Waste. Further support can be provided on request from municipalities for Waste Characterisation training and studies. The DEA& DP has finalised the development of a Household Hazardous Waste Guideline and Minimum requirements for the appointment of waste managers to assist with the recruitment of appropriately skilled waste managers. The DEA& DP is also developing an annual reporting template for municipalities to report on the implementation of their IWMPs as per the NEM: WA requirements.

(b) Waste Information Management

Intergovernmental cooperation and knowledge sharing is in place. Continued assistance and training with regards to Waste Calculator and IPWIS. For the 2020/21 financial year, one (1) IPWIS workshop will be conducted focusing on IPWIS waste reporting and addressing IPWIS Frequently Asked Questions (FAQs). The Department will inform selected municipalities' in writing 30 days prior, regarding the IPWIS waste data audits to be conducted with selected facilities.

(c) Waste Minimisation & Policy Development

The Department currently has an Informal Settlement project in place for the enhancement of waste management planning and implementation within informal areas. This will further be presented to all waste managers for implementation in the 2020/21 financial year. Further to this, engagements on the Model Waste By-law will be conducted within various regions across the Western Cape.

(d) Waste Management Licensing

The Department is in the process of assisting Municipalities through an Illegal Dumping Task Team to identify reasons for and solutions to illegal dumping. The Department plan to train municipal staff on the new audit protocol and the Alternative Waste Treatment Technologies tool.

Air Quality Management

The Directorate Air Quality Management (D: AQM) provides a supportive and oversight role to Municipalities with respect to air quality management. The D: AQM co-ordinates quarterly Provincial Air Quality Officers' Forums, inclusive of Air Quality Management Plan Working Groups Meetings. The Forums serve as a platform for Air Quality Officers to develop a common understanding and approach to managing air quality in the Province, particularly as it relates to air pollution and air quality regulatory processes, inclusive of noise, dust and offensive odour management in their jurisdictional areas. All Municipal Air Quality Officers are required to implement the mandates of air quality management, as assigned by the NEM: AQA, and hence are required to attend and participate in the Forums.

Capacity building on air quality management also takes place at the quarterly Provincial Air Quality Officers' Forums; however, it is imperative that Municipalities make funding available to ensure that officials are capacitated via formal air quality management training programmes.

Aside from the Forums, interactions between the D: AQM and Municipal Air Quality Officers takes place on a regular basis, particularly in terms of addressing air pollution complaints and providing advice on air quality regulatory services in their Municipalities. In terms of the NEM: AQA, measures in respect of dust, noise and offensive odour is a Local Government responsibility. It is therefore imperative that Municipalities develop and adopt Air Quality Management By-laws to ensure air quality compliance measures and intervention strategies in their areas. The Stellenbosch Municipality has developed and adopted a By-law to ensure compliance to air quality management.

The D: AQM also regulatory engages Municipalities where the Department has located an Ambient Air Quality Monitoring Station. Ambient air quality is currently monitored by the DEA&DP in the Stellenbosch Municipality. The Municipality is encouraged to allocate budget to monitor ambient air quality in its jurisdiction. Noting the current economic constraints, the Municipality may opt to measure key criteria pollutants via passive sampling or low-cost air quality sensors, as these are more cost-effective than fully-equipped continuous ambient air quality monitoring stations. The D: AQM can be called upon to advise the Municipality on the use of the more cost-effective approaches to monitor ambient air quality in their jurisdiction.

2.3.3 Key Findings and Recommendations

Spatial Planning

Where possible, a clear spatial link between the budget in the IDP and the spatial strategies of the SDF, needs to be made. This will allow for efficient and effective monitoring of the implementation of the SDF.

If this has not already taken place between January 2020 and now, the Municipality must by notice in the Provincial Gazette adopt the SDF in line with section 20(1) of SPLUMA.

Biodiversity

The SDF could expand on the how the Western Cape Biodiversity Spatial Plan (WCBSP 2017) has taken climate change into consideration and make the link as to how using the WCBSP as a key informant will help reduce disaster risk to settlements as well.

The most sensitive/important Critical Biodiversity Areas should be rezoned to an appropriate conservation zoning in the SDF.

Climate Change

Despite the good intentions of listing specific focus areas that respond to climate change, the degree to which mainstreaming of climate change is throughout the IDP remains a challenge. It remains predominantly linked to environment programmes which are generally not well resourced. The actual budget allocated to the climate response programme is not evident.

Waste Management

(a) Waste Management Planning

The Municipality needs to designate a new WMO and submit their annual report as well as the Council Resolution for the adoption and approval of the IWMP once assessed and endorsed by the DEA& DP and approved by the Council.

(b) Waste Information Management

All municipalities must submit data verification sources e.g. the Waste Calculator Reports, Service Provider Reports or Weighbridge reports to the Department by 7th of each month for the previous month.

- All operational waste management facilities need to register on IPWIS and report their waste types and quantities online in accordance with Annexure 1 of the Waste Information System regulations.
- IPWIS online waste reports need to be completed from January 2014 to date.
- Municipal Waste Facilities should request their service providers (recyclers) to register on IPWIS. This should be done to ensure that Municipalities are able to report on waste diverted from landfill and to provide an indication where waste is diverted to.
- Drop off facilities must be registered as a recycling /recovery activity on IPWIS.
- Consistency in reporting of all waste streams.

(c) Waste Minimisation & Policy Development

It is recommended that Stellenbosch Municipality either considers relevant clauses of the Departments' Model Integrated Waste Management By-Law or adopt it as a draft for their public participation process or as a guide to the development process of their by-law.

To enhance waste minimisation initiatives and especially the Organic Waste ban implemented by the Department, it's recommended that the Stellenbosch Municipality focusses on projects that diverts as much organic waste from landfill as possible. In addition to this, the Municipality is requested to complete an organic waste diversion plan for the Department's review.

Since the Municipality faced a huge landfill crisis, it is of extreme importance that emphasis be placed on waste minimisation within all communities in Stellenbosch Municipality. It is recommended that the Municipality involve and support local recyclers to promote local economic development and empowerment of disadvantaged groups. Strategies to access recyclable waste material before it enters the landfill site must be considered to maximise diversion. Such strategies must be inclusive and be mindful of income opportunities for the poor.

Furthermore, greater awareness campaigns could be conducted within the townships and lower income areas and targeted campaigns should be initiated to boost S@S participation rates or anti-litter and illegal dumping challenges within the Municipality.

(d) Waste Management Licensing

The operating conditions at the Klapmuts Transfer Station should be improved and the cleanliness of the Facility maintained.

Internal audit reports should be submitted to the Department timeously, in the quarter they were performed.

Air Quality Management

A budget allocation to implement the Stellenbosch Municipality's AQMP is required to be secured in its IDP to ensure that:

- Ambient air quality (passive or continuous monitoring of air pollutants via either a fully-equipped ambient air quality monitoring station or low-cost air quality sensors) is monitored;
- Air Quality Officers are trained in air quality management; and
- air quality management intervention strategies are implement in its jurisdiction.

The implementation of the Stellenbosch Municipality's AQMP must also be measurable so that its performance and achievements can be assessed and reviewed after five (5) years, as required by the 2017 National Framework for Air Quality Management in the Republic of South Africa (DEFF, 2018).

SECTION 3: ECONOMIC SUSTAINABILITY

3.1 INTRODUCTION

This section examines to what extent the tabled 2020/21 MTREF Budget is responsive from an economic and socio-economic perspective and the Municipality's ability to meet the legitimate expectations of the community for services from its limited resources to contribute to economic sustainability and maximising benefits for its residents.

Key socio-economic indicators are presented to provide the context from which responsiveness of the budget is assessed. Following, an overview of budget allocations to strategic objectives exercise is conducted to understand the alignment of the tabled budget to the priorities identified in its Integrated Development Plan. Provincial investment for the 2020/21 MTREF is analysed to outline overall expenditure by the province in the municipal area. Furthermore, examining the joint investments in infrastructure by the province and the Municipality is analysed to understand the extent to which infrastructure allocations are enabler of economic growth in the municipal area.

3.2 SOCIO-ECONOMIC CONTEXT AND IMPLICATIONS

Table 1 Socio Economic Overview

Key Socio-Economic Indicators	NDP Goals	Local Context	Implications
Demographics	0.5% - 1% per annum by 2030 (Nationally)	1.8% per annum (average annual growth rate 2019 - 2023) (SEP-LG 2019)	Rapid urbanisation into the municipal area contributes to capacity issues as it places continued strain on municipal resources and has an impact on its ability to deliver services to its citizens.
Unemployment	14% by 2020	9.9% (2017) (SEP-LG 2019)	Unemployment levels are growing nationally but is somewhat stable in the municipal area. This has a direct impact on household income and the ability to afford basic services. It forces more households to register as indigents households and qualify for the provision of free basic services which further strains municipal resources.
Education	A learner retention ratio of 90 per cent	Learner retention ratio – 72.5% (SEP-LG 2019)	Lower learner retention ratios contribute to lower levels of education which affects future earning potential of youth as they could be under-skilled, struggle to find employment and contribute financially to society.
Health	Maternal mortality to fall from 500 to 100 per 100 000 live births	Maternal Mortality was 62 per 100 000 live births in 2018/19 (SEP-LG 2019)	Maternal mortality rate is above the NDP target. A healthy population is necessary to produce a strong and resilient workforce as well as to care for the needs of and protect the family structure.
Poverty	For zero households to be below the poverty line	R18 256 average monthly household income (2017) (MERO 2019)	Average monthly household income slightly above the district average. Income inequality in the municipal area is apparent, a high number of households earning below the poverty line translates into greater reliance on social support structures.
Safety and Security	For all citizens to feel safe and free of the fear of crime	31 murders per 100 000 people (SEP-LG 2019)	Crime hampers growth, discourages investment, negates local capital accumulation and has a negative impact on the economy.

Key Socio-Economic Indicators	NDP Goals	Local Context	Implications
GDP Growth	5.4 per cent growth per annum	0.8% real GDP growth rate (2018e) (MERO, 2019)	Slow economic growth because of low business confidence, political uncertainty, high unemployment rates, amongst other factors influences economic growth. The economy needs to at least keep pace with population growth for per capita income levels to improve. Low GDP growth affects the ability of consumers to pay for services and the financial sustainability of the Municipality.

Comments:

Given the onset of Covid-19 in March 2020 and the potential devastating effects that an outbreak and spread of the disease could have on the socio-economic environment, various possible impacts as noted in Section 1 of this report should be taken into consideration.

3.3 KEY BUDGET PRIORITIES IN TERMS OF IDP STRATEGIC OBJECTIVES

The 2020/21 MTREF budget breakdown in terms of the strategic objectives is indicated in the table below. Stellenbosch Municipality budgeted for a total operating expenditure budget of R1.899 billion and a total capital budget of R503.086 million in the 2020/21 financial year.

Table 2 Strategic Objectives for the 2020/21 Medium Term Revenue & Expenditure Framework

Strategic Objective	2020/21 Medium Term Revenue & Expenditure Framework OPEX				2020/21 Medium Term Revenue & Expenditure Framework CAPEX			
	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Average Annual Growth	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23	Average Annual Growth
R thousand								
Green and Sustainable Valley	56 240	58 867	62 951	5.8%	30 954	37 450	64 180	44.0%
Valley of Possibility	56 488	57 263	61 248	4.1%	237 725	202 470	224 635	-2.8%
Dignified Living	1 195 754	1 281 822	1 373 326	7.2%	183 010	120 815	99 500	-26.3%
Safe Valley	252 153	265 609	280 922	5.6%	21 100	17 575	15 350	-14.7%
Good Governance and Compliance	338 827	350 873	375 233	5.2%	30 297	25 495	29 543	-1.3%
Total Expenditure	1 899 463	2 014 434	2 153 680	6.5%	503 086	403 805	433 208	-7.2%

Source: Stellenbosch Municipality, A-Schedules 2020/21

Comments:

- Stellenbosch Municipality has demonstrated clear alignment of its Integrated Development Plan needs to National and Provincial strategies and plans. The Municipality's budget allocations are aligned to its strategic objectives as indicated in supporting Schedules SA5 and SA6.
- Of the Municipality's R1.899 billion total 2020/21 operating expenditure budget, R1.195 billion (63.0 per cent) is directed towards strategic objective 'Dignified Living'. The majority share of the capital expenditure budget, R237.725 million (47.3 per cent) is allocated to the 'Valley of Possibility' strategic objective, followed by R183.0 million to the 'Dignified Living' strategic objective.

- The remaining 37.0 per cent of the operating expenditure budget is allocated across the remaining 4 strategic objectives, with 'Good Governance and Compliance' allocated 17.8 per cent of the operating budget, 'Safe Valley' receiving 13.3 per cent and 'Green and Sustainable Valley' and 'Valley of Possibility' receiving 3.0 per cent respectively. In respect of the remaining capital expenditure budget, Green and Sustainable Valley' is allocated 6.2 per cent, 'Good Governance and Compliance' receives 6.0 per cent and 'Safe Valley' has a 4.2 per cent allocation for the 2020/21 financial year.
- It is clear from its budgetary allocation to its strategic objectives where the Municipality's budget priorities lie over the 2021/21 MTREF. Delivering on its service delivery mandate as well as investment in infrastructure remains a crucial priority for the Municipality.

3.4 PROVINCIAL RESOURCE ALLOCATION

Table 3 Provincial Payments: Stellenbosch Municipality

Department R'000	Outcome			Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	2020/21	% Change from Revised estimate 2019/20	2021/22	2022/23
Department of the Premier	31 038	34 651	37 424	39 678	7.51	43 925	46 786
Provincial Parliament							
Provincial Treasury							
Department of Community Safety	306	231	1 375	470	4.44	490	510
Department of Education	450 732	476 399	513 338	587 509	6.75	620 004	653 158
Department of Health	183 509	200 453	192 776	219 125	4.30	233 904	244 985
Department of Social Development	35 941	37 112	44 613	45 277	4.94	47 767	50 060
Department of Human Settlements	44 100	23 762	49 761	41 000	4.38	43 255	45 331
Department of Environmental Affairs and Development Planning	406			4 000	166.67	1 000	
Department of Transport and Public Works	104 685	133 244	303 084	124 320	(26.66)	131 124	137 418
Department of Agriculture	661 264	721 045	473 183	747 833	40.59	742 500	771 752
Department of Economic Development and Tourism							
Department of Cultural Affairs and Sport	12 289	13 045	11 649	13 077	5.00	13 796	14 555
Department of Local Government	148	218	191	168	(26.96)	172	159
Total	1 524 418	1 640 160	1 627 394	1 822 457	14.20	1 877 937	1 964 714
Total Transfers to Stellenbosch Municipality	61 245	41 389	76 301	78 230	(26.03)	66 174	69 925
Transfers as a percentage of Provincial Payments and Estimates	4.02	2.52	4.69	4.29	(35.23)	3.52	3.56

For the 2020/21 financial year, Provincial Government will spend an estimated R1.822 billion in Stellenbosch. The highest spending departments are Agriculture (41.0 per cent), Education (32.2 per cent), Health (12.0 per cent) and Human Settlements (6.8 per cent of total spend). Together these four departments represent 92.0 per cent of Provincial Government spend in Stellenbosch.

The actual transfer of funds (i.e. grants) to Stellenbosch is relatively small (4.3 per cent) compared to the estimated spending of Provincial Departments within the municipal area. However, there are notably sized allocations in the transfers budget such as R59.409 million for the Human Settlements Development Grant which will contribute towards the low-cost housing needs in the municipal area.

Overall per capita spend by the province within the Stellenbosch Municipality is R9 784 for the 2020/21 financial year.

3.5 INFRASTRUCTURE AS AN ENABLER OF ECONOMIC GROWTH

Infrastructure development is not only beneficial to the economy in the short term but also creates the conditions for sustained competitiveness, growth and jobs, both in developed economies and in emerging markets.

Access to infrastructure provision promotes human development and a better quality of life through improved productivity and sustainable economic growth, specifically, public infrastructure provisioning may enhance trade and commerce and play an important role in alleviating poverty and inequality. Therefore, infrastructure investment is a key enabler to sustain growth over time. This section will assess provincial and municipal infrastructure allocations over the MTREF and its potential contribution to economic growth in the municipal area and region.

Provincial and Municipal Capital Budget Expenditure 2020/21

Table 4 Comparison of Provincial and Stellenbosch Municipality Infrastructure Expenditure: 2020/21 (R'000)

Type	2020/21		
	Provincial Infrastructure Spend	Municipal Infrastructure Spend	Total
Economic Infrastructure	175 978	67 700	243 678
<i>Road Transport and Public Works</i>	<i>175 978</i>	<i>67 700</i>	<i>243 678</i>
<i>Cape Nature</i>			
Social Infrastructure	97 052	45 776	142 828
<i>Education</i>	<i>36 000</i>	<i>-</i>	<i>36 000</i>
<i>Health</i>	<i>1 643</i>	<i>-</i>	<i>1 643</i>
<i>Social Development</i>	<i>-</i>	<i>39 235</i>	<i>39 235</i>
<i>Housing</i>	<i>59 409</i>	<i>6 541</i>	<i>65 950</i>
Trading Services	-	289 615	289 615
<i>Energy Sources</i>	<i>-</i>	<i>69 900</i>	<i>69 900</i>
<i>Water Management</i>	<i>-</i>	<i>97 800</i>	<i>97 800</i>
<i>Waste Water Management</i>	<i>-</i>	<i>111 670</i>	<i>111 670</i>
<i>Waste Management</i>		<i>10 245</i>	<i>10 245</i>
Other	-	99 995	99 995
Total Infrastructure Spend	273 030	503 086	776 116

Source: 2020 Western Cape EPRE (Provincial spend), Stellenbosch Municipality A-Schedules 2020/21

- Collectively, the Western Cape Government and Stellenbosch Municipality's total infrastructure spend for the 2020/21 financial year totals R776.116 million. The Municipality's spend for the upcoming financial year is almost double the provincial spend. The Municipality's commitment to economic growth in the municipal area through its investment in infrastructure is demonstrated through its budget. The collaborative spend of both spheres of government will maximise the economies of scale and have a broader impact in the area.

3.5.1 Economic Infrastructure Analysis

Road Transport

The WCG has allocated R320.963 million to road infrastructure projects in Stellenbosch over the 2020/21 MTREF with R175.978 million allocated to the 2020/21 financial year. An allocation of R86.0 million is for the resealing of the Somerset West-Stellenbosch road project of which R2.153 million has been spent to date. A further notable allocation is for refurbishment to the Spier Road. This project has an allocation of R65.0 million of for the 2020/21 financial year. To date

R229.024 million has been spent on the Spier Road project and a further R5.0 million has been allocated to the 2020/22 financial year.

Stellenbosch Municipality has budgeted R67.7 million towards road infrastructure projects for the 2020/21 financial year. The budget allocations include resealing projects in Stellenbosch and surrounds (R5.0 million), Franschhoek (R2.5 million) and Jamestown (R1.5 million) amongst others. There are significant budget allocations for public transport facilities such as the taxi ranks in Franschhoek (R5.0 million), Kayamandi (R3.5 million) and Klapmuts (R2.0 million).

For regional and local economies to grow and thrive, it needs reliable road infrastructure to connect supply chains and efficiently move goods and services across borders. Both direct and indirect poverty alleviation benefits can be associated with road infrastructure investment. It results in the creation of job opportunities, market accessibility, community development and improved standards of living.

It is critical that the repair and maintenance of road infrastructure is not neglected. This could over time reverse the benefits brought on by the initial investment. It is positive to note that critical upgrades to important transport nodes have been considered by both the province and the Municipality alongside new infrastructure projects as this will have long-term effects on the local economy.

Furthermore, greater benefits can also be achieved in the investment in road infrastructure in more rural areas. This has the potential to positively affect poverty through providing market and service access, lowering of transport costs and stimulating economic growth.

Education

The total infrastructure spends on education infrastructure in Stellenbosch for the 2020/21 MTREF totals R171.0 million. This includes an allocation of R160.0 million for the construction of a mega agricultural school, with R25.0 million to be spent in the 2020/21 financial year. The remainder of the R36.0 million allocations for the 2020/21 financial year is for final construction phase of the P.C. Peterson Primary School (R6.0 million) and R5.0 million for upgrades to the Aviation primary school.

With communities expanding because of new human settlements, a need arises for improved access to complementary social infrastructure such as education and medical facilities. As a result, six new schools are in the pipeline to be built over the next nine years in Stellenbosch.

A mega agricultural high school is a great educational boost to the municipal area. Students of agricultural schools are afforded the opportunity to receive both academic and practical training due to the exposure to agricultural structures. This prepares students for further studies in agriculture and the possibility of entering the market ready to begin careers in agriculture due to the broad-based experience that they receive at the agricultural school.

Health

The Western Cape Department of Health has budgeted to spend R31.532 million on health infrastructure in Stellenbosch over the 2020/21 MTREF, with R1.643 million allocated to the 2020/21 financial year. Health infrastructure projects for the 2020/21 financial year include investments in new health technology for the Cloetesville CDC (R1.0 million) and upgrades to the Stellenbosch Hospital (R643 000) This project also has further allocations of R13.073 million in 2021/22 and R12.3 million in 2022/23.

Given the Covid-19 global crisis that is currently ensuing, it has become clearer that investing in health infrastructure and health systems not only saves lives but it is a crucial investment in the wider economy. It is apparent that ill-health hinders productivity and adversely affects human capital development. Investments in proper health infrastructure and systems can minimise the effects of health crises and subsequent economic shocks.

Human Settlements

Within Stellenbosch, 21.6 per cent of the total households are informal. This coupled with the growing demand for housing necessitates the prioritisation of housing provision within the area to eradicate the backlog that exists.

The province spends on housing in Stellenbosch totals R166.429 million over the 2020/21 MTREF, of which 35.7 per cent of the total MTREF budget (R59.409 million) is allocated to the 2020/21 financial year. The 2020/21 budget includes (amongst others) allocations towards service sites for Klapmuts (R15.540 million), Kayamandi (R10.680 million), Idas Valley (R8.570 million), Northern Extension (R7.0 million) and Longlands (R4.640 million).

Demand for housing continues to outweigh the level of supply within the municipal area with increasing backlogs due to the continued and rapid urbanisation of the municipal area but also due to the limited resources available to meet the current demand.

A need to accommodate backyard dwellers as well as to cater for the student housing market has been identified by the Municipality. The opportunity exists to expand the housing development market within the municipal area although it comes with its challenges such as the availability and securing of land. The development of student and gap housing could have a positive effect on potential future revenue for the Municipality.

3.5.2 Trading Services Infrastructure Analysis

The largest share of the Municipality's infrastructure budget (R289.615 million; 57.6 per cent) is allocated towards trading services infrastructure. This is mainly to roll-out new bulk infrastructure to the low-cost housing developments in the area.

Electricity

The Municipality's allocation to energy infrastructure amounts to R69.9 million for the 2020/21 financial year.

Sizable municipal capital expenditure allocations for electricity projects include R16.4 million for the Integrated National Electrification Programme for Enkanini, R15.8 million for the Jan Marais upgrade and R8.0 million for the Laterra Substation.

Water

Water infrastructure allocations in the Municipality amounts to R97.8 million in 2020/21. A large portion of the allocation is for the bulk water supply pipe and reservoir in Kayamandi (R19.5 million). Other sizable allocations are for bulk water supply infrastructure in Klapmuts (R15.0 million), the new reservoir and pipeline in Vlothenburg (R10.0 million) and a new reservoir in Rosendal (R6.0 million).

Waste Water

Waste water management infrastructure receives the largest share of the trading services infrastructure budget for 2020/21. This allocation amounts to R111.670 million.

Notable allocations include R40.0 million for the upgrade of the WWTW – Pniel, R30.0 million for the bulk water sewer outfall in Jamestown and R15.0 million for the upgrade of the WWTW in Wemmershoek.

Waste Management

The total waste management allocation in the Municipality amounts to R10.245 million in 2020/21. Whilst this amount is allocated to the planning and upgrades of several waste infrastructure projects such as the expansion of the landfill site (R2.0 million), the planning and design of the transfer station (R2.0 million) and the upgrade of the refuse disposal site (R2.0 million), several larger allocations are planned over the MTREF to implement these projects. This includes R27.0 million for the upgrade of the landfill site, R17.0 million for the transfer station and R10.0 million for the landfill gas to energy project.

This sizable allocation towards the solid waste management function in the Municipality is essential to address the waste management and landfill challenges faced by the Municipality.

The backlogs in infrastructure continues to exert further pressure on municipal resources. The growing demand for basic services within growing informal settlements is challenging to sustain. Although, the Municipality has a sizable capital budget comparatively, due to the growing demands in the area, coupled with rapid urbanisation, the Municipality is still challenged with insufficient resources to address and eradicated backlogs timeously.

SECTION 4: FINANCIAL SUSTAINABILITY

4.1 REVIEW OF THE HISTORICAL INFORMATION

4.1.1 The Financial Health and Performance – year ended 30 June 2019

The assessment of the financial health and performance is an integrated process involving a review of a municipality's audited annual financial statements, audit report and ratio analysis. The results of the ratio analysis are used to support financial decisions and to identify factors which may influence the financial stability of the Municipality.

Adverse ratios highlight areas where attention may be required to ensure sustainability. The assessment analysis is based on the 2017, 2018 and 2019 audited financial statements to have a more solid context when looking at the 2020/21 budget.

The analysis is conducted as per National Treasury MFMA Circular No. 71, as completed and submitted by the Municipality. Provincial Treasury has analysed these ratios and the following items are highlighted.

The Financial Performance as per the Audited Annual Financial Statements

Table 5: Financial ratios and norms

Financial ratios and norms		2017 Audited	2018 Audited	2019 Audited	Comments
Asset Management					
1.	Capital Expenditure to Total Expenditure: 10% - 20%	24.9%	24.1%	24.9%	The ratio was flat over the three years and exceeding National Treasury norm. This translates to higher levels of spending in on infrastructure and acceleration in service delivery, but could also hold financial sustainability risks if the infrastructure does not include both economic (i.e. revenue generating) and social type infrastructure.
2.	Capital Expenditure Budget Implementation Indicator: 95 – 100%	90.6%	86.8%	87.5%	The ratio has fluctuated over the three years, but shows a downward trajectory. In all three years measured, the result was below the National Treasury norm. This ratio measures the extent to which Budgeted Capital expenditure has been spent during the financial year, and the ability to implement capital projects and monitor the risk with non-implementation. Results below 95% indicates potential discrepancies in planning & budgeting, capacity challenges to implement the project or SCM process challenges. Under-spending also indicates possible Cash Flow difficulties.
3.	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value): 0%	0.01%	0.12%	0.03%	The ratio has remained at the National Treasury norm over the three years measured, yet saw a minor increase in 2018 year. The Municipality should ensure that assets with high risk of impairment are monitored and repairs and maintenance be applied to protect the asset value and in so doing, deter the asset not performing as per management intention.

Financial ratios and norms		2017 Audited	2018 Audited	2019 Audited	Comments
4.	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): 8%	1.2%	0.8%	1.1%	The ratio fluctuated around the 1% mark over the measured three years. This is below the National Treasury norm. This may reflect that insufficient expenditure was being incurred on the repairs and maintenance and could result in an increases risk in impairment of assets. The Municipality need to ensure that the expenditure is in line with its asset management policy & maintenance schedules.
5.	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure: (None)	83.8%	82.1%	82.1%	The ratio has fluctuated marginally over the three years measured. There is no norm from National Treasury for this ratio as the funding mix for Capital Expenditure is dependent on the municipal policy and ability to raise revenue from different sources.
6.	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure: (None)	83.8%	82.1%	57.7%	The ratio has fluctuated marginally over the first two years measured, and dropped in the latter year. There is no norm from National Treasury for this ratio. It is critical that the determination of the funding mix of Capital expenditure is undertaken in such a manner that affordable borrowings is directed towards addressing service delivery needs and that there is also opportunity for increasing capacity on internally generated funds to attain an improved balance of the funding sources.
Revenue, Debtors and Liquidity Management (cash availability)					
7.	Net debtor's days: ≤ 30 days	61 days	71 days	72 days	The ratio has increased from 2017 to 2018, but fluctuated marginally over the last two years measured, but has remained above the National Treasury norm. The results over the three years indicates concern regarding the quality of the Credit Control Policy and effectiveness of its implementation. The ratio depicts that a significant amount of money is tied up in debtors, and that difficulty is had with liquidation of that asset. This in turn exposes the Municipality to potential cash flow risks.
8.	Bad Debts Written-off as % of Provision for Bad Debt: 100%	53.4%	17.8%	35.9%	The ratio results have fluctuated over the three years measured, and has remained below the National Treasury norm. The Municipality should only write-off Bad Debt already provided for. With the ratio staying below the norm over the three years, it is advised that it should ideally be based on the recoverability of debtors; have they under or over provided for Debt Impairment, or have they employed better techniques for recovery of debt, in which case management need to reassess how they determine the value of the Provision for Bad Debt.
9.	Operating Revenue Budget Implementation Indicator: 95% - 100%	112.7%	99.6%	92.7%	The ratio shows a downward trajectory over the three years measured. In the last year, falling below the National Treasury norm. Results outside the norm indicates either challenges in capacity to implement, inefficiencies in billing and credit control, weaknesses in budget compilation or issues of financial controls and management.

Financial ratios and norms		2017 Audited	2018 Audited	2019 Audited	Comments
10.	Service Charges and Property Rates Revenue Budget: 95% - 100%	107.0%	101.5%	91.9%	The ratio shows a downward trajectory over the three years measured. In the last year, falling below the National Treasury norm. Results below the norm indicates either challenges in capacity to implement, inefficiencies in billing and credit control, weaknesses in budget compilation or issues of financial controls and management.
11.	Revenue Growth (%) - Excluding capital grants: = CPI	-0.1%	12.4%	-0.5%	The norm for this ratio is equal to average year on year CPI (2017: 5.1%, 2018: 4.6%, 2019: 4.5%). in 2018, it was above CPI, yet the other two years it shows a deflation.
12.	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants): 1 - 3 months	5 Month	4 Month	3 Month	The result of this ratio is above the National Treasury norm, yet has been reducing year on year over the period measured. This indicates more vulnerability and higher risk in the event of financial shocks and may result in difficulty being experienced in meeting obligations to provide basic services or other financial commitments.
13.	Current Ratio: 1.5 - 2:1	2.2	2.0	1.8	The ratio result is above/within the National Treasury norm, but has been reducing over the period measured. This indicates possible risk of not being able to pay short-term obligations as they become due.
Liability Management					
14.	Debt (Total Borrowings)/Revenue: 45%	12.4%	10.9%	20.1%	The ratio has fluctuated and shows an increase in the last year, yet has remained well below National Treasury norm. The ratio takes account of both short- and long-term debt relative to revenue generated. A result below the NT norm could indicate the Municipality having capacity to take up further borrowings, yet should be considered with cognisance of cash flow realities.
15.	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure: 6% - 8%	2.4%	2.3%	2.1%	The ratio has marginally decreased over the three years measured, but remain under the National Treasury norm. Operating below the norm could indicate that the Municipality has capacity to take up borrowings to invest in infrastructure projects. It could also mean that the Municipality is experiencing cash flow difficulties and would likely be unable to access borrowings.
16.	Creditors Payment Period (Trade Creditors): 30 days	66 days	57 days	53 days	The result of the ratio has come down over the three years measured, yet remains above the National Treasury norm. A period longer than 30 days is normally an indication that the Municipality may be experiencing cash flow problems, but could also be because of disputes being unresolved, retentions, processing of payments, or other factors. In addition, this may also indicate that effective controls are not in place to ensure prompt payment. S65(2)(e) of the MFMA requires payment within 30 days.

Financial ratios and norms		2017 Audited	2018 Audited	2019 Audited	Comments
Expenditure Management					
17.	Operating Expenditure Budget Implementation Indicator: 95% - 100%	90.7%	86.6%	86.5%	The ratio has shifted downward in the 2018 and 2019 years. In all three years measured, the ratio is below the National Treasury norm. Any variance below 100% indicates either capacity challenges, issues of financial controls and management and/or poor budgeting. Ideally, underspending should be the result of increased efficiency and not non-implementation of spending programmes.
18.	Remuneration as a % of Total Operating Expenditure: 25% - 40%	32.3%	33.6%	32.2%	The result has fluctuated marginally over the three years measured, yet stayed within the National Treasury norm. The ratio indicates the prioritisation of resources within the Municipality. This ratio must be interpreted with other factors such as powers and functions performed by the Municipality.
19.	Contracted Services as a % of Total Operating Expenditure: 2% - 5%	11.3%	9.2%	10.2%	The ratio has fluctuated over the three years measured, yet remains outside the National Treasury norm. There has been an increase over the last two years. The result depends on the model of service delivery selected by the Municipality. An increase in the ratio exposes the Municipality to risks such as an inability to build capacity and an ongoing reliance on contractors.
20.	Irregular, Fruitless and Wasteful and Unauthorised Expenditure/Total Operating Expenditure: 0%	0.2%	2.5%	3.3%	The ratio has increased over the three measured years. Any result above this norm must to be investigated, control revisited and strengthened and actions taken following this investigation, including against those who caused Irregular, Fruitless and Wasteful and Unauthorised expenditure to occur.
Grant Dependency					
21.	Own Source Revenue to Total Operating Revenue (Including Agency Revenue): None	98.8%	91.3%	90.4%	The ratio has shown a downward trajectory over the three years measured, indicating that the Municipality is becoming less self-sufficient. National Treasury does not prescribe a norm.
Net Asset Position (Going Concern)					
22.	Total Liabilities to Total Assets: <50%	15.5%	14.6%	17.4%	The ratio tries to substantiate the assumption that the Municipality is a going concern A ratio greater than 50% would indicate that this assumption is not true.

Summary and recommendations:

4.1.2 Asset Management

- The funding mix elected over the first two years measured, was to use Municipal own funds to roll out Capital Projects. In the third year, the funding mix was changed to include other funding sources.
- The implementation of Capital project ratio has fluctuated over the three years measured, but shows a downward trajectory, when compared to the prior year. It seems that the Municipality is having difficulty implementing its capital budget.
- Repairs and Maintenance remain under the National Treasury norm over the three years measured.

- Management is charged not only to ensure services are continuously delivered, but also to preserve the value of assets used to perform the task of service delivery. It might from time to time be necessary to replace assets, to more effectively and efficiently deliver services, yet this would be highlighted in the Impairment ratio. It is thus worrying that there is under-performance in implementing the capital budget and under performance in Repairs and Maintenance of existing assets. Management need investigate whether cash flow difficulties may be the cause of this under-performance.

4.1.3 Revenue, Debtors and Liquidity Management (cash availability)

- The Net Debtors ratio is outside the National Treasury norm, but more worryingly, the result seems to go further out of the norm over the three years measured.
- Revenue is decreasing; the budgeted revenue is not realised through operations. Cash coverage shows a downward trajectory, Revenue growth shows a contraction and the Current Ratio is worsening year on year over the three years measured. Despite this, bad debt write-off remains low when compared with the Provision for Doubtful Debt.
- This paints a worrying picture; money is tied up in current assets and the process of recovering monies owing may not be a successful strategy. This results in the Municipality not being cash flush, and facing the possible of risk of being able to settle commitments as they mature, consequently affecting service delivery.
- Management must investigate the effectiveness of the Credit Control processes, investigate the ability to collect on outstanding debtors, and then implement measures to curb the increase in receivables and related risk of not having sufficient liquid cash reserves.

4.1.4 Liability Management

- The Municipality has increased debt and has been able to keep interest and redemption payments low, yet in both preceding periods, the result has fluctuated and remained under the norm for the three years measured.
- Creditor repayment period remains high, yet has reduced, year on year for the three years measured.
- It is crucial that the Municipality remain cognisant of its funding mix policy and study the full cost and risk of electing one funding source over the other.

4.1.5 Expenditure Management

- Expenditure related to employee remuneration remains stable, yet when read in conjunction with the increase in use of Contracted Services, it signals that the Municipality is exposing itself to risks such as an inability to build capacity and an ongoing reliance on contractors and consultants.
- The ratio for Implementation of Budgeted Expenditure has shown a downwards shift in the first year measured, yet remains stable over the last two years measured. In all three years it has been below the National Treasury norm. Any variance below 100 per cent indicates either capacity challenges, issues of financial controls and management and/or poor budgeting.

- Irregular, Unauthorised, Fruitless and Wasteful expenditure has been increasing year on year, and in the last two years, above the National Treasury Norm. An increase, year on year, may also indicate that the Municipality need review controls in place, as there is an indication that they may not be working effectively any longer.

4.1.6 Grant Dependency

- The ratio measures the Municipality's ability to optimise its own revenue and become more self-sufficient. The result of the ratio shows the Municipality are in the early stages of becoming less self-sufficient. It is essential that the Municipality takes measures now, to increase own revenue as a measure of being more self-reliant over time, and by virtue thereof, not being reliant on grants to fund operations.

4.2 CREDIBILITY OF FUNDED BUDGET

The Western Cape Provincial Treasury has in its budget analysis made use of a budget tool to determine the credibility of the 2020/21 MTREF budget and whether the budget is funded. The tool uses the data strings submitted by the Municipality to perform the assessment. The tool is in line with the principles outlined in the MFMA Circular 42, 98, 99 and previous budget circulars in the determination of whether the Municipality's budget is funded or unfunded.

The Municipality's budget is reflected **funded** without any threats of going concern and sustainability over the 2020/21 MTREF. The data strings submitted by the Municipality had material misalignments in the amounts reported in Tables A5, A6 and A7. The amount by which the budget is funded as informed by A8 of the budget tool has thus been negatively impacted due to the errors in the data strings. The Municipality is therefore advised to correct the strings in the final budget to avoid the negative perversion of the financial information.

The analysis of Table A8 indicates that the Municipality has tabled a funded budget as evidenced by a surplus of R91.23 million; R56.14 million and R6.9 million in 2020/21; 2021/22 and 2022/23 respectively, which indicates a sound financial position and with no threats to its sustainability as well as its going concern and liquidity.

4.2.1 Observations on the Current Financial Year

Table 6: Budget overview

Description R thousands	2017/18			2018/19			Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Audited Outcome	Variance %	Adjusted Budget	Audited Outcome	Variance %	Original Budget	Adjusted Budget	29 February 2020	YTD %	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance													
Property rates	313,011	309,989	-1.0%	344,307	332,958	-3.3%	356,122	356,122	266,888	74.9%	392,239	417,735	444,889
Service charges	841,408	862,001	2.4%	907,772	817,760	-9.9%	1,024,589	1,039,589	627,344	60.3%	1,072,778	1,159,693	1,254,248
Investment revenue	48,999	55,110	12.5%	45,501	44,272	-2.7%	44,171	44,171	25,552	57.8%	37,870	34,522	29,358
Transfers recognised - operational	143,935	133,057	-7.6%	164,974	145,981	-11.5%	172,339	182,455	117,079	64.2%	178,107	181,180	197,574
Other own revenue	170,187	172,278	1.2%	169,766	183,015	7.8%	190,530	187,103	43,837	23.4%	218,297	231,939	246,440
Total Revenue (excluding capital transfers and contributions)	1,517,539	1,532,435	1.0%	1,632,320	1,523,986	-6.6%	1,787,751	1,809,440	1,080,701	59.7%	1,899,291	2,025,069	2,172,509
Employee costs	494,889	444,579	-10.2%	548,997	461,114	-16.0%	603,268	557,268	341,788	61.3%	579,439	623,493	676,723
Remuneration of councillors	17,462	17,308	-0.9%	18,823	18,272	-2.9%	19,936	19,936	11,836	59.4%	21,133	22,401	23,745
Depreciation & asset impairment	195,881	157,550	-19.6%	198,819	176,665	-11.1%	206,956	206,956	96,316	46.5%	205,628	214,881	224,550
Finance charges	18,077	18,775	3.9%	20,477	23,207	13.3%	39,877	29,877	15,973	53.5%	51,349	64,710	77,154
Materials and bulk purchases	385,607	329,682	-14.5%	415,890	412,264	-0.9%	441,448	493,438	289,900	58.8%	523,902	560,252	598,730
Transfers and grants	6,314	6,261	-0.8%	9,102	8,990	-1.2%	10,049	10,049	8,832	87.9%	10,069	10,600	11,200
Other expenditure	457,027	372,180	-18.6%	506,997	387,065	-23.7%	486,713	524,488	140,624	26.8%	507,944	518,098	541,578
Total Expenditure	1,575,255	1,346,334	-14.5%	1,719,104	1,487,578	-13.5%	1,808,247	1,842,012	905,269	49.1%	1,899,463	2,014,434	2,153,680
Surplus/(Deficit)	(57,717)	186,101	-422.4%	(86,784)	36,409	-142.0%	(20,496)	(32,572)	175,432	-538.6%	(173)	10,635	18,828
<i>Non-Cash Items</i>													
Depreciation & asset impairment	195,881	157,550	-19.6%	198,819	176,665	-11.1%	206,956	206,956	96,316	46.5%	205,628	214,881	224,550
Restated Result	138,164	343,651	148.7%	112,035	213,073	90.2%	186,460	174,384	271,748	155.8%	205,455	225,516	243,379
Capital expenditure & funds sources													
Capital expenditure	499,855	433,402	-13.3%	563,550	493,304	-12.5%	538,277	612,498	233,540	38.1%	460,579	399,722	433,208
Transfers recognised - capital	92,661	80,137	-13.5%	106,074	93,849	-11.5%	141,088	144,386	90,170	62.5%	120,126	95,295	100,702
Public contributions & donations	8,414	-	-100.0%	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	160,000	120,561	-24.6%	140,000	157,097	32,434	20.6%	160,000	120,000	120,000
Internally generated funds	398,781	353,265	-11.4%	297,476	278,894	-6.2%	257,189	311,016	110,936	35.7%	180,453	184,427	212,506
Total sources of capital funds	499,855	433,402	-13.3%	563,550	493,304	-12.5%	538,277	612,498	233,540	38.1%	460,579	399,722	433,208

Source: LG Database and 2020/21 MTREF Budget

Findings and Recommendations

- The Municipality has been able to implement its budget effectively as there were no institutional issues affecting it from carrying out its mandate. The administration of the Municipality is stable with all the critical top management posts being filled, in line with the prescripts that state that a Municipality should organise its administration in such a way that it is responsive to the needs of the local communities thus ensuring that posts are filled by competent staff.
- Stellenbosch Municipality did not adjust its 2019/20 budget materially, which is an indication that the adjustment budget period was not utilised to correct the main budget. The year-to-date performance of the Municipality as depicted in table 6 above, indicates that the total revenue realised amounts to R1.08 billion or 59.6 per cent of the adjusted budget as at the end of February 2020. Total year-to-date expenditure is slightly low at an amount of R905.27 million or 49.1 per cent of the adjusted budget which is mainly because of the Municipality failing to record non-cash items (i.e. depreciation) monthly, as well as the low spending on Other expenditure which is reporting a year to date performance of 26.8 per cent as at the end of February 2020.
- The capital performance of the Municipality as at the end of February 2020 is low and equates to 38.1 per cent of the adjusted capital of R612.50 million as at 29 February 2020. The Municipality has in the past not being able to fully spend its capital budget. The lowest capital spending was however observed during 2015/16 financial year and reported a spending of 79.8 per cent. The

Municipality is therefore cautioned against unrealistic capital budgeting which cannot be fully spent as past trends indicate a lower capital performance year on year.

4.3 REVIEW OF THE NEW (2020/21) MTREF

4.3.1 Review of the Budget Assumptions

Findings and Recommendations

The assessment is based on the budget assumptions reflected on page 76-77 of the Municipality's budget documentations. The budget assumptions are reviewed for completeness, credibility and reasonableness as it forms the basis upon which the new MTREF is prepared.

Table 7: Budget Assumptions

No.	Description of the Budget Assumptions
1.	National Treasury MFMA Budget Circulars, No. 98 & 99 were used as a guide in the preparation of the tabled budget.
2.	The forecasted CPIX is estimated at 4.5% for 2020/21 and 4.6% for both the 2021/22 and 2022/23 financial years as per MFMA Circular 98.
3.	The 2020/21 budget was prepared on a projected collection rate of 96 per cent of annual billing.
4.	The following principles and tariff increases, based on the cost reflectiveness of the tariffs are proposed: <ul style="list-style-type: none"> ■ Property Rates = 6.5%. ■ Electricity = 6.4% (with a free 60 kWh per month to indigent households only, to be taken from the Equitable share). ■ Water = 6.0% (with 6 kilolitres plus the basic levy for water free of charge to indigent households). ■ Refuse = 16.5% (free for indigent households) ■ Wastewater = 6.5% (free for indigent households)
5.	Cost containment measures and Preferential Procurement were provided for in the budget documentation.
6.	Employment related costs for the 2020/21 period were budgeted at an annual increase of 6.25% (exclusive of annual notch increases) and 7% for the remainder of the MTREF period in line with the Bargaining Council. The notch increment is budgeted at 2.4% over the MTREF.
7.	Bulk electricity purchases are projected to increase by 6.9% and Bulk water purchases are projected to increase by 8% in the 2020/21.
8.	Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate, household growth rate and the poor household change rate.
8.	All grant allocations as promulgated in the Division of the Revenue Bill, 2020 for National and Provincial gazettes was included in the 2020/21 MTREF budget.
9.	The five strategic objectives the budget is linked to as follow: <ul style="list-style-type: none"> ■ Valley of possibility; ■ Green and Sustainable Valley; ■ Safe Valley; ■ Dignified Living ■ Good Governance and Compliance.

In view of slow economic growth, increase service demands, a weakened economic outlook that will exert pressure on disposable income of consumers, climate change as well as fiscal constraints to persist over the medium term the Municipality is urged to continue to apply fiscal discipline and practice prudent financial management to ensure long term financial sustainability and maximum citizen impact.

4.3.2 Forecasting and Multi-Year Budgeting

On assessment of supporting Tables SA25 to SA30 it is evident that Stellenbosch has considered seasonal fluctuations and that linear projection has not been used.

Year-on-year baseline increase vary between 3.1 and 7.3 per cent for the operating budget and the capital budget which is indicative of multi-year budgeting.

Figure 1: Forecasting and Multi-year budgeting

<table border="1"> <caption>Single Yr projects vs Multi Yr Projects</caption> <thead> <tr> <th>Budget Year</th> <th>Single year projects (%)</th> <th>Multi year projects (%)</th> </tr> </thead> <tbody> <tr> <td>Budget Year 2020/21</td> <td>16.4%</td> <td>83.6%</td> </tr> <tr> <td>Budget Year +1 2021/22</td> <td>17.8%</td> <td>82.2%</td> </tr> <tr> <td>Budget Year +2 2022/23</td> <td>18.2%</td> <td>81.8%</td> </tr> </tbody> </table>	Budget Year	Single year projects (%)	Multi year projects (%)	Budget Year 2020/21	16.4%	83.6%	Budget Year +1 2021/22	17.8%	82.2%	Budget Year +2 2022/23	18.2%	81.8%	<p>The Municipality has incorporated Section 16(3) of the MFMA into the budgeting process, which allows a municipality to appropriate large capital budgets for three financial years, thus enabling it to improve planning and initiate procurement processes earlier for capital projects in the two outer years of the MTREF. This can be ascertained by the fact that on average, multi-year projects account for an average of 82.5 per cent of the total capital budget over the MTREF.</p>																																								
Budget Year	Single year projects (%)	Multi year projects (%)																																																			
Budget Year 2020/21	16.4%	83.6%																																																			
Budget Year +1 2021/22	17.8%	82.2%																																																			
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<table border="1"> <caption>Budgeted monthly revenue and expenditure</caption> <thead> <tr> <th>Month</th> <th>Total Revenue (Millions)</th> <th>Total Expenditure (Millions)</th> <th>Surplus/Deficit (Millions)</th> </tr> </thead> <tbody> <tr><td>July</td><td>300</td><td>100</td><td>200</td></tr> <tr><td>August</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>Sept.</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>October</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>November</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>December</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>January</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>February</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>March</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>April</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>May</td><td>150</td><td>120</td><td>30</td></tr> <tr><td>June</td><td>150</td><td>450</td><td>-300</td></tr> </tbody> </table>	Month	Total Revenue (Millions)	Total Expenditure (Millions)	Surplus/Deficit (Millions)	July	300	100	200	August	150	120	30	Sept.	150	120	30	October	150	120	30	November	150	120	30	December	150	120	30	January	150	120	30	February	150	120	30	March	150	120	30	April	150	120	30	May	150	120	30	June	150	450	-300	<p>On assessment of supporting Tables SA25 to SA27 it is evident that Stellenbosch Municipality has considered seasonal fluctuations and that linear projection has not been used. However, 20.7 per cent of the proposed budget is projected to be spent in the month of June 2021. The Municipality should relook these supporting tables as employee related cost appears to be abnormally higher for this period resulting in a material deficit.</p>
Month	Total Revenue (Millions)	Total Expenditure (Millions)	Surplus/Deficit (Millions)																																																		
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<table border="1"> <caption>Budgeted Monthly Capital expenditure</caption> <thead> <tr> <th>Month</th> <th>Capital Expenditure (Millions)</th> </tr> </thead> <tbody> <tr><td>July</td><td>20</td></tr> <tr><td>August</td><td>20</td></tr> <tr><td>Sept.</td><td>20</td></tr> <tr><td>October</td><td>20</td></tr> <tr><td>November</td><td>20</td></tr> <tr><td>December</td><td>20</td></tr> <tr><td>January</td><td>20</td></tr> <tr><td>February</td><td>20</td></tr> <tr><td>March</td><td>60</td></tr> <tr><td>April</td><td>60</td></tr> <tr><td>May</td><td>100</td></tr> <tr><td>June</td><td>140</td></tr> </tbody> </table>	Month	Capital Expenditure (Millions)	July	20	August	20	Sept.	20	October	20	November	20	December	20	January	20	February	20	March	60	April	60	May	100	June	140	<p>On assessment of supporting Tables SA28 and SA29 it is evident that the Municipality has not used linear projections for its Capital budgeting. The capital expenditure is expected to increase considerably towards the last quarter of the budget year, in line with the past trends of the Municipality's capital performance.</p>																										
Month	Capital Expenditure (Millions)																																																				
July	20																																																				
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Source: LG Database and 2020/21 MTREF Budget

4.3.3 Adequacy of Operating Revenue Management

Table 8: Operating Revenue Budget

Description	218/19	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget				Revenue source as a percentage of total revenue				
		Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	2019/20 - 2020/21 (YOY)	2020/21 - 2021/22 (YOY)	2021/22 - 2022/23 (YOY)	2019/20 - 2022/23 (AVE)	2020/21	2021/22	2022/23	2020/21 - 2022/23 (AVE)
Revenue By Source															
Property Rates	332,958	356,122	356,122	392,239	417,735	444,889	10.1%	6.5%	6.5%	7.7%	20.65%	20.6%	20.5%	20.6%	
Service charges - electricity revenue	531,494	639,886	694,886	707,441	760,500	817,538	1.8%	7.5%	7.5%	5.6%	37.25%	37.6%	37.6%	37.5%	
Service charges - water revenue	147,276	201,975	161,975	168,720	181,374	194,978	4.2%	7.5%	7.5%	6.4%	8.88%	9.0%	9.0%	8.9%	
Service charges - sanitation revenue	83,862	113,503	113,503	118,312	126,594	135,455	4.2%	7.0%	7.0%	6.1%	6.23%	6.3%	6.2%	6.2%	
Service charges - refuse revenue	55,128	69,225	69,225	78,305	91,225	106,278	13.1%	16.5%	16.5%	15.4%	4.12%	4.5%	4.9%	4.5%	
Rental of facilities and equipment	14,524	18,831	18,831	16,292	17,270	18,307	-13.5%	6.0%	6.0%	-0.5%	0.86%	0.9%	0.8%	0.9%	
Interest earned - external investments	44,272	44,171	44,171	37,870	34,522	29,358	-14.3%	-8.8%	-15.0%	-12.7%	1.99%	1.7%	1.4%	1.7%	
Interest earned - outstanding debtors	8,025	11,270	11,286	13,281	14,211	15,206	17.7%	7.0%	7.0%	10.6%	0.70%	0.7%	0.7%	0.7%	
Fines	118,046	108,260	108,260	140,881	149,335	158,297	30.1%	6.0%	6.0%	14.0%	7.42%	7.4%	7.3%	7.4%	
Licences and permits	6,611	5,398	5,398	5,503	5,834	6,184	1.9%	6.0%	6.0%	4.7%	0.29%	0.3%	0.3%	0.3%	
Agency services	2,833	2,852	2,852	2,931	3,107	3,293	2.8%	6.0%	6.0%	4.9%	0.15%	0.2%	0.2%	0.2%	
Transfers recognised - operational	145,981	172,339	182,455	178,107	181,180	197,574	-2.4%	1.7%	9.0%	2.8%	9.38%	8.9%	9.1%	9.1%	
Other revenue	32,924	34,815	40,475	39,408	42,181	45,152	-2.6%	7.0%	7.0%	3.8%	2.07%	2.1%	2.1%	2.1%	
Gains on disposal of PPE	52	-	-	-	-	-	-	-	-	-	0.00%	0.0%	0.0%	0.0%	
Total Revenue (excluding capital transfers and contributions)	1,523,986	1,778,647	1,809,440	1,899,291	2,025,069	2,172,509	5.0%	6.6%	7.3%	6.3%	100.00%	100.00%	100.00%	100.00%	

Source: LG Database and 2020/21 MTREF Budget

Findings and Recommendations

The Municipality budgeted for an increase in total operating revenue of 6.3 per cent in aggregate over the 2020/21 MTREF which indicates real growth after discounted with inflation. Stellenbosch is highly dependent on revenue generated from service charges and property rates which amounts to 77.1 per cent of total operating revenue of which electricity (37.3 per cent), property rates (20.7 per cent) and water (8.9 per cent) are the major sources. Although service charges indicate real growth from the previous financial year it should be noted that pressure will be exerted on surplus margins due to bulk price pressures and a decline in consumption by consumers. The negative impact of the Coronavirus (Covid-19) will further exacerbate pressure on the Municipality's ability to collect its revenue from its consumers as the virus is likely to be extremely disruptive and cause damage to the economy and the fact the Municipality will not be charging interest on outstanding debtors and relaxing the credit control and debt collection on blocking of electricity.

Property Rates revenue has been increased by an average of 7.7 per cent over the MTREF with a tariff increase of 6.5 per cent indicating an increase in the rates revenue base in real terms after discounted for inflation. This is supported by the budget Schedules (SA12(a) and SA12(b)) indicating a slight increase in terms of the number of properties and the market value thereof from the current year and the 2020/21 budget year. As per the guidance of MFMA Circular 99 municipalities have been urged to 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.

Electricity revenue will be increasing by 5.6 per cent on aggregate over the 2020/21 MTREF with only an increase of 1.8 per cent in 2020/21 budget year and a tariff increase amounting to 6.4 per cent. The distribution losses amount to 7.6 per cent in the most recent audit outcome which is within the national norm of between 7 and 10 per cent. The value is material hence it would be recommended that the Municipality put measures in place as part of the overall repairs and maintenance strategy to prevent any increases in further losses.

In performing the segment tool analysis, it was identified that the Municipality erroneously debited Service Charges: Electricity: Electricity Sales: Domestic Low: Prepaid, and are therefore encouraged to correct this in the final budget.

The national government recently announced that municipality's that are in good standing with their Eskom accounts will be allowed to source their power from Independent Power Producers (IPP's). The Municipality's draft budget is silent on the implications this could have in its budget going forward.

In view of declining consumption patterns due to price pressures caused by well above inflationary bulk purchase increases which cannot be fully transferred to the consumer, load shedding further compounded by a weak GDP and the expansion of the green energy utilisation and rapid emerging of renewable energy technology, electricity surplus margins will be affected adversely. Therefore, the sustainability of the service over the medium to long term should be monitored and incorporated as an integral element of the long-term funding model as energy security has been identified as a catalytically intervention for sustainable development.

Water amounts to 8.9 per cent on average over the 2020/21 MTREF as a component in the operating revenue budget and increased year-on-year by an average of 6.4 per cent which indicates a nominal real growth. The projected tariff increase of 6.0 per cent is above the upper limit of inflation. The inflated tariff increase is designed to cater for current and future replacement or refurbishment of basic water infrastructure and a resounding need to generate surpluses. **Water losses** amounted to 21.6 per cent for 2017/18 and 28 per cent for the 2018/19 audit outcomes. The increase in losses is of great concern as the Municipality has previously been cautioned to be mindful of the sustainability of the service over the long term by ensuring it is managed effectively through appropriate strategies which might include reticulation leak repair, proactively planning of repairs and maintenance guards against an increase in losses of this magnitude.

Post the drought we have seen the impact of the water saving measures on the Municipality's water revenue as using water sparingly has become the new norm for consumers. This is evidenced by the fact that the Municipality has had to adjust its water service charges budget materially in two consecutive years (R35 million in the 2018/19 mid-year adjustment budget and by R40 million in the current mid-year adjustment budget). The Municipality is urged to continue to apply fiscal discipline and tariff modelling linked to the long term financial plan is crucial in realising the desired levels of revenue as projections are under pressure.

The **Waste Water Management** increasing deficits over the MTREF are a major concern. As an economical service, this has for consecutive years been one of the services that does not break even. The tariff increase of 6.5 per cent to be implemented, although above inflation, could be considered conservative, especially in working towards a surplus being achieved to ensure the service is delivered in a sustainable manner.

Waste Management is the other service that is operating at a deficit, however this deficit is on a decreasing trajectory with a surplus anticipated in the last year of the MTREF. The Municipality is experiencing challenges in terms of landfill sites reaching capacity. Therefore, it is recommended to achieve sustainability over the medium to long term that the Municipality must continue with its

strategic plan to move towards integrated waste management which will increase the recovery of waste material and thereby save municipal landfill airspace, promote the waste economy, reduce the environmental impacts of waste management and create jobs.

Assessment of Trading Services

Table 9: Trading Services

Description	2016/17	2017/18	2018/19	2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Adjusted Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue (A4):	795,176	862,001	817,760	1,039,589	1,072,778	1,159,693	1,254,248
Service charges - electricity revenue	513,225	523,068	531,494	694,886	707,441	760,500	817,538
Service charges - water revenue	159,539	197,306	147,276	161,975	168,720	181,374	194,978
Service charges - sanitation revenue	81,352	91,619	83,862	113,503	118,312	126,594	135,455
Service charges - refuse revenue	41,059	50,008	55,128	69,225	78,305	91,225	106,278
Expenditure (A2):	667,661	676,661	756,174	883,045	948,301	1,021,314	1,097,692
Energy sources	410,592	419,364	440,699	502,323	537,272	573,869	613,819
Water management	97,703	89,809	126,735	154,124	143,421	156,468	172,407
Waste water management	100,535	110,889	109,181	133,437	162,596	180,162	194,286
Waste management	58,831	56,599	79,559	93,161	105,013	110,815	117,180
Cost of Free Basic Services (SA 1)	-	-	-	2,182	40,378	44,782	49,748
Energy sources	-	-	-	2,182	12,554	13,496	14,508
Water management	-	-	-	-	1,672	1,797	1,932
Waste water management	-	-	-	-	10,298	11,019	11,790
Waste management	-	-	-	-	15,854	18,470	21,518
Surplus/Deficit	127,515	185,341	61,586	158,726	164,855	183,162	206,305
Energy sources	102,633	103,704	90,796	194,746	182,724	200,127	218,227
Water management	61,837	107,498	20,541	7,851	26,971	26,703	24,503
Waste water management	(19,183)	(19,270)	(25,320)	(19,934)	(33,987)	(42,549)	(47,041)
Waste management	(17,772)	(6,591)	(24,432)	(23,937)	(10,854)	(1,119)	10,615
Surplus/Deficit %	16.0%	21.5%	7.5%	15.3%	15.4%	15.8%	16.4%
Energy sources	20.0%	19.8%	17.1%	28.0%	25.8%	26.3%	26.7%
Water management	38.8%	54.5%	13.9%	4.8%	16.0%	14.7%	12.6%
Waste water management	-23.6%	-21.0%	-30.2%	-17.6%	-28.7%	-33.6%	-34.7%
Waste management	-43.3%	-13.2%	-44.3%	-34.6%	-13.9%	-1.2%	10.0%

Source: 2020/21 MTREF Budget

Findings and Recommendations

Trading services reflect a surplus over the 2020/21 MTREF, except for Waste water Management and Waste Management that is projected at a deficit for the two outer years. On an overall the trading services are projected for a surplus which means that these projections are cost reflective over the 2020/21 MTREF. This also implies the services which are showing deficits will be subsidised by other trading services or other revenue sources, this though will have an impact on the overall sustainability of service charges.

It is recommended the Municipality strikes a balance between competing goals of affordability, economic growth, the environment and the financial sustainability of the services over the medium to long term. The Municipality is however commended for their development of a Revenue Enhancement Strategy, which focuses on the formulation and implementation of strategies to improve financial management and controls within the Municipality to build and improve on current payment levels and recovery of arrear debt.

Adequacy of Operating Expenditure Management

Table 10: Operating Expenditure Budget

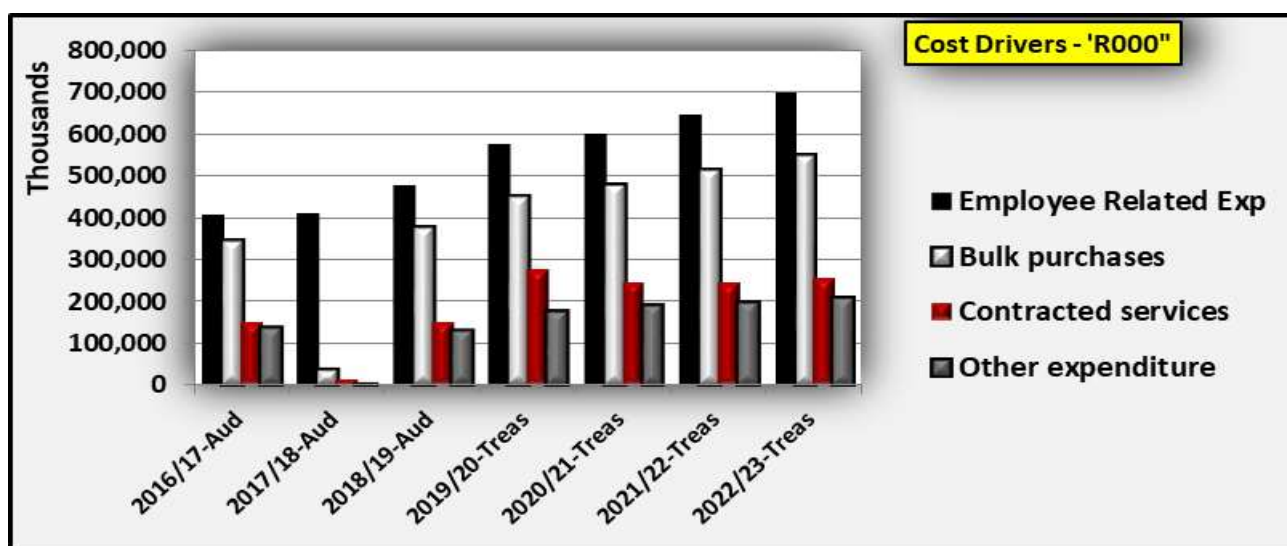
Description	218/19	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget				Expenditure item as a percentage of total expenditure			
		Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	2019/20 - 2020/21 (YOY)	2020/21 - 2021/22 (YOY)	2021/22 - 2022/23 (YOY)	2019/20 - 2022/23 (AVE)	2020/21	2021/22	2022/23
Expenditure By Type														
Employee related costs	461,114	603,268	557,268	579,439	623,493	676,723	4.0%	7.6%	8.5%	6.7%	30.5%	31.0%	31.4%	31.0%
Remuneration of councillors	18,272	19,936	19,936	21,133	22,401	23,745	6.0%	6.0%	6.0%	6.0%	1.1%	1.1%	1.1%	1.1%
Debt impairment	105,207	72,067	72,067	74,007	76,008	78,072	2.7%	2.7%	2.7%	2.7%	3.9%	3.8%	3.6%	3.8%
Depreciation & asset impairment	176,665	206,956	206,956	205,628	214,881	224,550	-0.6%	4.5%	4.5%	2.8%	10.8%	10.7%	10.4%	10.6%
Finance charges	23,207	39,877	29,877	51,349	64,710	77,154	71.9%	26.0%	19.2%	39.0%	2.7%	3.2%	3.6%	3.2%
Bulk purchases	380,671	406,458	453,958	482,196	516,151	552,501	6.2%	7.0%	7.0%	6.8%	25.4%	25.6%	25.7%	25.6%
Other materials	31,593	34,990	39,480	41,706	44,101	46,229	5.6%	5.7%	4.8%	5.4%	2.2%	2.2%	2.1%	2.2%
Contracted services	151,818	237,957	275,981	245,478	244,744	255,781	-11.1%	-0.3%	4.5%	-2.3%	12.9%	12.1%	11.9%	12.3%
Transfers and grants	8,990	10,049	10,049	10,069	10,600	11,200	0.2%	5.3%	5.7%	3.7%	0.5%	0.5%	0.5%	0.5%
Other expenditure	124,929	176,689	176,440	188,459	197,345	207,725	6.8%	4.7%	5.3%	5.6%	9.9%	9.8%	9.6%	9.8%
Loss on disposal of PPE	5,112	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	1,487,578	1,808,247	1,842,012	1,899,463	2,014,434	2,153,680	3.1%	6.1%	6.9%	5.4%	100.0%	100.0%	100.0%	100.0%
Surplus/(Deficit)	36,409	(29,600)	(32,572)	(173)	10,635	18,828	-99.5%	-6264.2%	77.0%	-2095.5%	-	-	-	-

Source: LG Database and 2020/21 MTREF Budget

Findings and Recommendations

The sustainability of a municipality is heavily dependent on how they collect and spend their own revenues. Municipalities have therefore been advised to follow a conservative approach in compiling their 2020/21 MTREF budgets and eliminate wastage and unnecessary expenditure.

Figure 2: Expenditure cost drivers



Source: MTREF 2020/21 Budget Tool

The above graph indicates the four main cost drivers of the Municipality's operating expenditure budget. **Employee related cost** is the leading cost driver making up 30.5 per cent of the total operating expenditure budget of R1.90 billion. The budget review by the National Minister of Finance highlighted the proposed wage bill reduction for public service, wherein municipalities are encouraged to take decisive action to address bloated organisational structures. The Municipality adjusted its employee related costs materially downwards by an amount of R46 million in the 2019/20 mid-year adjustment budget, and has only increased the cost by 4 per cent for the 2020/21 financial year. This is an indication the Municipality has heeded the call to reduce its wage bill. In performing the segment tool analysis, it was identified that the Municipality budgeted for an amount of R1.68 million for the Municipal Managers Medical Aid social contributions, which seems unrealistic. The Municipality is advised to consider this and correct it in the final budget.

The Municipality has tabled a **deficit** budget of R173 000 in the 2020/21 budget year which is mainly caused by non-cash expenditure items namely depreciation which is partly cash-backed. The remainder of the MTREF sees the Municipality achieving a surplus position which is commendable as this is an indication that the Municipality is moving in the right direction with its budget planning in trying to achieve a surplus position that will in turn assist the Municipality in remaining financially viable in the long term.

Depreciation is a measurement of the rate of asset consumption and important element of the asset management lifecycle and hence should be based on an updated, GRAP compliant and complete asset register. The 2020/21 budget sees a decrease in the allocation towards depreciation, even though the Municipality continues to invest in capital items. It is therefore recommended that the Municipality considers current and past trends which set the baseline and therefore have an impact on future budgetary provisions.

Bulk purchases have increased by an average of 6.8 per cent over the 2020/21 MTREF which is within the 6.9 per cent set out by NERSA for bulk purchase increase. The increased cost will directly place an upward pressure on the service tariffs to residents. It must be noted that continuous high tariff increases are not sustainable as there will be a point where services will no longer be affordable for the consumers. It is recommended that the Municipality be mindful of both electricity and water distribution losses and the impact it has on bulk purchases by ensuring adequate maintenance distribution infrastructure as well as putting control measures in place in terms of illegal connections and own municipal consumption of electricity and water.

Finance charges have increased by an aggregate of 39.0 per cent over the 2020/21 MTREF with a year-on-year increase of 71.9 per cent between the 2019/20 and 2020/21 budget period. This is because of the Municipality taking up borrowings amounting to R400 million over the MTREF which is needed for investment in income generating infrastructure. The Municipality provided for the maximum draw down however historical trends show that the Municipality delay drawing down on borrowings as the 2019/20 cash flow show no actual borrowing receipts as at the month ending February 2020 and the Municipality adjusted the finance charges budget downwards in the main adjustment budget. It is recommended that the Municipality align the calculation for finance charges on historical trends and cash projections as finance costs may place upward pressure on tariffs and this can have an impact on the credibility of the operating budget.

Contracted services remain high as they currently make up 12.3 per cent on average of the entire expenditure budget which is above the acceptable norm. The Municipality is however commended for decreasing this expenditure line item by a material 11.1 per cent in the 2020/21 budget year to try build capacity in house rather than place reliance on external contractors.

In performing the segment analysis of the tabled budget, it is evident that the Municipality has not budgeted for **repairs and maintenance** appropriately. The Municipality has failed to budget for **preventative maintenance** as there is no interval based nor condition based maintenance included in its budget. The Municipality has only made provision for **corrective maintenance**, particularly emergency based maintenance. This means the Municipality plans to only repair its assets once they are broken rather than maintain them on a regular basis to avoid them getting broken or obsolete. The Municipality is therefore advised to make use of the options available to it in compiling its final budget.

In analysing the **Travel & Subsistence** budget, it was identified that the Municipality budgeted an amount of R50 000 for foreign travel daily allowance, whereas there is no foreign travel budgeted for. The Municipality is therefore urged to correct this in its final budget. The Municipality has allocated all the **Debt impairment** expenditure under the bad debts written off line item. The Municipality is urged to allocate the debt impairment according to each service as provided for in the chart rather than record the impairment as bad debts written off in its final budget.

The Municipality is urged to implement its **Cost containment policy** stringently to ensure that their resources are used effectively, efficiently and economically. Cost containment is crucial in the application of sound financial management principles that will drive the Municipality in remaining financially viable and allow it to provide services that are sustainable, economical and equitable to all its communities.

The Municipality must be commended as no **Unauthorised, Fruitless and Wasteful** expenditure was recorded in the most recent audit outcome. This is an indication of the Municipality's ability to ensure that reasonable care is exercised in implementing its budget and that no expenditure is incurred in vain. The concern noted is in relation to **Irregular expenditure** as this has increased by almost R10 million between the two most recent audited financial years (R44.3 million and R34.74 million in 2018/19 and 2017/18 financial years respectively), with Council writing off an amount of R7.08 million. The Municipality is therefore urged to manage its Supply Chain processes in a manner that doesn't result in expenditure being incurred contrary to the requirements of MFMA.

4.3.4 Adequacy of Capital Budget

Table 11: Capital Budget

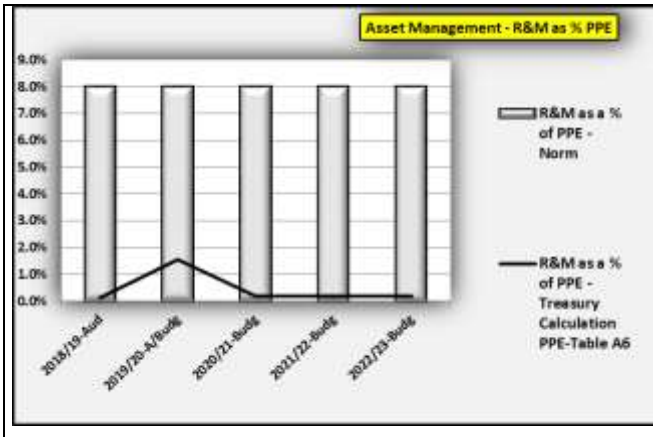
Vote Description R thousand	218/19	Current Year 2019/20 (until February 2020)				2020/21 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
	Audited Outcome	Original Budget	Adjusted Budget	29 February 2020	YTD %	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	2019/20 - 2020/21 (YOY)	2020/21 - 2021/22 (YOY)	2021/22 - 2022/23 (YOY)	2019/20 - 2022/23 (AVE)
Capital Expenditure - Standard												
Governance and administration	48,183	105,155	142,869	32,088	22.5%	40,340	48,294	10,599	-71.8%	19.7%	-78.1%	-43.4%
Executive and council	87	35	35	9	24.4%	40	44	49	14.3%	10.0%	0.0%	0.0%
Finance and administration	48,096	105,120	142,834	32,080	22.5%	40,300	48,250	10,550	-71.8%	0.0%	0.0%	0.0%
Internal audit	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
Community and public safety	91,870	61,445	63,341	67,098	105.9%	45,776	39,304	73,685	-27.7%	-14.1%	87.5%	15.2%
Community and social services	1,422	2,845	4,971	597	12.0%	5,405	10,570	13,225	8.7%	95.6%	25.1%	43.1%
Sport and recreation	14,006	29,000	29,399	4,703	16.0%	17,510	15,330	8,780	-40.4%	-12.5%	-42.7%	-31.9%
Public safety	8,685	29,550	26,221	11,386	43.4%	16,320	10,310	15,615	-37.8%	-36.8%	51.5%	-7.7%
Housing	67,757	50	2,750	50,411	1833.1%	6,541	3,094	36,065	0.0%	0.0%	0.0%	0.0%
Health	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
Economic and environmental services	87,048	130,452	132,922	36,018	27.1%	127,355	62,218	56,955	-4.2%	-51.1%	-8.5%	-21.3%
Planning and development	7,608	50,332	50,808	10,079	19.8%	49,851	13,398	14,575	-1.9%	-73.1%	8.8%	-22.1%
Road transport	79,441	80,120	82,115	25,939	31.6%	67,700	42,300	34,900	-17.6%	-37.5%	-17.5%	-24.2%
Environmental protection	-	-	-	-	-	9,804	6,520	7,480	0.0%	0.0%	0.0%	0.0%
Trading services	260,825	261,225	273,365	98,335	36.0%	289,615	253,989	291,969	5.9%	-12.3%	15.0%	2.9%
Energy sources	66,094	35,090	49,717	24,676	49.6%	69,900	57,857	128,806	40.6%	-17.2%	122.6%	48.7%
Water management	67,730	80,000	65,283	12,461	19.1%	97,800	86,572	67,018	49.8%	-11.5%	-22.6%	5.2%
Waste water management	119,852	114,400	119,153	47,177	39.6%	111,670	86,815	51,900	-6.3%	-22.3%	-40.2%	-22.9%
Waste management	7,148	31,735	39,212	14,021	35.8%	10,245	22,745	44,245	-73.9%	122.0%	94.5%	47.6%
Other	5,378	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%
Total Capital Expenditure - Standard	493,304	558,277	612,498	233,540	38.1%	503,086	403,805	433,208	-17.9%	-19.7%	7.3%	-10.1%
Funded by:												
National Government	41,486	62,526	62,526	6,556	10.5%	63,690	43,675	46,102	1.86%	-31.43%	5.56%	-8.00%
Provincial Government	52,363	78,562	81,860	9,818	12.0%	56,436	51,620	54,600	-31.06%	-8.53%	5.77%	-11.27%
Transfers recognised - capital	93,849	141,088	144,386	16,374	11.3%	120,126	95,295	100,702	-16.80%	-20.67%	5.67%	-10.60%
Public contributions & donations	-	-	-	-	-	42,506	4,083	-	100.00%	-90.39%	-100.00%	0.00%
Borrowing	120,561	160,000	157,097	19,719	12.6%	160,000	120,000	120,000	0.00%	-25.00%	0.00%	-8.33%
Internally generated funds	278,894	257,189	311,016	197,447	63.5%	180,453	184,427	212,506	-41.98%	2.20%	15.23%	-8.18%
Total Capital Funding	493,304	558,277	612,498	233,540	38.1%	503,086	403,805	433,208	-17.86%	-19.73%	7.28%	-10.11%

Source: LG Database and 2020/21 MTREF Budget

Findings and Recommendations

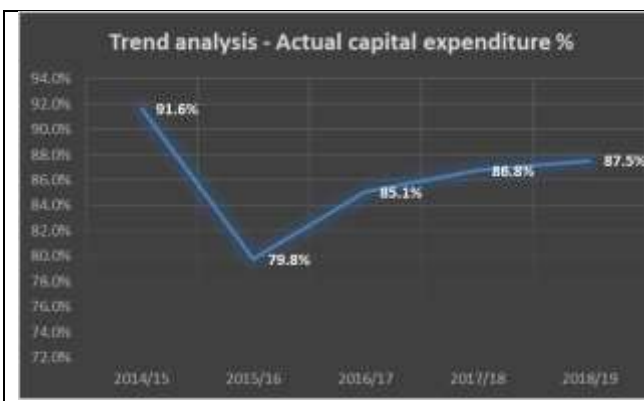
The Municipality has made provision for the replacement and renewal of existing infrastructure over and above the budget for new capital assets. The budget for new asset, renewal of existing assets and the upgrading of existing assets amounts to an average of 58.8 per cent, 7.6 per cent and 33.6 per cent respectively over the 2020/21 MTREF. The concern noted is with regards to the totals for the supporting schedules (SA 34a, SA 34b and SA34e) in the council approved A-Schedules that do not agree to the total capital expenditure per Table A5. It is therefore recommended that the Municipality corrects this error in its final budget.

Figure 3: Repairs & Maintenance as % of PPE



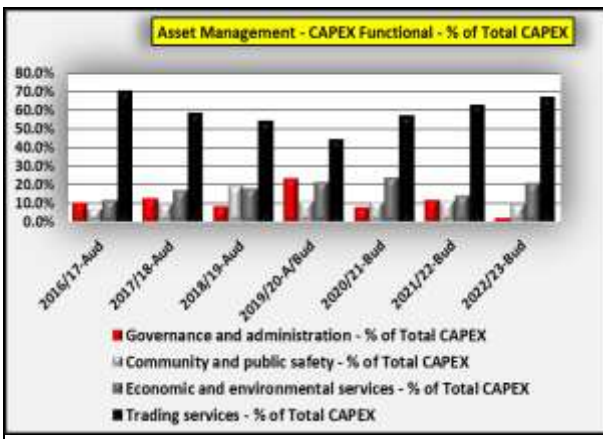
The Municipality is allocating less than 2 per cent of its budget towards repairs and maintenance of its assets, which is well below the accepted norm of 8 per cent. This is of great concern considering the deterioration and ageing of infrastructure which coupled with the low levels of repairs and maintenance over the MTREF raises the possible risk in terms of the safeguarding of the asset base. Therefore, it is recommended that the Municipality relook at the budget for R&M.

Figure 4: Actual expenditure as % of adjusted capital budget



The Municipality achieved an average capital spending of 86.2 per cent over the last five (5) audited financial years with the lowest percentage of 79.8 per cent being achieved in 2015/16 budget year. Current year-to-date performance is in line with previous trends and it is of concern. Capital spending remains a risk for Stellenbosch and has a spill-over effect on the long-term capital funding model and the Municipality is encouraged to continuously monitor the implementation of strategies to address the management of the capital budget including applying project management principles.

Figure 5: Capital budget functional classification

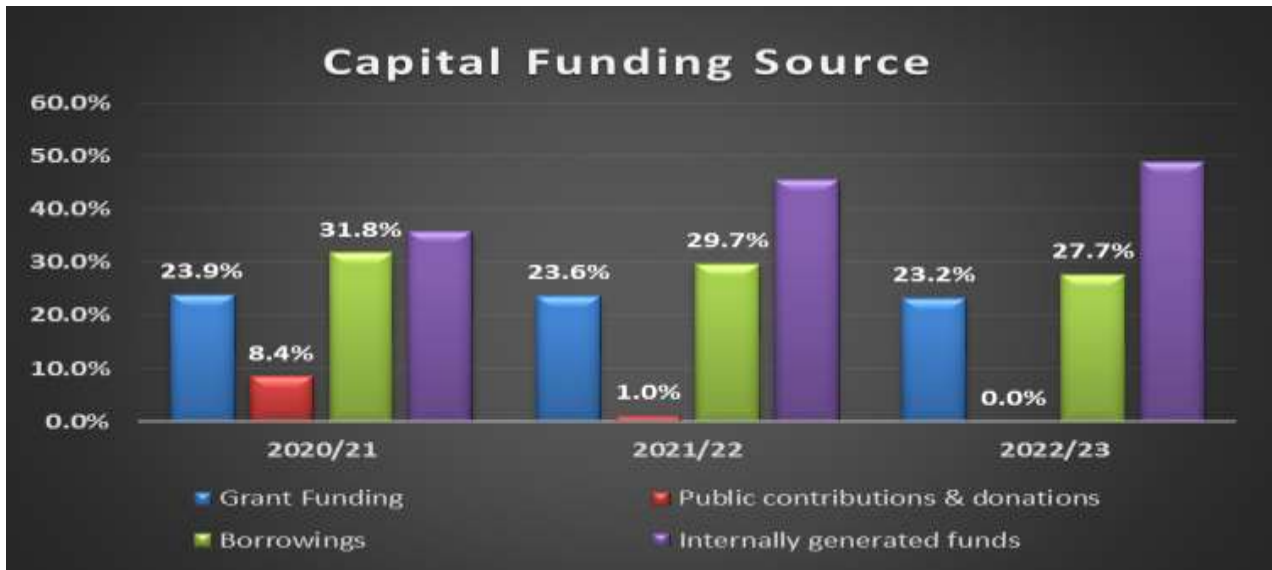


Trading services constitute 57.6 per cent of the total capital budget and it is thus evident that the capital budget of Stellenbosch Municipality is largely vested in trading services, of which a major portion of it is appropriated for waste water management at 22.2 per cent. The allocation for water is slightly below that of waste water management at 19.4 per cent of the total capital budget

Source: Budget Funding Assessment Tool

The renewal and upgrading of existing infrastructure accounts for 41.2 per cent of the capital budget over the 2020/21 MTREF. This is an indication that the Municipality's capital programme is aligned to the acceptable asset renewal strategy.

Figure 6: Capital budget funding mix:



Source: LG Database and 2020/21 MTREF Budget

The above graph depicts that the Municipality is moving towards a good balanced capital funding mix and mainly funding its capital budget from the CRR. It further indicates that the Municipality is not grant dependent to fund its capital budget as grant funding amounts to an average of 23.6 per cent over the MTREF. A concern is that the Municipality has only spent 11.3 per cent of the grant funding to date in the current financial year and therefore runs the risk of having unspent grants at the end of the financial year. Taking into consideration the trend analysis of actual capital expenditure achieved by the Municipality over the past audited years, it is imperative that the Municipality puts measures in place to fully spend the budget of grant funded capital projects in order to avoid the risk of retention or reduced allocations in future years.

The borrowings the Municipality intends to take up to fund its capital budget amount to an aggregate of R400 million over the 2020/21 MTREF. This will place the Municipality within their borrowing limit as set out in the borrowing, funding and reserve policy.

Given the existing revenue collection levels, Stellenbosch municipality is in a position to meet its debt repayment obligations. The Municipality's cash backed reserve put it in a position to be able to also contribute towards its capital budget from its own internal funds. We do however recommend that when taking up large amount of borrowing that a concerted effort must be to prioritise to expedite capital spending in order to avoid a delay with the realisation of returns on investment.

4.3.5 Financial Position (A6)

Table 12: Financial Position (A6)

	2017	2018	2019	2020	2021	2022	2023
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	4 months	3 months	3 months	2 months	2 months	2 months	2 months
Current Ratio	2.12	2.16	1.65	2.40	2.39	2.59	2.78
Liquidity Ratio	1.39	1.26	1.10	1.24	1.06	1.11	1.12
Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	2.40%	2.37%	2.53%	2.76%	4.09%	4.76%	5.35%
Debt (Total Borrowings)/ Revenue	13.32%	11.50%	21.23%	26.70%	32.58%	34.77%	36.20%

The analysis of the A6 (Budgeted Financial Position) and A8 indicates that the Municipality has budgeted for positive working capital that demonstrates that it has enough funds to meet its short-term liabilities over the MTREF period.

Cash and cash Equivalents

The Municipality budgeted for a positive cash and cash equivalents throughout the MTREF financial years of R361.34 million, R365.77 million and R358.55 million for 2020/21, 2021/22 and 2022/23 respectively. The Municipality budgeted for a positive cash and cash equivalents over the MTREF.

Current Ratio

The Municipality's current ratio increases over the 3-year MTREF period from 2.39:1 (2020/21), 2.59:1 (2021/22) to 2.78:1 (2022/23). The ratio is favourable and above the NT norm of 1.5 - 2:1.

Liquidity ratio

The liquidity ratio is reported to be 1.06:1, 1.11:1, and 1.12:1 for the 2020/21, 2021/22 and 2022/23 years respectively. The ratio depicts that the Municipality is anticipating that it will have adequate financial resources to settle its short-term debts. The Municipality is not exposed to liquidity risk.

Cash Cover Ratio

The Municipality reflects a cost coverage ratio of 2 months over the MTREF years, demonstrating that the Municipality has adequate cash resources to meet its monthly fixed operating commitments from cash. The anticipated cash coverage ratio is within the NT norm of 1 - 3 months.

Debt (Total Borrowings) to total Operating Revenue

Over the MTREF period the debt ratio is increasing, from 32.58 per cent (2020/21), 34.77 per cent (2021/22) to 36.20 per cent (2022/23). The anticipated debt ratio is within the NT norm of below 45 per cent. This indicates that the Municipality has the capacity to take on additional increase funding from borrowings.

Capital Cost (Interest Paid and Redemption/Total Operating Expenditure

The capital cost ratio is increasing from 4.09 per cent (2020/21), 4.76 per cent (2021/22) to 5.35 per cent (2022/23) over the MTREF period. The ratio is below the National Treasury norm of 6 - 8 per cent indicating that the ratio is favourable and the Municipality can take on increased funding through borrowing.

4.3.6 Cash (A7)

The Municipality reported a positive budgeted cash flow as per the A7 (Budgeted Cash Flow Statement) of R361.34 million, R375.77 million and R358.55 million for 2020/21, 2021/22 and 2022/23 respectively. This depicts that the Municipality anticipates having a positive cash position over the MTREF.

The MTREF budget indicates that the Municipality intends to collect its revenue in line with the anticipated budgeted average collection rate of 96 per cent.

4.3.7 Application of Cash and Investments (A8)

The Municipality has taken into consideration the required applications to the reported cash and cash equivalents reflected in the table. Schedule A8 depicts that the Municipality will achieve an overall outcome of R289.28 million for 2020/21, R352.30 million for 2021/22 and R381.34 million for 2022/23. The outcome of the Schedule A8 reflects that the Municipality's budget is funded and sustainable over the MTREF period.

The analysis of the SA10 indicates that the Municipality has tabled a funded budget. However, the Municipality reported an Operating deficit of R172 530 during the 2020/21 financial year.

The recalculation, by excluding the non-cash items such as depreciation, debt impairment and asset impairment yields a surplus from the operating revenue and expenditure, Therefore, the Municipality remains funded.

4.4 MSCOA IMPLEMENTATION

The Municipality successfully loaded its TABB data string on the LG database portal within 3 days of tabling the budget, as was required in Budget Circular 99. The PRTA strings do however have a stage one (1) error which the Municipality needs to address and correct accordingly.

In performing the perfect alignment comparison of the council approved A-schedule to the data strings uploaded on the LG database portal, it was identified that the two data sources were not perfectly aligned. Major variances were identified between the A5, A6 and the A7 tables. The Municipality is therefore advised to correct these in its final budget strings.

The Municipality is utilising a majority of the modules available in its financial system, and the only module it is not utilising is the one related to payroll as it uses PayDay for payroll purposes. The Municipality does not draw all its A-Schedules directly from the financial system as the financial system cannot populate some of the supporting schedules. This therefore means that there has been manual intervention in completing the A-Schedules. This is concerning considering the resources invested by the Municipality towards the mSCOA reform.

The Wizard Tool was utilised to analyse the segment use in the data strings of the Municipality. The results on the Item Segment have been incorporated in the operating revenue and expenditure as well as the capital budget narrative in points 4.3.3 - 4.3.5 above. Findings related to the other segments include the following:

Project segment

The Municipality has correctly allocated Revenue Items to "Project Default" as is required. They have however failed to utilise the Operating project: Typical work streams effectively as an option in compiling its budget. Majority of costs that have been allocated as Municipal Running Costs could be allocated as a typical work stream. It is therefore recommended that the Municipality identifies items listed as running costs and try to allocate some of these to Typical Work streams. The Municipality is further advised to make the correct use of the options available for operating project: maintenance as was alluded to in the above operating expenditure analysis.

Funding Segment

The Municipality has made adequate use of the funding segment. The only concern worth noting is that Depreciation and amortisation has been allocated to a funding source. This item is a non-cash item and should not be linked to a funding source. As a result, the funding segment for this item should be allocated to "non-funding".

Costing Segment

The Municipality has not made use of this segment effectively. All items have been allocated to "default", whereas the chart makes provision that the Municipality at least tries to make use of the four services (electricity, water, waste management and waste water management). The Municipality is therefore advised and urged to make adequate use of this segment.

Region Segment

Stellenbosch Municipality has made adequate use of this segment. The budget has been allocated across all wards of the Municipality and has not been restricted to only the Whole of municipality and Administration regions.

Function Segment

The Municipality has made adequate use of the function segment.

SECTION 5: KEY FINDINGS, RISKS AND RECOMMENDATIONS

This section outlines the main points and risks/recommendations based on the SIME Assessment.

PUBLIC VALUE CREATION

INTEGRATED PLANNING

- The 2020/21 IDP Review should make reference to how the 7 priorities of the MTSF 2019 - 2024 aligns to the strategic focus areas of the Municipality.
- The Municipality should consider the inclusion of specific details for each human settlement development as well as spatial maps and details around the commitment to provide bulk infrastructure capacity for all housing projects.

ENVIRONMENTAL AND PLANNING ANALYSIS

- Where possible, a clear spatial link between the budget in the IDP and the spatial strategies of the SDF, needs to be made. This will allow for efficient and effective monitoring of the implementation of the SDF. If this has not already taken place between January 2020 and now, the Municipality must by notice in the Provincial Gazette adopt the SDF in line with section 20. (1) of SPLUMA.
- The SDF could expand on the how the Western Cape Biodiversity Spatial Plan (WCBSP 2017) has taken climate change into consideration and make the link as to how using the WCBSP as a key informant will help reduce disaster risk to settlements as well. The most sensitive/important Critical Biodiversity Areas should be rezoned to an appropriate conservation zoning in the SDF.
- Despite the good intentions of listing specific focus areas that respond to climate change, the degree to which mainstreaming of climate change is throughout the IDP remains a challenge. It remains predominantly linked to environment programmes which are generally not well resourced. The actual budget allocated to the climate response programme is not evident.
- The Municipality needs to designate a new WMO and submit their annual report as well as the Council Resolution for the adoption and approval of the IWMP once assessed and endorsed by the DEA& DP and approved by the Council.
- It is recommended that Stellenbosch Municipality either considers relevant clauses of the Departments' Model Integrated Waste Management By-Law or adopt it as a draft for their public participation process or as a guide to the development process of their by-law.
- The implementation of the Stellenbosch Municipality's AQMP must also be measurable so that its performance and achievements can be assessed and reviewed after five (5) years, as required by the 2017 National Framework for Air Quality Management in the Republic of South Africa.

ECONOMIC SUSTAINABILITY

- Given the onset of Covid-19 in March 2020 and the potential devastating effects that an outbreak and spread of the disease could have on the socio-economic environment, various possible impacts should be considered as indicated in Section 1 of this report.

- A need to accommodate backyard dwellers as well as to cater for the student housing market has been identified by the Municipality. The opportunity exists to expand the housing development market within the municipal area although it comes with its challenges such as the availability and securing of land. The development of student housing could have a positive effect on potential future revenue for the Municipality.
- The backlogs in infrastructure continues to exert further pressure on municipal resources. The growing demand for basic services within growing informal settlements is challenging to sustain. The Municipality is faced with an insufficient capital budget to address and eradicate backlogs timeously.

FINANCIAL SUSTAINABILITY

- The Municipality's budget is deemed to be credible, sustainable and funded as there are no immediate sustainability threats.
- The Municipality, though a going concern, must remain vigilant in preserving and improving its cashflow and cash position.
- Management should interrogate the various indicators in Table 5, heed the warning signs, and implement measures to mitigate potential risk.
- The Municipality has cash tied up in receivables, and should implement measures to collect on its outstanding debt. It is critical that the Credit Control Policies and processes be reviewed, possibly re-engineered to become more effective and efficient at collection of receivables.
- The Municipality should also review its Capital Project Funding Mix's, establish the sources of funding allowed, establish qualifying attributes for various sources of funding, and determine the amount of risk it is willing to expose itself to in terms of borrowings.
- The Municipality has a ratio for Employee Remuneration, well below the norm, which could be the reason for showing increases in Contracted services (above the norm). It is essential that planning be done with regards to the kinds of contracted services it would be using, the kinds of services it can perform internally, and skills transfer via a Consultancy Reduction Plan, as required by the cost containment regulations.
- The repairs and maintenance of the infrastructure must be prioritised by the Municipality to extend the useful life of the capital assets. It is of outmost importance that the Municipality strikes a balance between the level of new investment in capital infrastructure and the replacement/renewal of the capital assets in line with the long term financial plan strategies that will render the Municipality financially sustainable in the foreseeable future.
- Emphasis should be made on guarding against electricity and water losses. In an environment where the national electricity supplier, ESKOM, is already constrained, as well as the importance of water conservation in the face of current global climate changes, unnecessary distribution losses should be kept at a minimum.
- Continuous poor performance on the capital budget implementation remains a major concern as evidenced by the failure by the Municipality to achieve actual capital performance in excess of the 90 per cent mark in the last consecutive three audited years. The Municipality is therefore advised to have sound project plans accompanied with procurement plans that are realistic and will see the Municipality achieving full capital expenditure of its planned budget.

- The Municipality is advised to address the findings related to the segment tool analysis. This is to ensure that the final budget takes into account all the recommendations and correct segment use is achieved in order for the financial the data strings to be correctly populated. Furthermore, the Municipality should ensure that they apply the principles on the A7 and SA30 linkages as advised by the National Treasury so as to ensure that the cash flow of the Municipality is correctly populated.
- The Municipality reported a positive budgeted cash flow and the analysis of supporting Schedule SA10 indicates that the Municipality has tabled a funded budget.
- The Municipality is cautioned to monitor the increasing in debtors' balances and non-collection of revenue.
- Although the Municipality has capacity to take on additional borrowing it should be considered within the cash flow requirements and affordability parameters.

ANNEXURE A

Contact details of officials working in the Environmental Affairs and Development Planning Department should guidance be required:

- Directions in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) and related legislation:

Municipalities must study the Directions of 31 March 2020 and consider the implications for the Municipality and its processes carefully. The following officials of the Department of Environmental Affairs and Development Planning can be contacted for guidance in this regard:

Mr Zaahir Toefy Director: Development Management Email: zaahir.toefy@westerncape.gov.za	Region 1: City of Cape Town and West Coast District Municipal area. Region 2: Cape Winelands District Municipal area and Overberg District Municipal area
Mr Gavin Benjamin Director: Development Management Email: gavin.benjamin@westerncape.gov.za	Region 3: Garden Route District Municipal area and Central Karoo District Municipal area.
Mr Eddie Hanekom Director: Waste Management Email: eddie.hanekom@westerncape.gov.za	Western Cape
Dr Joy Leaner Director: Air Quality Management Email: joy.leaner@westerncape.gov.za	Western Cape
Mr Marius Venter Environmental and Planning Appeals Co-ordinator Email: marius.venter@westerncape.gov.za	Western Cape

- Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA)
 - Directions or an exemption in terms of SPLUMA have not yet been issued by National Government. If Directions or an exemption is not issued in terms of SPLUMA are not in the near future issued by National Government, Minister Bredell will consider issuing an exemption in terms of Section 60 of the Western Cape Land Use Planning Act, 2014 (Act No. 3 of 2014) (LUPA) which would exempt Municipalities from provisions of LUPA as well as the corresponding provisions of the Municipal Planning By-Laws. For more guidance.
 - The following official of the Department of Environmental Affairs and Development Planning can be contacted for guidance in this regard:

Mr Kobus Munro Director: Development Management Email: kobus.munro@westerncape.gov.za	Western Cape
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- Basic Service provision to Communities as well as De-Densification of certain Informal Settlements
 - A number of Regulations, Directions and Guidelines have been issued by National Government (all available at: <https://www.gov.za/coronavirus/guidelines>) including related to basic service provision to Communities.

Ms Rirhandzu Marivate

From: [Rirhandzu Marivate](#)
To: [idp](#)
Subject: [EX] Comments: Revised 4th Generation IDP 2020/21".
Date: Saturday, 02 May 2020 17:55:05

Dear Municipal Manager,

Thank you for providing the opportunity to give comment and continuing the public participation process. Please see below my comments for the IDP:

In light of the COVID 19 Crisis, it has become apparent that there are many communities, families and individual residents that are not are experiencing job insecurity, but are also food insecure.

The IDP has also reported that 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. The Municipality supports 140 ECD's through quarterly capacity building sessions, including capability building in nutrition.

In light of the apparent, and increasing food insecurity, many NGOs, Stellenbosch University, Stellenbosch unite, have mobilised to distribute food parcels to those at-risk communities. Additional to the existing interventions of providing hot meals and food parcels This is important, but it is only a temporary measure, where are food security strategy needs to be in place.

Additionally, research has show than Stellenbosch in a net importer of food, with only approximately 10 % of the agricultural land within the municipality used to grow food (the 90% being vineyards and deciduous fruits, mainly cash crops).

In line with the National Strategic Outcomes, how is the municipality ensuring its alignment to the outlined goals, particularly, goal 7: "Vibrant, equitable and sustainable rural communities with food security for all." ? The IDP does not currently reflect any particular food security plan or comprehensive strategy.

It is understandable that the Municipality has limited capacity to put in resources and capacity, and it would be a good opportunity to form a strategic partnership, such as the Sustainability Institute and the SA Foodlab, that have done significant work on food security strategies and policies, including the Stellenbosch Food Systems Strategy. The Sustainability Institute is currently also runs two programmes in the space of agriculture and food security focus, namely the Agroecology Academy that provide training and development for young and emerging farmers from Stellenbosch in agroecology, and the recent Living Soils Community Learning farm that on food security research and project, including the Living Soil Community Learning Farm that is growing food to support the local ECDs in the Lynedoch community, and now during the COVID-19 Lockdown are providing weekly vegetable parcels in partnership with Spier to 140 at risk families and continuing to use agroecology principles of farming and supporting local food security, and providing a platform of practical learning for local young farmers.

The IDP has indicated that the municipality has land(commonage, 65 hectares of the 490 ha of farm 502) that has been earmarked for the Department of Rural Development's Agriparks initiative. In this regards, I would like to know what the progress has been outside what has already been highlighted in the IDP on the development of the Stellenbosch Agripark. What has been done to date with the 10 emerging farmers? and what is the progress of development with the Agriparks? Are there any plans that will be in

line with the food security crisis and in light of the COVID-19 crisis? What other initiatives are there to support the growth of previously disadvantaged young and emerging farmers from the community? and providing access to land in the municipal commonage for that purpose?

I hope these comments and questions find you well.

I look forward to the response.

Warmest Regards,

Ms Rirhandzu Marivate

Kayamandi Parkrun: <http://www.parkrun.co.za/kayamandi/>

Stellenbosch Global Shaper: <https://www.globalshapers.org/hubs/stellenbosch-hub>

Sustainability Institute: <https://www.sustainabilityinstitute.net/>

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[www.randoabroad.wordpress.com](http://www.randoabroad.wordpress.com)

*" The opposite of Poverty, is not Wealth, its Justice".... Bryan Stevenson*

**Boschendal**

**From:** [William George](#)  
**To:** [idp; Finance Department](#)  
**Cc:** [Stephen Groenewald; Wilmien Wicomb](#)  
**Subject:** [EX] IDP & Budget Public Participation April 2020: Boschendal Interested & Affected Party  
**Date:** Thursday, 07 May 2020 11:58:33  
**Attachments:** [7679ad0a-c73a-40b7-aa3b-af1241103baf.jpeg](#)

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To Who It May Concern,

Your mail dated Sun, 26 Apr 2020 at 15:33 regarding "IDP & Budget Public Participation April 2020" refers.

My name is William George, I have been mandated by the board of Boschendal to work through the various property related activity at Boschendal. Boschendal recognizes the significant housing shortage in the Dwarsriver Valley and would like to play an active role in being part of a solution to provide new housing stock in an integrated and affordable way.

Boschendal would like to register an interest to understand what you are looking for in relation to the Meerlust site referenced on page 13 (extract attached below). Please note and acknowledge Boschendal's interest and provide full information pack at your earliest convenience.

Regards,  
William George  
0825599100



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**G G Cillie**

**From:** [Gabriel Cillie](#)  
**To:** [idp](#)  
**Subject:** [EX] IDP and Budget Public Participation: objections  
**Date:** Friday, 08 May 2020 15:43:04

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Dear IDP

I am aware that the Stellenbosch Municipality has many projects and services in many focus areas. The following comments pertain to the streets, pavements and open spaces of central Stellenbosch, where I live and frequently had gone for walks.

The only short entries (concerning streets) which I noticed were Safety at the R45/ Bicycle Plan/ toilets at Taxi Rank/ Exit for Jamestown/ Mobility around schools/ Traffic Calming/ Roads, Storm Water. Please correct me if I am wrong.

Why is there NO mention of the following huge problems in Stellenbosch and (almost) NO attempt of the Municipality to do something about it:

1. Ever growing traffic congestion.
2. Lack of parking space.
3. Absence of P+R sites plus buses to center.
4. Over-abundance of traffic lights.
5. Scarcity of traffic circles.
6. Presence of so many speed bumps of inferior design (not according to SA specifications).
7. Presence of raised intersections (made of thousands of bricks) which are useless for traffic calming.
8. What about all the NMT plans?

The word Integrated in IDP does mean everything relevant must be included.

I have noticed and reported many occurrences of damage to or deterioration of the sidewalks or streets to the Municipality. I am very happy with the cases where the Municipality responded positively, or even when they disagreed with me. I am very unhappy where I concluded that the Municipality simply do not notice or see, for example a water leak 3 to 4 m from steps of the City Hall.

Yours sincerely,  
G G Cillié

Sent from my iPad

**J N Huskisson**

**From:** [Jolene](#)  
**To:** [idp](#)  
**Subject:** [EX] INTEGRATED HUMAN SETTLEMENT - DE NOVO  
**Date:** Monday, 04 May 2020 09:22:14

---

4 May 2020

To whom it may concern

According to the integrated human settlement development that is planned for De Novo, Old Paarl Road, Stellenbosch, I wish to inform you that when the other two landowners, bordering De Novo, were informed about the development last year, nobody delivered any documentation to us. We are still waiting for it. Except Villiera Wine Estate, we are the 2<sup>nd</sup> biggest land next to De Novo.

Our property is right next to De Novo, Kraaifontein side of them. The owner of the property is John Huskisson and his phone no is 082 5567 435 and our farm is Uitsig Farm.

I would appreciate a response from you as soon as possible as it is already the 4<sup>th</sup> of May today.

Kind regards

-

**J N HUSKISSON**



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**Zagryda Nicol**

**From:** [Zagryda Nicol](#)  
**To:** [idp](#)  
**Subject:** [EX] Kommentaar op 2020/2021 konsepbegroting  
**Date:** Wednesday, 22 April 2020 15:29:52

---

Goedag

Dis 'n baie lang dokument wat baie tyd vat om te lees, en ek glo dus bitter min mense sal die moeite doen om dit te lees en kommentaar lewer. Ek het dit bloot gedoen omdat ek R380 beboet is vir 'n sogenaamde laat betaling op my rekening. Ek het my rekening ten volle teen die betaaldatum betaal, maar dit het eers 2 dae later in die munisipaliteit se bankrekening verskyn. Na korrespondensie met Pieter Wagener, het hy vir my genoem dat ek kan kyk na die munisipaliteit se beleid en tariewe en nou daarop kommentaar lewer.

Met moeite en Pieter se hulp het ek uiteindelik op julle tariefdokument afgekom. Ek voel dat so 'n groot boete voor op julle rekening aangebring behoort te word. Ek is seker meeste inwoners is onbewus van daardie boete of bedrag. Rente ja, en dit verstaan ek, maar R380 vir 'n laat betaling is na my mening hopeloos oormatig.

In my soeke na tariewe het ek toe op twee ander interessante items afgekom:

Wat nie vir my sin maak nie, is dat in die executive summary op bl 5 staan daar 'no increases in the salaries of public office bearers during 2020/2021'. Ek beskou 'n raadslid as 'n public office bearer. Op bl 19 is daar egter 'n 6% verhoging in vergoeding van raadslede vir die 2020/2021 boekjaar. Die twee strook nie.

Tweedens op bl 109 is daar 'n 65,2% verhoging in senior bestuurders se vergoeding. Ek neem aan dit verteenwoordig alle senior bestuurders se totale vergoeding, maar hoe is dit moontlik?

Ek hoor graag van u.

Vriendelike groete

Zagryda Nicol

## **Stellenbosch Cycling**

**From:** [Dawid Botha](#)  
**To:** [Catherine Muller](#); [idp](#)  
**Subject:** [EX] Re: Komentaar: Begroting Fietsry  
**Date:** Thursday, 07 May 2020 15:01:31

---

Geagte me Muller

Ontvang hiermee die beswaar van Stellenbosch Fietsry teen die 2020/21 begroting.

Dit is met groot teleurstelling dat ons weer moet verneem dat daar feitlik geen geld vir die aanstaande boekjaar toegewys is aan geriewe vir die bevordering van veilige fietsry op Stellenbosch nie, terwyl miljoene rande begroot word vir sypaadjies.

Ons is nie teen die verbetering van sypaadjies nie, maar ons vra vir 'n meer regverdige verdeling van fondse.

Daar is 'n dringende nood vir veilige fietsryroetes in ons hele dorp. As organisasie kry ons gedurig versoeke vir meer veilige fietspaaie.

Daar is 'n goeie en goedgekeurde Fietsplan wat in 2015 deur die Raad aanvaar is. Die plan stel ook stapsgewys voor hoe die plan uitgevoer moet word.

Dit het nog nie gebeur nie!

Ons versoek is dus nie in die lug nie, maar volgens 'n deeglik uitgewerkte plan.

Die Fietsplan bepaal ook prioriteite wat ons as Stellenbosch Fietsry al meermale met die Burgemeester, Burgemeesterskomiteelid vir Infrastruktuur, die Direkteur Infrastruktuur en die Hoof: Paaie en Stormwater bespreek het.

Die plan het voorstelle vir veilige fietsry vir feitlik elke straat/pad in die breër gemeenskap van Stellenbosch - beslis nie net vir die middedorp nie!

Soos met sypaadjies, maak inwoners van alle gemeenskappe gebruik van fietsgeriewe, en is Stellenbosch meestal onveilig vir kwesbare fietsryers, veral diegene wat na hul werk en ander bestemmings pendel.

Ons versoek is dus dat u die voorstelle soos vervat in die Fietsplan aanspreek, en beduidend aanspreek aangesien fietsryers saam met voetgangers die mees kwesbare gebruikers van ons paaie is.

Met dank

Dawid Botha  
Voorsitter: Stellenbosch Fietsry

--

**Winelands Branch Of the Cape Chamber**

**From:** [Richard von Hoesslin](#)  
**To:** [idp](#)  
**Cc:** [Finance Department](#)  
**Subject:** [EX] Stellenbosch Municipal IDP and budget 2020/21  
**Date:** Thursday, 07 May 2020 16:04:50

---

Dear Sir/Madam,

We, the Winelands' Branch of the Cape Chamber of Commerce and Industry present the following comments on the proposed IDP and Budget for 2020/21:

1. Page 8: it states that "job creation is not a Municipal mandate" and that it is its responsibility to provide "an enabling environment" for business and society. This we support, and offer our help in achieving this. However, we believe these principles should actively overarch all IDP and budget activities, which will only be successfully achieved in an environment where **confidence** permeates through society. This we believe the Municipality needs to actively work on throughout all levels.
2. There seems to be conflicting statements; on page 3 of the budget vs page 19. Page three of the Budget states that Public Officers will see no remuneration increase, however on page 19 remuneration of councilors will see a 6% increase. We believe under the present difficult economic period worsened by the Covid19 virus, no remuneration increases should take place.
3. On page 6 support for small business is proposed to help create employment. This in itself is a worthy cause, however, under the Covid19 situation, providing funding to SMME's to remain viable, and thus to prevent loss of employment would be a better approach.

We do hope these points will help to strengthen the resolve of the Municipality. Good luck!

Regards,

Richard von Hoesslin  
(Vice-Chairman, Winelands Branch Of the Cape Chamber)

Cell: 0824902446

## **Stellenbosch Bridge**



STELLENBOSCH

BRIDGE  
BHULORHO  
BRUG

Your Ref: **COMMENTS: REVISED 4TH GENERATION IDP 2020/21**

Date: 8<sup>th</sup> May 2020

Municipal Manager  
Stellenbosch Municipality  
PO Box 17  
Stellenbosch  
7599

Dear Ms Mettler,

**RE: NOTICE FOR PUBLIC COMMENT**

**DRAFT REVISED 4th GENERATION INTEGRATED DEVELOPMENT PLAN (IDP) AND TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN (SDBIP) 2020/21 AND MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (DRAFT BUDGET) 2020/21**

Further to the receipt of the above notice and your subsequent email confirming the extension of closing date for submissions of comments to the 8<sup>th</sup> May 2020, please accept this letter and the attached report as our formal response and comment.

We appreciate the opportunity to present our comments for your consideration and we are looking forward in engaging with the municipality further on these proposals in order to find an equitable way forward to the benefit of the Klapmuts Community.

Kind regards,

---

**Lorne Dawson**  
Project Manager

STELLENBOSCH BRIDGE

*connected living*

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Stellenbosch Bridge Properties (Pty) Ltd, Cuthberts Building, 33 Plein Street, Stellenbosch, 7600  
VAT No: 4170211983, Reg No: 2003/024513/07

Directors: Daniël Kriel, Klaus-Gustav Göbel, Jaap Du Toit, Rurik Göbel, André Roux

[www.stellenboschbridge.co.za](http://www.stellenboschbridge.co.za)





# STELLENBOSCH

BRIDGE | BHULORHO | BRUG

**“Comments: Revised 4th Generation IDP 2020/21”**

**COMMENT ON DEVELOPMENT CHARGES FOR CIVIL  
ENGINEERING SERVICES FOR KLAPMUTS**

**8 MAY 2020**

Compiled by:



**UDS Africa**  
PO Box 131  
Stellenbosch  
7599

Tel: 021 880 0443  
Project no : iCE 493A

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## ATTACHMENTS

1. *Klapmuts Town Growth Model Plan* dated 14 February 2019
2. *Figure 1: Klapmuts Town Growth Model Plan (TV3 Base Plan)* showing precincts included in calculations
3. *Table 1: Development Option for Klapmuts Town Growth Model (2015-2027): 2018 TV3 Update*
4. *2018 Roads Master Plan – Road Infrastructure Projects, Figure 8.1* dated August 2018
5. *Figure 2: Klapmuts Roads Master Plan for DC Calculations* May 2020
6. *Proposed DC Per Land-use: Klapmuts 2019.20*

## 1.0 BACKGROUND

A Notice for Public Comment on the Draft Revised 4<sup>th</sup> Generation Integrated Development Plan (IDP) and Top Layer Service Delivery & Budget Implementation Plan (SDBIP) 2020/21 and Medium Term Revenue & Expenditure Framework (DRAFT BUDGET) 2020/21 was released on 30 March 2020 on the Stellenbosch Municipality's website. The original date for closing of comments was 24 April 2020 at 16h30 but was later extended to Friday, 8 May 2020.

The above document includes the municipal Development Charges (DC's) for civil engineering bulk services, these charges have been based on a report dated 28 April 2018, conducted for the Stellenbosch Municipality by Ingerop SA (Pty) Ltd (previously iCE Tygerberg).

Subsequent to the Ingerop report being completed in 2018 a number of prominent developments within Klapmuts including the Stellenbosch Bridge Development and the Distell development North of the N1 (within the Drakenstein Municipal area) have been initiated.

To date the Distell development has obtained a Record of Decision from the Department of Environmental Affairs and the previously approved "Klapmuts Hills Development" with existing rights on 73Ha of land now forms part of the bigger proposed "Stellenbosch Bridge Development" with 204Ha of land now included in the urban edge.

The expected impact of these developments on bulk services and specifically civil engineering services have prompted the developer of Stellenbosch Bridge (STB) to suggest to the Directorate Infrastructure Services to consider the recalculation of the Development Charges for the Klapmuts area. The extent of the Stellenbosch Bridge Development as identified in the Stellenbosch Municipal Spatial Development Framework 2019 will contribute significantly towards Development Charges and future rates and taxes.

During a meeting between representatives of Stellenbosch Bridge (STB) and the Directorate of Infrastructure Services on the 11<sup>th</sup> March 2020, the directorate stated that STB would be able to propose alternatives and recalculation of the Development Charges, based on a justifiable set of calculations. This could be submitted as a comment on the "Notice for Public Comment" on the Draft IDP document (as noted above).

It is anticipated that all the DC rates for all the various engineering services will be affected, however this document will only comment on, and make proposals, for the roads and sewer. A table with the proposed DC-rates for all the civil engineering services is enclosed in Attachment 6, "Proposed DC Per Land-use: Klapmuts 2019.20". This table shows suggestions (highlighted) with regards to the amendment of the existing DC table (*DC Per Land-use: Klapmuts 2019.20*).

According to a directive contained in an e-mail from the Manager: Development, Infrastructure Services dated 20 April 2020, that included an e-mail from the Acting Director: Planning & Economic Development / Senior Manager: Development Planning of the Planning and Economic Directorate dated 20 April 2020, the calculations of the DC's were to be based on *The Klapmuts Town Growth Model* compiled by TV3 Planners and Architects that provides concept land use figures (with exclusion of certain precincts). This growth model must, however, be read in conjunction with the *Klapmuts Spatial Development Framework Plan 2019* and the *Klapmuts Concept Map* (Klapmuts SDF).

## 2.0 LAND USE INFORMATION

Land use information was obtained from the *Klapmuts Town Growth Model Plan* that was compiled by TV3 Architects and Town Planners dated 14 February 2019 (refer to Attachment 1).

The plan shows precincts of development ranging from A to R. This was required to be updated following the directive from the municipality mentioned in Section 1.0, the email stated that Precincts F, D2, Q, O and a portion of Precinct R should **not** be included in the calculations. An updated drawing reflecting these changes has been included in Attachment 1 (Figure 1: *Klapmuts Town Growth Model Plan*), highlighting the precincts that were taken into consideration in the calculations.

The land uses per precinct are as indicated in Attachment 3 (*Table 1: Development Options for Klapmuts Town Growth Model (2015-2017): 2018 TV3 Update*). This table also specifies the precinct areas, zoning category, land use/growth model category, development area and number of units/GLA m<sup>2</sup>. The balance of land uses of Precincts F, D2, Q, O and a portion of Precinct R are also indicated, although not used in the calculations.

Attachment 3 also includes for an additional precinct "E1", that was not indicated on the *Klapmuts Town Growth Model Plan*. As precinct E1 forms part of a current STB application for development rights, the proposed land use for this area as per the application has been included, i.e. light industrial, as included in the plan indicating the precincts. It should further be noted that the boundaries of the precincts indicated on the plan do not follow the latest urban edge, e.g. the urban edge includes a portion of Precinct F and Precinct D2.

The above land use information was used to calculate the future demands for the roads and Wastewater Treatment Works.

### 3.0 CIVIL ENGINEERING BULK INFRASTRUCTURE

The civil engineering bulk infrastructure that are commented on in this report, as mentioned above, are roads and sewer.

Although the land use differences will impact on water, on sewer services other than the waste-water treatment works, stormwater, solid waste and community facilities, no comment is given on these services. The expected impacts should, however, be assessed when the DC policy is reviewed.

#### ROADS

The roads that are taken into consideration in this report are as indicated on the Attachment 5 (*Figure 2, Klapmuts Roads Master Plan for DC Calculations May 2020*). These roads correspond with the Stellenbosch Municipality's *2018 Roads Master Plan – Road Infrastructure Projects, Figure 8.1 dated August 2018* (refer to Attachment 4). Although this plan has not yet been approved by Council, it was a directive from the municipality to use the information in this commenting document, as mentioned in Section 1.0 above.

In view of the requirement of the directive that Precincts D2, F, O, Q and portion of Precinct R be excluded from the future developments, it is the opinion that Roads 13A and 5A as indicated on the above-mentioned plan are not required for the remaining future developments. The cost of these roads has therefore not been taken into consideration in the DC calculations proposed.

Road infrastructure taken into consideration in the DC calculations are:

1. Class 2 and 3 roads
2. Selected Class 4 roads indicated in Figure 1
3. All intersections on above roads including roundabouts and traffic signals
4. All bridges/underpasses along these roads

Also included in the costs of roads is stormwater drainage, streetlighting where applicable, land costs, etc.

#### SEWER

The DC rate for pipelines, pump-stations and ancillaries has not been commented on but only the WWTW has been taken into consideration. Subsequent to the Ingerop report being completed in 2018 the first phase of the WWTW in Klapmuts has been constructed and we now know the actual cost of the facility. The estimated cost for the upgrading of the WWTW to accommodate the future development in Klapmuts is expected to be considerably lower than the previously estimated cost used in the DC calculations in the Ingerop Report, refer to Section 4.2.2 for further detail.

## 4.0 METHODOLOGY FOR DEVELOPMENT CHARGES CALCULATION

### 4.1 CALCULATION METHOD

#### 4.1.1 Roads

The way in which the DC rate was calculated is as follows:

- i) The land uses for the various precincts as per *Figure 1: Klapmuts Town Growth Model Plan* (Attachment 1), showing precincts included in calculations, were used;
- ii) The land uses per precinct as indicated in Attachment 3 (*Table 1 : Development Options for Klapmuts Town Growth Model (2015-2017): 2018 TV3 Update*), were then used and the applicable trip generation rates applied to calculate the number of daily trips expected to be generated by each type of land use;
- iii) The cost of the required road infrastructure as per Attachment 5 (*Figure 2: Klapmuts Roads Master Plan for DC Calculations May 2020*) was then calculated;
- iv) The cost per trip was then calculated by dividing the total cost of the road infrastructure by the total number of trips;
- v) The cost per trip was then used to calculate the DC rate for each land use based on the daily trips generated by each land use.

#### 4.1.2 Sewer

Refer to Section 4.2.2 for further detail.

### 4.2 INPUT TO CALCULATIONS, AND ASSUMPTIONS

#### 4.2.1 Roads

Cost estimates for roads include the construction costs, P&G's, contingencies, professional fees (engineers, Health & Safety, Environmental Control Officer, Survey, Monitoring of Construction, etc.) and land costs. VAT is not included. All land costs, including municipal land was included in the calculations.

Land-costs can vary considerably, depending on location, extent and existing zoning or usage. For the purpose of DC calculations, the land cost was based on the existing zoning of the land. Land cost used for agricultural land is R 25-00/m<sup>2</sup> for fallow land and R 40-00/ m<sup>2</sup> for vineyards, orchards, etc. Land cost for every road will have to be determined at the time of implementation.

It should be noted that it appears that there is not sufficient space between the Klapmuts Taxi Rank and the existing houses to the eastern side of the Groenfontein Road for the future extension of Groenfontein Road. For the remainder of the Groenfontein Road reserve further south, 32 metres was allowed for.

With regards to the trip generation rates the following applies:

## High Density Residential Flats

The current DC policy only makes provision for *High Density Residential Flats* irrespective of the number of bedrooms per flat. It is suggested that there should be differentiation between 1 bedroom, 2 bedroom and 3 bedroom flats as the trip generation rate of the various sizes of flats will differ.

According to the *TMH 17, South African Trip Data Manual* that is generally being used for obtaining trip generation rates for various land uses, the daily trip generation rate for Student Apartments and Flats is 1,25 per flat. It is suggested that this rate be applied to 1 bedroom flats. According to the same manual the daily trip rate for Apartments and Flats is 2,75 trips.

Reduction factors applicable are:

- 15% if located in a mixed-use development area,
- 30% in a low vehicle ownership area, and
- 15% if located in an area where a transit node or corridor exists.

If the development is, for example, in a mixed-use area and in a low ownership area the reduction factors should be added together.

It is thus suggested that the daily trip generation rates for **High Density Residential** be split as follows:

- 1 bedroom – 1,25 trips daily,
- 2 bedroom – 2,75 trips daily with reduction factors taken into consideration if applicable, and
- 3 bedroom – 2,75 trips daily with reduction factors taken into consideration if applicable.

The trip generation reduction factor should be motivated based on the type of development and the location thereof as mentioned above.

## Light Industrial

The current DC policy only makes provision for *Light Industrial*. No differentiation is made between warehousing, data centre and normal small industries. It is suggested that under *Light Industrial* provision be made for *Light Industrial*, *Warehousing* and *Data Centres* as all these land uses have different traffic generation rates. The *Light Industrial* is retained as is and the categories of *Warehousing* and *Data Centre* are added.

As a rate for a *Data Centre* is not contained in the TMH17 or SATGR (South African Trip Generation Rates), alternative studies were consulted. A study compiled for a similar land use in England assesses a data centre with 12 277 m<sup>2</sup> floor space occupied by 45 employees. If it is assumed that there will be 2,8 trips daily per employee (the daily rate for general offices in a suburban area as per the SATGR), the trip generation rate for a Data Centre should be 1,026 trips per 100 m<sup>2</sup> GLA (45 employees x 2,8 trips daily = 126 trips daily per 12 277 m<sup>2</sup>, thus trip generation rate = 126 trips/122,77 per 100 m<sup>2</sup> GLA = 1,026 ~ 1,03 trips per 100 m<sup>2</sup> GLA).

The proposed daily trip generation rate for a **Data Centre is thus 1,03 trips per 100 m<sup>2</sup> GLA**.

The daily trip generation rate for Warehousing according to the TMH 17 manual is 3,0 trips per 100 m<sup>2</sup> GLA. Cognisance must be taken that the TMH 17 makes provision for reduction factors as noted below:



- 5% where the development is located in a mixed-use development,
- 20% in a low vehicle ownership area,
- 25% in a very low vehicle ownership area, and
- 15% near a transport node.

When the DC's are calculated these reduction factors should be taken into consideration. Should the development be located in, for example, a mixed-use area and in a low vehicle ownership area the reduction factors should be added together.

The proposed daily trip generation rate for **Warehousing is thus 3,0 trips per 100 m<sup>2</sup> GLA taking into consideration reduction factors if applicable.**

#### 4.2.2 Sewer:

The sewer bulk infrastructure consists of pipelines, pump-stations and ancillaries as well as the Waste Water Treatment Works (WWTW).

WEC Consult was the appointed engineering consultant on the recently upgraded Klappmuts Waste Water Treatment Works. The information and DC calculations for the WWTW as contained in this report have been obtained from the said consultants.

According to WEC Consult the actual cost for the upgrading of the WWTW is expected to be considerably lower than the previously estimated **R 147,40 million**. This estimate allowed for the construction of a 9 ML/day WWTW north of the N1 in the Drakenstein Municipality.

The capacity of the existing WWTW in Klappmuts is 3,5 ML/day and the cost of construction for this facility in 2017 was **R 45,0 million**.

Based on the *Klappmuts Town Growth Model Plan* (refer to Attachment 1) WEC Consult calculated the required actual sewage demand flow (AADWF). The calculation shows that the AADWF required for the Klappmuts town is 5,9 ML/day. In order to provide capacity for 5,9 ML/day, an additional 2,4 ML/day will be required, the estimated cost of this upgrade is **± R 25,8 million**.

Although the directive from the municipality indicated that *"It should also be noted that the Distell relocation, although located within the municipal area of Drakenstein Municipality must also be considered in these calculations, as it may be that Stellenbosch may have to provide such bulk services due to the capacity and available bulk in the area"* it is the opinion that developers in the Stellenbosch municipal area cannot be held responsible for costs to infrastructure as a result of development falling inside another municipal area.

It must, however, be noted that the above demand includes the full *Klappmuts Town Growth Model Plan*, including the precincts that were to be excluded as per the directive mentioned in Chapter 1.

### 4.3 OTHER CONSIDERATIONS

A major consideration in the costing of roads is the issue with regard provincial and national roads. As far as could be ascertained the current DC Policy allows for 20% of the cost of roads to be funded by the municipality which could be off set against DC's. The other 80% should be funded by the WCG or has to be funded by the developer if WCG has not budgeted for that project. The opinion is that this puts a big burden on the developer as the cost of these roads are higher than municipal roads due

to the traffic volumes on these roads and specifically the heavy vehicle traffic. Most of the traffic on these roads are also not local traffic.

In the case of Klapmuts the current traffic volumes on the R44 from the N1 to Simondium Road are such that a dual carriageway is already required. Similarly, is the N1 interchange on the R44 and the R304 both in need of an upgrade as it is currently functioning at over capacity. To now expect of developers to fund these upgrades is not fair and equitable.

In order to accommodate future regional traffic as a result of normal traffic growth and the additional traffic in the Klapmuts area as a result of future developments, there are other sections of provincial- and national roads and intersections/interchanges that also need to be upgraded. It can be said that the new Stellenbosch Bridge development will have a significant impact on traffic flow in the area but the question is up to what point can it be expected of a developer to fund road upgrades.

It is the opinion of the project team that the cost of the upgrading of provincial roads should be jointly funded by the WCG and the municipality and that the developer should not be required to contribute to the funding of provincial roads. The municipality can use the DC's as funding but there should not be any additional funding required from the developer.

It is furthermore the opinion of the project team that the municipality should, based on future developments, develop a programme together with WCG and SANRAL for the upgrades of provincial- and national roads in the Stellenbosch municipal area in order to ensure that funding is budgeted for in time by both authorities.

Currently there is the "possibility" for a 80/20 cost split (80% WCG and 20% Local Authority) for funding of provincial roads and this should be taken up by the municipality with the WCG in order to make the funding of the provincial roads by the municipality more achievable.

For the purpose of calculating the DC's for roads it is suggested that the funding of provincial/national roads be done as follows:

1. Upgrade of N1 interchange on the R44 – SANRAL
2. Dualling of R44 from the N1 interchange to Simondium Road – WCG
3. Dualling of R44 from Simondium Road to future intersection of "Klapmuts Hills Road" – 80% WCG/20 % municipality
4. Dualling of Old Paarl Road from the R44 to the intersection of the access to Stellenbosch Bridge (railway underpass) - 80% WCG/20 % municipality
5. Upgrade of R304/Old Paarl Road intersection - 80% WCG/20 % municipality
6. Upgrade of N1 interchange on the R304 – SANRAL
7. Future half-diamond Groenfontein Road interchange on N1 – SANRAL/Stellenbosch Municipality/Drakenstein Municipality (third each)
8. Upgrade of Groenfontein Road – Municipality

Negotiations between the municipality and WCG/SANRAL with regard to the planning and the funding of the provincial/national roads should be commenced within the short term in order to ensure that funding is made available timeously to accommodate future development in the area.

## 5.0 DEVELOPMENT CHARGES

Apart from the changes proposed to the residential and light industrial categories in Section 4.2.1 above, we would like to propose that reduction factors with regard to trip generation, be applied to all the land uses contained in the existing table Development Charges Table. These factors proposed are as set out in the TMH17 manual (Table 3.2).

The changes to the existing Development Charges (DC's) table (*DC per land-use: Klapmuts 2019.20*) are highlighted in the table of Attachment 6 (*Proposed DC per land-use : Klapmuts 2019.20*). The proposed reduction factors shown as a percentage (%) are indicated in the last column. No reduction factors are indicated under the "Other" category. It is proposed that reduction factors for this category be for the discretion of the municipality based on a motivation from the developer.

The cost per trip for roads were also re-calculated based on the proposed land use information and the cost estimates for the various roads based on current tender costs received in the Klapmuts area. We have checked these current cost estimates against existing Development Charges (DC's) table (*DC per land-use : Klapmuts 2019.20*) and they are within 0.5% (considered negligible), so we can confirm that we agree with the values indicated in this segment.

These changes apply to roads, but it should be noted that DC's for all the various services should be impacted on as a result of the difference in land use. The lower cost of the WWTW should also effect the DC's. These amendments should be incorporated in the next review of the DC Policy for Klapmuts.

It should be further noted that the existing rates as indicated in the proposed table for the other services should be escalated for the 2020/21 financial year, if applicable.

## 6.0 CONCLUSIONS AND RECOMMENDATIONS

Based on assumptions noted in the above document we believe there is a strong case for the municipality to consider our proposal and we **recommend** the following:

- 1) That Figure 1: Klapmuts Town Growth Model Plan (TV3 Base Plan) be used for the DC calculations.
- 2) That it be accepted that Precinct E1 be included in the calculations.
- 3) That Figure 2: Klapmuts Roads Master Plan for DC Calculations May 2020 be used as the roads master plan for DC calculations for Klapmuts.
- 4) That the daily trip generation rates for High Density Residential be split and that the trip generation reduction factor should be motivated based on the type of development and the location thereof as mentioned above.
- 5) That the categories of Warehousing and Data Centre are added to Light Industrial with differentiated trip generation rates: Data Centre 1,03 trips per 100 m<sup>2</sup> GLA and Warehousing 3,0 trips per 100 m<sup>2</sup> GLA taking into consideration reduction factors if applicable.
- 6) That trip generation reduction factors be applied to the daily trips indicated in the existing DC table.
- 7) That the lower estimated cost for the upgrading of the WWTW be included in the DC calculations.
- 8) That the cost of the upgrading of the R44 from the N1 to Simondium Road, the N1 interchange on the R44 and the R304, that are currently functioning at over capacity, be funded by WCG/SANRAL and that developers should not be required to contribute any funding.
- 9) That the funding of provincial/national roads be as indicated in Section 4.3: Points 1 - 8.
- 10) That the proposed amendments to the residential and light industrial categories and the proposed trip generation reduction factors as highlighted in the Attachment 6(*Proposed DC per land-use: Klapmuts 2019.20*) be accepted and that these changes apply to roads
- 11) That, in view of the extent of future development in Klapmuts, the DC's for all the various services should be reviewed.
- 12) That negotiations between the municipality and WCG/SANRAL with regard to the planning and the funding of the provincial/national roads should be commenced with in the short term, as a matter of urgency.

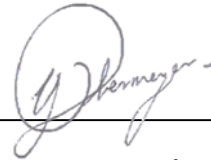
We appreciate the opportunity to present our comments for your consideration and we are looking forward in engaging with you further on these proposals in order to find an equitable way forward to the benefit of the Klapmuts Community.

Report compiled by:



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Piet van Blerk (Pr. Eng)



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Yolandi Obermeyer (B Eng)

UDS AFRICA





**tv3**  
ARCHITECTS AND TOWN PLANNERS

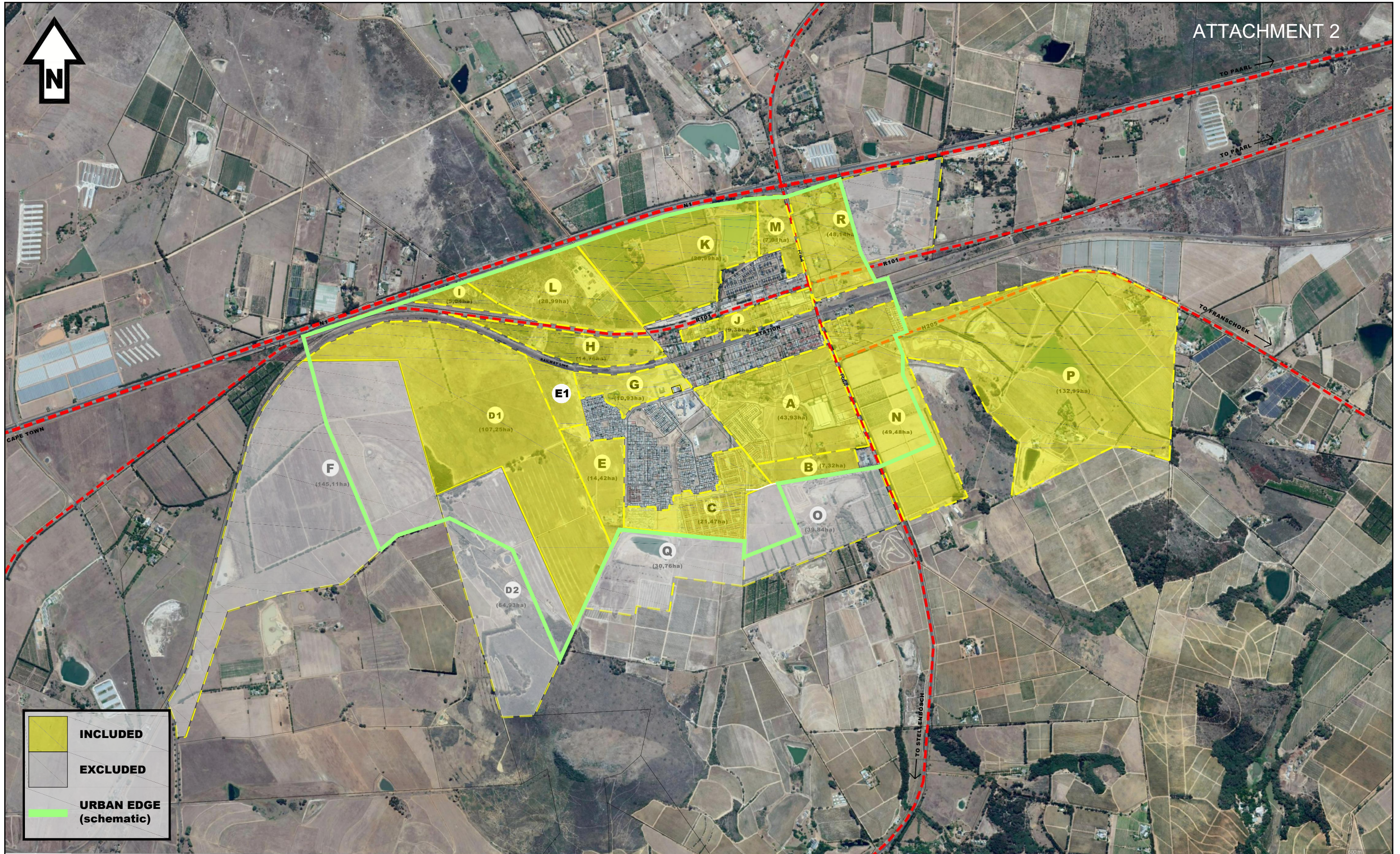
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## Klapmuts Town Growth Model 2018 Update

|                                             |                         |                |
|---------------------------------------------|-------------------------|----------------|
| Drawing:<br>Klapmuts Town Growth Model Plan |                         | Plan no.:<br>1 |
| Date:<br>14/02/2019                         | Scale:<br>1:20 000 (A3) |                |
| Project no.:<br>Q2645                       | Drawn:<br>WH            | Checked:<br>MW |

Notation:  
Cadastral information obtained from Surveys and Mapping (DRDLR).  
Aerial Photography obtained on Google Earth.

\* All areas and dimensions are approximate and should be verified by a professional land surveyor.  
\* This drawing is the property of TV3 Architects and Town Planners (Pty) Ltd and copyright is reserved



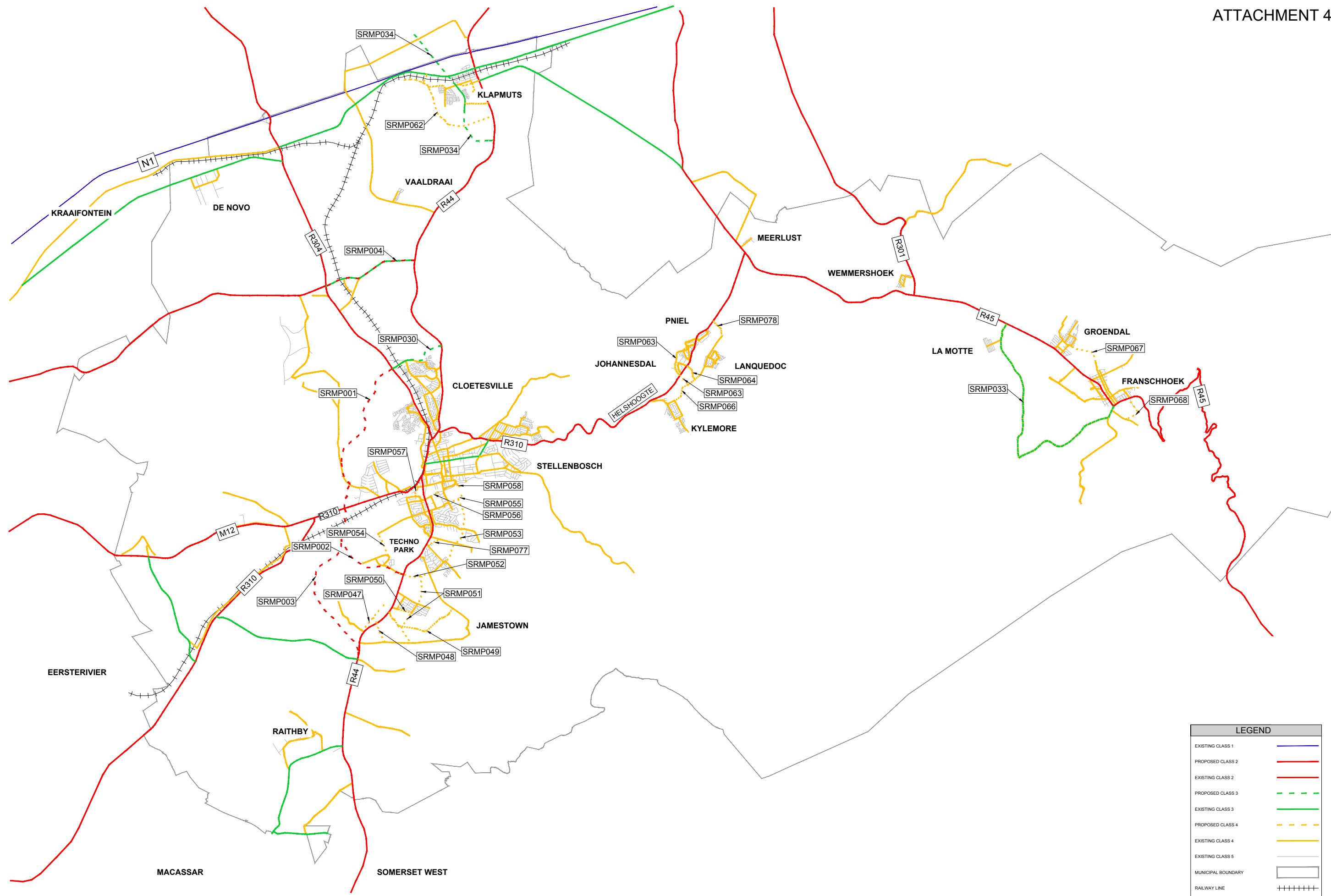
|  |                               |
|--|-------------------------------|
|  | <b>INCLUDED</b>               |
|  | <b>EXCLUDED</b>               |
|  | <b>URBAN EDGE (schematic)</b> |

Klipmuts Town Growth Model Plan :  
TV3 Base Plan (2018 Update)

Figure 1  
04/05/2020

| DEVELOPMENT OPTION FOR KLAPMUTS TOWN GROWTH MODEL (2015 - 2027): 2018 TV3 UPDATE |                       |                       |                           |                                                                  |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|----------------------------------------------------------------------------------|-----------------------|-----------------------|---------------------------|------------------------------------------------------------------|-----------------------|--------------------------|-----------------------------------------------------|---------------------------------------------|---------------------------------------------|------------------|-------------------------------------|--------------------------------|---------------------------------|-----------------------------------|---------------------------------|----------------------------------------|----------|-------------|
| Development Description                                                          | Plan Ref              | Precinct Area (ha)    | Zoning Category Section 8 | Land Use/ Growth Model Category                                  | Development Area (ha) | Gross Density (units/ha) | Community Services Floor Area (GLA m <sup>2</sup> ) | Commercial Floor Area (GLA m <sup>2</sup> ) | Industrial Floor Area (GLA m <sup>2</sup> ) | Floor Area Ratio | Total No. Gap / Social / Subs Units | Total No. of LD Units (10u/ha) | Total No. of MLD Units (15u/ha) | Total No. of MD Units (20-50u/ha) | Total No. of HD Units (>50u/ha) | Total No. of Residential units / erven |          |             |
| ERF 1336 (SIMONSBERG-BPP)                                                        | A                     | 43,90                 | Informal Residential Zone | Subsidy / Social/Gap/Housing                                     | 5,7                   | 50                       |                                                     |                                             |                                             |                  | 296                                 |                                |                                 |                                   |                                 | 296                                    |          |             |
|                                                                                  |                       |                       | Residential Zone II / III | Group / Town Housing                                             | 5,6                   | 25                       |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 163                             |                                        | 163      |             |
|                                                                                  |                       |                       | Residential Zone IV       | Flats                                                            | 7,3                   | 100 - 150                |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        | 484      | 484         |
|                                                                                  |                       |                       | Business Zone II          | Retail / Shops                                                   | 2,9                   |                          |                                                     |                                             | 9 300                                       |                  |                                     | 0,220                          |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Business Zone V           | Fitness Station                                                  | 0,4                   |                          |                                                     |                                             | 2 000                                       |                  |                                     | 0,500                          |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Industrial Zone I         | Light Industrial                                                 | 8,0                   |                          |                                                     |                                             |                                             |                  | 30 800                              | 0,387                          |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Open Space Zone I/II      | Open Space                                                       |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
| Transport Zone I                                                                 | Public Road           |                       |                           |                                                                  |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
| Industrial Zone I                                                                | Light Industrial      |                       |                           |                                                                  | 4,5                   |                          |                                                     |                                             | 22 500                                      | 0,500            |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | <b>PRECINCT TOTAL</b>     |                                                                  | <b>34,3</b>           |                          | <b>0</b>                                            | <b>11 300</b>                               | <b>53 300</b>                               |                  | <b>296</b>                          | <b>0</b>                       | <b>0</b>                        | <b>163</b>                        | <b>484</b>                      | <b>943</b>                             |          |             |
| ERHARDT/POTBELLY (Por 1 of Farm 717)                                             | B                     | 7,30                  | Residential Zone III      | Group & Town Housing                                             | 4,0                   | 30                       |                                                     |                                             |                                             |                  |                                     |                                |                                 | 100                               |                                 | 100                                    |          |             |
|                                                                                  |                       |                       | Business Zone II          | Retail / Shops                                                   | 1,2                   |                          |                                                     |                                             | 5 000                                       |                  | 0,435                               |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Informal Residential Zone | Low Cost Housing                                                 | 0,8                   |                          |                                                     |                                             |                                             |                  |                                     |                                | 35                              |                                   |                                 |                                        |          | 35          |
|                                                                                  |                       |                       | Open Space Zone I         | Open Space                                                       | 1,4                   |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>7,3</b>            |                          | <b>0</b>                                            | <b>5 000</b>                                | <b>0</b>                                    | <b>5 000</b>     | <b>0</b>                            | <b>0,435</b>                   | <b>35</b>                       | <b>0</b>                          | <b>0</b>                        | <b>100</b>                             | <b>0</b> | <b>135</b>  |
| COUNCIL SUBSIDY HOUSING SCHEMES                                                  | C                     | 21,47                 | Informal Residential Zone | Subsidy / Social Housing Single Storey                           | 5,0                   |                          |                                                     |                                             |                                             |                  | 298                                 |                                |                                 |                                   |                                 | 298                                    |          |             |
|                                                                                  |                       |                       | Informal Residential Zone | Subsidy / Social Housing Single Storey                           | 10,0                  |                          |                                                     |                                             |                                             |                  |                                     | 868                            |                                 |                                   |                                 |                                        | 868      |             |
|                                                                                  |                       |                       | Business Zone II          | Retail / Shops                                                   | 0,1                   |                          |                                                     |                                             | 450                                         |                  | 0,750                               |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Institutional Zone II     | Place of Worship                                                 | 0,1                   |                          |                                                     |                                             | 350                                         |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Institutional Zone I      | Creche                                                           | 0,1                   |                          |                                                     |                                             | 500                                         |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>15,2</b>           |                          | <b>850</b>                                          | <b>450</b>                                  | <b>0</b>                                    | <b>1366</b>      | <b>0</b>                            | <b>0</b>                       | <b>0</b>                        | <b>0</b>                          | <b>0</b>                        | <b>0</b>                               | <b>0</b> | <b>1166</b> |
| KLAPMUTS HILLS RESIDENTIAL DEVELOPMENT (Farm 5/742)                              | D1                    | 107,25                | Residential Zone II       | Group Housing                                                    |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 | 600                               |                                 | 600                                    |          |             |
|                                                                                  |                       |                       | Residential Zone IV       | Flats / Student Housing                                          |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 2400                            |                                        | 2400     |             |
|                                                                                  |                       |                       | Mixed Use Zone            | Commercial, Education & Other                                    |                       |                          |                                                     |                                             | 50 000                                      | 50 000           | 50 000                              |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>73,0</b>           |                          | <b>50 000</b>                                       | <b>50 000</b>                               | <b>50 000</b>                               | <b>0</b>         | <b>0</b>                            | <b>0</b>                       | <b>600</b>                      | <b>2400</b>                       | <b>3000</b>                     |                                        |          |             |
| KLAPMUTS HILLS RESIDENTIAL DEVELOPMENT (Rem Farm 742)                            | D2                    | 64,93                 | Residential Zone II       | Group Housing                                                    |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 | 200                               |                                 | 200                                    |          |             |
|                                                                                  |                       |                       | Residential Zone IV       | Flats / Student Housing                                          |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 800                             |                                        | 800      |             |
|                                                                                  |                       |                       | Mixed Use Zone            | Commercial, Education & Other                                    |                       |                          |                                                     |                                             | 50 000                                      | 50 000           | 50 000                              |                                |                                 |                                   |                                 |                                        | 0        |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            |                       |                          | <b>50 000</b>                                       | <b>50 000</b>                               | <b>50 000</b>                               | <b>0</b>         | <b>0</b>                            | <b>0</b>                       | <b>200</b>                      | <b>800</b>                        | <b>1000</b>                     |                                        |          |             |
| FARM 744/2 LAWSON                                                                | E                     | 14,40                 | Residential Zone III      | Town Housing                                                     | 10,4                  | 50                       |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 420                             | 420                                    |          |             |
|                                                                                  |                       |                       | Residential Zone IV       | Flats                                                            | 3,5                   | 75                       |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 210                             |                                        | 210      |             |
|                                                                                  |                       |                       | Business Zone II          | Retail / Shops                                                   | 0,3                   |                          |                                                     |                                             | 1 250                                       |                  |                                     | 0,500                          |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Institutional Zone II     | Place of Worship                                                 | 0,1                   |                          |                                                     |                                             | 350                                         |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Institutional Zone I      | Creche                                                           | 0,1                   |                          |                                                     |                                             | 500                                         |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>14,3</b>           |                          | <b>850</b>                                          | <b>1 250</b>                                | <b>0</b>                                    | <b>0</b>         | <b>0</b>                            | <b>0</b>                       | <b>0</b>                        | <b>210</b>                        | <b>420</b>                      | <b>630</b>                             |          |             |
| STELLENBOSCH COUNTRY & WINE ESTATE (Farm 1515)                                   | F                     | 145,11                | Residential Zone I        | Single Dwelling                                                  |                       |                          |                                                     |                                             |                                             |                  |                                     | 400                            |                                 |                                   |                                 | 400                                    |          |             |
|                                                                                  |                       |                       | Residential Zone II       | Group Housing                                                    |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 | 800                               |                                 | 800                                    |          |             |
|                                                                                  |                       |                       | Residential Zone IV       | Flats                                                            |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 800                             |                                        | 800      |             |
|                                                                                  |                       |                       | Mixed Use Zone            | Commercial, Education & Other                                    |                       |                          |                                                     |                                             | 200 000                                     | 100 000          |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>0,0</b>            |                          | <b>200 000</b>                                      | <b>100 000</b>                              | <b>0</b>                                    | <b>0</b>         | <b>400</b>                          | <b>0</b>                       | <b>800</b>                      | <b>800</b>                        | <b>2000</b>                     |                                        |          |             |
| KLAPMUTS Infill (Por 8 of Farm 744 & Erf 342)                                    | G                     | 10,90                 | Institutional Zone I/II   | Mixed Use Community School, Community Hall, Library, Clinic etc. | 6,0                   |                          | 25 000                                              |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Authority Zone            | Driver Test Centre                                               | 2,5                   |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Open Space Zone I         | Informal Farming                                                 | 1,0                   |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Open Space Zone I         | Retention Pond                                                   | 1,4                   |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>10,9</b>           |                          | <b>25 000</b>                                       | <b>0</b>                                    | <b>0</b>                                    | <b>0</b>         | <b>0</b>                            | <b>0</b>                       | <b>0</b>                        | <b>0</b>                          | <b>0</b>                        | <b>0</b>                               | <b>0</b> |             |
| KLAPMUTS Infill (Rem Farm 739)                                                   | H                     | 14,70                 | Industrial Zone I         | Industrial, Logistic, Warehousing                                | 10,9                  |                          |                                                     |                                             | 50 000                                      | 0,457            |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Authority Zone            | Waste Transfer                                                   | 3,8                   |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>14,7</b>           |                          | <b>0</b>                                            | <b>0</b>                                    | <b>50 000</b>                               | <b>0</b>         | <b>0</b>                            | <b>0</b>                       | <b>0</b>                        | <b>0</b>                          | <b>0</b>                        | <b>0</b>                               |          |             |
| Por 8 of Farm 737                                                                | I                     | 5,04                  | Industrial Zone I         | Industrial, Logistic, Warehousing                                | 5,0                   |                          |                                                     |                                             | 22 000                                      | 0,440            |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>5,0</b>            |                          | <b>0</b>                                            | <b>0</b>                                    | <b>22 000</b>                               | <b>0,440</b>     | <b>0</b>                            | <b>0</b>                       | <b>0</b>                        | <b>0</b>                          | <b>0</b>                        |                                        |          |             |
| DIE WERF                                                                         | J                     | 9,30                  | Residential Zone I/III    | Group & Town Housing                                             | 2,5                   | 25                       |                                                     |                                             |                                             |                  |                                     |                                |                                 | 50                                |                                 | 50                                     |          |             |
|                                                                                  |                       |                       | Business Zone II/III      | Retail / Shops / Offices                                         | 2,8                   |                          |                                                     |                                             | 9 800                                       |                  |                                     | 0,350                          |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>5,3</b>            |                          | <b>0</b>                                            | <b>9 800</b>                                | <b>0</b>                                    | <b>0</b>         | <b>0</b>                            | <b>0,350</b>                   | <b>50</b>                       | <b>0</b>                          | <b>0</b>                        | <b>50</b>                              |          |             |
| LIVINGSTONE-LOUW SOUTH OF N1 (Farm 716/7)                                        | K                     | 29,00                 | Residential Zone III      | Townhousing                                                      | 21,5                  |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 867                             | 867                                    |          |             |
|                                                                                  |                       |                       | Residential Zone IV       | Flats                                                            | 3,4                   |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 260                             |                                        | 260      |             |
|                                                                                  |                       |                       | Residential Zone II       | Retirement Village                                               | 3,4                   |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 141                             |                                        | 141      |             |
|                                                                                  |                       |                       | Business Zone IV          | Freicare Centre                                                  | 1,2                   |                          |                                                     |                                             |                                             | 6 000            | 0,501                               |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>0</b>              | <b>0</b>                 | <b>6 000</b>                                        | <b>0,501</b>                                | <b>0</b>                                    | <b>0</b>         | <b>1008</b>                         | <b>260</b>                     | <b>1268</b>                     |                                   |                                 |                                        |          |             |
| KLAPMUTS Infill (Rem Farm 736)                                                   | L                     | 29,00                 | Authority Zone            | Municipal utilities                                              | 11,1                  |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Industrial Zone I         | Industrial, Logistic, Warehousing                                | 17,9                  |                          |                                                     |                                             | 70 000                                      | 0,391            |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>29,0</b>           |                          | <b>0</b>                                            | <b>0</b>                                    | <b>70 000</b>                               | <b>0,391</b>     | <b>0</b>                            | <b>0</b>                       | <b>0</b>                        | <b>0</b>                          | <b>0</b>                        |                                        |          |             |
| KLAPMUTS Infill (Por 5 of Farm 716, Por 27 of Farm 716 & Por 31 of Farm 716)     | M                     | 7,90                  | Residential Zone III      | Townhousing                                                      | 6,1                   | 30                       |                                                     |                                             |                                             |                  |                                     |                                |                                 | 150                               |                                 | 150                                    |          |             |
|                                                                                  |                       |                       | Business Zone II          | Retail / Shops                                                   | 1,7                   |                          |                                                     |                                             | 6 800                                       |                  | 0,400                               |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>7,8</b>            |                          | <b>0</b>                                            | <b>6 800</b>                                | <b>0</b>                                    | <b>0</b>         | <b>0</b>                            | <b>150</b>                     | <b>150</b>                      |                                   |                                 |                                        |          |             |
| HOOPER (Por 36 of Farm 748 Bronkhorst)                                           | N                     | 49,48                 | Residential Zone I/II     | Dwelling / Group Housing                                         | 15,0                  | 15                       |                                                     |                                             |                                             |                  |                                     |                                |                                 | 150                               |                                 | 150                                    |          |             |
|                                                                                  |                       |                       | Business Zone II/III      | Retail / Shops / Offices                                         | 2,5                   |                          |                                                     |                                             | 10 000                                      |                  | 0,400                               |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>17,5</b>           |                          | <b>0</b>                                            | <b>10 000</b>                               | <b>0</b>                                    | <b>0</b>         | <b>150</b>                          | <b>0</b>                       | <b>150</b>                      |                                   |                                 |                                        |          |             |
| BRAEMER (Por 2 of Farm 742 & Por 2 of Farm 748)                                  | O                     | 39,84                 | Informal Residential Zone | Gap / Social / Staff                                             | 1,0                   |                          |                                                     |                                             |                                             |                  | 50                                  |                                |                                 |                                   |                                 | 50                                     |          |             |
|                                                                                  |                       |                       | Residential Zone III/III  | Group & Town Housing                                             | 12,7                  |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   | 400                             |                                        | 400      |             |
|                                                                                  |                       |                       | Institutional Zone I      | Schools                                                          | 6,8                   |                          |                                                     | 5 150                                       |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Industrial Zone I         | Light Industrial                                                 | 3,5                   |                          |                                                     |                                             |                                             | 11 700           | 0,334                               |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>24,0</b>           |                          | <b>5 150</b>                                        | <b>0</b>                                    | <b>11 700</b>                               | <b>0,334</b>     | <b>50</b>                           | <b>0</b>                       | <b>400</b>                      | <b>0</b>                          | <b>450</b>                      |                                        |          |             |
| ANURA Portion 41 Farm No. 748                                                    | P                     | 132,99                | Residential Zone I        | Single Dwelling                                                  | 16,0                  |                          |                                                     |                                             |                                             |                  |                                     | 54                             |                                 |                                   |                                 | 54                                     |          |             |
|                                                                                  |                       |                       | Residential Zone III      | Townhouse                                                        | 16,0                  |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 | 100                               |                                 | 100                                    |          |             |
|                                                                                  |                       |                       | Residential Zone V        | Hotel / Spa / Conference                                         | 4,0                   |                          |                                                     |                                             | 750                                         |                  | 0,019                               |                                | 54                              |                                   | 100                             |                                        | 154      |             |
|                                                                                  | <b>PRECINCT TOTAL</b> | <b>36,0</b>           |                           | <b>0</b>                                                         | <b>750</b>            | <b>0</b>                 | <b>0,019</b>                                        | <b>54</b>                                   | <b>100</b>                                  | <b>154</b>       |                                     |                                |                                 |                                   |                                 |                                        |          |             |
| ARRA Infill (Por 1 of Farm 744)                                                  | Q                     | 30,76                 | Group & Town Housing      | MLD erven                                                        | 18,0                  |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 | 188                               |                                 | 188                                    |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>18,0</b>           |                          | <b>0</b>                                            | <b>0</b>                                    | <b>0</b>                                    | <b>0</b>         | <b>188</b>                          | <b>188</b>                     |                                 |                                   |                                 |                                        |          |             |
| Por 30 of Farm 748 et al                                                         | R                     | 48,14                 | Residential Zone III      | Town Housing                                                     | 4,5                   |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 | 150                               |                                 | 150                                    |          |             |
|                                                                                  |                       |                       | Business Zone II/III      | Commercial                                                       | 9,8                   |                          |                                                     | 35 000                                      |                                             |                  | 0,357                               |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       | Industrial Zone I         | Light Industrial                                                 | 34,5                  |                          |                                                     |                                             |                                             | 138 000          | 0,400                               |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           | <b>PRECINCT TOTAL</b>                                            | <b>48,8</b>           |                          | <b>0</b>                                            | <b>35 000</b>                               | <b>138 000</b>                              | <b>0,400</b>     | <b>150</b>                          | <b>0</b>                       | <b>150</b>                      |                                   |                                 |                                        |          |             |
| <b>2018 UPDATED SCENARIO TOTALS</b>                                              |                       | <b>Pro-rata: 0,46</b> |                           |                                                                  |                       |                          |                                                     |                                             |                                             |                  |                                     |                                |                                 |                                   |                                 |                                        |          |             |
|                                                                                  |                       |                       |                           |                                                                  | <b>331 850</b>        | <b>280 350</b>           | <b>451 000</b>                                      | <b>1547</b>                                 | <b>454</b>                                  | <b>150</b>       | <b>4119</b>                         | <b>5164</b>                    | <b>11434</b>                    |                                   |                                 |                                        |          |             |





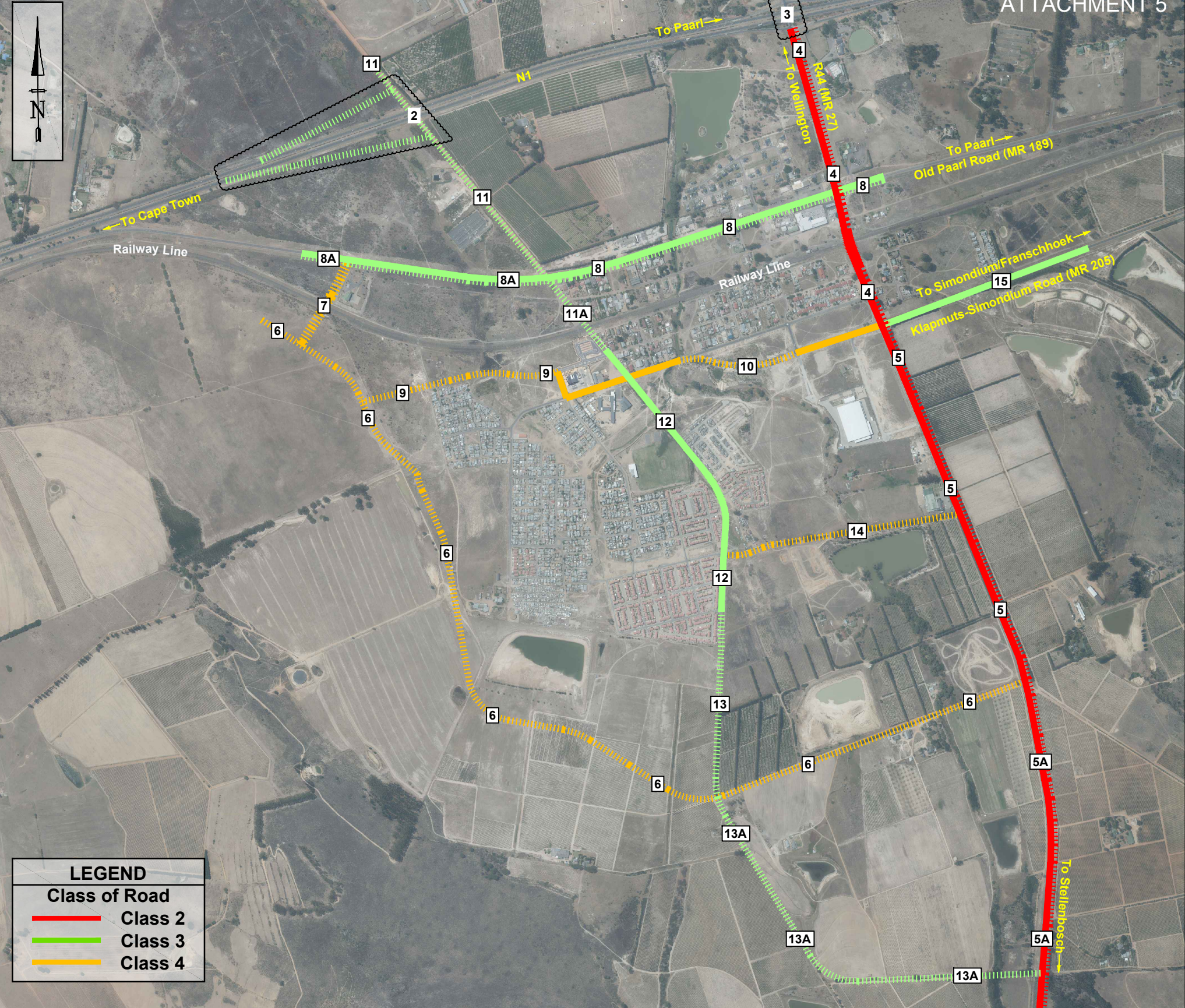
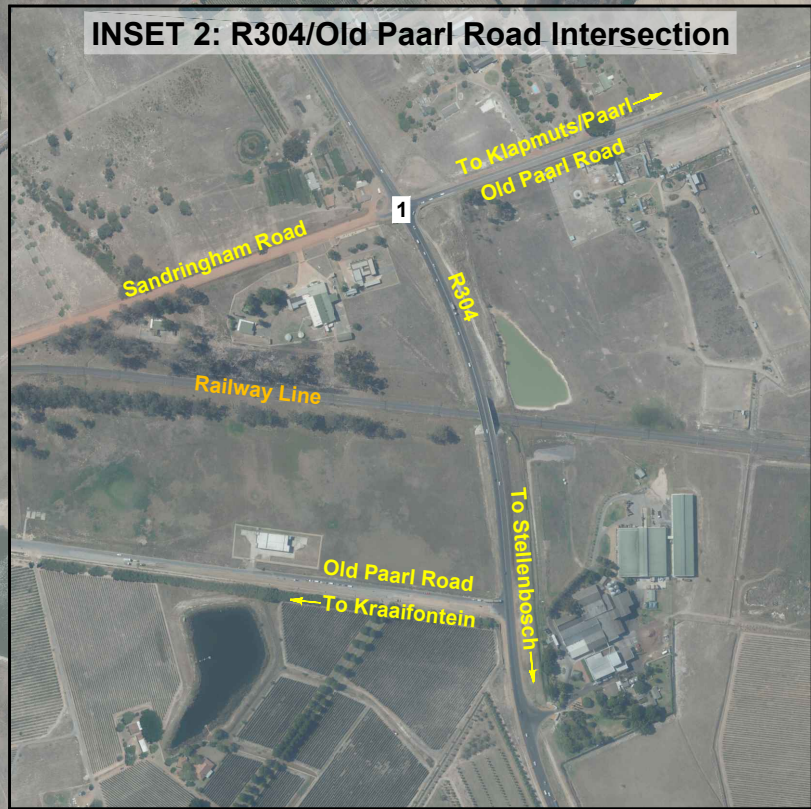
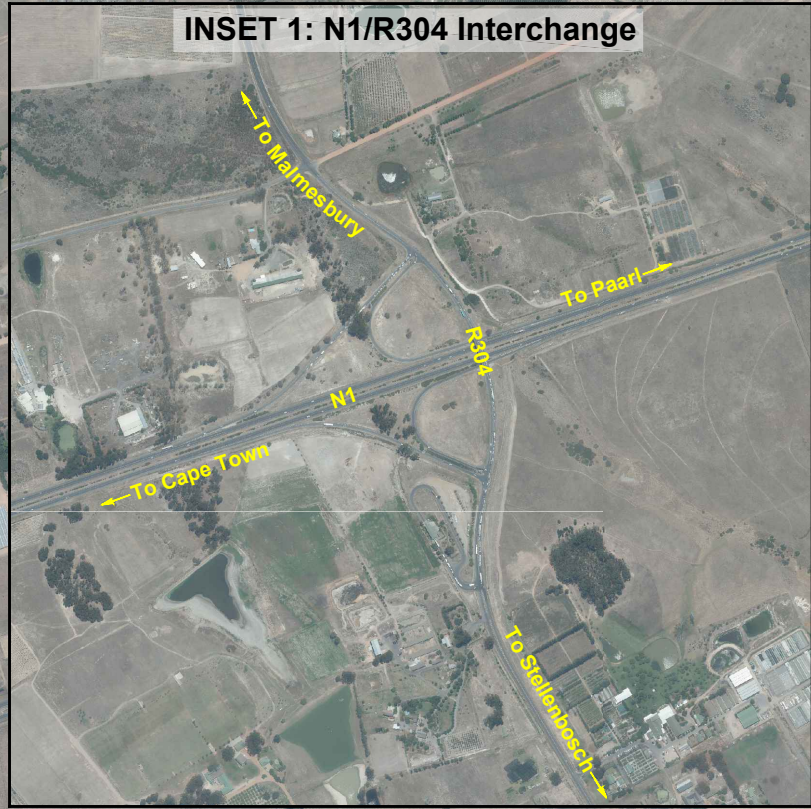
| LEGEND             |  |
|--------------------|--|
| EXISTING CLASS 1   |  |
| PROPOSED CLASS 2   |  |
| EXISTING CLASS 2   |  |
| PROPOSED CLASS 3   |  |
| EXISTING CLASS 3   |  |
| PROPOSED CLASS 4   |  |
| EXISTING CLASS 4   |  |
| EXISTING CLASS 5   |  |
| MUNICIPAL BOUNDARY |  |
| RAILWAY LINE       |  |

**STELLENBOSCH MUNICIPALITY**  
**2018 ROAD MASTER PLAN - ROAD INFRASTRUCTURE PROJECTS**  
 SCALE 1:1000

**wsp**  
 WSP Group Africa (Pty) Ltd  
 Transportation and Infrastructure  
 The Pavilion, 1st Floor, Corner Portwood and Beach Road, Waterfront  
 Cape Town 8001, South Africa  
 P.O. Box 2613 Cape Town 8002  
 Tel: +27(0)21 481 8700 Fax: +27(0)21 481 8799 www.wsp.com

**AUGUST 2019**  
**FIGURE 8.1**





| LEGEND                                |         |
|---------------------------------------|---------|
| Class of Road                         |         |
| <span style="color: red;">—</span>    | Class 2 |
| <span style="color: green;">—</span>  | Class 3 |
| <span style="color: orange;">—</span> | Class 4 |

Klapmuts Roads Master Plan for DC Calculations  
(not to scale)

Figure 2  
04/05/2020

# ATTACHMENT 6

Proposed DC per land-use: Klappmuts 2019.20

| Usage Codes                              |                                          |                      |              |               |              |                |              |               |              |               |                |                      |               | Trip Generation Adjustment Factors |                                                      |                       |                    |                            |     |
|------------------------------------------|------------------------------------------|----------------------|--------------|---------------|--------------|----------------|--------------|---------------|--------------|---------------|----------------|----------------------|---------------|------------------------------------|------------------------------------------------------|-----------------------|--------------------|----------------------------|-----|
| Land Use                                 | Unit                                     | Water                |              | Sewer         |              | Stormwater     |              | Solid Waste   |              | Roads         |                | Community Facilities |               | Total (excl Vat)                   | Percentage reduction for developments in areas with: |                       |                    |                            |     |
|                                          |                                          | kl/day               | Cost         | kl/day        | Cost         | ha°C           | Cost         | t/week        | Cost         | trips/day     | Cost           | person               | Cost          |                                    | Mixed-use Development                                | Low vehicle Ownership | Very Low Ownership | Transit nodes or Corridors |     |
|                                          |                                          | factor               | R10 708      | factor        | R21 500      | factor         | R130 052     | factor        | R65 328      | factor        | R7 447         | factor               | R3 235        |                                    |                                                      |                       |                    |                            |     |
| Residential                              | Single Residential > 1000m2              | dwelling unit        | 1,200        | R12 849       | 0,700        | R15 050        | 0,048        | R6 242        | 0,040        | R2 613        | 4,00           | R29 788              | 4,0           | R12 938                            | R79 481                                              | 10%                   | 40%                | 70%                        | 15% |
|                                          | <b>Single Residential &gt; 500m2</b>     | <b>dwelling unit</b> | <b>0,800</b> | <b>R8 566</b> | <b>0,650</b> | <b>R13 975</b> | <b>0,028</b> | <b>R3 641</b> | <b>0,040</b> | <b>R2 613</b> | <b>4,00</b>    | <b>R29 788</b>       | <b>4,0</b>    | <b>R12 938</b>                     | <b>R71 522</b>                                       | 10%                   | 40%                | 70%                        | 15% |
|                                          | Single Residential > 250m2               | dwelling unit        | 0,700        | R7 495        | 0,600        | R12 900        | 0,023        | R2 991        | 0,040        | R2 613        | 4,00           | R29 788              | 4,0           | R12 938                            | R68 726                                              | 10%                   | 40%                | 70%                        | 15% |
|                                          | Single Residential < 250m2               | dwelling unit        | 0,600        | R6 425        | 0,500        | R10 750        | 0,018        | R2 341        | 0,040        | R2 613        | 4,00           | R29 788              | 4,0           | R12 938                            | R64 855                                              | 10%                   | 40%                | 70%                        | 15% |
|                                          | Less Formal Residential > 250m2          | dwelling unit        | 0,600        | R6 425        | 0,500        | R10 750        | 0,023        | R2 991        | 0,040        | R2 613        | 0,75           | R5 585               | 4,0           | R12 938                            | R41 302                                              | 25%                   | 50%                | 80%                        | 15% |
|                                          | Less Formal Residential < 250m2          | dwelling unit        | 0,450        | R4 818        | 0,400        | R8 600         | 0,018        | R2 341        | 0,040        | R2 613        | 0,75           | R5 585               | 4,0           | R12 938                            | R36 896                                              | 25%                   | 50%                | 80%                        | 15% |
|                                          | Group Residential > 250m2                | dwelling unit        | 0,700        | R7 495        | 0,600        | R12 900        | 0,023        | R2 991        | 0,040        | R2 613        | 3,75           | R27 926              | 4,0           | R12 938                            | R66 864                                              | 15%                   | 30%                | 50%                        | 15% |
|                                          | <b>Group Residential &lt; 250m2</b>      | <b>dwelling unit</b> | <b>0,600</b> | <b>R6 425</b> | <b>0,500</b> | <b>R10 750</b> | <b>0,018</b> | <b>R2 341</b> | <b>0,040</b> | <b>R2 613</b> | <b>3,25</b>    | <b>R24 203</b>       | <b>4,0</b>    | <b>R12 938</b>                     | <b>R59 269</b>                                       | 15%                   | 30%                | 50%                        | 15% |
|                                          | Medium Density Residential > 250m2       | dwelling unit        | 0,700        | R7 495        | 0,600        | R12 900        | 0,023        | R2 991        | 0,040        | R2 613        | 2,75           | R20 479              | 4,0           | R12 938                            | R59 417                                              | 15%                   | 30%                | 50%                        | 15% |
|                                          | Medium Density Residential < 250m2       | dwelling unit        | 0,600        | R6 425        | 0,500        | R10 750        | 0,018        | R2 341        | 0,040        | R2 613        | 3,25           | R24 203              | 4,0           | R12 938                            | R59 269                                              | 15%                   | 30%                | 50%                        | 15% |
|                                          | <b>High Density Residential - flats</b>  | <b>dwelling unit</b> | <b>0,450</b> | <b>R4 818</b> | <b>0,400</b> | <b>R8 600</b>  | <b>0,008</b> | <b>R1 040</b> | <b>0,040</b> | <b>R2 613</b> | <b>2,75</b>    | <b>R20 479</b>       | <b>4,0</b>    | <b>R12 938</b>                     | <b>R50 489</b>                                       | 15%                   | 30%                | 50%                        | 15% |
|                                          | High Density Residential - flats (1 bed) | dwelling unit        | 0,450        | R4 818        | 0,400        | R8 600         | 0,008        | R1 040        | 0,040        | R2 613        | 1,25           | R9 309               | 4,0           | R12 938                            | R39 319                                              | 25%                   | 50%                | 80%                        | 15% |
|                                          | High Density Residential - flats (2 bed) | dwelling unit        | 0,450        | R4 818        | 0,400        | R8 600         | 0,008        | R1 040        | 0,040        | R2 613        | 2,75           | R20 479              | 4,0           | R12 938                            | R50 489                                              | 15%                   | 30%                | 50%                        | 15% |
| High Density Residential - flats (3 bed) | dwelling unit                            | 0,450                | R4 818       | 0,400         | R8 600       | 0,008          | R1 040       | 0,040         | R2 613       | 2,75          | R20 479        | 4,0                  | R12 938       | R50 489                            | 15%                                                  | 30%                   | 50%                | 15%                        |     |
| High Density Residential - student rooms | dwelling unit                            | 0,180                | R1 927       | 0,150         | R3 225       | 0,004          | R520         | 0,015         | R980         | 1,25          | R9 309         | 1,0                  | R3 235        | R19 196                            | 25%                                                  | 50%                   | 80%                | 15%                        |     |
|                                          |                                          |                      |              |               |              |                |              |               |              | factor        | <b>R8 274</b>  | factor               | <b>R1 438</b> |                                    |                                                      |                       |                    |                            |     |
| Commercial                               | Local Business - office                  | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,008        | R1 040        | 0,040        | R2 613        | 9,00           | R74 466              | 1,0           | R1 438                             | R91 366                                              | 20%                   | 20%                | 30%                        | 15% |
|                                          | Local Business - retail                  | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,008        | R1 040        | 0,040        | R2 613        | 9,00           | R74 466              | 1,0           | R1 438                             | R91 366                                              | 10%                   | 30%                | 60%                        | 15% |
|                                          | <b>General Business - office</b>         | <b>100m2 GLA</b>     | <b>0,400</b> | <b>R4 283</b> | <b>0,350</b> | <b>R7 525</b>  | <b>0,008</b> | <b>R1 040</b> | <b>0,040</b> | <b>R2 613</b> | <b>9,00</b>    | <b>R74 466</b>       | <b>1,0</b>    | <b>R1 438</b>                      | <b>R91 366</b>                                       | 20%                   | 20%                | 30%                        | 15% |
|                                          | <b>General Business - retail</b>         | <b>100m2 GLA</b>     | <b>0,400</b> | <b>R4 283</b> | <b>0,350</b> | <b>R7 525</b>  | <b>0,008</b> | <b>R1 040</b> | <b>0,040</b> | <b>R2 613</b> | <b>9,00</b>    | <b>R74 466</b>       | <b>1,0</b>    | <b>R1 438</b>                      | <b>R91 366</b>                                       | 10%                   | 30%                | 60%                        | 15% |
|                                          | Community                                | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,008        | R1 040        | 0,040        | R2 613        | 9,00           | R74 466              | 1,0           | R1 438                             | R91 366                                              | 10%                   | 50%                | 80%                        | 15% |
| Education                                | 100m2 GLA                                | 0,400                | R4 283       | 0,350         | R7 525       | 0,008          | R1 040       | 0,040         | R2 613       | 9,00          | R74 466        | 1,0                  | R1 438        | R91 366                            | 30%                                                  | 50%                   | 80%                | 15%                        |     |
|                                          |                                          |                      |              |               |              |                |              |               |              | factor        | <b>R10 757</b> | factor               | <b>R1 438</b> |                                    |                                                      |                       |                    |                            |     |
| Industrial                               | Light Industrial                         | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,015        | R1 951        | 0,040        | R2 613        | 6,00           | R64 542              | 1,0           | R1 438                             | R82 352                                              | 5%                    | 20%                | 30%                        | 15% |
|                                          | Warehousing                              | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,015        | R1 951        | 0,040        | R2 613        | 3,00           | R32 271              | 1,0           | R1 438                             | R50 081                                              | 5%                    | 20%                | 30%                        | 15% |
|                                          | Data Centre                              | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,015        | R1 951        | 0,040        | R2 613        | 1,03           | R11 080              | 1,0           | R1 438                             | R28 890                                              | 5%                    | 20%                | 30%                        | 15% |
|                                          | <b>General Industrial - light</b>        | <b>100m2 GLA</b>     | <b>0,400</b> | <b>R4 283</b> | <b>0,350</b> | <b>R7 525</b>  | <b>0,015</b> | <b>R1 951</b> | <b>0,040</b> | <b>R2 613</b> | <b>6,00</b>    | <b>R64 542</b>       | <b>1,0</b>    | <b>R1 438</b>                      | <b>R82 352</b>                                       | 5%                    | 20%                | 30%                        | 15% |
|                                          | General Industrial - heavy               | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,015        | R1 951        | 0,040        | R2 613        | 2,00           | R21 514              | 1,0           | R1 438                             | R39 324                                              | 5%                    | 20%                | 30%                        | 15% |
|                                          | Noxious Industrial - heavy               | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,015        | R1 951        | 0,040        | R2 613        | 2,00           | R21 514              | 1,0           | R1 438                             | R39 324                                              | 5%                    | 20%                | 30%                        | 15% |
|                                          |                                          |                      |              |               |              |                |              |               |              | factor        | <b>R8 274</b>  | factor               | <b>R1 438</b> |                                    |                                                      |                       |                    |                            |     |
| Other                                    | Resort                                   | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,008        | R1 040        | 0,040        | R2 613        | 9,00           | R74 466              | 1,0           | R1 438                             | R91 366                                              |                       |                    |                            |     |
|                                          | Public Open Space                        | ha                   |              |               |              |                | 0,200        | R26 010       |              |               |                |                      |               |                                    | R26 010                                              |                       |                    |                            |     |
|                                          | Private Open Space                       | ha                   |              |               |              |                | 0,200        | R26 010       |              |               |                |                      |               |                                    | R26 010                                              |                       |                    |                            |     |
|                                          | Natural Environment                      | ha                   |              |               |              |                | 0,200        | R26 010       |              |               |                |                      |               |                                    | R26 010                                              |                       |                    |                            |     |
|                                          | Utility Services                         | 100m2 GLA            | 0,400        | R4 283        | 0,350        | R7 525         | 0,008        | R1 040        | 0,040        | R2 613        | 9,00           | R74 466              | 1,0           | R1 438                             | R91 366                                              |                       |                    |                            |     |
|                                          | Public Roads and Parking                 | ha                   |              |               |              |                | 0,700        | R91 036       |              |               |                |                      |               |                                    | R91 036                                              |                       |                    |                            |     |
|                                          | Transport Facility Limited Use           | ha                   |              |               |              |                | 0,700        | R91 036       |              |               |                |                      |               |                                    | R91 036                                              |                       |                    |                            |     |

\* Rates Changed/Land Uses Added

**Stellenbosch Agricultural Society**

**STELLENBOSSE LANDBOUGENOOTSKAP  
STELLENBOSCH AGRICULTURAL SOCIETY**

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2020-05-07

The Municipal Manager  
Stellenbosch Municipality  
PO Box 17  
STELLENBOSCH  
7599

Dear Madam

**COMMENTS: REVISED 4<sup>TH</sup> GENERATION IDP THIRD REVIEW 2017/2022 – DRAFT  
BUDGET: TARIFF AND RATES POLICY**

The Stellenbosch Agricultural Society, hereby comments on the Tariffs and the Rates policy 2020/2021

**RATES POLICY:**

The Agricultural Society is appreciative of the property tax rebates for NPO's as indicated in the Rates Policy, and has been successfully applying for this discount for several years. Please take cognisance of the fact that the Agricultural Society under a federal structure is affiliated with Agri Western Cape and Agri SA. Since the society is functioning as a Society in terms of a Federal Structure that is acknowledged by Provincial and National Government, formal registration as an NPO has never been required. It is therefore requested that the Municipality recognise the status of the Society accordingly.

Regarding the requirements for qualifying for the tax rebate, however, it may sometimes be problematic for the Agricultural Association to meet the R1 million revenue/income threshold. The association is also aided annually in collecting membership fees for Agri Western Cape, and assists SANW and IPW on an agency basis with applications for wine competitions and course fees, as well as organising and hosting the Farm Worker of the Year Regional

Competition on behalf of the Western Cape Department of Agriculture. This administrative support can sometimes increase revenue of the Society to more than one million rand, but it does not form part of net income of the Society. It should also be mentioned that the premises for which tax rebates are concerned has historical buildings on the property, and it is thus essential and imperative to maintain these buildings as best as possible in order to conform to prescribed requirements. You are requested to take into account the above when the Society applies for the tax rebate.

Your understanding and support in the abovementioned regard is much appreciated.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'A. van der Merwe', written in a cursive style.

Angelika van der Merwe

**MANAGER: STELLENBOSCH AGRICULTURAL SOCIETY**

STELLENBOSSE LANDBOUGENOOTSKAP  
STELLENBOSCH AGRICULTURAL SOCIETY



2020-05-07

The Municipal Manager  
Stellenbosch Municipality  
PO Box 17

**STELLENBOSCH**

7599

***COMMENTS: REVISED 4<sup>TH</sup> GENERATION IDP 2017/2022 – THIRD REVIEW - MARCH 2020***

The Stellenbosch Agricultural Society representing organised agricultural in the Stellenbosch area hereby formally provides their comments on the Revised 4<sup>th</sup> Generation IDP 2017/2022 – Third Review March 2020.

The Society over the last nine (9) years has submitted comments on the IDP and more recently on the second review of the 2019/2020 IDP process. The Society is appreciative and welcomes that some of these comments have been included in the Third Review documentation and the approved Spatial Development Framework (SDF). The Society however remains concerned about the lack of integration and alignment between the IDP and SDF with special reference to land reform, rural development programmes, farm worker housing and incentives for commercial farmers to sustain their farming activities. It however is trusted that these specific comments as provided below will be considered as part of the third review process.

**COMMENTS AS PART OF THIRD REVIEW**

**1. RISK MANAGEMENT (SECTION 2.6)**

**Strategic Risk 5 – Increase community unrest due to fact that growth in demand for housing exceeds the resources available for development (SR5)**

**Municipal response dated 12 July 2019 (see Appendix 2)**

Response:

The Municipality has a Housing Pipeline which is reviewed on annual basis. The provision of housing typologies for different segments of the housing need are incorporated in the principles in the Housing Pipeline. The Meerlust Housing Project was approved and submitted to the Provincial Human Settlement Department with a specific link to farmworker housing.

The other areas as mentioned will have to go through the normal planning processes before it could be incorporated into the Housing Pipeline. Successful discussions with the Agri Forum has taken place on numerous occasions.

**Comment**

The Simonsberg Farmworker housing project has been included in the new housing pipeline that was approved by Council during November 2019. The Society is thankful that this project forms part of the housing pipeline.

In order to alleviate and expedite the provision of housing in especially the rural hamlets (Vlottenburg, Koelenhof and Lynedoch) it is recommended that the Municipality enter into negotiations with the private land owners whose land falls within the respective demarcated urban edges.

**OPERATIONANL RISKS (REFER TO TABLE 8)**

**Losing the historic value of Stellenbosch w.r.t to environment (OR 8)**

**Municipal response dated 12 July 2019 (see Appendix 2)**

Response:

The Municipality takes note of the comments. The Municipality will engage with organise agriculture regarding the issues raised like the incentives for the establishment of new vineyards and the conservation of historical farms/ homesteads.

**Comment**

Since the municipal response is recorded that no consultation and engagement with organised agricultural has taken place.

The agricultural sector remains under severe pressure to sustain successful farming operations and production. Relief measures in the form of incentives are essential to sustain the rural economy and rural employment.

The majority of these historic homesteads and outbuildings are older than 60 years and subsequently falls within the ambit of the South African Resources Act,



1999. Any alterations and additions to the homesteads and outbuildings thus require a permit from Heritage Western Cape which has a severe cost implication for the farmers. An example of relief/ incentive it that building plan scrutiny fees for such work be limited to the minimum/minor works fee.

## **2. STRATEGIC PARTNERS (SECTION 2.10)**

**In terms of previous comments in the above regard no response has been provided from the Municipality dated 12 July 2019**

### **Comment**

The Stellenbosch Agriculture Society and Stellenbosch Farm Worker Forum affiliated with Agri Western Cape and Agri-SA should be included as strategic partners, since the said organisations represent organised agriculture in the Stellenbosch area. The same comment has been made on the previous review process but no progress in this regard has been made to date. The same applies to the Wynland Water Users Association. The said association is responsible for the provision, allocation and management of water from the Theewaterskloof water scheme, the withdrawal of water from the Eersteriver and Plankenburg rivers as well as the management of the respective water distribution networks. The Wynland Water Users Association therefore must be included as a strategic partner.

## **3. ECONOMIC OUTLOOK (SECTION 3.3.6 OF DOCUMENT)**

**Municipal response dated 12 July 2019 (see Appendix 2)**

### Response:

**Input A – Agri Parks is a key economic contributor in the Stellenbosch rural area.**

The policy has already been approved. A meeting with the Agricultural Forum will be initiated to create awareness with the regards to the policy and the Farmers Production Support Unit.

**Input B – Continuous support is provided for emerging farmer development where possible.**

Comment and support is noted.

**Input C – It is recommended that the unemployment data base also makes provision for farm workers as well as qualified agricultural workers.**

The Municipality takes note of the comments. This will form part of the discussions planned, as mentioned under Input A.

## **Comment**

To date no meetings have been arranged with the Society and the Farmworker Forum with regards to the Policy and the Farmers Production Support Unit.

In terms of the IDP document the following is noted:

- Council has approved the implementation of the Farmer Production Support Unit in Stellenbosch
- 65 ha has been made available under lease of 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 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 502BH and it was found that the soil is medium to high potential for the cultivation of vegetables.

The Society in collaboration with the Stellenbosch Farm Worker Forum as part of the land reform agenda expresses their support for emerging farmer development on municipal land that is earmarked for agricultural purposes. The Society in collaboration with the Stellenbosch Farm Worker Forum however remains concerned with the ever changing procedures that contradict the recommendations of the PACA process. Since the beginning of Participatory Appraisal of Competitive Advantage (PACA) for Stellenbosch municipal area during 2015 many workshops and meetings were held with strategic partners to ensure that the project deliverables are met.

It however seems that a new process has been followed towards the allocation of agricultural land for emerging farming, without taking into account the above negotiation with existing BEE projects.

The PACA process furthermore expressed support for existing farm workers who have the required experience, training, knowledge and management skills of farming operations and practices.

In terms of the approved policy the Advisory Body to advise the Municipality on the development of its agricultural land. The Stellenbosch Agricultural Society during

2016 (refer to Appendix 1) submitted detailed comments on the draft policy and has been included as part of the of the Stratetic Committee.

Despite many requests the Stellenbosch Agriclutal Society as well as the Winelands Water Users Association being part of the strategic committee were never consultated on the progress and allocations made to the respective ten (10) beneficiaries.

As organised agriculture we are concerned that the project will not achieve the objectives of the Agri-Park initiative, i.e. - to serve as catalyst for rural economic development ensuring development and growth in order to improve the lives of all communities in the District.

#### **4. LAW REFORM (Section 3.3.12) – IMPLEMENTATION OF SPLUMA/LUPA IN MUNICIPALITIES**

The Land Use Management Scheme is compliant and approved in terms of the Western Cape Land Use Planning Ac (2014) and not in terms of Land Use Planning Ordinance, 1985. This error should be rectified

The new Zoning Scheme By-Law has been approved and has come into effect on 1 November 2019 – to be corrected.

#### **5. SPATIAL DEVELOPMENT FRAMEWORK (CHAPTER 4)**

In terms of the SDF process it is stipulated that a lot of work has been done since the approval of the SDF in 2013 and 2019, towards the preparation of Rural Area Plan (RAP).

##### **Comment**

The Rural Area Plan that was commissioned during 2015 is still not included as strategic component of the SDF. The Agricultural Sector considers this as a very important strategic document towards rural development and sustained employment in the agricultural sector. Since the Society involvement during 2015 on the Status quo document compiled by Chittenden Nicks De Villiers Partnership no continuous communication with the Society has taken place.

## 6. CHAPTER 7: LEGACY PROJECTS AND SERVICE DELIVERY IMPLEMENTATION PLANS

### ***LEGACY PROJECTS (REFER TO TABLE 67)***

*LP 5 – Tourism strategy:* In terms of this project the specific initiatives includes electronic tourism boards (Stellenbosch CBD and Franschhoek)

*Progress 2019/2020*

- *Development of tourism plan*
- *Service provider has been appointed. Plan in process of development*

#### ***Comment***

Active engagement with VisitStellenbosch is trusted.

*LP 6 – Adopted Rural Management Plan:* In terms of this project the specific initiatives includes the adoption of a Rural Management Plan by Council June 2020

*Progress 2019/2020*

- *Adopted by Council December 2018*

#### ***Comment***

In terms of the above the Rural Management Plan must be adopted by Council in June 2020. The progress however shows that the plan was adopted by Council during December 2018. The Society is not aware of such a plan and is not sure what the plan entails. Is this the same as the Rural Area plan that must form part of the SDF?

The rural management plan should further include the following:

- Aspects pertaining to deforestation
- Alien vegetation control on municipal agricultural land

It is trusted that the above plan will be available for public comment by all stakeholders in the agricultural sector before final approval by Council.

*LP 24 – Land Invasion Unit:* In terms of this project the specific initiatives includes the establishment of Special Invasion

*Progress 2019/2020*

- *This function is performed by on duty staff as the Law Enforcement division does not have capacity currently to establish a unit. The department is busy with a proposal to establish tactical response unit which will include focus on land invasion and a 24 hour deployment*

### **Comment**

The establishment of technical response unit is considered a key priority in addressing land invasion and land grabs and correlates directly to the Strategic Risk 4 and 5 components as well as the Safety and Security Strategy. The illegal invasion on private as well municipal owned land without appropriate action will severely hamper the implementation of housing delivery projects (e.g. Watergang Farm).

## **7. SERVICE DELIVERY AND IMPLEMENTATION PLANS (SECTION 7.4)**

### **INTEGRATED HUMAN SETTLEMENTS PLAN AND HOUSING PIPELINE (REFER TO SECTION 7.4.3)**

The Housing Pipeline that serves as the housing implementation strategy of the Municipality was approved during May 2020 and serves as platform in lieu of an approved Integrated Human Settlements Plan. In terms hereof specific provision on policy level is made for Mix use housing to cater especially for formalised home ownership in respect of farm worker housing.

The Spatial Development Framework as set out in Chapter 4 furthermore recognises the important role of farm worker housing (see extract below).

#### **Farm worker housing**

The provision of farm worker housing is a key issue. A number of proposed farm worker housing initiatives are under preparation, including proposals at Meerlust, Koelenhof, and De Novo. The Municipality supports initiatives to provide farm worker housing/ agri-villages. A key issue is whether or not this form of housing should be delineated by an urban edge. The Municipality is of the view that farm worker housing does not necessarily require inclusion within urban edges. It can occur within the rural landscape. This discussion – whether or not to include farm worker housing within urban edges – should not impede the provision of farm worker housing in any way.

The above-mentioned direction is important and fully supported by the Society. The said directive above supports on-farm housing provision with no clear indication to include farm worker housing as part of the legacy and other housing projects. The Society however recommends the following:

- That provision is made to incorporate farm worker housing as part of the sectoral planning envisaged for the housing projects in the town and more specifically the identified rural nodes. In this regard it is proposed that at least 20% of the residential opportunities be ring fenced for farm worker/inhabitants housing;
- That the Municipality as part of this revision process express their committed support to the Agri Housing Settlements NPC that in collaboration with several Agricultural Societies has been established and registered with the Social Housing Regulating Authority (SHRA) as a Social Housing Institution (SHI) to address the dire needs of farmworker housing in the Western Cape and more specifically the Stellenbosch area.

#### **SAFETY AND SECURITY STRATEGY (REFER TO SECTION 7.4.9)**

The Society as well as the Farm worker Forum remains concerned of the increased crime rate that is experienced in the rural area. Although there is good co-operation with the local SADP is the lack of personnel and visible policing a key problem.

Farmers and farm workers are working together but there is a dire need for a centralized platform in order to ensure integrated and efficient communication and distribution of relevant information. The establishment of the Stellenbosch Safety Initiative is a positive response and shows commitment from the Municipality in addressing the safety and security issue. There however is a need for assistance in the rural areas, especially with the demarcation of functional areas and support to the respective neighborhood watches. The installation of cameras on critical areas on the rural road network that are linked to the central operation center can play an essential and important role towards safety and security in the rural area. The Society in this regard can also assist in procuring License Plate Recognition cameras (LPR) to be installed on strategic locations.

#### **LOCAL ECONOMIC DEVELOPMENT STRATEGY (REFER TO SECTION 7.4.10)**

The Municipality in terms of its LED strategy considers local economic development as multi-stakeholder effort in support of creating economic opportunities for both the private sector and the local economy.

With reference to the above the following is noted:

*Strategy 1 (Table 72): Ensure effective local business networking and sector consultation to improve the Municipality's responsiveness to local business, entrepreneurs and the economic environment.*

**Comment**

Due to staff shortages there is very little engagement from the LED section with organised agriculture. The allocation of certain parcels of municipal land was not done in terms of recommended process as communicated to the Society. It is important to communicate all actions pertaining to municipal agricultural land to the surrounding commercial farmers in order to secure mutual understanding and support.

*Strategy 6 (Table 77) : Facilitate rural development and farmer support – new farming operations for emerging farmers on municipal land through cooperation with existing farms*

**Comment**

It is recommended to follow a coordinated and continuous communication approach.

**5. CONCLUSION**

The agricultural sector with multi-plier economic benefits as identified in terms of the IDP 2017/2022 review document is of key priority for the sustainable development of the Stellenbosch Municipal area. The Stellenbosch Agricultural Society and the Stellenbosch Farm Worker Forum firmly believes that this scenario can be strengthened through a mutual partnership with improved communication and engagement.

In the light of the above it is trusted that the Municipality will consider and include the comments of the Stellenbosch Agricultural Society as part of 4<sup>th</sup> Generation IDP 2017/2022 Third Review process to order to streamline delivery initiatives in accordance with the strategic objectives.

Yours faithfully

A handwritten signature in grey ink, appearing to read 'A. van der Merwe', written in a cursive style.

ANGELIKA VAN DER MERWE

**MANAGER: STELLENBOSCH AGRICULTURAL SOCIETY**



STELLENBOSSE LANDBOUGENOOTSKAP  
STELLENBOSCH AGRICULTURAL SOCIETY



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2016-05-06

The Director: Planning and Economic Development  
58 Andringa Street  
**STELLENBOSCH**  
7600

**COMMENTS: DRAFT POLICY ON THE MANAGEMENT OF AGRICULTURAL LAND**

The Stellenbosch Agricultural Society representing organised agriculture in the Stellenbosch Municipal area of jurisdiction, hereby provides its comment on the "Draft Policy on the Management of Agricultural Land" as advertised in the Eikestad News dated 8 April 2016.

The said publication follows on the Resolution of the Stellenbosch Council taken on 2016-01-27 that read as follows:

**"37 TH COUNCIL MEETING: 2016-01-27: ITEM 7.9** During deliberations on the matter, the Speaker undertook to allow more time for debate on the Policy in the next Council meeting. On a request by Councillor AT van der Walt to rectify mistakes in the Policy, the Speaker reiterated that he will not allow further debate on the Policy, but urged the Councillor to submit his inputs to the Acting Municipal Manager for inclusion in Mayco and for further debate in the Council meeting at the end of February 2016.

**RESOLVED (nem con)**

- (a) that the Draft Agricultural Land Reform Policy be adopted, in principle;
- (b) that the legal inputs be obtained before this Policy go for public comment; and
- (c) that the said Policy be advertised for public comment, where after same be re-submitted via Mayco to Council by end February 2016 for consideration and conclusion."



With reference to the above (refer to resolution b) and upon further scrutiny of the February and March 2016 Council minutes it is our understanding that the comments of the legal department has not been obtained. The Stellenbosch Agricultural Society expresses their concern in this regard with emphasis on the contractual agreements and lease conditions embedded in the existing long term lease agreements. The input from the legal department is therefore considered a vital and important component in order to protect the contractual agreements of the long term lessees of which many are members of the Society.

The Stellenbosch Agricultural Society, during 2014 actively participated in an extensive Participatory Appraisal of Competitive Advantage Process (PACA). In terms of the said process several projects were identified and expectations were created in addressing the challenges to stimulate and sustain the rural economy. Effective communication with the relevant project co-ordinators should be encouraged to ensure alignment with the projects identified in the PACA process.

The Society is furthermore seriously concerned about the 12-step approach as proposed in the draft policy, i.e. process to acquire land. The proposed approach only at the latter stages (step 10 and 11 from 12) recognises the role of the strategic partner/mentor. It is our opinion that this arrangement must be in place prior to bid evaluation and adjudication.

In terms of the draft policy it is mentioned that the municipality does not have the capacity to monitor and evaluate the progress of every piece of allocated land and that it therefore will adopt the modus and condition of Rural Development and Land Reform. In this regard a Strategic Partner (selected from a list of approved service providers and financed by the Department of Rural Development and Land Reform) must be contractually involved to ensure long term sustainability. This is considered a re-active approach and it is proposed that the list of Strategic Partners /registered service providers be made available prior to land acquisition in order to optimise potential linkages with the established commercial farmers as well as other full value chain agricultural support entities. The strategic vision and principles of the Stellenbosch Municipality as defined in terms of the approved Integrated Development Plan (IDP) specifically emphasise the importance of local economic development, promotion of tourism, job creation, sustainable food production, food security and heritage conservation. The Stellenbosch Municipality, in terms of their IDP, firmly recognise and acknowledge the fact that they must create an environment that is conducive to enterprise and business related development. The objectives and outcomes of the policy should follow a pro-active approach in order to enhance sustainable farming and/or agri-bussinesses.

It is important to note that several LRAD (Provincial Department of Agriculture) projects have already been identified on existing leased agricultural land, but could not be implemented

due to red tape and the discontinuation of certain programmes. Many public funding and planning were already invested in possible land reform projects. It is therefore requested that the Municipality communicate with the relevant project co-ordinators, in order to assist existing beneficiaries residing on farms to proceed with possible BEE farming entities.

It is also herewith stressed that the municipality must take responsibility to maintain and manage Council owned property i.e. agricultural land which is not leased. This will require an operational budget to address illegal land invasion, fire protection and alien plantation management. Such a compulsory operational cost or expenditure per hectare (ha) by the municipality to maintain their property should also be taken into account in the municipal budget.

Since the availability of water remains an obstacle to achieve sustainable farming units it is also recommended that the Winelands Water Association be involved in planning for future water needs.

The informal invitation to the Farmworker Forum and Agricultural Society, to attend a public meeting on 5 May 2016 at the SEDA office was only received on 4 May 2016. This was unfortunately to short notice to arrange representation at this meeting. Since the policy might have an impact on existing and proposed future farming operations on leased land, it is requested that the respective department by means of a workshop engage with all the long term lessees including existing BEE enterprises with the relevant experience and knowledge as well as other stakeholders (e.g. Winelands Water Association) for collaboration and input prior to the final submission of the policy to Council. This might even encourage existing landowners to be part of a more efficient transformation process. Existing BEE projects could also contribute to best practise and possible pitfalls.

The Draft Policy on the Management of Agricultural Land in our opinion rather reflects an approach/procedure towards the alienation and or lease of municipal agricultural land. It cannot be considered as a policy since it shows little and/or no information on how the productive utilisation of agricultural land can contribute to rural economic development.

It is trusted that the above will assist and that it will inform the finalisation of the document.

Receipt of acknowledgement of this letter will be appreciated.

Yours faithfully

A handwritten signature in black ink, appearing to read 'APM Van der Merwe', written in a cursive style.

APM VAN DER MERWE

**GENERAL MANAGER**

**STELLENBOSCH AGRICULTURAL SOCIETY**



**STELLENBOSCH**  
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 MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

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Mrs. Angelika van der Merwe  
 Stellenbosch Agricultural Society  
[stlandbo@mweb.co.za](mailto:stlandbo@mweb.co.za)

**12 July 2019**

Dear Mrs. van der Merwe

Thank you for your written submission dated 29 April 2019. Your input and feedback are tremendously valued. Although the Municipality is not in a position to adhere all request received, we will continue to do what is possible within the limited financial resources approved by Council.

We would like to take this opportunity to respond to some of your contributory input raised with regard to the SDF/IDP/Budget process undertaken throughout April 2019.

Your concerns and contributory input are stipulated below with feedback:

### 1. Risk Management

**Strategic risk 2** – Growth in demand for housing exceeds the resources available for development: **Input:** Encourage and promote the establishment of private partnerships as strategic tool to make land available for mix use and farm worker housing (eg. Meerlust, Spier, Lynedoch, Simonsig and Watergang).

#### Response:

The Municipality has a Housing Pipeline which is reviewed on annual basis. The provision of housing typologies for different segments of the housing need are incorporated in the principles in the Housing Pipeline. The Meerlust Housing Project was approved and submitted to the Provincial Human Settlement Department with a specific link to farmworker housing.

The other areas as mentioned will have to go through the normal planning processes before it could be incorporated into the Housing Pipeline. Successful discussions with the Agri Forum has taken place on numerous occasions.

**Strategic risk 9** – Losing the historic value of Stellenbosch: **Input:** Implementation of incentives for the establishment of new vineyards and conservation of historic farm homesteads.

Response:

The Municipality takes note of the comments. The Municipality will engage with organise agriculture regarding the issues raised like the incentives for the establishment of new vineyards and the conservation of historical farms/ homesteads.

**Emerging Risk (ER1) – Climate change: Encourage the implementation of renewable energy initiatives (wind and solar) farms, water saving mechanisms etc.**

Response:

Solar power is already taken up in the Municipality's by-laws. The Municipality allow consumers to co-generate electricity, which means people may feed electricity power from their houses into the Municipality's electricity network.

Wind power generation will be treated similarly. The Municipality furthermore provides for the wheeling, receiving electricity from a green power source and allowing it to be distributed to nominated consumers. The Municipality is also planning to install rooftop photo voltaic panels for solar energy generation.

Water saving mechanisms implemented by the Municipality resulted in savings of 54% during the drought. The Municipality have since drilled a number of boreholes from which water is purified and pumped back into the water network. Considerable saving is still achieved even though restrictions had been lifted. The public is participating positively and the Municipality is in the process of creating grey water installation standards which will be introduced to future housing structures.

**3. Economic Outlook**– The manufacturing sector in the Stellenbosch Municipal area is highly reliant on the agriculture, forestry and fishing sector.

Response:

**Input A – Agri Parks is a key economic contributor in the Stellenbosch rural area.**

The policy has already been approved. A meeting with the Agricultural Forum will be initiated to create awareness with the regards to the policy and the Farmers Production Support Unit.

**Input B – Continuous support is provided for emerging farmer development where possible.**

Comment and support is noted.

**Input C – It is recommended that the unemployment data base also makes provision for farm workers as well as qualified agricultural workers.**

The Municipality takes note of the comments. This will form part of the discussions planned, as mentioned under Input A.

## **5. IDP Strategic Focus Areas**

**5.1. Safe Valley** – Increasing crime rate in rural areas, lack of personnel and visible policing.

**5.2. Green Value** –The prevention of pollution of the rivers and catchments is of vital importance. Therefore the upgrading of Waste Water Treatment works and River Rehabilitation Plans remain a key factor in this regard.

### Response:

#### **Safe Valley**

Creating safer communities is a priority for Stellenbosch Municipality. For the following three years the Municipality will be investing in various aspects of safety to create safer communities for all residents. To achieve this the Municipality have budgeted for the following projects:

|                                                           |  |             |
|-----------------------------------------------------------|--|-------------|
| Replacement of Patrol Vehicles                            |  | R 2,12,000  |
| Installation and upgrade of CCTV cameras throughout WC024 |  | R 4,000,000 |
| Vehicle Fleet of Law Enforcement                          |  | R 5,500,00  |

The Municipality recognises crime is a growing concern and we continue to do everything in our means to respond effectively to safety risk. This is done by means of our own efforts and in partnership with other spheres of government.

#### **Green Value**

The previous two budget cycles has provided a solid foundation for the upgrading of infrastructure like the waste water treatment works (WWTW) and securing water resources. This upgrading has provided much needed additional capacity to the Municipality's waste water infrastructure to allow for increased development.

The upgrading of the Paradyskloof WWTW's and the Stellenbosch WWTWs is currently taking place. The other WWTWs are also being refurbished, 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.

Waste Water Treatment has received the largest capital investment over recent years and will continue to do so over the medium term. Pollution of our rivers is also receiving positive response. This is however a task that can only be successfully performed in partnership with the broader community. Efforts to detect pollution and enforcement to respond to polluters are in place.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tabiso Mfeya', written over a horizontal line.

Tabiso Mfeya

**ACTING MUNICIPAL MANAGER**



STELLENBOSSE LANDBOUGENOOTSKAP  
STELLENBOSCH AGRICULTURAL SOCIETY

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2020-05-07

The Municipal Manager  
Stellenbosch Municipality  
PO Box 17  
STELLENBOSCH  
7599

Dear Madam

**COMMENTS: REVISED 4<sup>TH</sup> GENERATION IDP THIRD REVIEW 2017/2022 – DRAFT  
BUDGET: TARIFF AND RATES POLICY**

The Stellenbosch Agricultural Society, in conjunction with the Franschhoek Agricultural Society and the Stellenbosch Farmworker Forum for the last few years have submitted comments on the above Tariff and Rates Policies in the draft budget. It however is extremely frustrating that the Municipality does not take these comments into account as per their responses attached hereto.

The Agricultural and associated tourism industry contributes significantly to the areas gross geographic product (GDP) of the Stellenbosch Municipal (WC0024) area.

However as a result of various environmental and economic conditions in the Western Cape the agricultural sector is becoming under severe pressure and the majority of the producers are experiencing difficulty in sustaining their farming operations. These detrimental economic factors leads to severe pressure to conform to the recommendations indicated in the Integrated Development Plan (IDP) read together with the National Development Plan. It therefore is imperative that the IDP and associated budget policies creates an enabling environment that is conducive to increased agricultural activities, so as to ensure food security as well as sustaining the employment opportunities related to the sector.

According to recent statistics new vineyard establishment has decreased significantly over the last few years with declining profit margins in relation to other production areas. These detrimental economic circumstances currently associated with the production and wine industry can lead to an ever changing rural environment to the detriment of the town, the historical and cultural landscape as well as sustaining the employment opportunities that benefit from the agricultural sector.

As a result of constant increasing external factors influencing the rural economy there are unfortunately various needs and priorities like farm worker housing, installation and upgrading of essential services, provision of social facilities (schools, crèches etc.), the provision and upgrading of the sport facilities as well as skills and training programmes that cannot be addressed adequately by farming entities alone. In light of the current economic environment the producers and land owners are really experiencing great difficulties to maintain the services on an acceptable level of standard. Research however has shown that “*rebates on property tax*” can be of great value to encourage the farmers in assisting municipalities with the provision and maintenance of these services as far as possible.

The Stellenbosch Agricultural Society in association with The Stellenbosch Farmworker Forum and the Franschhoek Agricultural Society hereby requests and propose that the Stellenbosch Municipality adopts the same financial model as currently being implemented by the Bergriver Local Municipality as part of their budget and rates policy framework. The proposed tax rebate policy will apply to bona-fide agricultural owners belonging to agricultural societies affiliated to Agri Western Cape and subsequently also to the SA Agricultural Union, situated in the Stellenbosch WC0024 municipal area.

## **PROPOSAL**

**“Agricultural properties will be granted rebates as determined by council in its annual Budget.**

(a) An additional 10% rebate calculated as follow could also be granted:

|       |                                            |       |
|-------|--------------------------------------------|-------|
| i.    | 1 x two bedroom houses on property         | 1.00% |
| ii.   | 2 x two bedroom houses on property         | 2.00% |
| iii.  | 3 x two bedroom houses on property         | 4.00% |
| iv.   | >3 x two bedroom houses on property        | 5.00% |
| v.    | If electricity provided to worker’s houses | 0.25% |
| vi.   | If water is provided to worker’s houses    | 0.25% |
| vii.  | If sewer is removed from worker’s houses   | 0.25% |
| viii. | If refuse is removed from worker’s houses  | 0.25% |

- |      |                                                                                        |        |
|------|----------------------------------------------------------------------------------------|--------|
| ix.  | If school on property or transport is provided to learners                             | 1.00%  |
| x.   | If sport facilities on property                                                        | 1.00%  |
| xi.  | If transport to nearest town is provided at no cost to workers at least once per month | 1.00%  |
| xii. | If training is provided to workers                                                     | 1.00%” |
- (b) An additional 2.5 % for every 5ha of newly planted vineyards  
(An additional rebate proposal for rebate specifically for the SW024 area)

The above additional rebate will only be evaluated and granted to Bona Fide farmers with submission of the following documentation with their application:

- (i) Proof of VAT registration
- (ii) Existing account must not be in arrears with the Municipality.
- (iii) Copy of I.D. Document of all workers residing on the farm

Applications for the rebate must be submitted in accordance with the prescribed process in terms of the Rates Policy. The additional rebate can only be granted on the value of the property as it appears on the valuation roll. Properties of the same owner, but valued separately cannot be added together for the calculation purposes.

The Stellenbosch Agricultural Society as well as the Stellenbosch Farmworker Forum sincerely believes that the implementation of the above holds a significant advantage to stimulate public private working relations to the benefit of the area and its community in a sustainable manner. The proposal is consistent with the vision and it will give practical execution to the five (5) strategic objectives as adopted in terms of the existing and proposed Municipal Integrated Development Plan.

With reference to Section 8.10 of the Rates Policy pertaining to Relief Measures it is proposed that cognisance be given to the implementation of a special rebate applicable to the agricultural sector with reference to wine cellars and associated tourism facilities. The financial impact on these facilities as a result of the Covid-19 pandemic can permanently “destroy” this valuable asset of Stellenbosch. This relief will assist the farmers to continue with their farming operations and thus providing much needed work to ensure sustainable employment in the rural area. The budget of the Bergriver Local Municipality for example also makes provision for agricultural properties to qualify for an additional 5 % disaster relief rebate.

The above measures has for many years been negotiated and successfully implemented by other Municipalities. We trust that the Stellenbosch Municipality will also favourably consider these requests and recommendations in supporting the agricultural sector.

Your feedback in this regard is kindly awaited.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'A. van der Merwe', written in a cursive style.

Angelika van der Merwe

**MANAGER: STELLENBOSCH AGRICULTURAL SOCIETY**



**STELLENBOSCH**

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

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Mrs. Angelika van der Merwe  
Stellenbosch Agricultural Society  
[stlandbo@mweb.co.za](mailto:stlandbo@mweb.co.za)

**12 July 2019**

Dear Mrs. van der Merwe

Thank you for your written submission dated 30 April 2019. Your input and feedback are tremendously valued. Although the Municipality is not in a position to adhere all request received, we will continue to do what is possible within the limited financial resources approved by Council.

We would like to take this opportunity to respond to some of your contributory input raised with regard to the SDF/IDP/Budget process undertaken throughout April 2019.

Your concerns and contributory input are stipulated below with feedback:

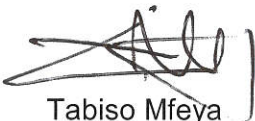
|                                   |  |
|-----------------------------------|--|
| <b>1. Tariff and Rates Policy</b> |  |
|-----------------------------------|--|

Response:

Comments is noted and will be considered with the 2020/ 2021 Financial Year.

The Municipality made a concerted effort to ensure that tariff increases are contained in a manner that safeguards consumers. We take special note of electricity and waste tariffs. Where possible, the Municipality attempted to spread the impact of tariffs over multiple years.

Sincerely,



Tabiso Mfeya

**ACTING MUNICIPAL MANAGER**



**Stellenbosch Municipality**  
**IDP Office**  
[idp@stellenbosch.gov.za](mailto:idp@stellenbosch.gov.za)

**Mrs. Angelika van der Merwe**  
[stlandbo@mweb.co.za](mailto:stlandbo@mweb.co.za)

**10 June 2018**

Dear Ms. Angelika van der Merwe

Thank you for your written submission of 25 April 2018. Your input and feedback are tremendously valued as it is a contribution to the foundation on which all key strategic plans of the municipality is based. Although the municipality is not in a position to adhere all request received, we will continue to do what is possible within a limited fiscal envelope.

We would like to take this opportunity to respond some of your concerns and contributory input raised w.r.t. the SDF/IDP/Budget process undertaken throughout April 2018.

Your concerns and contributory input are stipulated below with feedback:

- |                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>1. Rates Policy :</b> There was a proposal that Agricultural properties be granted rebates as determined by council in its annual Budget. Stellenbosch Municipality to adopt the same financial model as Bergriver Local Municipality.</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Response:

Your proposal w.r.t. to the above is duly noted and was considered whilst finalising the IDP, Budget and SDF. The budget is based on credible budget assumptions and forecasts of appropriate revenue streams to ensure that the budget is funded in accordance with section 18 of the MFMA. Affordability of tariffs was a crucial consideration in determining tariffs for the upcoming financial year. Property rates has however been contained within CPIX levels to buffer the financial impact on our users.

Your recommendations will form part of future considerations when determining future tariffs and tariffs structures for the municipality.

Sincerely,

Shireen de Visser

**SENIOR MANAGER: GOVERNANCE**

**Friends of Stellenbosch Mountain**



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FRIENDS OF STELLENBOSCH MOUNTAIN

## Comments on the Third Review of the Stellenbosch 2017–2022 IDP (Version 9 of March 2020)

8 May 2020

Friends of Stellenbosch Mountain (FSM) has been active in Stellenbosch since 2008. FSM is part of the WESSA affiliate network and is a SARS-accredited Public Benefit Organisation.

### 1 NRM and EPWP: Underperformance and unspent grant money

- 1.1 A letter which appeared in the Eikestadnuus on 12 December 2019 (see Appendix A2) voiced by example a general feeling among the Stellenbosch public that there is something seriously wrong in the management of the nature areas and reserves owned by the Municipality, including Papegaaiberg, Jan Marais, Mont Rochelle and Paradyskloof Nature Area and probably the other smaller areas. As is well known, the situation in Papegaaiberg is especially sensitive due to the tug-of-war between the needs of a nature reserve and an urban population which needs land. The problem goes beyond Papegaaiberg and beyond electric fences and pig farming, however.
- 1.2 Proper management of nature areas involves more than fencing, hiking trails and sign boards. By far the most important component is the control, or preferably the eradication, of Invasive Alien Plants (IAPs), also called *alien clearing*. The absence of municipal nature area management and in particular neglect of IAP clearing have very negative long-term consequences: IAPs multiply exponentially and eventually take over entire mountains. **Early control of Invasive Alien Plants at an early stage is critical, and neglect will have large financial implications for the Municipality in the long term.**
- 1.3 In terms of the Conservation of Agricultural Resources Act (CARA) and other legislation, the Municipality is legally obliged to carry out IAP control.
- 1.4 It appears that, despite the cardinal importance of IAP control, **active management by the Municipality of all nature areas has ground to a halt since at least mid-2019.** FSM can testify directly to this in the Paradyskloof Nature Area (PNA), while the letter in Appendix A2) and information from other areas confirm this to be true throughout the WC024 area. FSM and other NGOs have of course carried on with activities in the nature areas as best as possible. However, NGO resources are limited and cannot replace properly funded



efforts by full-time municipal employees and by contractors and short-term employment by e.g. the Extended Public Works Programme (EPWP) funded by national government grants.

- 1.5 Until recently, Stellenbosch was well on track to achieve the goal of IAP eradication, approving, for example, an *Alien Invasive Plants Management Plan* in 2017. Also in 2018 and 2019, everything seemed on track with regard to alien clearing and EPWP work; see e.g. extracts from Monthly Environmental Management Reports in Appendices A9 to A16. Since mid-2019, however, this has changed significantly; for example, the EPWP workers and contractors have disappeared, alien clearing has stopped and law enforcement has been scaled down.
- 1.6 It must be emphasised that the absence of municipal management is not a result of the Covid-19 lockdown, although that has made matters even worse. The problems sketched have started in at least September 2019 and have been worsening ever since, long before the lockdown.
- 1.7 Given the dire situation on the ground, FSM has delved into the publicly available documents, including past and present IDPs, budgets and annual reports, to understand the origins of the crisis.
- 1.8 The problem appears to be two-fold: a) **Chronic under-funding of nature conservation and nature area management in the municipal budgets** and b) **massive underspending of one or more large national government grants**. We will deal with underfunding in Section 2 below and first concentrate on the national government grant or grants.
- 1.9 We here summarise the financial details, as far as could be ascertained, of one particular grant which directly involves alien clearing, a so-called NRM (*Natural Resources Management*) grant. Some detailed numbers are provided in Appendix A1 and the extracts from original documents in the subsequent Appendices.
- 1.10 As there are many different places of employment for EPWP workers, we have not managed to disentangle the specific amount and numbers of for nature management-related EPWP grants. Appendix A16 shows, however, that there were 57 EPWP workers employed by the municipal Nature Conservation department in March 2019 — all of whom appear to have disappeared. There are many EPWP items in the current draft budgets, but as stated the EPWP details are not considered in detail here but should be investigated.
- 1.11 With regard to the NRM grant:
  - 1.11.1 From the sparse information which can be obtained from the publicly available documents, a grant of more than R7,150,000 (probably more than R9,000,000) was allocated by the national Department of Environmental Affairs to Stellenbosch Municipality early in 2019 or late in 2018. The grant appears to run over three years and relates specifically to NRM work.
  - 1.11.2 At least R2,359,500 of the total grant was transferred from DEA to the Municipality before June 2019, probably earlier in 2019.
  - 1.11.3 In the 2018/19 financial year, only R166,977 of that grant was spent,
  - 1.11.4 This left an amount of R1953,031 at the start of the financial year 2019/20, and by September 2019, R229,955 was spent.
  - 1.11.5 In December 2019, the records show that the original grant total had been even higher, namely R9,418,031.
  - 1.11.6 The December 2019 quarterly statement shows that in the second quarter (September to December 2019) only R17,052 was spent. According to those same records, R1,706,024 remained unspent.

- 1.11.7 The August 2019 Adjustments Budget shows an amount of R1,953,031 rolled over into the new year. This amount appears also in the latest April 2020 budgets, but without any explanation or relation to the original NRM grant and its purpose.
- 1.11.8 In the current draft MTREF (page 484 of the Council Agenda of 2020-03-25) as shown in Appendix A8, the amount of R1,953,031 is included as *Balance unspent at beginning of the year*.
- 1.12 **In Summary: An NRM grant amount of at least R9,418,000 over three years was allocated to Stellenbosch early in 2019. For the first year, R2,359,500 was actually transferred to Stellenbosch. Most of that money has remained unspent; R1,953,031 remains on the books. The money that was actually spent, was spent in the first three quarters; only about R17,052 was spent between September and December 2019. And there are no clear plans to spend this money in the foreseeable future.**
- 1.13 Furthermore: As indicated, the original NRM grant is supposed to involve annual transfers of about one third of the total amount (more than R9million for the NRM grant plus related EPWP money) every year. **Since the original transfer of R2,359,500 early in 2019, no subsequent transfer from national government to Stellenbosch Municipality can be found in the records. Neither can any indication be found that the rollover amount of R1,953,031 or R1,706,024 (as the case may be), has been spent.** No explanations are provided in the draft IDP or draft budgets, or even in municipal council agendas, for this disappearance. **The existence of the NRM grant is not even mentioned. Why?**
- 1.14 The NRM grant should by now have resulted in a massive improvement of alien clearing work, employment of contractors and EPWP workers and other environmental projects, with a corresponding large impact on these nature areas. Given that the Municipality had abundant funds from this grant to do work in the nature areas, there is no reason why there should not have been fast and furious progress in alien clearing in the nature areas. **None of that has realised. There has been minimal or no alien clearing in the past months. Why?**
- 1.15 The MFMA Circular No. 98 issued by National Treasury in December 2019 is emphatic when it comes to conditional grants. For example, Section 6.1 of the Circular states

*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.*

- 1.16 There should be a clear paper trail of invoices and payments associated with the NRM Grant, because Section 6.3 of the MFSA Circular says

*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.*

but that paper trail is not to be found in the available municipal documents. The circular also states

*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 . . .*

but the draft IDP and MTREF make no mention of such a mechanism either.

- 1.17 As motivated above, the proper management of nature areas and nature reserves is of cardinal importance, both for the current year and even more so for the long-term viability of these areas and the Municipality in general.
- 1.18 FSM therefore respectfully requests that the NRM Grant and any associated EPWP grant be reviewed by Stellenbosch Municipality in all detail and that the issues highlighted in this section and elsewhere in these comments be properly addressed, also in all detail, in the current budgets (eg in footnotes), in council agenda items, and communicated to FSM and the public at large. FSM will of course be glad to assist the Municipality in this matter in any way in which it can. Site visits, for example, can easily be arranged given the necessary permits.
- 1.19 Should the Municipality fail to properly address the matters raised, FSM and other private or public bodies may have to resort to wider measures such as approaching other public bodies such as the Department of Environmental Affairs, Treasury, the Auditor General, Department of Agriculture etc, and the media. Other measures which may help in casting light on the matter may also be taken as and when they become appropriate.
- 1.20 If for any reason whatsoever the Municipality fails to retain current and/or future funding from national or provincial government for alien clearing, it will have to make full provision in its own budget for the relevant costs. As already pointed out, the Municipality is under legal obligation to carry out the alien clearing work and affirms that obligation in its IDP and policies.

## 2 Nature Areas: general underfunding and misallocations

**2020/21 MTREF Budget items pertaining to nature areas (R000s)**

| <b>Project Name</b>           | <b>IDP Page</b> | <b>Rollover amount</b> | <b>Budget 20/21</b> | <b>Budget 21/22</b> | <b>Budget 22/23</b> | <b>4-year total</b> |
|-------------------------------|-----------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| Botmaskop Security Fencing    | 247             | 198                    | 1,500               | 2,000               | —                   | 3,698               |
| Hiking Trails in Nature Areas | 248             | —                      | —                   | —                   | 2,000               | 2,000               |
| Jan Marais Park               | 248             | —                      | 2,000               | 1,000               | —                   | 3,000               |
| Mont Rochelle                 | 248             | 219                    | 1,504               | —                   | —                   | 1,713               |
| Papegaaiberg                  | 248             | 101                    | 1,000               | —                   | —                   | 1,101               |
| Paradyskloof Nature Area      | —               | —                      | —                   | —                   | —                   | 0                   |

- 2.1 The table above summarises those items appearing in the draft MTREF Capital Budget which pertain to projects and management of nature areas. Also included are rollover amounts from the previous year. All amounts are in thousands of Rands. The Botmaskop, Mont Rochelle and Papegaaiberg items are clearly continuations from a previous cycle.
- 2.2 **There appears to be no funding request whatsoever for the Paradyskloof Nature Area (PNA) as well as other important sites such as Wemmershoek and Louw's Bos.** This is completely unacceptable and in conflict with the stated principles of the IDP. Wemmershoek and Paradyskloof (Farms 366/369) have documented *Critically Endangered* ecosystems and plant species, and provision for their protection must be made.

- 2.3 The omission of funding for the PNA is especially galling because great effort has been put in the past year into compiling, circulating and finally approving the **Paradyskloof Nature Area Environmental Management Plan (EMP)**. Table 2 of the EMP states:

**Explicitly provide for the required funding for the Paradyskloof NA in the Stellenbosch Integrated Development Plan.**

Item 7.6 of the Council Agenda of of 2019-05-29 states that

**6.3 Financial Implications: The Paradyskloof NA EMP requires that an annual budget be compiled for the area in order to ensure that the management directives are performed.**

The EMP was approved by Council in 2019; Council should therefore fund what it has approved. The omission should be rectified in the final budget, and the PNA EMP should be properly funded.

- 2.4 It is incomprehensible that the municipality’s own Nature Conservation section, which authored this EMP and submitted the above other funding request items, has failed to stick to its own recommendations to request funding for the PNA within the current budgeting process.
- 2.5 The request for R2,000,000 for “hiking trails in nature areas” is of course welcome, but that is precisely one of the “nice to have” items to which the MFMA circular and the MTREF council item itself are referring. Similarly, any amounts of the Jan Marais Park grant which pertain to human infrastructure should be considered a luxury (while management of the renosterveld is of course essential).
- 2.6 Rather than spending on such luxuries, it would seem much more important to get *back to the basics* as per MFMA. *Basics* include **soil erosion control, law enforcement, proper access control, protection of the biodiversity** (for example against vandalism and strip-ping) and so on. FSM therefore proposes that the R2,000,000 requested for hiking trails for 2022/23 be converted to a *Back to Basics* request for funding starting in 2020/21 as set out in more detail below.
- 2.7 It is of special concern to FSM that access to the Paradyskloof Nature Area is completely uncontrolled because there is no fence on the eastern edge of the road leading to the Paradyskloof Waterworks. There is ample evidence that illegal logging and other unauthorised vehicle access is occurring on a continuous basis. **FSM therefore requests funding for fencing to be erected along the eastern edge of the waterworks road, along with proper signage indicating permitted and prohibited activities.**
- 2.8 **Soil erosion** is another *Back to Basics* item which must be funded urgently. Soil lost by mismanagement cannot be recovered later.
- 2.9 As already set out at length in Section 1, the failure to request **alien clearing** funding in the municipal budgets is also unacceptable. In the Operational Budget of the draft MTREF, FSM could find no mention of alien clearing or operations over and above a standard allocation to the Nature Conservation section within Community and Protection Services. If the municipality — for whatever reasons — has lost national grant funding, it must now make provision in its own budget for the full cost of alien clearing.
- 2.10 FSM notes that there is also no funding request whatsoever for management of **pine plantations**. These plantations are worth millions if they can eventually be logged, but they need

proper management. They are also at increasing risk of burning down. Will forestry activities be properly funded?

- 2.11 Finally, the current complement of just two dedicated **nature area law enforcement** people for the large nature areas widely dispersed within the WC024 area is unacceptable. The budgets should make adequate provision for proper dedicated law enforcement (personnel and vehicles).
- 2.12 All of the above funding requests can be easily funded, even within the current cost containment situation. As pointed out in Section 4, there is currently **significant overspend on roads and road-related infrastructure**. If even a few percent of the amounts currently allocated to roads-related infrastructure is diverted to nature areas, all of the above items can be funded.
- 2.13 Naturally funding comes with an obligation to spend those funds in the upcoming year. There is clearly a need to **evaluate the performance of the Nature Conservation section** within the directorate of Community and Protection Services. The long list of omissions, failures and mismanagement points to a serious problem which needs to be rectified.

### 3 Cost containment

- 3.1 The MFMA Circular No. 98 issued by National Treasury in December 2019 makes clear that cost containment is now an imperative. Similarly, the March 2020 Council Agenda item correctly emphasises the new parameters under which the present budget has to operate. The economy has never been in worse shape; the budget deficit is set to rise to the highest level ever, and the prospects for the resumption of normal commercial activities, national and international, look dire. No amount of wishful thinking will change these realities. For example, ABSA Manager Purchasing Index fell by more than 80% in April. That is but one of many economic data trends which all say the same thing.
- 3.2 The budgets (MTREF and CEF) were clearly written in the pre-pandemic time, when life was difficult but not catastrophic, as it now is. **Both the MTREF and CEF are therefore no longer “fit for purpose” as their basic assumptions have been rendered invalid.** It may be too late to completely rewrite the budgets at this stage; however, approval of the present draft should come with the explicit condition that significant deviations will be the order of the day in the upcoming Adjustments Budget and future budgets.
- 3.3 The 2019/20 Adjustments Budget (page 38) has headline inflation at 5.3% but remuneration increases at 7.0%. FSM proposes that salary increases for public office holders in the Municipality are inappropriate under the present circumstances, given that many people have no income at all.
- 3.4 If the municipality is serious about cost containment, it should work at reducing loan principals since borrowing rates are at 11%.
- 3.5 Some approving **comments on Item 8.2 in council agenda 2020-03-25 (MTREF)** are in order. Given the dire state of the SA economy, government revenues, and rocketing unemployment, the Item 8.2 in the council agenda the good and thoughtful discussion in section 6.2 of that item is welcomed. Below are a few quotes from that item, some comments and some proposals.
- 3.6 Section 6.1 mentions *Large reductions in transfers to municipalities*. That will be a fact of life for the foreseeable future.

- 3.7 *It is advised that municipalities follow a conservative approach when projecting revenue and to eliminate wastage and unnecessary expenditure.* FSM agrees. It would appear that there is substantial wastage to be found in the unspent NRM and EPWP grants.
- 3.8 *Back to Basics strategy, where the main focus will be on improving service delivery, accountability and financial management.* FSM agrees again. Accountability and good financial management would seem to be lacking with regard to the NRM Grant and the entire functioning (or perhaps the dysfunctional state) of the Nature Conservation section of Community and Protection Services.
- 3.9 Province: *Finding alternative means to generate electricity for the province and alleviate the strain on the electrical grid* FSM lauds the foresight and wishes the Municipality all success in this initiative. Finally some Innovation in the “Innovation Capital”, after many false starts and false claims.
- 3.10 Cost containment measures issued by National Treasury 7 June 2019. Municipalities must *eliminate any wasteful and non-core spending* FSM: The amount appearing in the draft budgets for spending on roads can be considered wasteful, as the future will certainly not be in exponentially growing car traffic volumes.
- 3.11 *Funds were shifted from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken on non-core and “nice to have” items with regards to expenditure.* FSM: Indeed priorities will have to be applied more stringently. But the changes have not gone far enough. It is critical to understand that alien clearing is not a “nice to have” but a cornerstone for sustainable delivery of water, fire prevention and prevention of much larger clearing costs later. Reduce the overspend on roads and other wasteful expenditure, and fund the Nature Conservation and law enforcement sections of Community and Protection Services properly.
- 3.12 Section 6.2 of the agenda item advocates *Full participation in the EPWP programme* as well as *Water conservation initiatives*. FSM agrees wholeheartedly. Why then is this participation not visible in the management of nature areas? Why is the Municipality neglecting the Mountain Catchment Area management so badly?

## 4 Mobility, Transport, Roads

There is no time to delve into the full set of issues regarding mobility. Here we provide only a few pointers.

- 4.1 The assumption of eternal growth is now proven wrong. The coronavirus epidemic has shown that constant growth of motor vehicle traffic is by no means a given. The recession and cost containment imperatives imply that new road construction is no longer feasible.
- 4.2 Specifically, the Parking policy and the presentation on the Comprehensive Integrated Transport Plan in the Mobility Forum belong to the pre-pandemic mindset and are obsolete.
- 4.3 The current MTREF and CEF capital budgets continue to reflect a massive overspend on roads and cars and underspend on public transport, even before Provincial funding is taken into account. There is a dire need for ramping up funding of transport infrastructure and critical issues like Travel Demand Management.
- 4.4 Public-private partnerships will be important. They must, however, comply with the spirit and letter of the pertinent legislation as well as actively promoting the goals and principles of the IDP and MSDF.

- 4.5 Specifically, the Adam Tas Corridor initiative is to be welcomed, but on the strict precondition that it does not benefit only a few landowners and does not catalyse unsustainable town structure.
- 4.6 The IDP should state unambiguously that the huge additional infrastructure development planned for the Adam Tas Corridor is to be considered **a replacement of urban sprawl and other unsustainable projects elsewhere.**
- 4.7 Public-private partnerships as envisaged in the Parking Policy are not compatible with the IDP, MSDF and overarching town planning legislation.
- 4.8 **Development contributions** have up to now been used almost exclusively for road-related projects. That has to be stopped immediately; DCs should be utilised to further public transport infrastructure.
- 4.9 We are very concerned that the Section of 2019 IDP on “Institutional Capacity Building” has been removed. It should be restored.

## 5 More on Nature Conservation, Invasives, EPWP

- 5.1 **Table 35 IDP Strategic Focus Area SFA-2:** The SFA 2.1 reads *Managing human use of the biosphere and its resources* and the subitem 2.1.1 reads *Conserve natural resources, biodiversity and landscapes*. The entries for 2017/18, 18/19 and 19/20 keep referring to the Stellenbosch Environmental Management Framework (SEMF) and to Alien Vegetation Management Plans, as if there was some activity. In truth, the only activity in alien invasive management in the past year was carried out by the River Stewardship Programme (largely run by NGOs) and by us, Friends of Stellenbosch Mountain; see Section 1 for details. The “Friends Groups” initiative has seen no action at all since October 2019.

The entries in Table 35 for 2019/20 implicitly reflect this situation. The phrases *ongoing* and *as far as possible* are meaningless and do not refer to any specific actions, because there appear to have been none. These phrases are also misleading in that they create the appearance of activity when in truth the management of nature areas has essentially ceased.

- 5.2 **Invasive species:** The threat posed by invasive species and especially alien invasive plants (IAPs) is as large as that of limited water resources. Like the coronavirus and all biological systems, IAPs will grow exponentially and consume all available resources unless they are stopped early and hard. The IDP does not recognise or acknowledge this at all. It mentions invasives only because the topic was raised in the October 2019 stakeholder engagements (see page 172). It also warrants only a single mention in Disaster Management on Page 215. The problem is not discussed, not put into goals, and is not being funded in the budget. It is completely ignored.
- 5.3 **Climate change** also is almost ignored. It is not an “Operational Risk” as stated in Table 8 on Page 33, but the largest strategic risk of all. All the other risks listed in Table 8 are trivial compared to the risks posed to climate change. Section 3.3.14 is also completely inadequate: all it does is mention climate change in the form of a wish list. The statements made there are correct, but they appear as an afterthought instead of determining the entire set of priorities of the IDP. Concrete action needs to be taken, for example, in reducing greenhouse gas emissions, not just a wish list.

## 6 Other comments

- 6.1 Section 7.6.2 of the 2019 IDP is reproduced in Appendix A17 below. It has been omitted from the draft 2020 IDP. FSM objects to this removal and requests that it be edited to reflect the current realities and then be re-inserted into the IDP. In particular the transport planning parts are important and may not be omitted from the IDP.
- 6.2 As one of the central sectoral plans, the goals and strategies of the IDP need to be revised to include the principles, strategies and goals of the Stellenbosch Environmental Management Framework (SEMF). The SEMF has the same stature as the MSDF and must inform the IDP.
- 6.3 Draft Development Charges Policy (Appendix 18 of the draft MTREF) Section 4.1.3.2: *Development charges should not be used as a spatial planning policy instrument*; We differ. The use of DCs as spatial planning policy instruments would greatly aid to discourage urban sprawl and encourage development at appropriate locations. Alternatively the development charges should become dependent not just on the costs of the services provided but on the alignment of the development with the goals of the IDP, MSDF and CITP.
- 6.4 The five “Strategic Objectives” (*Valley of Possibility* etc) such as eg listed on Page 229 of the IDP are good and well and should no doubt be kept. It seems unnecessary and a waste of space to list such objectives in a separate column for each budget item in the many tables, starting from Table 95.
- 6.5 The statement on Page 180: *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.* is incorrect and outdated since the Paradyskloof Nature Area EMP was tabled and approved in 2019. The term “Nature Resource Programme” is also misleading. If it refers to the *Natural Resources Management* (NRM) programme of national government, it should do so. If it is a separate programme, then it should be explained to which programme this refers.
- 6.6 “POE” is not defined in list of acronyms
- 6.7 Page 62: the IZS is already approved; the IDP text is wrong
- 6.8 Page 71: the text on “work on SDF” needs updating
- 6.9 Page 175: Smart City may sound like a good idea, but it would be helpful if the IDP and MTREF addressed Cost Containment and Back to Basics before embarking on yet another initiative.
- 6.10 Re Tables around p256: the headings are wrong (FIRST Directorate, THEN project name)



# APPENDICES

to the

Comments on the  
Third Review of the Stellenbosch 2017–2022 IDP  
(Version 9 of March 2020)

Friends of Stellenbosch Mountain

## A1 NRM and EPWP Grants: Details

### A1.1 NRM Grant

- All amounts quoted are in SA Rand. In some tables in the municipal documents, the exact Rand amount is shown, in others, only R000 (thousands of Rands) approximations are shown. This leads to discrepancies where e.g. R2,359,500 can appear elsewhere as R2360k. YTD means “year-to-date”. Municipal quarters end in September (Q1), December (Q2), March (Q3) and June (Q4). The financial year runs from July to June.
- Agenda.29th-Council.2019-07-24-page458-NRM-Grant, **Quarterly Budget Statement June 2019** (18/19 Q4):
  - NRM Grant Expected allocation 7,150,000 (i.e. presumably the full alien clearing grant over three years)
  - NRM Grant Accumulated receipts (grant money received) 2,359,500 (for the current year)
  - NRM Grant 18/19 Q4 and YTD expenditure: 166,977
  - NRM Grant 18/19 unspent: 2,192,523
  - Similar amounts for EPWP grants eg 5,722,000, but these may not be linked to the DEA grant.
- **August 2019 Adjustments Budget:** Funds rolled over 1,953,031. Motivation: *Funding expenditure for the Natural Resource Management Fund*
- Agenda Council 2019-10-23  
**Quarterly Budget Statement September 2019** (19/20 Q1)
  - NRM Grant Total allocated 9,418,031
  - NRM Grant Allocation later 7,465,000
  - NRM Grant Opening balance 1,953,031
  - NRM Grant Actual spend 229,955
  - NRM Grant Unspent 1,723,075
- Agenda.34th-Council.2020-01-29-page708-NRM-Grant.pdf **Quarterly Budget Statement December 2019** (19/20 Q2):
  - NRM Grant Total 2018/19: 9,418,031 (missing in June 2019 stmt)
  - NRM Grant Expected allocation 7,45,000 (differs from June 19)
  - NRM Grant Opening Balance 1 July 2019: 1,953,031
  - NRM Grant 19/20 Q2 YTD expenditure: 247,007
  - NRM Grant 19/20 Q2 expenditure: 17,052
  - NRM Grant 19/20 Q2 unspent: 1,706,024
  - Similar amounts for EPWP grants eg 5,227,000, (**Note difference to June**) but these may not be linked to the DEA grant.
- The Mayco Agenda of 2020-03-20 Page 621 shows an *Award made by the Accounting Officer* bid number “B/SM 07/19”, *Alien Clearing In The Wc024 Area, For A Contract Period Ending 30 June 2021* but does not detail any value of the bid awarded.

- Agenda Mayco 2020-03-20 page 837: *Notes to Annual Financial Statements Reconciliation of provisions 2018*  
*Alien vegetation Opening Balance 293,672* reversed during the year.  
*Clearing of alien vegetation. The provision for clearing of alien vegetation relates to the estimated cost for the clearing of alien vegetation from the areas under the jurisdiction of the municipality In terms of the Conservation of Agricultural Resources Act, (Act 43 of 1983) the provision for the clearing of alien vegetation was established in 2005/06 as a start to address the backlogs that existed. The municipality eradicated the back-log. The clearing of alien vegetation as an on-going operational expense and is included in the operational budget.*
- Agenda Mayco 2020-03-20 page 842: *Notes to Annual Financial Statements ...*  
*32. Government grants and subsidies...Natural Resources Management Grant 2019*  
R406,469 unspent  
Page 838 is headed: *Unspent conditional grants and receipts.* At the bottom of p838 it states: *These amounts are invested in a ring-fenced investment until utilised.*
- Draft MTREF 2020/21 to 2020/23, March 2020, as appears in the Council Agenda of 2020–03-25: On Page 484 of the agenda, an amount of R1,953,031 appears as *National Government: Balance unspent at beginning of the year (Year 19/20)* but the amount is not continued into the year 20/21.

12 Desember 2019

## Kyk asseblief betyds na ons reservate

Hier is 'n bom gestel wat wag om te ontplof – en as dit gaan gebeur gaan dit verreikende gevolge vir die dorp inhou.

Ons het vroeër vanjaar te make gehad met die inval van privaat landbougrond wat aan een van die dorp se mees vooraanstaande boere behoort het. Ja, dit is verkoop en daar is vrae rakende die prosesse en bedrae wat betaal is. Ook oor die daaropvolgende moord op hom.

Maar aan die ander kant van die dorp is 'n soortgelyke situasie besig om te ontstaan. Plakkers is stadig maar seker besig om die Papegaaiberg-natuurreservaat binne te dring deur die oprigting van onwettige strukture. Ons almal weet dat as só 'n struktuur eers staan en dit vir 48 uur bewoon is, is dit net 'n hooggeregshofbevel wat dit kan laat verdwyn.

Ons natuurgebiede is onder groot druk – ook ons eie natuurreservaat. Kyk maar na die varkboerdery wat ongehinderd daar voortgaan (*Eikestadnuus* 5 Desember 2019). En die gestoei oor Jonkershoek en die gebruik van dáárdie wêrelderfenisgebied.

Ek hoop van harte ons stadsvaders, of die moeder, sal betyds optree om hierdie probleem in die kiem te smoor.

Of gaan die Papegaaiberg binnekort lyk soos dit in Knysna langs die N2 lyk waar die eerste indrukke van hierdie pragtige dorp een is van plakkershut op plakkershut?

Johan Schreuder, VOËLTJIESDORP

**A3 EPWP and NRM Grants:**  
**Agenda 26th Council 2019-04-24 Page 645**

**Supporting Table SC6: Monthly Budget Statement – Transfers and grant receipts**

WC024 Stellenbosch - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

| Description                                                     | Ref | Budget Year 2018/19     |                 |                 |                |               |               |              |                |                    |
|-----------------------------------------------------------------|-----|-------------------------|-----------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|                                                                 |     | 2017/18 Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| <b>R thousands</b>                                              |     |                         |                 |                 |                |               |               |              |                |                    |
| <b>RECEIPTS:</b>                                                | 1.2 |                         |                 |                 |                |               |               |              |                |                    |
| <b>Operating Transfers and Grants</b>                           |     |                         |                 |                 |                |               |               |              |                |                    |
| National Government:                                            |     | -                       | 131 448         | 131 448         | 35 120         | 133 808       | 125 032       | 6 416        | 5.1%           | 131 448            |
| Local Government Equitable Share                                |     |                         | 124 176         | 124 176         | 31 044         | 124 176       | 117 760       | 6 416        | 5.4%           | 124 176            |
| EPWP Integrated Grant for Municipalities                        |     |                         | 5 722           | 5 722           | 1 716          | 5 722         | 5 722         |              |                | 5 722              |
| Local Government Financial Management Grant                     |     |                         | 1 550           | 1 550           | -              | 1 550         | 1 550         |              |                | 1 550              |
| Natural Resources Management Grant                              |     |                         |                 |                 | 2 360          | 2 360         | -             |              |                |                    |
| Other transfers and grants [insert description]                 | 3   |                         |                 |                 |                |               |               |              |                |                    |
| Provincial Government:                                          |     | -                       | 13 252          | 26 905          | 1 860          | 14 685        | 26 777        | (11 859)     | -44.3%         | 26 905             |
| Library Services: Conditional Grant                             |     |                         | 12 210          | 12 210          | -              | 12 210        | 12 210        | -            |                | 12 210             |
| Community Development Workers Operational Support Grant         |     |                         | 56              | 56              | -              | -             | -             |              |                | 56                 |
| Human Settlements Development Grant                             |     |                         |                 | 11 931          | -              | -             | 11 931        | (11 931)     | -100.0%        | 11 931             |
| LG Graduate Internship Grant                                    |     |                         |                 | 72              | 72             | 72            | -             | 72           | #DIV/0!        | 72                 |
| WC Financial Management Support Grant                           |     |                         | 255             | 255             | -              | 255           | 255           |              |                | 255                |
| Financial Management Capacity Building Grant                    |     |                         | 360             | 360             | -              | 360           | 360           |              |                | 360                |
| Maintenance and Construction of Transport Infrastructure        |     |                         | 371             | 371             | 371            | 371           | 371           |              |                | 371                |
| Title Deeds Resubstration                                       |     |                         | -               | 1 650           | 1 417          | 1 417         | 1 650         |              |                | 1 650              |
| District Municipality:<br>[insert description]                  |     | -                       | -               | -               | -              | -             | -             | -            |                | -                  |
| Other grant providers:<br>[insert description]                  |     | -                       | -               | -               | -              | -             | -             | -            |                | -                  |
| <b>Total Operating Transfers and Grants</b>                     | 5   | -                       | 144 700         | 158 353         | 36 980         | 148 493       | 151 809       | (5 443)      | -3.6%          | 158 353            |
| <b>Capital Transfers and Grants</b>                             |     |                         |                 |                 |                |               |               |              |                |                    |
| National Government:                                            |     | -                       | 40 107          | 44 482          | 11 665         | 42 258        | 31 321        | 11 702       | 37.4%          | 40 107             |
| Municipal Infrastructure Grant (MIG)                            |     |                         | 35 107          | 35 107          | 12 607         | 35 107        | 23 405        | 11 702       | 50.0%          | 35 107             |
| Integrated National Electrification Programme (Municipal) Grant |     |                         | 5 000           | 5 000           | -              | 5 000         | 5 000         |              |                | 5 000              |
| Shared Economic Infrastructure Facility                         |     |                         |                 | 4 375           | (942)          | 2 151         | 2 917         |              |                |                    |
| Other capital transfers [insert description]                    |     |                         |                 |                 |                |               |               |              |                |                    |
| Provincial Government:                                          |     | -                       | 51 697          | 51 697          | 15 505         | 20 515        | 30 801        | (10 287)     | -33.4%         | 51 697             |
| Human Settlements Development Grant                             |     |                         | 48 094          | 48 094          | 15 505         | 16 912        | 27 198        | (10 287)     | -37.8%         | 48 094             |
| RSEP/ VPUU                                                      |     |                         |                 |                 |                |               |               |              |                |                    |
| Maintenance and Construction of Transport Infrastructure        |     |                         |                 |                 |                |               |               |              |                |                    |
| Library Services: Conditional Grant                             |     |                         |                 |                 |                |               |               |              |                |                    |
| Integrated Transport Planning                                   |     |                         | 600             | 600             | -              | 600           | 600           |              |                | 600                |
| Fire Services Capacity Building Grant                           |     |                         | 3 003           | 3 003           | -              | 3 003         | 3 003         |              |                | 3 003              |
| District Municipality:<br>[insert description]                  |     | -                       | -               | -               | -              | -             | -             | -            |                | -                  |
| Other grant providers:<br>[insert description]                  |     | -                       | -               | -               | -              | -             | -             | -            |                | -                  |
| <b>Total Capital Transfers and Grants</b>                       | 5   | -                       | 91 804          | 96 179          | 27 170         | 62 772        | 62 122        | 1 416        | 2.3%           | 91 804             |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>                 | 5   | -                       | 236 504         | 254 532         | 64 149         | 211 265       | 213 931       | (4 027)      | -1.9%          | 250 157            |

QUARTERLY BUDGET STATEMENT FOR JUNE 2019

**7. Allocations and grant receipts and expenditure for the 4th Quarter of 2018/19**

|                                                                 | TOTAL 2018/19<br>INCLUSIVE OF<br>ROLL OVER<br>AMOUNTS | EXPECTED<br>ALLOCATION | ROLL OVER<br>FUNDING<br>UNSPENT | ACCUMULATED<br>RECEIPTS | ACCUMULATED<br>ACTUAL<br>EXPENDITURE | QUARTER 4<br>RECEIPTS | QUARTER 4<br>ACTUAL<br>EXPENDITURE | UNSPENT<br>CONDITIONAL<br>GRANTS -<br>QUARTER 4 YTD |
|-----------------------------------------------------------------|-------------------------------------------------------|------------------------|---------------------------------|-------------------------|--------------------------------------|-----------------------|------------------------------------|-----------------------------------------------------|
| <b>OPERATING &amp; CAPITAL GRANTS</b>                           |                                                       |                        |                                 |                         |                                      |                       |                                    |                                                     |
| EPWP Integrated Grant for Municipalities                        | 5 722 000                                             | 5 722 000              | -                               | 5 722 000               | 5 722 000                            | -                     | 1 985 736                          | -                                                   |
| Local Government Financial Management Grant                     | 1 550 000                                             | 1 550 000              | -                               | 1 550 000               | 1 469 141                            | -                     | 836 294                            | 80 859                                              |
| Municipal Infrastructure Grant (MIG)                            | 35 107 000                                            | 35 107 000             | -                               | 35 107 000              | 35 107 000                           | -                     | 16 027 680                         | 0                                                   |
| Integrated National Electrification Programme (Municipal) Grant | 5 000 000                                             | 5 000 000              | -                               | 5 000 000               | 4 195 401                            | -                     | 1 051 114                          | 804 599                                             |
| Shared Economic Infrastructure Facility                         | 4 375 021                                             | 4 375 021              | -                               | 3 093 212               | 3 093 212                            | 942 377               | 3 093 212                          | -                                                   |
| Natural Resources Management Grant                              | 7 150 000                                             | 7 150 000              | -                               | 2 359 500               | 166 977                              | -                     | 166 977                            | 2 192 523                                           |
| Library Services: Conditional Grant                             | 12 210 000                                            | 12 210 000             | -                               | 12 210 000              | 11 387 401                           | -                     | 4 328 811                          | 822 599                                             |
| Community Development Workers Operational Support Grant         | 56 000                                                | 56 000                 | -                               | -                       | 56 146                               | -                     | 32 634                             | (56 146)                                            |
| Human Settlements Development Grant                             | 79 708 937                                            | 57 780 000             | 21 928 937                      | 61 926 068              | 51 688 649                           | 45 014 488            | 16 383 239                         | 32 166 356                                          |
| Title Deeds Restoration Grant                                   |                                                       | 1 650 000              | -                               | 1 861 169               | -                                    | 444 169               | -                                  | 1 861 169                                           |
| LG Financial Management Support Grant                           | 255 000                                               | 255 000                | -                               | 255 000                 | 185 458                              | -                     | 41 508                             | 69 542                                              |
| Financial Management Capacity Building Grant                    | 600 000                                               | 360 000                | 240 000                         | 360 000                 | 139 410                              | -                     | 139 410                            | 460 590                                             |
| Municipal Graduate Internship Programme Grant                   | 72 000                                                | 72 000                 | -                               | 72 000                  | 12 000                               | -                     | 12 000                             | 60 000                                              |
| Maintenance and Construction of Transport Infrastructure        | 371 000                                               | 371 000                | -                               | 371 000                 | 371 000                              | -                     | -                                  | -                                                   |
| Integrated Transport Planning                                   | 600 000                                               | 600 000                | -                               | 600 000                 | 600 000                              | -                     | 10 880                             | -                                                   |
| Fire Services Capacity Building Grant                           | 3 003 000                                             | 3 003 000              | -                               | 3 003 000               | -                                    | -                     | -                                  | 3 003 000                                           |
| <b>TOTAL</b>                                                    | <b>144 254 937</b>                                    | <b>135 261 021</b>     | <b>22 168 937</b>               | <b>133 489 949</b>      | <b>114 193 795</b>                   | <b>46 401 034</b>     | <b>44 119 496</b>                  | <b>41 465 091</b>                                   |

Please note:

- The Fire Services capacity Building grant will not be spent during the current financial year. A roll over application will be submitted during August 2019, in accordance with PT circular 18 of 2019, for the retention of the funding as delivery of the vehicles has taken place after the financial year end.
- Human Settlements; 65% of the gazetted allocations has been spent. Total expenditure incurred on the grant amounted to R51 688 649. The municipality is at risk of not utilising its full grant allocation.

A5 EPWP and NRM Grants: Quarterly Statement Sept 2019  
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7. Allocations and grant receipts and expenditure for the 1st Quarter of 2018/19

|                                                                 | TOTAL 2018/19<br>INCLUSIVE OF<br>ROLL OVER<br>AMOUNTS | EXPECTED<br>ALLOCATION | OPENING<br>BALANCE 1<br>JULY 2019 | ACCUMULATED<br>RECEIPTS | ACCUMULATED<br>ACTUAL<br>EXPENDITURE | QUARTER 1<br>RECEIPTS | QUARTER 1<br>ACTUAL<br>EXPENDITURE | UNSPENT<br>CONDITIONAL<br>GRANTS -<br>QUARTER 1 |
|-----------------------------------------------------------------|-------------------------------------------------------|------------------------|-----------------------------------|-------------------------|--------------------------------------|-----------------------|------------------------------------|-------------------------------------------------|
| <b>OPERATING &amp; CAPITAL GRANTS</b>                           |                                                       |                        |                                   |                         |                                      |                       |                                    |                                                 |
| Municipal Systems Improvement                                   | 1 750 000                                             | 1 750 000              | -                                 | -                       | -                                    | -                     | -                                  | -                                               |
| EPWP Integrated Grant for Municipalities                        | 5 227 000                                             | 5 227 000              | 1 307 000                         | 1 307 000               | 1 307 000                            | 888 797               | 438 203                            |                                                 |
| Local Government Financial Management Grant                     | 1 550 000                                             | 1 550 000              | 1 550 000                         | 1 550 000               | 1 550 000                            | 99 097                | 1 450 903                          |                                                 |
| Integrated National Electrification Programme (Municipal) Grant | 15 640 000                                            | 15 640 000             | 7 640 000                         | 7 640 000               | 7 640 000                            | 277 106               | 7 362 894                          |                                                 |
| Shared Economic Infrastructure facility                         | -                                                     | -                      | -                                 | -                       | -                                    | -                     | -                                  | -                                               |
| Integrated Urban Development Grant                              | 46 886 000                                            | 46 886 000             | 5 000 000                         | 5 000 000               | 5 000 000                            | 1 790 743             | 3 209 257                          |                                                 |
| Library Services: Conditional Grant                             | 12 454 000                                            | 12 454 000             | 4 151 334                         | 4 151 334               | 4 151 334                            | 1 315 359             | 2 835 975                          |                                                 |
| Community Development Workers Operational Support Grant         | -                                                     | -                      | -                                 | -                       | -                                    | -                     | -                                  | -                                               |
| Human Settlements Development Grant                             | 83 610 000                                            | 37 900 000             | 45 710 000                        | -                       | -                                    | 45 066 555            | 643 445                            |                                                 |
| I.G. Graduate Internship Grant                                  | -                                                     | -                      | -                                 | -                       | -                                    | -                     | -                                  | -                                               |
| WC Financial Management Support Grant                           | 255 000                                               | 255 000                | -                                 | -                       | -                                    | 5 452                 | (5 452)                            |                                                 |
| Financial Management Capacity Building Grant                    | 380 000                                               | 380 000                | -                                 | -                       | -                                    | -                     | -                                  |                                                 |
| Maintenance and Construction of Transport Infrastructure        | 384 000                                               | 384 000                | -                                 | -                       | -                                    | -                     | -                                  |                                                 |
| Municipal Accreditation and Capacity Building Grant             | 448 000                                               | 224 000                | 224 000                           | -                       | -                                    | -                     | -                                  |                                                 |
| Regional Socio-Economic Project/violence through urban upgradi  | 1 500 000                                             | 1 500 000              | -                                 | 1 500 000               | 1 500 000                            | -                     | 224 000                            |                                                 |
| Integrated Transport Planning                                   | 600 000                                               | 600 000                | -                                 | -                       | -                                    | -                     | -                                  |                                                 |
| Natural Resources Management                                    | 9 418 031                                             | 7 465 000              | 1 953 031                         | -                       | -                                    | -                     | 229 955                            |                                                 |
| <b>TOTAL</b>                                                    | <b>180 102 031</b>                                    | <b>132 215 000</b>     | <b>47 887 031</b>                 | <b>21 148 334</b>       | <b>49 653 064</b>                    | <b>3 838 096</b>      | <b>1 500 000</b>                   | <b>19 382 301</b>                               |

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QUARTERLY BUDGET STATEMENT FOR DECEMBER 2019

**7. Allocations and grant receipts and expenditure for the 2<sup>nd</sup> Quarter of 2018/19**

|                                                                 | TOTAL 2018/19<br>INCLUSIVE OF<br>ROLL OVER<br>AMOUNTS | EXPECTED<br>ALLOCATION | OPENING<br>BALANCE 1<br>JULY 2019 | ACCUMULATED<br>RECEIPTS | ACCUMULATED<br>ACTUAL<br>EXPENDITURE | QUARTER 2<br>RECEIPTS | QUARTER 2<br>ACTUAL<br>EXPENDITURE | UNSPENT<br>CONDITIONAL<br>GRANTS -<br>QUARTER 2 |
|-----------------------------------------------------------------|-------------------------------------------------------|------------------------|-----------------------------------|-------------------------|--------------------------------------|-----------------------|------------------------------------|-------------------------------------------------|
| <b>OPERATING &amp; CAPITAL GRANTS</b>                           |                                                       |                        |                                   |                         |                                      |                       |                                    |                                                 |
| Municipal Systems Improvement                                   | 1 750 000                                             | 1 750 000              |                                   | -                       | -                                    | -                     | -                                  | -                                               |
| EPWP Integrated Grant for Municipalities                        | 5 227 000                                             | 5 227 000              |                                   | 1 307 000               | 1 800 626                            | -                     | 931 829                            | (493 626)                                       |
| Local Government Financial Management Grant                     | 1 550 000                                             | 1 550 000              |                                   | 1 550 000               | 1 069 676                            | -                     | 970 579                            | 480 324                                         |
| Integrated National Electrification Programme (Municipal) Grant | 15 640 000                                            | 15 640 000             |                                   | 15 640 000              | 2 790 410                            | 8 000 000             | 2 513 304                          | 12 849 590                                      |
| Shared Economic infrastructure facility                         | -                                                     | -                      |                                   | 35 000                  | -                                    | 35 000                | -                                  | 35 000                                          |
| Integrated Urban Development Grant                              | 46 886 000                                            | 46 886 000             |                                   | 5 000 000               | 29 552 750                           | -                     | 27 762 007                         | (24 552 750)                                    |
| Library Services: Conditional Grant                             | 12 454 000                                            | 12 454 000             |                                   | 8 302 667               | 3 691 363                            | 4 151 333             | 2 376 003                          | 4 611 304                                       |
| Community Development Workers Operational Support Grant         | -                                                     | -                      | 45 710 000                        | -                       | 50 187 575                           | -                     | 5 121 020                          | (4 477 575)                                     |
| Human Settlements Development Grant                             | 83 610 000                                            | 37 900 000             |                                   | -                       | -                                    | -                     | -                                  | -                                               |
| LG Graduate Internship Grant                                    | -                                                     | -                      |                                   | -                       | -                                    | -                     | -                                  | -                                               |
| WC Financial Management Support Grant                           | 255 000                                               | 255 000                |                                   | 255 000                 | 6 210                                | 255 000               | 758                                | 248 790                                         |
| Financial Management Capacity Building Grant                    | 380 000                                               | 380 000                |                                   | -                       | -                                    | -                     | -                                  | -                                               |
| Maintenance and Construction of Transport Infrastructure        | 384 000                                               | 384 000                |                                   | -                       | -                                    | -                     | -                                  | -                                               |
| Municipal Accreditation and Capacity Building Grant             | 448 000                                               | 224 000                | 224 000                           | -                       | -                                    | -                     | -                                  | 224 000                                         |
| Regional Socio-Economic Project/violence through urban upgrade  | 1 500 000                                             | 1 500 000              |                                   | 1 500 000               | -                                    | -                     | -                                  | 1 500 000                                       |
| Integrated Transport Planning                                   | 600 000                                               | 600 000                |                                   | -                       | 87 033                               | -                     | 87 033                             | (87 033)                                        |
| Natural Resources Management                                    | 9 418 031                                             | 7 465 000              | 1 953 031                         | -                       | 247 007                              | -                     | 17 052                             | 1 706 024                                       |
| <b>TOTAL</b>                                                    | <b>180 102 031</b>                                    | <b>132 215 000</b>     | <b>47 887 031</b>                 | <b>33 589 667</b>       | <b>89 432 650</b>                    | <b>12 441 333</b>     | <b>39 779 586</b>                  | <b>(7 955 952)</b>                              |



## A7 NRM Grant: Adjustments Budget, August 2019, Pages 16-17

### Operational Adjustments Budget for 2019/2020

The following funds per directorate are to be rolled-over:

#### Revenue

| Directorate                                | Approved Budget      | Funds rolled-over | Adjustments Budget   |
|--------------------------------------------|----------------------|-------------------|----------------------|
| <b>Municipal Manager</b>                   | 387 360              | -                 | 387 360              |
| <b>Planning &amp; Development Services</b> | 96 044 641           | -                 | 96 044 641           |
| <b>Community and Protection Services</b>   | 147 701 811          | -                 | 147 701 811          |
| <b>Infrastructure Services</b>             | 1 196 524 526        | 1 953 031         | 1 198 477 557        |
| <b>Corporate Services</b>                  | 10 396 240           | -                 | 10 396 240           |
| <b>Financial Services</b>                  | 468 680 208          | -                 | 468 680 208          |
| <b>Total Revenue</b>                       | <b>1 919 734 787</b> | <b>1 953 031</b>  | <b>1 921 687 818</b> |

#### Expenditure

| Directorate                                | Approved Budget      | Funds rolled-over | Adjustments Budget   |
|--------------------------------------------|----------------------|-------------------|----------------------|
| <b>Municipal Manager</b>                   | 52 257 775           | -                 | 52 257 775           |
| <b>Planning &amp; Development Services</b> | 109 278 726          | -                 | 109 278 726          |
| <b>Community and Protection Services</b>   | 357 525 777          | 1 953 031         | 359 478 808          |
| <b>Infrastructure Services</b>             | 972 005 815          | -                 | 972 005 815          |
| <b>Corporate Services</b>                  | 184 054 859          | -                 | 184 054 859          |
| <b>Financial Services</b>                  | 133 124 272          | -                 | 133 124 272          |
| <b>Total Revenue</b>                       | <b>1 808 247 224</b> | <b>1 953 031</b>  | <b>1 810 200 255</b> |

Details are as follows:

**Operating Expenditure**

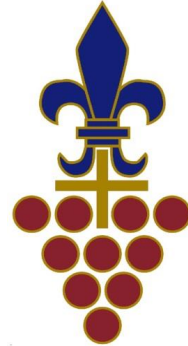
| Description                              |                                                      | Fund | Roll Over (R)    | Motivation                                                   |
|------------------------------------------|------------------------------------------------------|------|------------------|--------------------------------------------------------------|
| <b>Community and Protection Services</b> |                                                      |      | <b>1 953 031</b> |                                                              |
|                                          | <b>Environmental Management: Nature Conservation</b> |      |                  |                                                              |
|                                          | Operational: Natural Resource Management Grant       | NRM  | 1 953 031        | Funding expenditure for the Natural Resource Management Fund |
| <b>TOTAL - Operating Expenditure</b>     |                                                      |      | <b>1 953 031</b> |                                                              |

**Operating Revenue**

| Description                                          |                                                | Fund | Roll Over (R)    | Motivation                                                   |
|------------------------------------------------------|------------------------------------------------|------|------------------|--------------------------------------------------------------|
| <b>Community and Protection Services</b>             |                                                |      | <b>1 953 031</b> |                                                              |
| <b>Environmental Management: Nature Conservation</b> |                                                |      |                  |                                                              |
|                                                      | Operational: Natural Resource Management Grant | NRM  | 1 953 031        | Funding expenditure for the Natural Resource Management Fund |
| <b>TOTAL - Operating Revenue</b>                     |                                                |      | <b>1 953 031</b> |                                                              |

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 |                        |                        |
|---------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
|                                                         |     | 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 |
| <b>Operating transfers and grants:</b>                  | 1,3 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| 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                |
| <b>Conditions met - transferred to revenue</b>          |     | <b>99 065</b>   | <b>117 001</b>  | <b>131 448</b>  | <b>144 704</b>       | <b>143 201</b>  | <b>143 201</b>     | <b>156 315</b>                                      | <b>166 626</b>         | <b>182 249</b>         |
| Conditions still to be met - transferred to liabilities |     | -               | -               | -               | -                    | 1 706           | 1 706              |                                                     |                        |                        |
| <b>Provincial Government:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| 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                 |
| <b>Conditions met - transferred to revenue</b>          |     | <b>32 204</b>   | <b>33 660</b>   | <b>9 303</b>    | <b>27 635</b>        | <b>23 652</b>   | <b>23 652</b>      | <b>21 792</b>                                       | <b>14 554</b>          | <b>15 325</b>          |
| Conditions still to be met - transferred to liabilities |     | -               | -               | 9 167           | -                    | -               | -                  |                                                     |                        |                        |
| <b>District Municipality:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Current year receipts                                   |     | 300             | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Conditions met - transferred to revenue</b>          |     | <b>300</b>      | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| Conditions still to be met - transferred to liabilities |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Other grant providers:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Current year receipts                                   |     | -               | -               | 406             | -                    | 2 035           | 2 035              | -                                                   | -                      | -                      |
| <b>Conditions met - transferred to revenue</b>          |     | <b>-</b>        | <b>-</b>        | <b>406</b>      | <b>-</b>             | <b>2 035</b>    | <b>2 035</b>       | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| Conditions still to be met - transferred to liabilities |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total operating transfers and grants revenue</b>     |     | <b>131 569</b>  | <b>150 661</b>  | <b>141 158</b>  | <b>172 339</b>       | <b>168 888</b>  | <b>168 888</b>     | <b>178 107</b>                                      | <b>181 180</b>         | <b>197 574</b>         |
| <b>Total operating transfers and grants - CTBM</b>      | 2   | <b>-</b>        | <b>-</b>        | <b>9 167</b>    | <b>-</b>             | <b>1 706</b>    | <b>1 706</b>       | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b>Capital transfers and grants:</b>                    | 1,3 |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| <b>National Government:</b>                             |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| 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                 |
| <b>Conditions met - transferred to revenue</b>          |     | <b>80 106</b>   | <b>47 594</b>   | <b>40 107</b>   | <b>62 526</b>        | <b>62 526</b>   | <b>62 526</b>      | <b>63 690</b>                                       | <b>43 675</b>          | <b>46 102</b>          |
| Conditions still to be met - transferred to liabilities |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Provincial Government:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| 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                 |
| <b>Conditions met - transferred to revenue</b>          |     | <b>34 224</b>   | <b>25 102</b>   | <b>58 607</b>   | <b>78 562</b>        | <b>79 073</b>   | <b>79 073</b>      | <b>49 739</b>                                       | <b>51 620</b>          | <b>54 600</b>          |
| Conditions still to be met - transferred to liabilities |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>District Municipality:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Current year receipts                                   |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Conditions met - transferred to revenue</b>          |     | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| Conditions still to be met - transferred to liabilities |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Other grant providers:</b>                           |     |                 |                 |                 |                      |                 |                    |                                                     |                        |                        |
| Balance unspent at beginning of the year                |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| Current year receipts                                   |     | 11 631          | 1 053           | 3 561           | -                    | 50 000          | 50 000             | -                                                   | -                      | -                      |
| <b>Conditions met - transferred to revenue</b>          |     | <b>11 631</b>   | <b>1 053</b>    | <b>3 561</b>    | <b>-</b>             | <b>50 000</b>   | <b>50 000</b>      | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| Conditions still to be met - transferred to liabilities |     | -               | -               | -               | -                    | -               | -                  | -                                                   | -                      | -                      |
| <b>Total capital transfers and grants revenue</b>       |     | <b>125 961</b>  | <b>73 750</b>   | <b>102 275</b>  | <b>141 088</b>       | <b>191 599</b>  | <b>191 599</b>     | <b>113 429</b>                                      | <b>95 295</b>          | <b>100 702</b>         |
| <b>Total capital transfers and grants - CTBM</b>        | 2   | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |
| <b>TOTAL TRANSFERS AND GRANTS REVENUE</b>               |     | <b>257 529</b>  | <b>224 410</b>  | <b>243 433</b>  | <b>313 427</b>       | <b>360 487</b>  | <b>360 487</b>     | <b>291 536</b>                                      | <b>276 475</b>         | <b>298 276</b>         |
| <b>TOTAL TRANSFERS AND GRANTS - CTBM</b>                |     | <b>-</b>        | <b>-</b>        | <b>9 167</b>    | <b>-</b>             | <b>1 706</b>    | <b>1 706</b>       | <b>-</b>                                            | <b>-</b>               | <b>-</b>               |



**MONTHLY REPORT  
MARCH 2019**

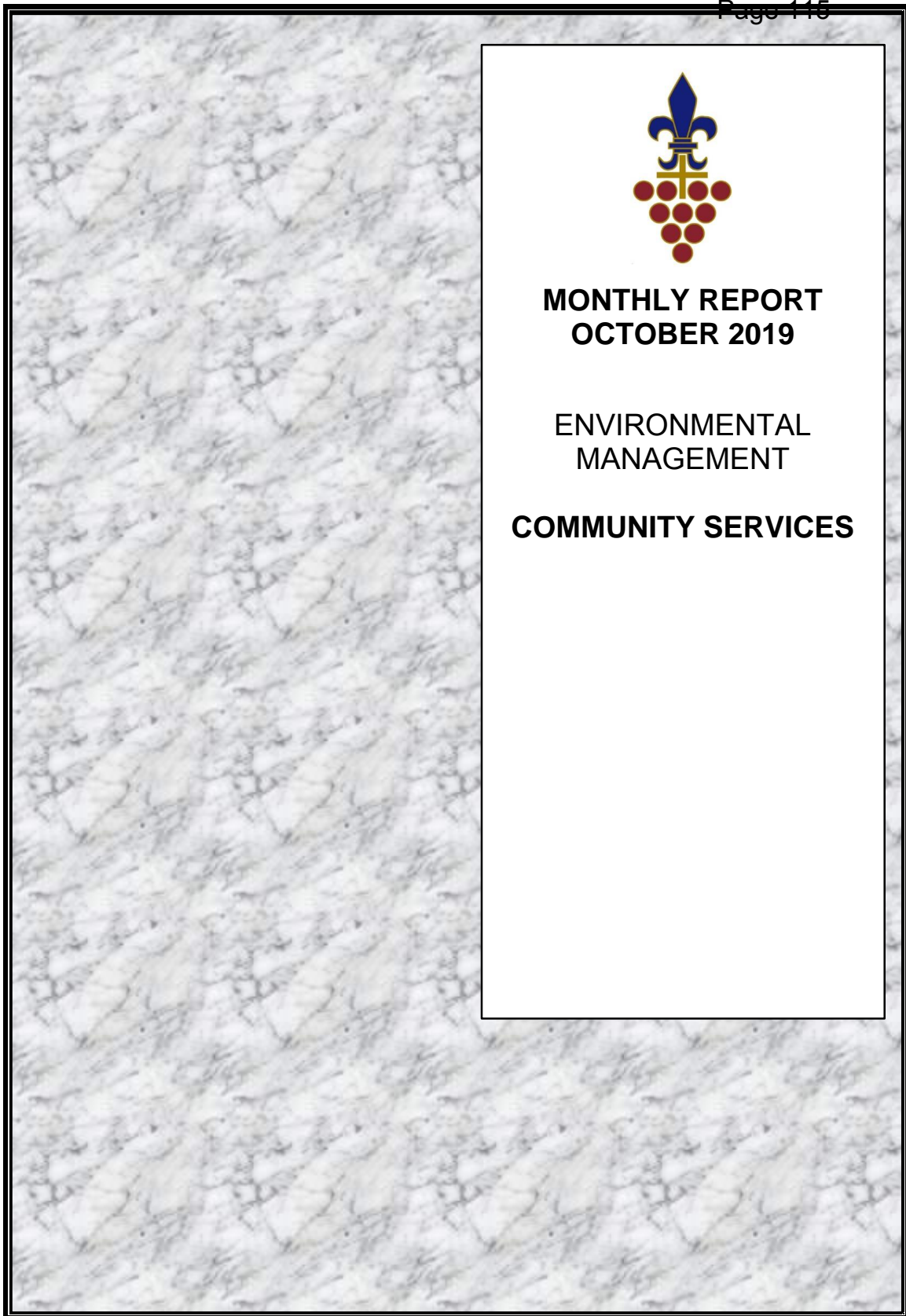
**ENVIRONMENTAL  
MANAGEMENT  
COMMUNITY SERVICES**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2.6 EXPANDED PUBLIC WORKS PROGRAMMES (EPWP)<br/>Run by the Conservation Project Manager.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>2.6.1 AIP TENDER (CONTRACTORS)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>2.6.2 ALIEN CLEARING (IN-HOUSE EPWP'S)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| EPWP teams were tasked to do follow up work for January. Starting March 2019. EPWP employees continued with Alien Clearing at various sites.                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>2.6.3 BIOMASS MANAGEMENT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Herbicide applications are on-going by EPWP teams in Devon Valley.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>2.6.4 RAITHBY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| The EPWP team did Alien Clearing at Raithby.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>2.6.5 FIELD RANGERS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Paradyskloof &amp; Brandwacht:</b> The unit continue to communicate and correspond with concerned residents with regards to baboon monitoring. For the current month we have not received any complaints or incidents from the area.<br><br><b>Ida's Valley &amp; Botmaskop:</b> Eco Warriors patrol daily at Ida's Valley and Botmaskop from Monday to Sunday (EXCLUDING PUBLIC HOLIDAYS) Some of the workers received PPE the Eco Warriors. The Eco warriors also issued a few warnings and arrests for people who attempt to steal wood at the sites. |
| <b>2.6.6 EPWP: EROSION WORKERS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| The project has started in Ida's Valley. An EPWP team allocated to this site for Erosion work and cleaning on a regular basis after storm water floods and dumping. Our Eco warriors also assist by patrolling and monitoring. This is an on-going project.                                                                                                                                                                                                                                                                                                 |
| <b>2.6.7 EPWP: INTEGRATED FIRE MANAGEMENT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| The Integrated Fire Management team are busy at Brandwacht constructing of Fire Breaks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

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|                                                                |                  |                  |                  |                  |                |               |                  |                  |
|----------------------------------------------------------------|------------------|------------------|------------------|------------------|----------------|---------------|------------------|------------------|
| Cloetesville: Furniture, Tools and Equipment                   | 15 000           | 15 000           | 15 000           | 13 629           | 1 311          | -             | 14 940           | 61               |
| Groendal: Furniture Tools and Equipment                        | 65 000           | 65 000           | 65 000           | 31 617           | 19 056         | -             | 50 673           | 14 327           |
| Upgrading: Pniel Library                                       | -                | 232 926          | 232 926          | 88 442           | 56 043         | -             | 144 484          | 88 442           |
| <b>Nature Conservation</b>                                     | <b>4 000 000</b> | <b>3 350 000</b> | <b>1 300 000</b> | <b>2 112 954</b> | <b>156 687</b> | <b>40 862</b> | <b>2 310 504</b> | <b>1 039 496</b> |
| Botmaskop: Security Fencing                                    | 1 000 000        | 1 150 000        | 1 150 000        | 869 565          | 128 730        | -             | 998 295          | 151 705          |
| Mont Rochelle Nature Reserve: Upgrade of Facilities.           | 1 500 000        | 700 000          | -                | -                | -              | -             | -                | 700 000          |
| Upgrading of Jonkershoek Picnic Site                           | 150 000          | 150 000          | 150 000          | 69 627           | 27 799         | 40 862        | 138 289          | 11 711           |
| Papegaaiberg Nature Reserve                                    | 1 350 000        | 1 350 000        | -                | 1 173 762        | 158            | -             | 1 173 920        | 176 080          |
| <b>Urban Greening</b>                                          | <b>250 000</b>   | <b>250 000</b>   | <b>203 110</b>   | <b>178 524</b>   | <b>33 235</b>  | <b>-</b>      | <b>211 758</b>   | <b>38 242</b>    |
| Urban Greening: Beautification: Main Routes and Tourist Routes | 150 000          | 150 000          | 123 110          | 113 400          | -              | -             | 113 400          | 36 600           |
| Nature Conservation and Environmental: FTE                     | 50 000           | 50 000           | 40 000           | 35 998           | 12 683         | -             | 48 681           | 1 319            |
| Furniture, Tools and Equipment                                 | 50 000           | 50 000           | 40 000           | 29 125           | 20 552         | -             | 49 678           | 322              |
| <b>TOTAL - Capital</b>                                         |                  |                  |                  |                  |                |               |                  |                  |



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## 2. ENVIRONMENTAL IMPLEMENTATION (NATURE CONSERVATION)

### 2.1 GENERAL

Operations continued at the different sites to get it prepared for the summer season. Jan Marais Park is being maintained daily and various events were booked during the weekends. One Water Tank in the park has been installed for irrigation purposes. The department await the second tank that is currently out on an FQ.

Jonkershoek Picnic Site is open for business and fully functional. The EPWP team together with permanent workers is working hard every day to keep it in tip top shape. The unit is receiving a lot of enquiries from the public for the booking of the facility for year-end functions.

The other EPWP projects are currently running as well. Veld rehabilitation has been working at Brandwacht and at Onderpappagaaiberg neighbourhood. The baboon monitors received Single Barrel Launcher pistols with blanks to scare off baboons that is spotted near residential areas. It proves to be quite effective.

Alein clearing teams are conducting alien clearing in Louwsbos on a daily basis even though there is challenges in terms of resources.

The women in the department attended the Woman's day function in the Townhall on the 15<sup>th</sup> where one of our ladies won a price in the dance off. Wendy attended training from 28 October until 01 November 2019.

### 2.3 MEETINGS

The Departmental OHS meeting was held on the 1<sup>st</sup> of November 2019.

### 2.4 INJURY ON DUTY

| Team | Short Description of Incident | Date of Incident | Progress |
|------|-------------------------------|------------------|----------|
| None |                               |                  |          |

### 2.5 FOREST GUARDS

On the 10<sup>th</sup> of October the EPWP team completed cleaning at Botmaskop area. On 16 October the Forest Guards caught people making sticks illegally in Idas Valley dam, and the vehicle was not registered. On 21 October Yaseer Johnson he stays in Ida's valley the Forest Guards found him in the old pass with cooper and the Forest Guards did inform the Law Enforcement.

The Law Enforcement guys who did assist the Forest Guards go by the names Monna and Tommy. The Law Enforcement guys also told the Forest Guards to give a statement because they saw the guy. They also waited for the police to arrive later on the crime scene.

| Item            | June 2019 | July 2019 | Aug 2019 | Sept 2019 | Oct 2019 | Year to date. |
|-----------------|-----------|-----------|----------|-----------|----------|---------------|
| Court Cases     | 1         | 0         | 0        | 0         | 0        | 1             |
| Arrest          | 0         | 0         | 1        | 0         | 1        | 1             |
| Verbal Warnings | 0         | 0         | 0        | 0         | 0        | 0             |
| Spot Fines      | 0         | 0         | 0        | 0         | 0        | 0             |

| <b>2.6 EXPANDED PUBLIC WORKS PROGRAMMES (EPWP)<br/>Run by the Conservation Project Manager.</b> |  |
|-------------------------------------------------------------------------------------------------|--|
| <b>2.6.1 AIP TENDER (CONTRACTORS)</b>                                                           |  |
| None                                                                                            |  |
| <b>2.6.2 ALIEN CLEARING (IN-HOUSE EPWP'S)</b>                                                   |  |
| None                                                                                            |  |
| <b>2.6.3 BIOMASS MANAGEMENT</b>                                                                 |  |
| None                                                                                            |  |
| <b>2.6.4 RAITHBY</b>                                                                            |  |
| None                                                                                            |  |
| <b>2.6.5 FIELD RANGERS</b>                                                                      |  |
| Paradyskloof & Brandwacht: None<br>Ida's Valley & Botmaskop: None                               |  |
| <b>2.6.6 EPWP: EROSION WORKERS</b>                                                              |  |
| None                                                                                            |  |
| <b>2.6.7 EPWP: INTEGRATED FIRE MANAGEMENT</b>                                                   |  |
| None                                                                                            |  |

### 7. HUMAN RESOURCES: COMMUNITY SERVICES

| Departmental Human Resources:               | 2018        | 2018       | 2018        | 2018       | 2018       | 2018       | 2019       | 2019       | 2019       |
|---------------------------------------------|-------------|------------|-------------|------------|------------|------------|------------|------------|------------|
| <b>STAFF COMPLEMENT (CURRENT PERMANENT)</b> | <b>JULY</b> | <b>AUG</b> | <b>SEPT</b> | <b>OCT</b> | <b>NOV</b> | <b>DEC</b> | <b>JAN</b> | <b>FEB</b> | <b>MAR</b> |
| Community Service offices                   | 5           | 5          | 5           | 5          | 5          | 5          | 5          | 6          | 6          |
| Urban Forestry                              | 5           | 5          | 5           | 5          | 5          | 5          | 5          | 5          | 5          |
| Ornamental Horticulture                     | 20          | 20         | 20          | 20         | 20         | 20         | 20         | 20         | 20         |
| Nature Conservation                         | 19          | 19         | 19          | 19         | 19         | 18         | 18         | 18         | 18         |
| Sport And Facilities                        | 33          | 33         | 33          | 33         | 33         | 33         | 33         | 33         | 29         |
| Halls                                       | 17          | 17         | 17          | 17         | 17         | 17         | 16         | 16         | 16         |
| Parks Stellenbosch and Cemeteries           | 49          | 49         | 49          | 49         | 49         | 49         | 46         | 34         | 34         |
| Libraries                                   | 35          | 35         | 35          | 35         | 35         | 35         | 35         | 35         | 35         |
| Workshop                                    | 2           | 2          | 2           | 2          | 2          | 2          | 2          | 2          | 2          |
| <b>TOTAL</b>                                | <b>194</b>  | <b>194</b> | <b>194</b>  | <b>194</b> | <b>194</b> | <b>194</b> | <b>191</b> | <b>192</b> | <b>192</b> |
| <b>FUNDED VACANCIES</b>                     | <b>JULY</b> | <b>AUG</b> | <b>SEPT</b> | <b>OCT</b> | <b>NOV</b> | <b>DEC</b> | <b>JAN</b> | <b>FEB</b> | <b>MAR</b> |
| Urban Forestry                              | 0           | 0          | 0           | 0          | 0          | 0          | 0          | 0          | 0          |
| Ornamental Horticulture                     | 2           | 2          | 2           | 2          | 2          | 2          | 2          | 2          | 2          |
| Nature Conservation                         | 0           | 1          | 1           | 1          | 1          | 2          | 2          | 2          | 2          |
| Sport And Facilities                        | 3           | 3          | 3           | 3          | 3          | 4          | 5          | 5          | 5          |
| Halls                                       | 2           | 2          | 2           | 2          | 2          | 2          | 2          | 2          | 2          |
| Parks, Rivers                               | 2           | 2          | 2           | 2          | 2          | 0          | 2          | 2          | 2          |
| Libraries                                   | 1           | 1          | 1           | 1          | 1          | 1          | 1          | 1          | 1          |
| Cemeteries                                  | 1           | 1          | 1           | 1          | 1          | 1          | 1          | 1          | 1          |
| Workshop                                    | 1           | 1          | 1           | 1          | 1          | 1          | 1          | 1          | 1          |
| <b>TOTAL</b>                                | <b>12</b>   | <b>12</b>  | <b>12</b>   | <b>12</b>  | <b>12</b>  | <b>12</b>  | <b>16</b>  | <b>16</b>  | <b>16</b>  |
| <b>EPWP</b>                                 | <b>JULY</b> | <b>AUG</b> | <b>SEPT</b> | <b>OCT</b> | <b>NOV</b> | <b>DEC</b> | <b>JAN</b> | <b>FEB</b> | <b>MAR</b> |
| Ornamental Horticulture                     | 13          | 15         | 15          | 15         | 23         | 23         | 24         | 24         | 24         |
| Urban Forestry                              | 11          | 12         | 12          | 12         | 14         | 12         | 12         | 12         | 12         |
| Nature Conservation & AIP Projects          | 19          | 59         | 57          | 57         | 53         | 49         | 57         | 57         | 57         |
| Sport And Facilities                        | 6           | 6          | 6           | 6          | 6          | 0          | 7          | 11         | 6          |
| Halls                                       | 0           | 0          | 0           | 0          | 4          | 4          | 5          | 19         | 4          |
| Parks Stellenbosch and Cemeteries           | 19          | 26         | 28          | 28         | 26         | 31         | 28         | 30         | 33         |
| Workshop                                    | 0           | 0          | 0           | 0          | 0          | 0          | 0          | 0          | 0          |
| <b>TOTAL</b>                                | <b>68</b>   | <b>118</b> | <b>116</b>  | <b>116</b> | <b>126</b> | <b>119</b> | <b>133</b> | <b>153</b> |            |
| <b>TEMPORARY + RELIEVE STAFF</b>            | <b>JULY</b> | <b>AUG</b> | <b>SEPT</b> | <b>OCT</b> | <b>NOV</b> | <b>DEC</b> | <b>JAN</b> | <b>FEB</b> | <b>MAR</b> |

## A17 Section 7.6.2 of the 2019 IDP (omitted from 2020 draft)



### 7.6.2 Institutional Capacity Building

The National Land and Transport Act (NLTA) defines a Planning Authority as "a Municipality in relation to its planning functions". The primary function of a Planning Authority is dealt with in section 36 of the NLTA which requires that all Planning Authorities must prepare an Integrated Transport Plans (ITP) for a five year period.

In terms of the "Minimum Requirements for the Preparation of Integrated Transport Plans" published by the Department of Transport, three levels of Planning Authority are distinguished. The level of Planning Authority determines the complexity of the ITP to be prepared. Generally, Metropolitan Municipalities (Category A) are level 1 Planning Authorities and must prepare Comprehensive ITP's (CITP), District Municipalities (Category B) are level 2 Planning Authorities and must prepare District ITP's (DITP) and Local Municipalities (Category C) are level 3 Planning Authorities and must prepare Local ITP's (LITP).

There are many planning authorities that for the past 10 years have been overseeing consultants or even internally preparing their own ITPs. However, there are also still many municipalities that have not fully taken on this function due to limited capacity or limited funding. They have relied on the Provincial Governments to assist and lead this ITP process. They have limited understanding of the importance of the ITP or knowledge of the process required. It is for this reason that the Province has included a capacity building component to this round of ITP updates and as such it was also requested of Stellenbosch Municipality to undertake a capacity building exercise as part of updating their CITP.

The budget for the next MTREF period provides for transport planning in terms of the strategic interventions identified in the CITP. The critical challenges with regards to transport in Stellenbosch are reflected in the fact that Stellenbosch has to prepare a Comprehensive Integrated Transport Plan (CITP), whereas other local municipalities only have to prepare a Local Integrated Transport Plans. The Stellenbosch Municipality's capacity to deal with these exceptional challenges is currently being assessed and the service delivery mechanisms may be substantially improved over the following two years. The Western Cape Department of Public Works, Roads and Transport has also identified Stellenbosch as a priority town to address its transport challenges, and has to this extend signed a memorandum of agreement with the Municipality to avail additional funds for investigations, infrastructure and institutional capacity.

Other Initiatives, identified in the CITP, undertaken by Stellenbosch Municipality aimed at addressing transportation needs are:

- ⌘ Transient Orientated Design (TOD) - currently at conceptual stage;
- ⌘ Western Bypass Project - conceptual stage complete;
- ⌘ The Municipality had recently (Dec 2017) completed an Initial Operational and Business Plan for its Transport Network Services which sets the framework for the provision of an integrated public transport system; and
- ⌘ To aid capacity building:
  - The Provincial Sustainable Transport Programme was introduced, with an aim to improve public transport and non-motorised transport, in an attempt to reduce the demand for private vehicle use.
  - The Municipality has established a Transport Working Group, where the Municipality's transportation challenges are tabled and discussed.

The Comprehensive Integrated Transport Plan (CITP) and the Roads Master Plan – (RMP) is currently being updated and estimated to be complete by August 2018.

**Stellenbosch Ratepayers' Association**

# *Stellenbosse Belastingbetalersvereniging*

## *Stellenbosch Ratepayers' Association*

✉ 399 Stellenbosch 7599; F 0866758040; [info@stellenboschratepayers.org](mailto:info@stellenboschratepayers.org)

Stellenbosch Municipality  
IDP

8 May 2020

Good Afternoon

**Herewith the comments of the SRA on the 2020/21 IDP review:**

### **Introduction:**

The Stellenbosch Ratepayers Association (SRA) recognises that the circumstances currently confronting government and societies are unprecedented and that a review of a 5 year plan which could not possibly have foreseen the Covid-19 pandemic will not be able to address developments in the forthcoming years comprehensively.

Strategic objectives, priorities and the budget will require major adjustments to deal with the devastating effect on the pandemic on life, livelihoods and the economy.

Poverty and unemployment have been exacerbated by the lockdown, welfare programmes have to be ramped up, and provision made for a huge increase in non-payment of municipal rates and taxes. The Eskom/Nersa tussle regarding higher electricity costs can also impose an extra cost burden on consumers.

A comprehensive survey and comment on the budget is being sent separately to the finance department.

This comment will focus on the contents of the IDP outline compiled for public presentations that would have taken place in the normal March public participation process, which was sent to I & A parties in the Stellenbosch i.e. WC024, community.

Clearly the pandemic has led to an outline that lacks the detail necessary for an informed response e.g. just to state that a rural management plan has been adopted without providing succinct details of this plan leaves the public in the dark. At the very least a PDF or link to the plan should be included in this presentation.

### **The CITP**

The ATC corridor project, though long term, offers exciting prospects, and hope, for the future. It also brings into focus the absolute necessity of a holistic and urban design approach to a sustainable development plan for WC024 as we try to navigate through an environment devastated by the Covid-19 pandemic. It makes no sense to authorize a major development at the Dorp street/R44 intersection before a comprehensive assessment of the whole Adam Tas, R44, Alexander and Merriman street and linked roads dynamic, also the Technopark and new Mediclinic developments.

Patchwork development will destroy Stellenbosch town's identity/character, our sense of place. Safe passage for scholars from die Boord to the schools on the other side of the R44 is

an important part of planning considerations.

### **The University of Stellenbosch**

The impact of the university on the town of Stellenbosch is a mixed bag - while staff and students are an important part of the town's economy and source of energy, innovation and growth student cars and numbers have also had a detrimental effect on traffic, parking and unwelcome development.

There is no escaping the fact that for months a year student accommodation is empty, creating ghost areas in parts of our town. One has to ask why the university does not pay full property tax and why their planners and planning are/is not part of the municipal planning process, and the IDP and SDF process. Permanent inhabitants of Stellenbosch and I & A parties that participate in public participation processes have never seen university inputs into the IDP, SDF or budget drafts.

The SRA is concerned about the possible development of Welgevallen Farm, which incorporates Coetzenburg, an iconic part of the Stellenbosch landscape. Equally concerning is the kites being flown regarding the relocation of the business school to Stellenbosch - one would have thought that the current location of the UBS, which has many after hour students is more convenient for most MBA students, many (if not most) of which work in the metropole. The prospect of even more traffic in the Stellenbosch area is not attractive to the permanent, rate paying residents of Stellenbosch.

### **Development applications**

Notification of development applications has been a bugbear of the SRA for a long time. A former director of planning decided - it remains a mystery how such a far reaching decision can be taken by an official on own authority - that consultants of developers should deal with the notifications to I & A parties in the community, which gave rise to numerous incidents of mismanaged notifications, the woes of the SA post office adding to a situation in which notifications were manipulated to avoid substantive inputs from I & A parties. The SRA has requested that this responsibility be resumed by the municipality and that, due to the unreliability of the SA postal service, all development application notifications be transmitted electronically to I & A parties.

The SRA is also of the opinion that the list of I & A parties be expanded to be more inclusive of community organisations, many of which have now become visible due to the Covid related feeding programme.

The parameters of sustainable development in the IDP are, in view of the SRA, sound and fundamental and can be viewed as a pyramid : the first layer being protecting agricultural land from development, the second preserving our cultural heritage, the 3rd strict and consistent application of our zoning scheme, the 4th an SDF that protects our natural environment, the 5th a budget that gives effect to the foregoing.

Regarding development applications in general it remains a concern that a municipal planning tribunal can override community inputs by representative organisations and that they, in turn, can be overridden by the executive mayor. The community is not involved in the decision making process until the end of the process, when plans are submitted for approval and does not have the funds to challenge decisions in the courts, which are opposed with taxpayer funds!

Stellenbosch is fortunate to have a caring, experienced, community orientated mayor at

present, but this may not always be the case. The lack of involvement of the community in the deliberation of development applications at committee level is a fundamental shortcoming in the current process and needs to be remedied. The SRA is most concerned about two recent proposals that are presented as a fait accompli. The first is the proposed development of the existing vineyards at Longlands for urban development. For the record the existing urban development of some 100 up-market dwellings at Longlands is almost complete. This development was approved in 2009 by the then provincial government under somewhat dubious circumstances. Two important conditions were, however, imposed namely that the remainder of the Farm (Erf 1, Longlands) would be retained for agriculture and secondly, the developer would be required to contribute financially to the provision of permanent housing for the farm workers at the eastern end of the farm. To the dismay of the SRA the necessary financial contribution was never provided and the original developer recently disposed of the property to a second developer. While the remainder of the farm (Erf 1, Longlands) was earmarked for urban agriculture in the June 2019 Municipal Spatial development Framework (MSDF) this designation has since been amended to Infill Development. Ratepayers accordingly need to know how and why this came about and why the developer has not been prosecuted. The second proposal of concern is the proposed Louw's Bosch Cemetery which is referred to in the IDP as being approved by the Minister of Environmental Affairs and Planning. The proposal is, however, the subject of an appeal by four IAP's:

**APPEAL AGAINST ENVIRONMENTAL AUTHORISATION: LOUW'S BOSCH PUBLIC CEMETERY AND MEMORIAL PARK ON FARM NO. 502, STELLENBOSCH**

EIA REF: 16/3/3/1/B4/45/1047/19

NEAS REF: WCP/EIA/0000633/2019

Dear Registered Interested and Affected Party,

We act for Limberlost Property Holdings (Pty) Limited, Spier Farm Management (Pty) Ltd, Gielie Hanekom Family Trust, and De Zalze Winelands Golf Estate Homeowners Association in respect of an appeal against the environmental authorisation granted to the Stellenbosch Municipality for the development of a public cemetery, in terms of section 24 of the National Environmental Management Act, 107 of 1998.

As per the requirements of Regulation 4 of the National Appeal Regulations, 2014, please find attached:

1. Appeal Form;
2. Grounds of Appeal Document; and
3. Supporting documentation contained in Annexures A to L (which will be sent in separate emails).

A hard copy of the appeal is available at the Stellenbosch Public Library, Plein Street, Stellenbosch.

It is high time that the Stellenbosch municipality put on its innovation hat and consider emulating other towns and cities in the world that cope with lack of space for the expansion of cemeteries by building crypts, allowing multiple burials on the same plot. Perhaps the Covid-19 pandemic will accelerate the choice of cremations.

**The Agricultural sector**

The Covid-19 pandemic has brought the fundamental importance of the WC024 agricultural



sector into sharp focus, not only as an employer, but as a major exporter of agricultural produce and wine, and until recently, before the pandemic tourism freeze, a major tourist attraction. Our farmers are also making a significant contribution to food security. The vital role of farmers in the management of water resources is not fully understood and appreciated by authorities and the general public. The SRA is supportive of maximum possible financial relief being offered to farmers in WC024 by local, district and provincial government, and more involvement of this sector in local government decision making processes.

### **Safety and security**

Our mayor has stated, repeatedly, that crime prevention is not a mandate of local government, which is limited to bylaw enforcement and traffic and parking control, and disaster management e.g. localised fires and floods. The Directorate protection services (DPS) primary responsibility, beside the aforementioned, for protection of municipal property and has installed a network of CCTV to monitor traffic and observe illegal and suspicious behaviour of people in the CBD. Street people/vagrants have become a nuisance in the CBD, harassing passers-by and tourists, and relieving themselves in the CBD, creating health issues and smelly spots. In recent years the DPS has not been adequately funded, there seems to be an attempt to address this in the draft budget, which the SRA welcomes. The pandemic has set back plans to establish a well equipped control room at Stellenbosch fire station, other initiatives by councillors, ward committees and NPOs are buttressing community safety and security actions, although the municipality has not been as helpful as it should be in this regard. Ward 22 has installed LPR cameras with funding from councillor Esther Groenewald, other installations have been held up by municipal bureaucracy, despite there being no funding issues - a source of growing ire amongst residents that are affected by the lack of monitoring capability.

The Winelands Safety Initiative (WSI) has made a significant contribution to community safety and security by funding a TSU vehicle, initially to address ATM crime, which was affecting the tourism industry, which has been reduced by more than 80%, now to support SAPS in their crime prevention activities, in concert with other private security companies. The TSU unit is, however, the only unit that is manned by 2 fully trained, former task force policemen. WSI has also been instrumental in introducing a network health monitoring system to the municipality, funded by a donor, and expanding the LPR monitoring network into the areas adjacent to Stellenbosch.

Currently the focus is on installing LPR cameras at strategic locations in the Koelenhof, Klapmuts and Raithby areas, municipal support in this regard has been lethargic.

### **Water Management**

The importance of proper management of WC024 water resources has not received necessary attention in this IDP presentation. While capital expenditure in this regard is welcomed, and the completion of the sewage and wastewater plant, future planning is essential and entails more than the river collaborative. The water forum, which has been meeting regularly since early 2019, as an example of collaborative governance in this vital sphere, should be embraced and recognised in municipal reports. This forum has made a valuable contribution to the coordination of water management activities in WC024.

### **Innovation and Technology**

The harnessing of Stellenbosch's bountiful intellectual capital, not only to be found in our university, but also in civil society is, as yet, an untapped asset in Stellenbosch governance. The Stellenbosch Water Forum, attended by farmers, business, the water institute of the university, municipal officials and civil society representatives, is an example of a

collaborative governance approach to local governance and has given rise to, i.a. water quality sensing and early warning system project for the Eersteriver. This is an example of how civil society can contribute skills, knowledge and resources to municipalities.

Technologies like Swarm-AI decision making tools can bring about democracy which has simply not been available practically before.

Integration of historical and real time data sources, monitored by real time AI prediction systems and citizen science solutions, can enable Stellenbosch to build a municipality which leverages skills, knowledge and resources from civil society that would establish a model for others to emulate.

Shared smart city platforms and communities (will better leverage shared knowledge, resources, experience, knowledge and skills), than building separate platforms for each location. This is also what the proponents of Smart Stellenbosch aim to achieve with, i.a., the European funded Open Source FIWARE platform and its established and evolving standards and benefits (a global sharing community).

Care needs to be taken in the policies and design of the implementation of 5G technologies, since it may potentially greatly impact on the aesthetics of the Stellenbosch environment.

### **Long term solutions to food, shelter (and possibly other municipal services)**

Partnership between local government, local business and society will enable structured incentive and reward programmes for anyone who could contribute resources, services and skills can be a new form of local economic development and would steer away from a debt dependent approach to sustainable community development.

Similarly initiatives for housing and sanitation can be supported by businesses and citizens in a reward programme, not a debt based / financed approach, but by careful resource planning, incentives and rewards (even trades and exchanges).

Besides Covid-19, the Fourth Industrial Revolution, climate change, desertification and urbanisation are driving many people closer to cities at a rapid rate with many associated challenges. More epidemics would be much harder to deal with then, So if we start to act with a long term view now, perhaps be ready to deal with those challenges better when they scale. Technology can help to provide better communication, like a town wide WiFi network (which would make an ideal disaster coping feature), smart apps and a common source of truth in all resources and service efforts.

### **Local Economic Development**

More attention must be given to local economic development, the exhibition of entrepreneurs and enabling agencies hosted by the municipality in the town hall recently should be continued on a regular basis, not just in the town hall with its parking restrictions, but in various communities, using libraries and available halls - including school and church halls.

The university should become more involved in these activities.

Tourism is entering a post Covid-19 era, and our tourism industry should develop a sanitation protocol which will give visitors an acceptable measure of comfort regarding health and safety concerns.

Safety and security in the CBD, wine estates and generally is being addressed by way of various safety initiatives, which are as effective as could be hoped, all considered.

## **Budget & Public Participation Process**

The comment on the budget is attached hereto in a separate document, as well as an addendum concerning the public participation process.

Signed AD Pelser  
Chairman  
SRA

Sent by Email

## Addendum A - Comment on public participation process

### Public Participation in government

SA has a PR electoral system, the effect of which is that MPs are accountable to their parties, not the electorate. The ward system at local government level does not fill this vacuum.

The SA constitution dictates that government should be for the people and by the people (section 42(3)), and section 151. What is not encouraging is the wording in section 152, which states simply that community involvement should be "encouraged", a weak statement, which local government has exploited by making minimal provision, and effort, to consult with communities.

The concept of collaborative governance, which implies consultation and consensus in all decision making by local government, is still alien to municipalities in SA, but is best understood by observing the unfolding reaction to the Covid-19 pandemic. Civil society, through a multitude of community organisations, has become involved in the feeding action necessitated by the lockdown and its effect on the economy; without this involvement the situation would be disastrous, government is simply not able to meet this need without community organisations, who are closer to the people, understand their needs better, and are better placed to cope with their fears and anxiety.

Clearly there is a need for more involvement of community organisations in local government in a structured manner.

To start with the register of interested and affected parties, which municipalities keep, should be amended to include all known community organisations, which should be kept informed of all matters which may affect them and their communities on an ongoing basis, electronically - besides the legislatively prescribed notices on the municipal website and local media.

The current unite Stellenbosch initiative will reveal formerly unknown organisations.

The mayor and her Mayco should hold separate quarterly meetings with the various sectors - welfare, agriculture, ratepayers, heritage to discuss matters of common concern.

It is also important that ward committees hold joint meetings to address matters of mutual concern eg. ward 21 and 22 and 19 re the proposed developments on the R44.

It would also make sense that all ward committees meet together to discuss the Adam Tas Corridor development.

In order for participants to participate constructively, they should be properly informed - this entails the condensing of voluminous documentation into easily understandable, briefs/position papers - participants must be enabled to make informed decisions and speak to the salient facts.

The above may seem to be a tall order, and not worth the effort, but one thing is certain - in the future fear and anxiety is going to fuel unrest and civil commotion, only clear and satisfactory communication will moderate, or prevent this.

Regards,

André Pelsler

STELLENBOSCH RATEPAYERS' ASSOCIATION - COMMENTS ON 2021 BUDGET

| Financial Years                                                      | Audited 2011 | Audited 2012 | Audited 2013 | Audited 2014 | Audited 2015 | Audited 2016 | Audited 2017 | Audited 2018 | Audited 2019 | Forecast 2020 | MTREF 2021 | MTREF 2022 | MTREF 2023 | Comments on 2021 Budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|------------|------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Inflation rate</b>                                                | 5.0%         | 5.8%         | 5.8%         | 6.1%         | 4.5%         | 6.6%         | 5.4%         | 5.3%         | 5.3%         | 5.2%          | 4.5%       | 4.5%       | 4.5%       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>1 TOTAL OPERATING EXPENDITURE (R million)</b>                     | 748          | 843          | 931          | 1011         | 1132         | 1260         | 1315         | 1346         | 1488         | 1842          | 1899       | 2014       | 2154       | <p><b>Methodology:</b> Uncontrollable/Fixed expenditure has been stripped out of Total Expenditure (1). This is done to determine the growth in expenditure under the Municipality's control. As can be seen, in virtually all financial years the Municipality has allowed CONTROLLABLE OPERATIONAL EXPENDITURE to grow by SUBSTANTIALLY MORE than the inflation rate. From 2013 through 2021 expenditure controlled by the Municipality have more than DOUBLED. The ave. inflation rate for this period is 5.4% while Municipal expenditure has grown by 9% p.a. The power of compounding has given rise to an unsustainable trend in a Covid-19 economy. The sharp increase in Finance Charges (2021 - 2023) is a direct cause and a reason for concern. <b>COMMENT:</b> THE MUNICIPALTY MUST GET TO GRIPS WITH THE ESCALATION IN CONTROLLABLE EXPENDITURE</p> |
| <b>less uncontrollable/fixed expenditure</b>                         |              |              |              |              |              |              |              |              |              |               |            |            |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Bulk payments to providers (Escom, Water)                            | -174         | -217         | -255         | -269         | -287         | -325         | -348         | -330         | -381         | -454          | -482       | -516       | -553       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Depreciation & asset impairment                                      | -98          | -130         | -133         | -137         | -158         | -150         | -149         | -158         | -178         | -207          | -206       | -215       | -225       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Finance charges                                                      | -4           | -6           | -9           | -11          | -13          | -20          | -20          | -19          | -23          | -30           | -51        | -65        | -77        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Total controllable expenditure (R million)</b>                    | 472          | 490          | 534          | 594          | 674          | 765          | 798          | 839          | 906          | 1151          | 1160       | 1218       | 1299       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % annual growth                                                      |              | 3.8%         | 8.2%         | 10.1%        | 11.9%        | 11.9%        | 4.1%         | 4.9%         | 7.4%         | 21.3%         | 0.8%       | 4.8%       | 6.2%       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Uncontrollable fixed expenditure as % of Total operating expenditure | 37%          | 42%          | 43%          | 41%          | 40%          | 39%          | 39%          | 38%          | 39%          | 38%           | 39%        | 40%        | 40%        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Depreciation &amp; Finance charges (R million)</b>                | 102          | 136          | 142          | 148          | 171          | 170          | 169          | 177          | 201          | 237           | 257        | 280        | 302        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % of total uncontrollable expenditure                                | 14%          | 16%          | 15%          | 15%          | 15%          | 13%          | 13%          | 13%          | 14%          | 13%           | 14%        | 14%        | 14%        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>2 Property rates - revenue (R million)</b>                        | 178          | 182          | 189          | 197          | 285          | 305          | 290          | 310          | 333          | 356           | 392        | 418        | 445        | <p>Large culprits are the far above inflation increases of Property Rates (2) and Employee Costs (3). Both Property Rates and Employee Costs have doubled in 7 years (2014 - 2021). New developments have contributed but ave. increases of 14% plus per year is unsustainable. The 10% increase in Property Rate revenue to R392million in 2021 is insensitive and irresponsible. <b>COMMENT:</b> GIVEN NEGATIVE ECONOMIC GROWTH THE MUNICIPALITY IS NOT IMMUNE TO COST CUTTING RATES REVENUE AND EMPLOYEE COSTS MUST NOT INCREASE (2021 BUDGET)</p>                                                                                                                                                                                                                                                                                                             |
| % annual growth/(decline)                                            |              | 2%           | 4%           | 4%           | 45%          | 7%           | -5%          | 7%           | 7%           | 7%            | 10%        | 7%         | 6%         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Number of properties ('000)                                          | 29914        | 30027        | 30027        | 30027        | 32363        | 32363        | 32363        | 33403        | 34428        | 34962         |            |            |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Property tax paid per property (R)                                   | 6084         | 6294         | 6561         | 6491         | 9424         | 8961         | 9579         | 9969         | 10340        | 11212         |            |            |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % annual increase                                                    |              |              | 3%           | 4%           | 45%          | -1%          | -5%          | 7%           | 4%           | 4%            | 8%         |            |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>MAIN CONTROLLABLE EXPENDITURE ITEMS (R million)</b>               |              |              |              |              |              |              |              |              |              |               |            |            |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>3 Employee costs</b>                                              | 220          | 230          | 244          | 283          | 314          | 368          | 409          | 441          | 461          | 557           | 579        | 624        | 677        | <p>Employee Costs have more than doubled since 2014 and now exceed Rates Revenue by 48%. This leads to essential Capex increasingly being funded through borrowing and has become a vicious circle. <b>COMMENT:</b> AS ABOVE</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| % annual growth                                                      |              | 5%           | 6%           | 16%          | 11%          | 17%          | 11%          | 8%           | 5%           | 21%           | 4%         | 8%         | 8%         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Councillors' remuneration                                            | 6            | 12           | 12           | 14           | 14           | 16           | 16           | 18           | 19           | 20            | 21         | 22         | 24         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % annual growth                                                      |              | 100%         | 0%           | 17%          | 0%           | 14%          | 0%           | 13%          | 6%           | 5%            | 5%         | 5%         | 9%         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Staff costs as % of total operating expenditure                      | 30%          | 29%          | 27%          | 29%          | 29%          | 30%          | 32%          | 34%          | 32%          | 31%           | 32%        | 32%        | 33%        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % annual growth of staff costs                                       |              | 7%           | 6%           | 16%          | 10%          | 17%          | 11%          | 8%           | 5%           | 20%           | 4%         | 8%         | 9%         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>4 Personnel numbers</b>                                           | ?            | 1118         | 1129         | 1129         | ?            | 1162         | 1178         | ?            | 1379         | 1379          | 1377       | ?          | ?          | Personnel Numbers (4) have grown by more than 20% since 2014.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>5 Other expenditure (R million)</b>                               | 210          | 205          | 320          | 329          | 339          | 376          | 391          | 434          | 481          | 492           | 508        | 518        | 542        | <p>Other Expenditure (5) lacks transparency - insufficient supporting notes or explanation supplied. Items included in the R508 million is not explained - legal, office rent, fuel, agencies etc.? Please provide details. <b>COMMENT:</b> THE BUDGET LACKS TRANSPARENCY. PLEASE PROVIDE EXPLANATORY NOTES FOR THE R508 MILLION 'OTHER EXPENDITURE'.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| % annual growth                                                      |              | -2%          | 56%          | 3%           | 3%           | 11%          | 4%           | 11%          | 11%          | 2%            | 3%         | 2%         | 5%         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>6 Contracted services (R million)</b>                             |              |              |              |              |              |              |              |              |              |               |            |            |            | <p>There's a lack of transparency in 2021 Budget for this R 246 million expenditure (6). Please provide details. <b>COMMENT:</b> THE BUDGET LACKS TRANSPARENCY. PLEASE PROVIDE EXPLANATORY NOTES FOR THE R246 MILLION 'OCONTRACTED SERVICES'.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Outsourced</b>                                                    |              |              |              |              |              |              | 45           | 38           | 54           | 102           | 95         | 99         | 103        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Consultants                                                          |              |              |              | 5            | 9            | 20           | 43           | 29           | 32           | 49            | 41         | 31         | 32         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Contractors                                                          |              | 8            | 13           | 10           | 39           | 50           | 61           | 57           | 66           | 125           | 110        | 116        | 121        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Total Contracted Services</b>                                     | n/a          | 8            | 13           | 15           | 48           | 70           | 149          | 124          | 152          | 276           | 246        | 246        | 256        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % annual growth                                                      |              |              |              |              |              | 46%          | 113%         | -17%         | 23%          | 82%           | -11%       | 0%         | 4%         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Consumer debtors (R million)</b>                                  | n/a          | 51           | 89           | 156          | 98           | 112          | 120          | 195          | 175          | 148           | 188        | 229        | 271        | <p>Debt impairment (6a) is partially the result of above-inflation increases in property rates and bulk service fees. It must be cross-subsidised and funded by ratepayers who pay their bills - therefore a double whammy! <b>COMMENT:</b> IMPROVE THE MANAGEMENT OF THE DEBTORS' BOOK.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>6a Debt impairment provision/other</b>                            | n/a          | 35           | 44           | 51           | 69           | 57           | 61           | 128          | 151          | 72            | 74         | 76         | 78         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>TOTAL consumer debtors</b>                                        |              | 86           | 133          | 207          | 167          | 169          | 181          | 323          | 326          | 220           | 262        | 305        | 349        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % annual growth                                                      |              |              | 55%          | 56%          | -19%         | 1%           | 7%           | 78%          | 1%           | -33%          | 19%        | 16%        | 14%        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>7 Electricity (Energy) revenue (R million)</b>                    | 307          | 333          | 376          | 414          | 415          | 466          | 513          | 523          | 532          | 695           | 707        | 761        | 803        | <p>High mark-ups (7) &amp; (8) are required to fund fixed controllable expenditure ! The proposal is for an electricity mark-up of 55% (2021). This is the additional cost of buying via the Municipality. This is indicative of a Municipal Budget out of touch with SA economic realities pre- &amp; post Covid-19. <b>COMMENT:</b> THE MUNICIPALITY MUST RECONSIDER (AND REDUCE) THE IMPACT OF THESE MARK-UPS ON SME'S AND RATEPAYER</p>                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Electricity bulk purchases                                           | 161          | 313          | 360          | 381          | 286          | 307          | 323          | 314          | 350          | 425           | 455        | 487        | 521        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Electricity surplus                                                  | 146          | 20           | 16           | 33           | 129          | 159          | 190          | 209          | 182          | 270           | 252        | 274        | 282        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % mark-up                                                            | 91%          | 6%           | 4%           | 9%           | 45%          | 52%          | 59%          | 67%          | 52%          | 64%           | 55%        | 56%        | 54%        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>8 Water revenue (R million)</b>                                   | 82           | 102          | 104          | 130          | 129          | 136          | 160          | 197          | 147          | 186           | 167        | 180        | 193        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Water bulk purchases                                                 | 13           | 12           | 18           | 19           | 17           | 16           | 25           | 16           | 30           | 29            | 27         | 29         | 31         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Water surplus                                                        | 69           | 90           | 86           | 111          | 24           | 120          | 135          | 181          | 117          | 157           | 140        | 151        | 162        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % mark-up                                                            | 531%         | 750%         | 478%         | 584%         | 141%         | 750%         | 540%         | 1131%        | 390%         | 541%          | 519%       | 521%       | 523%       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>9 Sanitation / waste water revenue (R million)</b>                | 46           | 78           | 92           | 89           | 94           | 149          | 81           | 91           | 84           | 123           | 118        | 127        | 184        | <p>Cannot find sanitation and waste expenditures for FY's 2018 - 2020 in previous reports. Probably absorbed into outsourced items.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Sanitation exp                                                       | 1            | 71           | 67           | 82           | 85           | 116          | n/a          | n/a          | n/a          | n/a           | 143        | 157        | 172        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Sanitation surplus                                                   | 45           | 7            | 25           | 7            | 9            | 33           |              |              |              |               | -25        | -30        | 12         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % mark-up                                                            |              | 10%          | 37%          | 9%           | 11%          | 28%          |              |              |              |               | -17%       | -19%       | 7%         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>10 Waste / refuse revenue (R million)</b>                         | 27           | 43           | 41           | 44           | 56           | 59           | 46           | 50           | 55           | 69            | 78         | 91         | 106        | <p>Cannot find sanitation and waste expenditures for FY's 2018 - 2020 in previous reports. Probably absorbed into outsourced items.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Refuse exp                                                           |              | 35           | 45           | 63           | 61           | 69           | n/a          | n/a          | n/a          | n/a           | 105        | 111        | 117        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Refuse surplus                                                       |              | 8            | -4           | -19          | -5           | -10          |              |              |              |               | -27        | -20        | -11        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| % mark-up                                                            |              | 23%          | -9%          | -30%         | -8%          | -14%         |              |              |              |               | -26%       | -18%       | -9%        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>11 BULK PURCHASES (electricity &amp; water) (R million)</b>       | 174          | 325          | 378          | 400          | 303          | 323          | 348          | 330          | 380          | 454           | 482        | 516        | 552        | <p></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| % annual growth                                                      |              | 87%          | 16%          | 6%           | -24%         | 7%           | 8%           | -5%          | 15%          | 19%           | 6%         | 7%         | 7%         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>12 BULK SALES REVENUE (electricity &amp; water) (R mill)</b>      | 389          | 163          | 165          | 195          | 325          | 388          | 446          | 532          | 439          | 619           | 552        | 599        | 653        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|    |                                                                    |       |       |       |        |        |        |        |        |        |        |        |        |      |
|----|--------------------------------------------------------------------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|
|    | % annual growth                                                    | -58%  | 1%    | 18%   | 67%    | 19%    | 15%    | 19%    | -17%   | 41%    | -11%   | 9%     | 9%     |      |
|    | % mark-up                                                          | 50.2% | 43.7% | 48.8% | 107.3% | 120.1% | 128.2% | 161.2% | 115.5% | 136.3% | 114.5% | 116.1% | 118.3% |      |
| 13 | <b>BULK SERVICES SURPLUS (electricity &amp; water) (R million)</b> | 215   | 110   | 102   | 144    | 153    | 279    | 325    | 390    | 299    | 427    | 392    | 425    | 444  |
|    | % annual growth                                                    | -49%  | -7%   | 41%   | 6%     | 82%    | 16%    | 20%    | -23%   | 43%    | -8%    | 8%     | 4%     |      |
|    | % municipal mark-up                                                | 124%  | 34%   | 27%   | 36%    | 50%    | 86%    | 93%    | 118%   | 79%    | 94%    | 81%    | 82%    | 80%  |
|    | <b>TOTAL SERVICE CHARGES (R million)</b>                           | 455   | 488   | 543   | 595    | 628    | 711    | 794    | 862    | 819    | 1073   | 1034   | 1115   | 1205 |
|    | % annual growth/(decline)                                          | 7%    | 11%   | 10%   | 6%     | 13%    | 12%    | 9%     | -5%    | 31%    | -4%    | 8%     | 8%     |      |
| 14 | <b>OTHER REVENUE (R million)</b>                                   |       |       |       |        |        |        |        |        |        |        |        |        |      |
|    | Fines                                                              |       | 11    | 71    | 83     | 68     | 91     | 103    | 115    | 118    | 108    | 141    | 149    | 158  |
|    | Transfer & subs                                                    |       | 45    | 107   | 93     | 97     | 124    | 123    | 133    | 146    | 182    | 178    | 181    | 197  |
|    | Other                                                              |       | 27    | 41    | 80     | 27     | 26     | 25     | 25     | 27     | 41     | 39     | 42     | 45   |
| 15 | <b>CAPITAL BUDGET - TOTAL (R million)</b>                          | 113   | 183   | 175   | 174    | 229    | 348    | 410    | 433    | 493    | 612    | 503    | 404    | 433  |
|    | % annual growth/(decline)                                          | 62%   | -4%   | -1%   | 32%    | 52%    | 18%    | 6%     | 14%    | 24%    | -18%   | -20%   | 7%     |      |
|    | <b>FUNDING THE CAPITAL BUDGET (R million)</b>                      |       |       |       |        |        |        |        |        |        |        |        |        |      |
|    | Capital grants - national                                          | 37    | 22    | 30    | 37     | 57     | 103    | 88     | 93     | 92     | 59     | 69     | 43     | 46   |
|    | % annual growth/(decline)                                          | -41%  | 36%   | 23%   | 54%    | 81%    | -15%   | 6%     | -1%    | -36%   | 17%    | -38%   | 7%     |      |
|    | % of total budget                                                  | 33%   | 12%   | 17%   | 21%    | 25%    | 30%    | 21%    | 21%    | 19%    | 10%    | 14%    | 11%    | 11%  |
|    | Capital grants - provincial                                        |       | 28    | 34    | 14     | 19     | 16     | 0      | 0      | 43     | 76     | 56     | 51     | 54   |
|    | % annual growth/(decline)                                          | 0     |       |       |        | -16%   |        |        |        |        |        |        |        |      |
|    | % of total budget                                                  | 0%    | 15%   | 19%   | 8%     | 8%     | 5%     | 0%     | 0%     | 9%     | 12%    | 11%    | 13%    | 12%  |
|    | Contributions                                                      | 4     | 16    | 13    | 0      | 0      | 12     | 0      | 0      | 0      | 50     | 43     | 4      | 1    |
|    | % of total budget                                                  | 4%    | 9%    | 7%    | 0%     | 0%     | 3%     | 0%     | 0%     | 0%     | 8%     | 9%     | 1%     | 0%   |
|    | Internal funds                                                     | 47    | 80    | 73    | 113    | 115    | 202    | 311    | 399    | 276    | 309    | 203    | 160    | 212  |
|    | % annual growth/(decline)                                          | 70%   | -9%   | 55%   | 2%     | 76%    | 54%    | 28%    | -31%   | 12%    | -34%   | -21%   | 33%    |      |
|    | % of total budget                                                  | 42%   | 44%   | 42%   | 65%    | 50%    | 58%    | 76%    | 92%    | 56%    | 50%    | 40%    | 40%    | 49%  |
|    | Borrowed funds                                                     | 25    | 37    | 26    | 12     | 57     | 43     | 5      | 160    | 160    | 100    | 160    | 120    | 120  |
|    | % annual growth/(decline)                                          | 48%   | -30%  | -54%  | 375%   | -25%   | -88%   | 3100%  | 0%     | -38%   | 60%    | -25%   | 0%     |      |
|    | % of total budget                                                  | 22%   | 20%   | 15%   | 7%     | 25%    | 12%    | 1%     | 37%    | 32%    | 16%    | 32%    | 30%    | 28%  |

**COMMENT: # (13) REFLECTS THE COST TO CONSUMERS OF BUYING ELECTRICITY THROUGH THE MUNICIPALITY. This is NOT a sustainable business model.**

**Please note, inflationary trend to resume in 2022.**

**Cannot find supporting notes or info for these 3 items. Unable to comment. Budget lacks transparency.**

**The SRA notes with concern the reduction of 18% in Capex spending (15) This must be seen against an increase of (3.1%) in the Operating budget The Operating budget is R1.9 billion. The Capex budget is R503 million Capex is only 20% of the total2021 budget of R2.4 billion. The SRA suggests a Capex / Operating split that is in line with the town's strategic imperatives. Council to reconsider municipal priorities. Funding of the Capital Budget is shown under (15). COMMENT: DO NOT REDUCE CAPITAL SPENDING. IT'S ESSENTIAL FOR THE TOWN'S INFRASTRUCTURE. RAISE CAPEX TO THE R600 MILLION LEVEL.**

**AfriForum**

30 April 2020

Ms G. Mettler  
Municipal Manager  
Stellenbosch Municipality

**BY E-MAIL** : [municipal.manager@stellenbosch.gov.za](mailto:municipal.manager@stellenbosch.gov.za)  
[idp@stellenbosch.gov.za](mailto:idp@stellenbosch.gov.za)

Dear Ms Mettler

### **WRITTEN COMMENTS FOR IDP OF 2020/2021**

1. We address this letter to you in our capacity as a registered community organisation, acting as such through our local AfriForum Branch.
2. As community organisation, we feel obliged to assist you in identifying key areas of improvement in order to continually promote the standards of living, as well as the safety of our members and the general community
3. Section 152 of the Constitution stipulates the different objectives of the local government. More specifically, section 152(d) stipulates that a municipality must encourage the involvement of communities and community organisations in the matters of local government. The municipality's IDP is a very important matter for all residence in the Stellenbosch area because it has a direct effect on their area.
4. As the time for drafting the IDP for 2020/2021 is coming closer, we would like to form part of the public participation process for the drafting of the municipality's IDP. We want to do this by submitting, in writing, a few pressing issues that we, as an organisation, feel needs to be resolved and therefor needs to be included in the IDP. Thus, please find attached a list of all the issues the we've identified.
5. Because involving community in matters of local government is one of your objectives we trust that you will take this submission into consideration when drafting the IDP. For this purpose, your attention is directed to Regulation 15 of the Local Government:



Municipal Planning and Performance Management Regulations, 2001 (published under GN R796 in GG 22605 of 24 August 2001) which provides as follows:

**15 Community participation in respect of integrated development planning and performance management**

*(1)(a) In the absence of an appropriate municipal wide structure for community participation, a municipality must establish a forum that will enhance community participation in-*

*(i) the drafting and implementation of the municipality's integrated development plan; and*

*(ii) the monitoring, measurement and review of the municipality's performance in relation to the key performance indicators and performance targets set by the municipality.*

*(b) Before establishing a forum in terms of paragraph (a), a municipality must, through appropriate mechanisms, invite the local community to identify persons to serve on the forum, including representatives from ward committees, if any.*

*(c) A forum established in terms of paragraph (a) must be representative of the composition of the local community of the municipality concerned.*

*(2) A municipality must-*

*(a) convene regular meetings of the forum referred to in subregulation (1) to-*

*(i) discuss the process to be followed in drafting the integrated development plan;*

*(ii) consult on the content of the integrated development plan;*

*(iii) monitor the implementation of the integrated development plan;*

*(iv) discuss the development, implementation and review of the municipality's performance management system; and*

*(v) monitor the municipality's performance in relation to the key performance indicators and performance targets set by the municipality; and*

*(b) allow members of the forum at least 14 days before any meeting of the forum to consult their respective constituencies on the matters that will be discussed at such a meeting.*

*(3) A municipality must afford the local community at least 21 days to comment on the final draft of its integrated development plan before the plan is submitted to the council for adoption.*

6. We would like to thank you in advance for taking our submission into consideration and resolving these issues for the community.

Kind Regards

**Johardt van Heerden**  
**District Coordinator**  
**AfriForum**  
**Cell: 081 217 0150**  
**Email: johardt.vanheerden@afriforum.co.za**

## **1. Traffic and Parking**

Stellenbosch is a beautiful town but is prone to traffic problems especially in school holidays and throughout the year because of the number of students living in town.

As community organisation, we feel obliged to assist you in identifying key areas of improvement to continually improve the standards of living and safety of our members and the broader community.

We want to suggest the following plans the municipality can implement that will help to reduce the amount of traffic:

- a. The R44 from the junction to Jamestown to Welgevonden turnoff should be 3 lanes. There is enough space along the road.
- b. Slipways need to be constructed at the Technopark turn-off from Somerset-Wes
- c. Slipways need to be constructed at the R 44 and Dorp Street crossing
- d. Slipways need to be constructed at the R 44 and Merriman crossing.

Everyone that lives in the Stellenbosch-area knows what struggle it is get parking in town and how bad the congestion is in town due people riding around looking for parking. The community feels a sense of frustration because the municipality keep approving new developments but aren't setting out any plans to address this traffic nightmare.

Suggestions from the community are as follows:

- The municipality must construct a parking garage near the town, with shuttle service to and from the town. This is the same concept that is implemented during the annual Woordfees. Community members can then pay for the shuttle service instead of the parking.

## **2. Landfill Sites**

It has come to our attention that the landfill site in Stellenbosch is almost full. This poses to be a very big problem if the municipality doesn't have plans on how they are going to address

this. The reason for this is because all the waste will then have to move to the Cape Town and therefor waste removal tariffs will increase. South Africa is going through difficult financial times, we want to urge the municipality to act on this problem to help keep service delivery costs low.

We therefor ask that the municipality specifically state in the IDP:

- What plans they have regarding opening a new landfill site?
- Where this landfill site will be?
- If the municipality doesn't have any plans to open a new landfill site in the next few years, we want to know how they are going to promote recycling to prolong the use of the landfill site.

Another suggestion the community has given to help recycle is as follows:

- The rubbish of lager complex as in Cloetesville needs to be sorted for recycling purposes before it is moved to the landfill site. The recycling will help to prevent the landfill site from becoming full so quickly.

**Cape Nature**

## CONSERVATION INTELLIGENCE: LANDSCAPE CENTRAL

**postal** Private Bag X5014 Stellenbosch 7599  
**physical** Assegaaibosch Nature Reserve Jonkershoek  
**website** [www.capenature.co.za](http://www.capenature.co.za)  
**enquiries** Alana Duffell-Canham  
**telephone** +27 21 866 8000 **fax** +27 21 866 1523  
**email** [aduffell-canham@capenature.co.za](mailto:aduffell-canham@capenature.co.za)  
**reference** SSD14/2/6/1/9/4/IDP\_Stellenbosch\_4thGen  
**date** 08 May 2020

The Municipal Manager  
PO Box 17  
Stellenbosch  
7599  
Attention: Ms Catherine Muller

By email: [idp@stellenbosch.gov.za](mailto:idp@stellenbosch.gov.za)

Dear Ms Mettler

### **RE: Comments: Revised 4<sup>th</sup> Generation Integrated Development Plan (IDP) for Stellenbosch 2020/21.**

CapeNature would like to thank you for the opportunity to comment on the 3<sup>rd</sup> review of the 4<sup>th</sup> Generation IDP for Stellenbosch and wish to make the following comments:

We would firstly like to commend the municipality on their latest Strategic Development Framework (SDF) which has significantly improved from the previous versions with regard to the uptake of the latest biodiversity informants, most importantly the 2017 Western Cape Biodiversity Spatial Plan (WCBSP)<sup>1</sup>. However, the IDP makes no specific mention of the WCBSP.

In 2017, CapeNature in conjunction with the Department of Environmental Affairs and Development Planning released the Western Cape Biodiversity Spatial Plan (WCBSP). The Western Cape Biodiversity Spatial Plan (WCBSP) is a spatial tool that comprises the Biodiversity Spatial Plan Map of biodiversity priority areas, accompanied by contextual information and land use guidelines that together make up the most recent and best quality biodiversity information available for land use and development planning, environmental assessment and regulation, and natural resource management. The BSP Map is the product of a systematic biodiversity planning approach that delineates Critical Biodiversity Areas and Ecological Support Areas, which require safeguarding to ensure the continued existence and functioning of species and ecosystems, including the delivery of ecosystem services. The WCBSP replaces all previously published biodiversity informants to strategic forward planning and will be used in the revision of the Provincial Spatial Development Framework.

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<sup>1</sup> The WCBSP Handbook is available for download at <https://www.capenature.co.za/about-us/2017-western-cape-biodiversity-spatial-plan-handbook-download/>. The handbook and shapefiles are also hosted by SANBI on their BGIS website and can be downloaded from: <http://bgis.sanbi.org/Projects/Detail/194>  
The Western Cape Nature Conservation Board trading as **CapeNature**

Protection and appropriate management of CBAs and ESAs is a vital part of increasing resilience to climate change. A link should be made to the WCBSP and Section 3.3.14 of the IDP which deals with climate change.

The impacts of climate change pose significant threats to basic provisions for life including water, the environment, and food production. These impacts are expected to intensify in the coming decades, hence the importance of careful forward planning. Following the guidelines for development in the WCBSP Handbook will assist not only with mitigating the impacts of climate change but also with planning for disaster management as, in many cases, avoiding development in areas where there is important ecological infrastructure will also mean avoiding areas which are at high risk for flooding, fires and other potentially catastrophic events.

The Western Cape is anticipated to become drier, intensifying stress on the Fynbos Biome. The result of this would be shrinkage of the Fynbos Biome which would be replaced by more arid biomes. Species distributions are therefore predicted to change, however the mobility of the species distributions are fully dependent on the presence of intact corridors that can facilitate this movement. Species located in isolated fragments are likely to become extinct if they are unable to withstand the change in climate.

Habitat fragmentation, caused by a variety of activities, has been identified as one of the greatest threats to biodiversity, as, amongst other things, it increases the vulnerability of ecosystems to climate change. Maintaining and enhancing habitat connectivity enables plant and animal communities to move and adapt in response to a changing climate. Creating functional connectivity in landscapes is a key aspect of promoting ecosystem resilience (the ability of the ecosystem to absorb a certain amount of change, yet still remain functional). Ecosystem resilience can be maintained or built through an approach that focuses on intact areas, maintaining biodiversity priority areas in a natural or near natural state, maximising connectivity between these areas and maximising the diversity of species and ecosystems.

Resilient ecosystems are able to:

- Deliver ecosystem services, such as the provision of clean water and fertile soil
- Provide flood attenuation thereby protecting downstream human settlements
- Maintain the ecological and evolutionary processes that allow biodiversity to persist in these ecosystems
- Better withstand human-induced pressures (from, for example, too frequent fire)
- Adapt to the impacts of climate change, such as increased rainfall variability and increased temperatures
- Mitigate the effects of climate change by continuing to capture and store carbon.

The WCBSP analysis included detailed planning for securing a network of corridors across the province. Climate change adaptation features were integrated into a single climate change surface that was used in the spatial analysis. The selection of planning units for inclusion in Critical Biodiversity Areas (CBAs) and Ecological Support Areas (ESAs) was thus 'skewed' towards areas that are important for climate change adaptation.

The IDP should make reference to specific environmental issues that are relevant to the municipality. These include biodiversity and habitat loss, fires, increasingly limited water availability. The implications of this are that there is a need to prioritise the clearing of aliens in water catchments and river corridors and set urban development back from wetlands and floodplains and prevent urban development (formal and informal) from spreading onto the higher slopes of the mountains and hills. Prioritisation of conservation management actions (e.g. alien clearing) should use the WCBSP as a key informant.

Table 35 (points 2.2. and 2.3) acknowledge the need for biodiversity protection and states that this is addressed through providing comments on NEMA and planning applications. These

comments should be underpinned by the priorities and management objectives outlined in the WCBSP handbook.

Hottentots Holland Nature Reserve, Assegaaibosch Nature Reserve and Jonkershoek Nature Reserve are managed by CapeNature and a portion of these Nature Reserves are located within Stellenbosch Municipality. These nature reserves form part of the Boland Mountain Complex of protected areas. The Boland Mountain Complex was inscribed as a World Heritage Site by the World Heritage Convention, UNESCO (United Nations Educational, Scientific and Cultural Organisation) in 2004 and extended in 2015 as part of the Cape Floral Region Protected Areas World Heritage Site. The latter comprises a serial property of eight protected areas covering a total area of approximately 557 584 ha, and includes a buffer zone of 1 315 000 ha designed to facilitate functional connectivity and mitigate the effects of global climate change and other anthropogenic influences. The Boland Mountain Complex is supported and buffered by a wide network of adjacent or surrounding conserved areas ranging from Provincial Nature Reserves to Private Nature Reserves, Stewardship sites and Mountain Catchment Areas.

CapeNature has led community beneficial projects on our nature reserves through Integrated Management Programmes, implemented Expanded Public Works Programmes and developed Small, Medium and Micro Enterprise (SMME) development programmes to stimulate local economic development. The implementation of the suite of job creation programmes like Expanded Public Works Programmes (EPWP), Natural Resources Management, working for wetlands and so forth have created a number of jobs and small businesses in the Stellenbosch area and has the potential to continue serving as one of the key economic drivers in the region going forward. More information on job creation is provided in Section 3.10.1 and 3.11.2 of the Boland Mountain Complex Protected Area Management Plan (PAMP)<sup>2</sup>.

The Boland Mountain Complex PAMP also considers a Zone of Influence (Section 4.9). The purpose of the zone of influence is to ensure that the protected area is integrated into the landscape so that land and water use planning take due consideration the objectives of the protected area and do not impede the achievement of objectives. The Zone of Influence is intended to integrate mechanisms in the landscape that enable protected area expansion, the maintenance of existing expansion nodes, and seeks to proactively encourage compatible land and water use in collaboration with relevant stakeholders. The zone of influence is therefore of relevance to municipal planning. Sensitivity analysis and the objectives of Boland Mountain Complex are primary informants for the establishment of the Zone of Influence. The delineation of the zone of influence was further based on existing land- and water use, current levels of compatibility, and identified areas of incompatibility.

We trust that the above information will be considered for uptake into the IDP.

CapeNature reserves the right to revise initial comments and request further information based on any additional information that may be received.

Yours sincerely



Alana Duffell-Canham  
Conservation Intelligence Manager: Landscape Central

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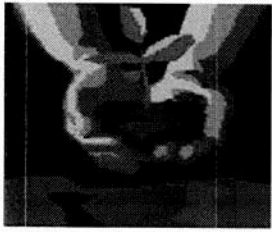
<sup>2</sup> Available for download at: <https://www.capenature.co.za/care-for-nature/biodiversity/protected-area-management-plans/>

The Western Cape Nature Conservation Board trading as **CapeNature**

Board Members: Prof Denver Hendricks (Chairperson), Prof Gavin Maneveldt (Vice Chairperson), Ms Marguerite Bond-Smith, Mr Mervyn Burton, Dr Colin Johnson, Prof Aubrey Redlinghuis, Mr Paul Slack



## **Stellenbosch Farmworker Forum**



## STELLENBOSCH PLAASWERKER FORUM

Adress: Doornbosch Sentrum, Posbus 204, Stellenbosch 7599

Tel : 021 886 4867/021 886 5050. Faks: 021 883 8965

Voorsitter: Willie Booysen

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2020-05-07

The Municipal Manager  
Stellenbosch Municipality  
PO Box 17  
STELLENBOSCH  
7599

Dear Madam

**COMMENTS: REVISED 4<sup>TH</sup> GENERATION IDP THIRD REVIEW 2017/2022 – DRAFT  
BUDGET: TARIFF AND RATES POLICY**

The Stellenbosch Agricultural Society, in conjunction with the Franschhoek Agricultural Society and the Stellenbosch Farmworker Forum for the last few years have submitted comments on the above Tariff and Rates Policies in the draft budget. It however is extremely frustrating that the Municipality does not take these comments into account as per their responses attached hereto.

The Agricultural and associated tourism industry contributes significantly to the areas gross geographic product (GGP) of the Stellenbosch Municipal (WC0024) area.

However as a result of various environmental and economic conditions in the Western Cape the agricultural sector is becoming under severe pressure and the majority of the producers are experiencing difficulty in sustaining their farming operations. These detrimental economic factors leads to severe pressure to conform to the recommendations indicated in the Integrated Development Plan (IDP) read together with the National Development Plan. It therefore is imperative that the IDP and associated budget policies creates an enabling environment that is conducive to increased agricultural activities, so as to ensure food security as well as sustaining the employment opportunities related to the sector.

According to recent statistics new vineyard establishment has decreased significantly over the last few years with declining profit margins in relation to other production areas. These detrimental economic circumstances currently associated with the production and wine industry can lead to an ever changing rural environment to the detriment of the town, the historical and cultural landscape as well as sustaining the employment opportunities that benefit from the agricultural sector.

As a result of constant increasing external factors influencing the rural economy there are unfortunately various needs and priorities like farm worker housing, installation and upgrading of essential services, provision of social facilities (schools, crèches etc.), the provision and upgrading of the sport facilities as well as skills and training programmes that cannot be addressed adequately by farming entities alone. In light of the current economic environment the producers and land owners are really experiencing great difficulties to maintain the services on an acceptable level of standard. Research however has shown that “*rebates on property tax*” can be of great value to encourage the farmers in assisting municipalities with the provision and maintenance of these services as far as possible.

The Stellenbosch Agricultural Society in association with The Stellenbosch Farmworker Forum and the Franschhoek Agricultural Society hereby requests and propose that the Stellenbosch Municipality adopts the same financial model as currently being implemented by the Bergriver Local Municipality as part of their budget and rates policy framework. The proposed tax rebate policy will apply to bona-fide agricultural owners belonging to agricultural societies affiliated to Agri Western Cape and subsequently also to the SA Agricultural Union, situated in the Stellenbosch WC0024 municipal area.

## **PROPOSAL**

**“Agricultural properties will be granted rebates as determined by council in its annual Budget.**

(a) An additional 10% rebate calculated as follow could also be granted:

|      |                                            |       |
|------|--------------------------------------------|-------|
| i.   | 1 x two bedroom houses on property         | 1.00% |
| ii.  | 2 x two bedroom houses on property         | 2.00% |
| iii. | 3 x two bedroom houses on property         | 4.00% |
| iv.  | >3 x two bedroom houses on property        | 5.00% |
| v.   | If electricity provided to worker's houses | 0.25% |
| vi.  | If water is provided to worker's houses    | 0.25% |
| vii. | If sewer is removed from worker's houses   | 0.25% |

|       |                                                                                        |       |
|-------|----------------------------------------------------------------------------------------|-------|
| viii. | If refuse is removed from worker's houses                                              | 0.25% |
| ix.   | If school on property or transport is provided to learners                             | 1.00% |
| x.    | If sport facilities on property                                                        | 1.00% |
| xi.   | If transport to nearest town is provided at no cost to workers at least once per month | 1.00% |
| xii.  | If training is provided to workers                                                     | 1.00% |

- (b) An additional 2.5 % for every 5ha of newly planted vineyards  
(An additional proposal for rebate specifically for the SW024 area)

The above additional rebate will only be evaluated and granted to Bona Fide farmers with submission of the following documentation with their application:

- (i) Proof of VAT registration
- (ii) Existing account must not be in arrears with the Municipality.
- (iii) Copy of I.D. Document of all workers residing on the farm

Applications for the rebate must be submitted in accordance with the prescribed process in terms of the Rates Policy. The additional rebate can only be granted on the value of the property as it appears on the valuation roll. Properties of the same owner, but valued separately cannot be added together for the calculation purposes.

The Stellenbosch Agricultural Society as well as the Stellenbosch Farmworker Forum sincerely believes that the implementation of the above holds a significant advantage to stimulate public private working relations to the benefit of the area and its community in a sustainable manner. The proposal is consistent with the vision and it will give practical execution to the five (5) strategic objectives as adopted in terms of the existing and proposed Municipal Integrated Development Plan.

With reference to Section 8.10 of the Rates Policy pertaining to Relief Measures it is proposed that cognisance be given to the implementation of a special rebate applicable to the agricultural sector with reference to wine cellars and associated tourism facilities. The financial impact on these facilities as a result of the Covid-19 pandemic can permanently "destroy" this valuable asset of Stellenbosch. This relief will assist the farmers to continue with their farming operations and thus providing much needed work to ensure sustainable employment in the rural area. The budget of the Bergriver Local Municipality for example also makes provision for agricultural properties to qualify for an additional 5 % disaster relief rebate.

The above measures has for many years been negotiated and successfully implemented by other Municipalities. We trust that the Stellenbosch Municipality will also favourably consider these requests and recommendations in supporting the agricultural sector.

Your feedback in this regard is kindly awaited.

Yours faithfully,



Willie Booyesen

**CHAIRMAN: FARM WORKER FORUM**

**Stellenbosch Interest Group**



## Belangegroep Stellenbosch Interest Group

8 May 2020

The Municipal Manager  
PO Box 17  
Stellenbosch

### Comments: Revised 4th Generation IDP 2020/21

As a result of the monetary crisis, which WC024 residents find themselves in, as a direct and indirect coronavirus consequence, the 2020/2021 IDP and Budget are no longer entirely relevant. Drastic adjustments have become necessary, on the one hand because the expected municipal income will be significantly lower, and on the other because new measures are needed to address the changed economic and social needs.

During the 2020/2021 tax year, there will have to be a greater focus on plans and actions to promote the operation of small businesses. One such action is the implementation of a Comprehensive Integrated Transport Plan (CITP).

The urgent need for a modal shift from private transport to public transport has been emphasized for many years in national, provincial and municipal planning documents, including the Stellenbosch Municipality Spatial Development Framework, Approved by Council on 11 November 2019:

*This regional mobility approach and “roads for growth” focus has very high financial, economic, social and environmental costs, is unsustainable and is exclusionary to most of the population, i.e. those who do not have access to private transport. Furthermore, a regional “lens” which attempts to accommodate private vehicles growth has adverse consequences for managing transport at the finer, localised level where trips concentrate. . . . sustainable transport approaches have been extensively overlooked in favour of traditional engineering solutions. (page 46)*

Despite these arguments, the focus in the current Draft IDP, as in previous years, remains primarily on the needs of the private car owner. The following quotes from the Draft IDP testify to this:

- 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. (Table 28, Spatial Challenges)

- The Municipality in collaboration with the Provincial Transport Department is investigating strategies that would improve public transport services within and around Stellenbosch. (Section 7.4.4.1, Strategic Interventions in support of CITP)  
[What progress was made since the previous year? No reference is made to the Memorandum of Agreement between the Stellenbosch Municipality and the provincial government in relation to developing an CITP.]
- The Municipality continues to roll out its Infrastructure Enhancement initiatives 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. (Section 7.4.4.1)  
[The impression is created that the upgrading of roads are in support of "public transport" whilst "Public Transport Facility upgrades" refer to upgrading taxi stands.]

Under the circumstances in which Stellenbosch now finds itself, it has become high time for the municipality in collaboration with the Western Cape Provincial Government to implement the envisaged mobility transformation by completing and implementing a CITP that allows for effective and affordable transport which focuses on a wider area than the WC024 area. This will not only create enhanced opportunities for economic opportunities for the less privileged, but will also save on costs for upgrading roads to Stellenbosch (such as the R44 between Stellenbosch and Somerset West) and bring about large-scale relief for traffic and parking problems within Stellenbosch. In this way, the creation of parking facilities such as underground parking and parking garages in the centre of town will become unnecessary, which will result in further savings on wasteful infrastructure aimed at the privileged minority.

The rethinking of the role that the municipality must play in terms of planning and spending in establishing an effective CITP serves as just one example of why the current draft IDP and accompanying budget will need to be drastically amended before it can be approved.

Kind regards

Patricia Botha  
(Chairperson)



## **Budget & Public Participation Process**

The comment on the budget is attached hereto in a separate document, as well as an addendum concerning the public participation process.

Signed AD Pelser  
Chairman  
SRA

Sent by Email

2020-05-07

The Municipal Manager  
Stellenbosch Municipality  
PO Box 17  
STELLENBOSCH  
7599

Dear Madam

**COMMENTS: REVISED 4<sup>TH</sup> GENERATION IDP THIRD REVIEW 2017/2022 – DRAFT BUDGET:  
TARIFF AND RATES POLICY**

The Stellenbosch Wine Routes, in conjunction with the Stellenbosch Agricultural Society and the Stellenbosch Farmworker Forum are submitting comments on the above Tariff and Rates Policies in the draft budget. We cannot stress enough that the Municipality take these comments into account if we want this industry to be sustainable and grow in order to , provide optimal .

Agricultural and associated tourism industry contributes significantly to the areas gross geographic product (GGP) of the Stellenbosch Municipal (WC0024) area.

However, as a result of various environmental and economic conditions in the Western Cape the agricultural sector is under severe pressure and the majority of the producers are experiencing difficulty in sustaining their farming operations with only 28% of total wine producers in the whole wine industry being profitable (Vinpro Information Day, Jan 2020). These detrimental economic factors leads to severe pressure to conform to the recommendations indicated in the Integrated Development Plan (IDP) read together with the National Development Plan.

It therefore is imperative that the IDP and associated budget policies creates an enabling environment that is conducive to increased agricultural activities, so as to ensure food security as well as sustaining the employment opportunities related to the sector.

According to recent statistics new vineyard establishment has decreased significantly over the last few years with declining profit margins in relation to other production areas. These unfavourable economic circumstances currently associated with the production and wine industry can lead to an ever-changing rural environment to the detriment of the town, the historical and cultural landscape as well as sustaining the employment opportunities that benefit from the agricultural sector.

As a result of constant increasing external factors influencing the rural economy there are unfortunately various needs and priorities like farm worker housing, installation and upgrading of essential services, provision of social facilities (schools, crèches etc.), the provision and upgrading of the sport facilities as well as skills and training programmes that cannot be addressed adequately by farming entities alone. In light of the current economic environment the producers and land owners are really experiencing great difficulties to maintain the services on an acceptable level of standard. Research however has shown that "*rebates on property tax*" can be of great value to encourage the farmers in assisting municipalities with the provision and maintenance of these services as far as possible.

The Stellenbosch Wine Routes in association with The Stellenbosch Agricultural Society, and the The Stellenbosch Farmworker Forum hereby requests and propose that the Stellenbosch Municipality adopts the same financial model as currently being implemented by the Bergriver Local Municipality as part of their budget and rates policy framework. The proposed tax rebate policy will apply to bona-fide agricultural owners belonging to agricultural societies affiliated to Agri Western Cape and subsequently also to the SA Agricultural Union, situated in the Stellenbosch WC0024 municipal area.

## PROPOSAL

**“Agricultural properties will be granted rebates as determined by council in its annual Budget.**

(a) An additional 10% rebate calculated as follow could also be granted:

|       |                                                                                           |        |
|-------|-------------------------------------------------------------------------------------------|--------|
| i.    | 1 x two bedroom houses on property                                                        | 1.00%  |
| ii.   | 2 x two bedroom houses on property                                                        | 2.00%  |
| iii.  | 3 x two bedroom houses on property                                                        | 4.00%  |
| iv.   | >3 x two bedroom houses on property                                                       | 5.00%  |
| v.    | If electricity provided to worker’s houses                                                | 0.25%  |
| vi.   | If water is provided to worker’s houses                                                   | 0.25%  |
| vii.  | If sewer is removed from worker’s houses                                                  | 0.25%  |
| viii. | If refuse is removed from worker’s houses                                                 | 0.25%  |
| ix.   | If school on property or transport is provided<br>to learners                             | 1.00%  |
| x.    | If sport facilities on property                                                           | 1.00%  |
| xi.   | If transport to nearest town is provided at<br>no cost to workers at least once per month | 1.00%  |
| xii.  | If training is provided to workers                                                        | 1.00%” |

(b) An additional 2.5 % for every 5ha of newly planted vineyards  
(An additional proposal for rebate specifically for the SW024 area)

The above additional rebate will only be evaluated and granted to Bona Fide farmers with submission of the following documentation with their application:

- (i) Proof of VAT registration
- (ii) Existing account must not be in arrears with the Municipality.
- (iii) Copy of I.D. Document of all workers residing on the farm

Applications for the rebate must be submitted in accordance with the prescribed process in terms of the Rates Policy. The additional rebate can only be granted on the value of the property as it appears on the valuation roll. Properties of the same owner, but valued separately cannot be added together for the calculation purposes.


The Stellenbosch Wine Routes as well as Stellenbosch Agricultural Society as well as the Stellenbosch Farmworker Forum sincerely believes that the implementation of the above holds a significant advantage to stimulate public private working relations to the benefit of the area and its community in a sustainable manner. The proposal is consistent with the vision and it will give practical execution to the five (5) strategic objectives as adopted in terms of the existing and proposed Municipal Integrated Development Plan.

With reference to Section 8.10 of the Rates Policy pertaining to Relief Measures it is proposed that cognisance be given to the implementation of a special rebate applicable to the agricultural sector with reference to wine cellars and associated tourism facilities. The financial impact on these facilities as a result of the Covid-19 pandemic can permanently “destroy” this valuable asset of Stellenbosch. This relief will assist the farmers to continue with their farming operations and thus providing much needed work to ensure sustainable employment in the rural area. The budget of the Bergriver Local Municipality for example also makes provision for agricultural properties to qualify for an additional 5 % disaster relief rebate.

The above measures have for many years been negotiated and successfully implemented by other Municipalities. We trust that the Stellenbosch Municipality will also favourably consider these requests and recommendations in supporting the agricultural sector.

Your feedback in this regard is kindly awaited.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Elmarie Rabe', enclosed within a large, hand-drawn oval.

Elmarie Rabe

**MANAGER: STELLENBOSCH WINE ROUTES**

08 May 2020

The Municipal Manager  
Stellenbosch Municipality  
PO Box 17  
Stellenbosch  
7599

Dear Madam

#### **COMMENTS ON REVISED 4<sup>TH</sup> GENERATION IDP AND BUDGET 2020/2021**

The Visit Stellenbosch with Stellenbosch Wine Route are important role players in promoting and sustaining the wine and tourism industry in the Stellenbosch region hereby provides its comments on the Revised 4<sup>th</sup> Generation IDP and Budget 2020/2021 document as follows.

#### **1. THE NARRATIVE**

The MSDF is a component of the mandatory Integrated Development Plan (IDP) that the Stellenbosch Municipality must adopt to govern **its allocation of resources**. Chapter, section 26(e) specifically requires an SDF as a mandatory component of the municipal IDP. The Stellenbosch IDP is aimed at coordinating the efforts of various municipal departments with specific reference to planning and local economic development in achieving the vision for the municipality as a “valley of opportunity and innovation”. Efforts to achieve this vision are channelled into five specific focus areas:

- Valley of possibility
- Green and sustainable valley
- Safe Valley – aimed at ensuring that its residents are and feel safe.
- Dignified
- Good governance

It is enlightened to note that the MSDF will contribute, in terms of its focus and contribution, to achieving the aims articulated for each strategic focus area as per the table below.

Table 4. IDP Strategic Focus Areas and the MSDF

| IDP STRATEGIC FOCUS AREA              | RELATED CONCERNS OF THE SDF                                                                                                                                                                                                                                     | SDF STRATEGIC DIRECTION                                                                                                                                                                                                                                 |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valley of possibility</b>          | The way settlements, nature and agricultural areas are spatially developed and managed to enhance individual and collective livelihood opportunities and enterprise development, and overcome inequity and exclusion.                                           | <ul style="list-style-type: none"> <li>• Containment of settlements to protect nature/ agricultural areas and enable public and non-motorized transport and movement.</li> <li>• A focus on public and non-motorized transport and movement.</li> </ul> |
| <b>Green and sustainable valley</b>   | 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.                           | <ul style="list-style-type: none"> <li>• Protection of nature areas, agricultural areas, and river corridors.</li> </ul>                                                                                                                                |
| <b>Safe valley</b>                    | 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.                                                                      | <ul style="list-style-type: none"> <li>• Denser settlements with diverse activity to ensure surveillance.</li> </ul>                                                                                                                                    |
| <b>Dignified living</b>               | 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.                                           | <ul style="list-style-type: none"> <li>• A specific focus on the needs of "ordinary" citizens, experiencing limited access to opportunity because of restricted available material resources.</li> </ul>                                                |
| <b>Good governance and compliance</b> | 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. | <ul style="list-style-type: none"> <li>• Presenting information, including opportunities and choices in a manner that assists its internalization by all.</li> </ul>                                                                                    |

## IMPORTANCE OF AGRICULTURE/WINE INDUSTRY AND TOURISM

“The Stellenbosch Municipal area has a large farming community; the agriculture forestry and fishing sector contributed 14.7% to employment making it the 3<sup>rd</sup> largest contributor to employment. The manufacturing sector in the Stellenbosch Municipal area is highly reliant on the agriculture, forestry and fishing sector, as 40% of the manufacturing sector activities are within the food, beverage and tobacco subsector.

New vineyard establishment has decreased approximately with 10% over the last few years with declining profit margins in relation to other production areas. These detrimental economic circumstances currently associated with the production and wine industry can lead to an ever-changing environment to the detriment of the town, the historical and cultural landscape. Economic decline in this sector will therefore have a significant impact on the overall contribution to employment. It is therefore imperative that the Municipality in terms of its budget “ring-fence” funding towards the tourism and associated development opportunities.

## **2. INPUT/RECOMMENDATION**

From the above it is clear that the wine and tourism sector with its historic and cultural landscape and associated tourism facilities is of vital importance in attracting investment, growing the economy and contributing to employment opportunities. With the above in mind the Visit Stellenbosch with Stellenbosch Wine Routes are concerned about the lack of integration between the IDP and SDF with specific reference to budget allocations and the specific position of the tourism sector as part of the grants functionality of the LED section. Tourism as a key contributor to local economic development must be listed under the heading of Tourism with subsections focussing and funding:

- Tourism Destination Marketing
- Tourism Product and Enterprise Development
- Tourism Visitor Services and Information Centre
- Tourism Stakeholder / Member Services
- Tourism Infrastructure Development
- Tourism Infrastructure Maintenance
- Tourism Events and Projects



## CONCLUSION

In light of the importance of the tourism and wine tourism sector it is imperative that the Stellenbosch Municipality recognises the valuable role of tourism and wine tourism and needs to be budgeted for separately and not as part of another department to sustain and grow the industry in line with President Cyril Ramaphosa in his SONA address . This cross-cutting sector must be therefore be considered with the necessary gravitas and significance.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Elmarie Rabe'. The signature is written in a cursive style with a large, circular flourish at the beginning.

**ELMARIE RABE**

**MANAGER: STELLENBOSCH WINE ROUTES / MARKETING MANAGER: VISIT STELLENBOSCH**

**Otto van Noie**

## COMMENTS: Revised 4<sup>th</sup> Generation IDP 2019-2020/21

This submission is made under the following proviso(s):

1. That it is a preliminary submission given the fact that the lockdown has made it impossible for normal IDP public participation processes to go ahead, and that I have not been able to meet with those persons with whom I share common interests to gain their contributions in any meaningful way.

In this regard I wish to draw attention to a SALGA Media Statement on its website, regarding a Disaster Management Directive to Local Government, dated 29 April 2020: "Public consultation on the Draft Budget ad(sic) IDP's have been placed on hold until after the lockdown."

Stellenbosch Municipality does not provide any reason or additional information regarding its decision to place a deadline for one type of public participation process within the period of the extended COVID-19 lockdown at Friday 8 May 2020. How will the process as prescribed by the Systems Act be managed?

### INTRODUCTION

I cannot support the current formulation of the IDP as a developmental framework/planning document because it does not give enough weight to

- (a) *The impact of COVID-19 on the reaction to and handling of the global pandemic by a public authority that is supposed to provide leadership in this unprecedented crisis.*

There is simply no way in which the municipality can proceed in a business-as-usual fashion and treat COVID-19 as simply a bothersome short-term interruption. We have to deal with both the immediate and the longer-term effects, fall-outs and consequent planning revisions, remedies and innovations that a catastrophe of this extent and nature demands.

One of the measures that is suggested in the SALGA communication above is a suggestion that, given the fact that municipal councillors' salary increases have been backdated to 1 July 2019, that 4% of the pending March, April and May 2020 increases could be donated as a start-up to a Municipal Solidarity Fund. This could be a significant step with which to consolidate social cohesion and solidarity through establishing a ready fund to

- Help address emergencies, disasters etc. comprehensively at a moment's notice.
- Alleviate social needs
- Help fund community empowerment initiatives in a meaningful way

In this regard also, the municipality could, in terms of the Disaster Management Act or any other appropriate legislation, consider reviewing and rescinding the current Draft Budget to release funds specifically aimed at relieving current and immediately pending community need and distress brought about by the pandemic; not just in terms of material aid, but also financial reprieve and support. This could be managed through

- Temporary suspension of items budgeted for but not implemented, that are considered non-essential,
- Roll-overs of payments receivable and/or expenditures/debts of which payment by the municipality that could be deferred

It is a matter of concern that, although COVID-19 is mentioned as a possible risk in the IDP documentation, no adequate measures were taken in cautionary preparation.

*(b) The importance of the SPLUMA in IDP and Land Planning and Management processes through democratising the engagement process with wards by explaining what currently constitutes a high-level process in terms that ordinary people would grasp and be able to use in an interactive manner around how past spatial planning processes have created “imbalances” that amount to spatial injustice, and how those acts of politically managed deprivation will be remedied..*

1. The mandatory trajectory of the 2013 Spatial Planning and Land Use Management Act that has been applicable to ALL land use and management planning schemes, plans and proposals since 2015, in particular, to the imperative to address spatial planning “imbalances” prior to the promulgation of the Act.
2. The urgent need to compile a democratically driven spatial planning process to

**2.1** Firstly IDENTIFY what the term “imbalances” refer to in the detail that would reveal the historical intent and scope of pre-1996 disadvantage of the majority of Stellenbosch residents through land use and land management planning. This would entail **at least an updating of any existing land audits and exploring how those planning regimes have consistently promoted spatial injustice.**

**2.2** Secondly, ALIGN all current and future spatial planning initiatives to systematically address those “imbalances” to achieve spatial justice within the current spatial configuration. This implies a targeted approach with clear objectives that would be reflected in the future spatial lay-out of the entire Stellenbosch Municipality, not just in plans that could be conveniently shelved (as has happened before), but imbedded in the real, visible and tangible landscape.

The IDP/SPLUMA strategy is not a stand-alone delivery mechanism that municipalities can interpret in ways that speak to their particular political agendas. It is the bottom end of a deliberately cascaded process of implementation strategies designed to ultimately deliver on the National Development Plan. This plan firmly quantifies Stellenbosch Municipality’s much vaunted “Dignified Living” pillar alongside other developmental aims and benchmarks. It states:

“By 2050 South Africa will no longer have poverty traps in rural areas and urban townships: workers isolated on the peripheries of cities; inner cities controlled by slum lords and crime; sterile suburbs with houses surrounded by high walls and electric fences; households spending 30% or more of their time, and money on daily commuting;.....violent protests; gridlocked roads;.....new private investment creating exclusive enclaves for the rich.....” (NDP, 2012; PP.233-4).

SPLUMA 2013 is meant to serve precisely as a no-nonsense government intervention because of the failure and tardiness of municipalities to advance the transformation of the spatial landscape that is mandated by Chapter 5, ss. 23(a), (b), (c) and 24 (2) of the Municipal Systems Act.

Stellenbosch Municipality is one of those municipalities that give every indication of moving in a direction OPPOSITE TO that which would deliver on the desired outcomes envisaged by the NDP. For example:

3. Even a cursory look at the spatial landscape reveals:
  - 3.1 A proliferation of gated housing complexes and neighbourhoods, eg. In Universiteitsoord.
  - 3.2 The gradual gentrification of residential areas where the pricing of housing units are relatively lower than in upmarket areas; Jamestown and Idas Valley.
  - 3.3 The establishment of special rating areas in more affluent neighbourhoods.
  - 3.4 The so-called “Northern Extension” that seeks to relocate persons with housing needs from core and urban Stellenbosch to the periphery of town.

Furthermore, information from the current IDP documentation shows:

- 3.5 A GINI Coefficient that continues to remain high at 0,63.
- 3.6 14 of the first 20 wards listed prioritises housing and land for housing among the top 5 needs.
- 3.7 An increase in indigent households from 2016-2019, (p. 61).
- 3.8 Food poverty increased from R219 to R531 per annum per person per month by 2017 (p. 59).
- 3.9 A school drop-out rate of 27.5%; 7 500 out of 27 087 enrolments in 2018, which has negative implications both for future employment and crime statistics.
- 3.10 The Farmworker Demographic indicates that 19,2% of persons living and working on farms are in temporary or seasonal employment. In addition, out of the 811 recorded households, 18,1% are unemployed.(p.58)
- 3.11 Skill levels of formal employees surveyed in 2017 indicate that 18 273 (33%) are low skilled. As the town advances towards the envisaged ‘Smart City’ this category of employees could become unemployed, adding to the social burden.

The IDP/SPLUMA document correctly states that the municipality should be at the forefront of the developmental trajectory of town and its environs; it correctly places the responsibility on the municipality, to be exemplary and to lead and enthuse other sectors with which it jointly constitute the visionary and driving force of agents and forces for positive change and transformation, at least locally.

This will not happen unless the mobilising effort is honest, democratic and thoroughly participatory.

The SDF approved in November 2019 is a high-level, technical document that does not seem to reflect the concerns of those persons and communities who have been disadvantaged by the spatial imbalances created by past spatial planning regimes. Some persons I have spoken to from the Forest Villages were not even aware of the inputs affecting them directly.

As such it does not meet one of the most critical criteria of the SPLUMA.

I have also taken note that the municipality has taken a decision to apply to the National authorities for development funding for the “Adam Tas Corridor”. Have those authorities also been informed that the “Northern Extension” will form part of that proposed development, as the Municipal Manager informed Cllr. Franklin Adams in reply to a question he put at the Council meeting of 28 August 2019?.

Otto van Noie  
021 886 4067

7 May 2020

# **FIRST PLAN** BK/CC (Reg no: 2000/002213/23)



**STADS- EN STREEKBEPLANNERS / TOWN AND REGIONAL PLANNERS**

*Lede/Members: P A Beukes SS(SA) BA M(SS) G J Roos BA Hons(BA) M(SS)*

*Ons Verw/Our Ref: Libertas IDP 2020*

*Datum/Date: 8 May 2020*

The Municipal Manager  
PO Box 17  
Stellenbosch  
7599

Submitted electronically to: [finance.department@stellenbosch.gov.za](mailto:finance.department@stellenbosch.gov.za)  
[idp@stellenbosch.gov.za](mailto:idp@stellenbosch.gov.za)

Attention: Mrs G Mettler

## **COMMENTS: “REVISED 4TH GENERATION IDP 2020/21” FARM FLEURBAAI NO. 1040 AND FARM LIBERTAS NO. 1480 STELLENBOSCH**

1. With reference to the above subject and the invite to comment on the Revised 4<sup>th</sup> Generation IDP 2020/21 as referred to in the undated and unnumbered “NOTICE FOR PUBLIC COMMENT DRAFT REVISED 4th GENERATION INTEGRATED DEVELOPMENT PLAN (IDP) AND TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN (SDBIP) 2020/21 AND MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK (DRAFT BUDGET) 2020/21”, the following:
2. In terms of the above notice, please find herewith our comment as specifically applicable to Chapter 4: Spatial Development Framework of the 4th Generation Integrated Development Plan (IDP) and more specifically the exclusion of Farm Fleurbaai no. 1040 and Farm Libertas no. 1480 Stellenbosch, hereafter referred to as the “subject property”. Please also note the requirement contained in the said notice that any comment on the said IDP to be submitted on or before 8 May 2020 at 16:30, this submission duly done in terms of this requirement.
3. PURPOSE OF THIS SUBMISSION: Please further note that it is not the purpose of this comment to deliberate on the detailed motivation already submitted to the Stellenbosch Municipality by TV3 Architects and Town Planners on 7 May 2019 but to urge the Stellenbosch Municipality to reconsider the inclusion of the subject

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Posbus/P O Box 15865 PANORAMA 7506

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property (in its totality or partially) into the urban edge due to the significant positive contributions this will make as further described below.

In acknowledgement to the above, this submission will:

- Highlight some of the most essential reasons for the inclusion of the subject property to within the urban edge to ensure that none of the arguments as contained in previous submission in this regard are lost (Extract from the May 2019 submission by TV3 Architects and Town Planners attached as Annexure 1) and
- Provide some extracts from a further urban design presentation in further support to the inclusion of the subject property to within the Stellenbosch Urban Edge

#### 4. SUMMARY OF THE MOTIVATION FOR THE INCLUSION OF THE SUBJECT PROPERTY TO WITHIN THE URBAN EDGE:

##### 4.1. Urban Infill.

The subject property covers an area of ±180ha and is located between the Techno Park on its southern boundary, Die Boord neighbourhood on its eastern boundary and the R310 to the north just opposite the Eerste River with Woodmill, Onder Papegaaiberg, Devon Park, Distell and Droë Dyke alongside this route. As such, it is clear that the inclusion of the subject property to within the urban edge should be seen as urban infill and not urban expansion as it is surrounded by development.

##### 4.2. Integrated Development Considerations

The subject property provides for a unique opportunity for a fully integrated development by combining commercial activities (possible expansion of the Techno Park), educational facilities (expansion of the Stellenbosch University and accommodation of other primary-, secondary and tertiary institutions) and the provision of much needed housing opportunities at various densities catering for a broad spectrum of the market in addition to the high density housing envisaged with the Adam Tas Corridor and other municipal housing initiatives.

##### 4.3. Socio-economic Benefits

Dr Jonathan Bloom (Multi-Purpose Business Solutions) was appointed to investigate market demand and the socio-economic impacts of the development of the subject properties and concluded:

- A total of 17 301 units form part of the estimated residential demand over the next 20 years, i.e. 9 277 houses smaller than 80m<sup>2</sup>, 2 793 houses larger than 80m<sup>2</sup>, 2402 flats and 2 829 townhouses
- The proposed development represents about 13,37% of the total number of housing units included in the adjusted Rode forecast by 2036.
- The development represents a direct investment of R5136 million
- The development will generate DC's estimated at R147.4 million and property rates of R48.1 million for Stellenbosch Municipality in Year 20
- The Stellenbosch northern extension project will provide ±5 000 housing opportunities and the Jamestown (south) development project will provide ±1 500 in the subsidised housing and GAP housing markets. In order to maintain an economic balance to housing stock in Stellenbosch, housing

opportunities aimed at the medium to higher end of the market, should also be provided. It would be unreasonable to expect all families to live in flats and it was argued that the subject property is a desirable geographic location for the provision of more family orientated plots in order to maintain a healthy economic balance in Stellenbosch as a whole. This will stop families (that are financially able to contribute to the municipal coffers) from choosing to live in Somerset West, Val de Vie, Franschhoek or Paarl rather than Stellenbosch.

4.4. Dire need for expansion and growth in tertiary educational facilities

The Stellenbosch University has reached its maximum capacity in its current location and is limited to densification within existing buildings with limited land available for further development or redevelopment.

To also address this dire position of Stellenbosch University, a large portion of the subject property is currently being explored for the development of a spectrum of educational facilities including facilities for Stellenbosch University. If realised – this will directly contribute to the municipal strategic vision of becoming the “Innovation Capital of South Africa”.

4.5. Protection of heritage and provision of green spaces

Including the subject property to within the urban edge and approving development will provide the opportunity to protect and restore the historic farm stead and related buildings, while also providing an opportunity to provide appropriate green spaces by accommodating water courses, sensitive landscapes and public linkages to contribute to its unique sense of place

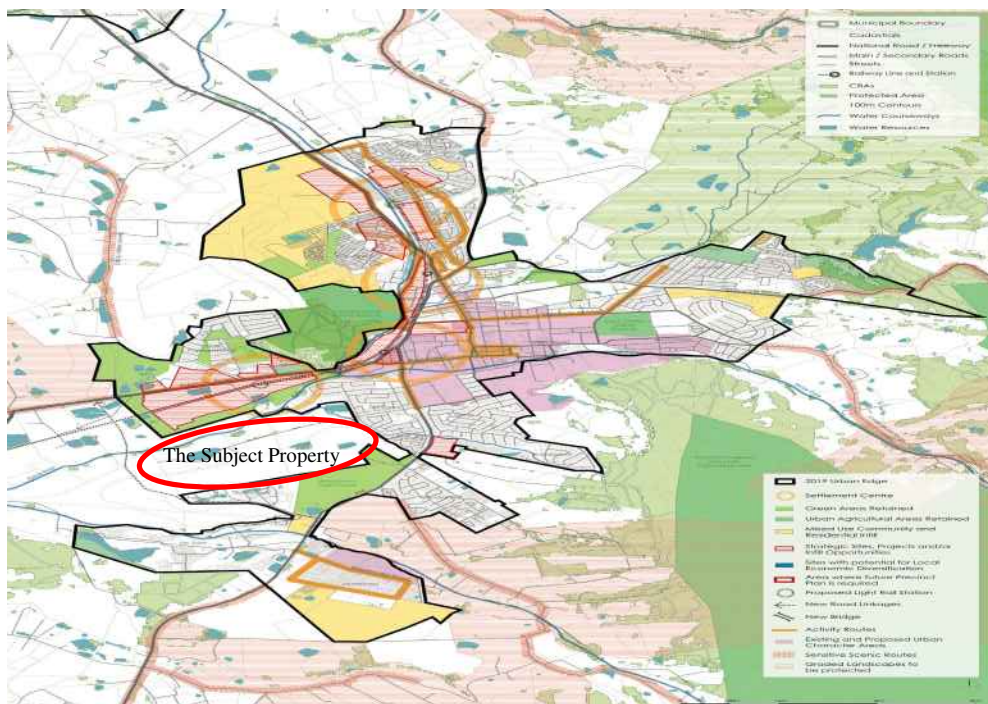


Figure 1: Subject Property to be included within the urban edge



## 5. Further Urban Design Analysis and Proposals

- 5.1. As a point of departure it must be noted that it is impossible to do justice in this report to an urban design presentation that has been prepared by Urba Architects & Urban Designers (Dr Henri Comrie) that was to suit a verbal account of the process and underlying principles. It will therefore be imperative to present this at the appropriate time to a forum where the approach, analysis and conclusions can be interrogated and the proposals explained as a basis for the desirability assessment for the inclusion of the subject property to within the urban edge.



urba  
URBAN DESIGNERS

Figure 2: Sensitive “urban fit”

- 5.2. For the purposes of this comment report, the following key points from the urban design presentation are however provided as additional support to the comments already submitted during the 2019 Stellenbosch SDF process.

Rather than including the full presentation, it was decided to attach an extract of slides that best demonstrate the salient features of the subject property, the sensitive fit and application of the guiding principles contained in the most recent IDP report, i.e.:

- To promote spatial integration and connectivity
- Facilitate people orientated development with maximum density, a mix of uses, non-motorised transport and public transport solutions



Figure 3: Focus on Integrated NMT Development

- Create walkable environments



Figure 4: Quality communities in quality environments

- Financial sustainability Infrastructure-light and replicable
- Support place making, identity and sense of place
- Designed to be inclusive and developmental in nature by supporting flexible growth and at a more detailed level to introduce well considered typologies that:
  - Support mixed use, high density development
  - Is conceived as a range of building heights 2-4 storeys
  - Defines High Streets as apposed to big box retail malls
  - Is clustered around shared community/public facilities

- Is outward orientated rather than being introverted building forms and includes minimum street setbacks
  - Incorporates a vertical land use mix with both retail/commercial and residential
  - Incorporates active ground floors and positive street edges
- (Refer to Annexure 2: Extract from Urban design Presentation)

6. From the above it is clear that the proposed inclusion of the subject property (in whole or in pockets) to within the Stellenbosch Urban Edge will contribute to the provision of a much needed mixed-use development including residential opportunities varying in size and value, commercial opportunities and educational facilities including primary-, secondary and tertiary institutions.



Figure 5: Inclusion of subject property

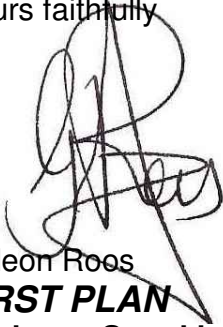


Figure 6: Inclusion of pockets within the subject property

This will largely contribute to an significant increase in municipal income through development contributions and rates and taxes, that will also substantially contribute to the municipality's strategic vision of becoming the "Innovation Capital of South Africa".

7. We therefore respectfully request the Stellenbosch Municipality to approve this critical amendment to the Stellenbosch Municipality Spatial Development Framework (2019) as part of the Draft Revised 4th Generation Integrated Development Plan.

Yours faithfully

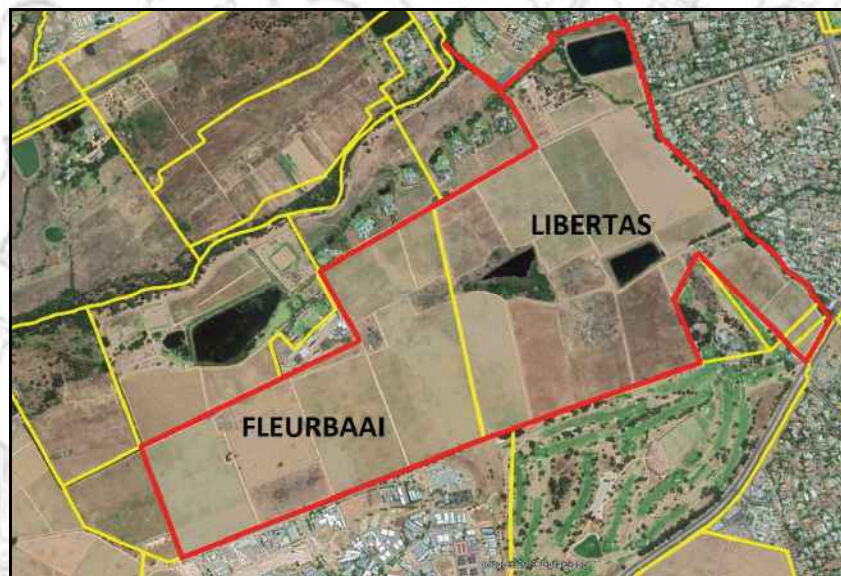


Gideon Roos

**FIRST PLAN**  
**Stads- en Streekbeplanners**  
**Town and Regional Planners**

- Annexure 1:** Copy of Initial report by TV3 Architects & Town Planners  
**Annexure 2:** Extract from Urban Design presentation prepared by Urba Architects & Urban Designers (Dr Henri Comrie)

# STELLENBOSCH FARMS LIBERTAS AND FLEURBAAI



## COMMENTS ON THE STELLENBOSCH MUNICIPALITY'S DRAFT SPATIAL DEVELOPMENT FRAMEWORK

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LA GRATITUDE OFFICES (1<sup>ST</sup> FLOOR)  
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ARCHITECTS AND TOWN PLANNERS  
ARGITEKTE EN STADSBEPANNERS

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-

**SECTION A**

**MOTIVATION REPORT**

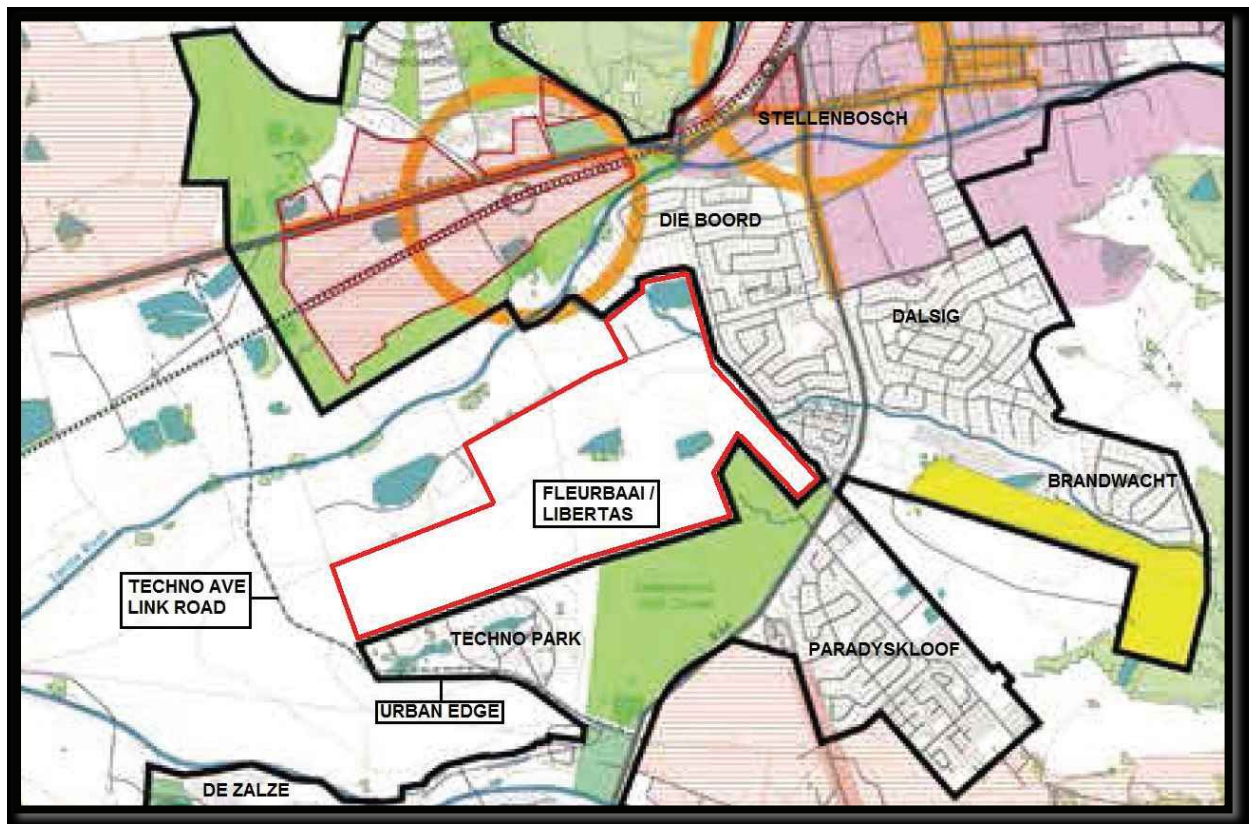


**MOTIVATION REPORT FOR THE AMENDMENT OF THE STELLENBOSCH MUNICIPALITY’S DRAFT SPATIAL DEVELOPMENT FRAMEWORK TO INCLUDE FARM FLEURBAAI NO. 1040, STELLENBOSCH AND FARM LIBERTAS NO. 1480, STELLENBOSCH IN THE URBAN EDGE**

**1. BACKGROUND INFORMATION**

**1.1 Municipal notice calling for public comment**

We refer to the Stellenbosch Municipality’s notice of 7 March 2019 calling for public comments on the Draft Spatial Development Framework (MSDF). Based on the Draft MSDF’s Stellenbosch Framework Plan, it is apparent that the Libertas and Fleurbaai farms have been excluded from the town’s urban edge – see Figure 1 below.



*Figure 1: Extract of the MSDF Plan*

## 1.2 Municipal Spatial Development Framework amendment request

This firm has received a brief from the directors of Fleurbaai (Pty) Ltd to prepare the necessary documentation for the amendment request, in order to include the Farm Libertas No. 1480, Stellenbosch and the Farm Fleurbaai No. 1040, Stellenbosch [hereafter referred to as the subject property] in the Stellenbosch urban edge and to earmark the subject property for future urban development purposes. A power of attorney to this affect is attached hereto (see **Section B**).

The subject property is considered to be a desirable location for future urban expansion, with specific reference to a mixed-use development, being in close proximity to central Stellenbosch and the aim of this report is to provide the Stellenbosch Municipality with sufficient information, informed by specialist studies and assessments, of the subject property and proposed urban development to substantiate the motivation for inclusion in the Stellenbosch Municipality's urban edge.

## 2. DESCRIPTION OF THE PROPERTY UNDER REVIEW

The subject property's details are is described in Table 1 below.

*Table 1: Subject property details*

| Property Description                  | Title Deed No. | Size      | Ownership             |
|---------------------------------------|----------------|-----------|-----------------------|
| Farm Fleurbaai No. 1040, Stellenbosch | T2011/1966     | 70.9579ha | Fleurbaai (Pty) Ltd   |
| Farm Libertas No. 1480, Stellenbosch  | T21113/2007    | 108.84ha  | AC Blake Family Trust |

Copies of the subject property's Title Deeds and SG Diagrams are attached hereto (see **Section C**).

### 3. PLANNING CONTEXT

#### 3.1 Locality

The subject property is located between Techno Park and Die Boord approximately two kilometres south west of the Stellenbosch central business district – see Figure 2 below.



Figure 2: The Locality of the subject property

The locality and context of the subject property is indicated in more detail on the locality plans attached hereto (see **Section D**).

#### 3.2 Current zoning and land use

The subject property is zoned for agriculture purposes and is partially utilised for agricultural purposes due to limited potential of the soils – see Figures 3 and 4.



*Figure 3: Photograph taken from the R44 / Strand Road*



*Figure 4: Photograph taken from Techno Park (Elektron Road)*

### **3.3 Surrounding land uses**

The subject property is located in an urban part of Stellenbosch. The residential

areas of Patrysvallei, De Bosch and Die Boord are located directly to the north. Techno Park, the Stellenbosch Golf Course and De Zalze are located directly south of the subject property. Kleingeluk, Die Boord and Fairways residential areas are located east of the subject property, and farm land is located to the west.

#### 4. PROPOSED DEVELOPMENT OF THE SUBJECT PROPERTY

In a conceptual format the land uses considered – as identified below – will lead to a mixed land use development, complimenting each other with sustainable benefits that relate to the minimising of traffic onto the R44, emphasising non-motorised transport and capitalising on maximum benefits associated with the “live, work and play” concept – see Figure 5 below.

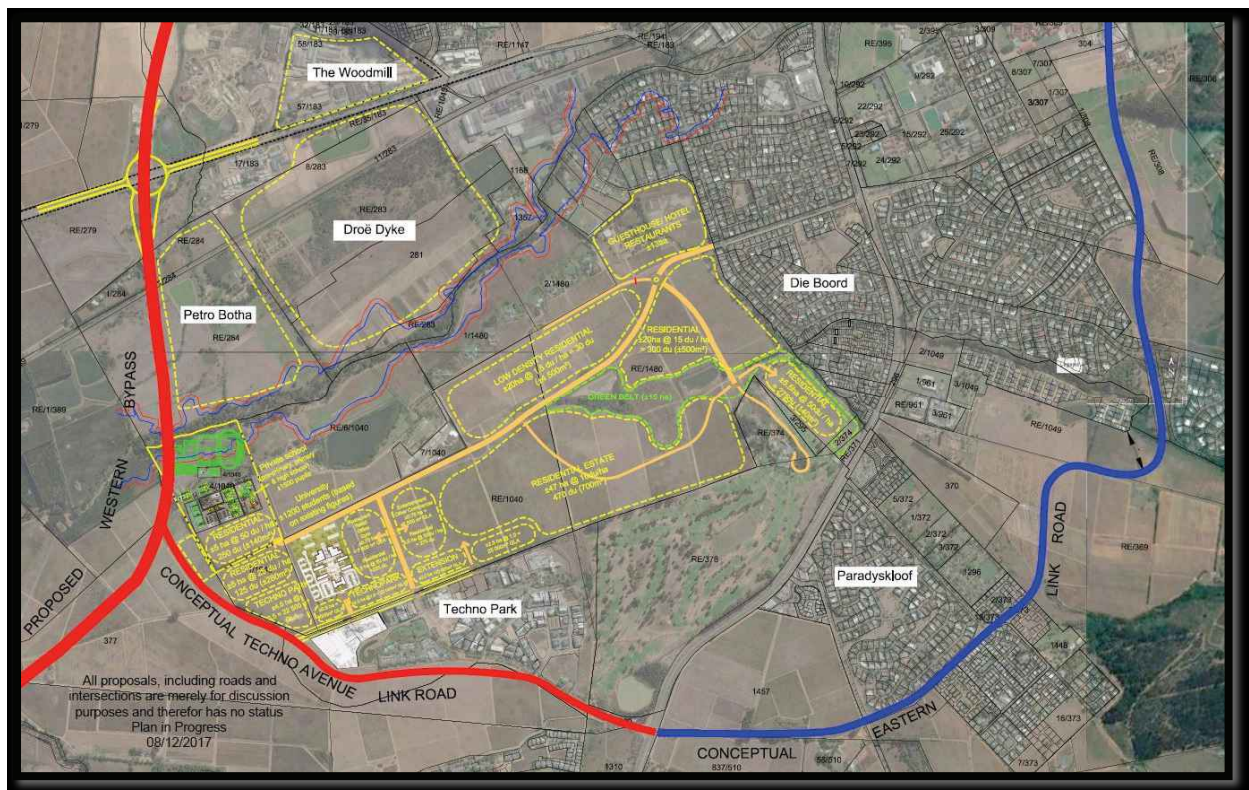


Figure 5: Fleurbaai / Libertas Development Framework Plan

A larger scale copy of the Fleurbaai / Libertas Development Framework Plan is

attached hereto (see **Section D**).

#### **4.1 Education facilities**

A large portion of the subject property is currently being explored for the development of a spectrum of educational facilities for which there is a need in Stellenbosch. Especially tertiary educational needs should also be addressed in order to achieve the municipal strategic vision of becoming the “Innovation Capital of South Africa”.

The Stellenbosch University have visited the subject property on numerous occasions and have confirmed their interest to partake in the development of higher education facilities. A letter from the University is attached hereto a (see **Section E**).

Alternatively, there is a range of well respected private tertiary educational institutions that could use this opportunity.

#### **4.2 Techno Park extension**

In conjunction with the recent interest expressed by educational role players (including the Stellenbosch University) for the full spectrum of education facilities, the possibility is also being explored to extend Techno Park northwards onto the subject property. This will attract business and investment, further stimulating the local economy and creating more employment opportunities within the technology and innovation hub (Techno Park). Logically, a synergy exists between the higher education facilities and Techno Park.

### **4.3 Residential opportunities**

Complimenting the educational facilities and the extension of Techno Park, the remainder of the subject property is being considered for the provision of much needed housing opportunities, to be provided at various densities catering for a broad spectrum of the market.

The Stellenbosch Municipality is currently busy with the Adam Tass corridor / ARC study. This project will provide high density residential opportunities in central Stellenbosch. The Fleurbaai / Libertas urban development project will complement the Adam Tass corridor initiative by providing alternative housing opportunities in close proximity to central Stellenbosch; i.e. more family orientated plots as it cannot be expected that all families must reside in high-rise apartment blocks.

## **5. REASONS WHY THE SUBJECT PROPERTY SHOULD BE INCLUDED IN THE STELLENBOSCH URBAN EDGE**

### **5.1 General considerations**

It is recognised that a town's urban form is dictated by biophysical factors such as topography, flood lines, infrastructure, major transport routes, etc. which may lead to an irregular form with tentacles and nodes. However, there will always be the natural inclination to follow a compact and regular form, striving towards optimum proximity and connectivity. In this regard the subject property is ideally located close to the town's central business district and can be regarded as a logical infill development opportunity, as its most western boundary will more or less follow the natural western edge of the town as already dictated by De Zalze and Techno Park (and the proposed Techno Park Link Road).

## 5.2 Integrated Development Plan considerations

The motivation to include the subject property within the Stellenbosch urban edge is based on the following Integrated Development Plan (IDP) considerations.

The MSDF forms a key component of the Stellenbosch Municipality's IDP as it identifies the spatial localities and opportunities to achieve the IDP's objectives and to meet the demands of the local communities. It must therefore be aligned with the principles of the IDP and indicate where the prioritized needs of Council should be located in a spatially ordered manner.

The IDP acknowledges the fact that Stellenbosch Municipality is experiencing rapid transformation as a result of the influx of job seekers, residents and investors, as well as the overall restructuring of the economy and means of production and wealth creation. The economic sectors, which have shown the greatest growth, are the service industry and construction industry. Future growth, expansion and innovation should be guided by specific development principles, limiting ad hoc urban development that will result in expensive outward low-density urban sprawl and the related destruction of valuable eco-systems and agricultural resources.

The objective of the MSDF is to provide maximum certainty to all role players (property developers, financial investors, development planners, municipal officials and ordinary households) with regards to the future form of Stellenbosch.

According to the IDP Council will consider the following amendments to the MSDF, namely amendment of the urban edges, amendments to include the northern extension project, amendments to include the Jamestown housing project, infill and development areas, new transport infrastructure, institutional



developments and facilities, and the upgrading of the R44.

The northern extension project and the new Jamestown housing project will unlock additional land for predominantly affordable housing. These amendments to the urban edge will however not address the current and future housing backlog for the middle-and-upper income households (which are needed to help subsidize the affordable housing projects).

The current approved Stellenbosch 2017 Integrated Human Settlement Plan has a target of ±18 775 residential units to cater for the current housing backlog. This municipal plan aims to guide and facilitate the development processes involved for housing projects aimed at informal settlement upgrade, social housing, formalized home ownership, employer housing and GAP housing. A key proposal was to utilize municipal land provided at reduced cost for formal home ownership in order to cross-subsidize other housing types. A cohesive effort has been made with Provincial and National Departments of Human Settlements to declare Stellenbosch a Restructuring Town with Restructuring Zones where economic, social and ecological sustainability are promoted while improving the lives of communities through rental housing programs. This achievement will accelerate the processes and supply of housing development aimed at the lower income residents.

There is a scarcity in formal guiding policies and plans specifically aimed at addressing the current and future housing demand for the middle to higher income households, which are predominantly attracted by the booming services sector. Developments, focused on providing much needed residential opportunities on this side of the economic spectrum, derives predominantly from the private sector on privately owned land. The IDP makes provision for possible amendments to the MSDF to accommodate for this need through the identification of infill and development areas. The subject property can be deemed desirable spatially as it will not perpetuate ad hoc or leap frog

development.

The proposed development of the subject property will also contribute towards future revenue streams for the Stellenbosch Municipality in the form of rates, tariffs and development charges that can be used for the upgrading of municipal infrastructure (e.g. the proposed Techno Park Link Road).

### **5.3 Urban Development Strategy considerations**

The Stellenbosch Municipality appointed Rode & Associates to draft a Stellenbosch Municipality Urban Development Strategy (UDS). The purpose of the report is to assist Council in understanding the Municipality's current urban context and to formulate strategies for urban growth and development.

The UDS identified the subject property as a transformation zone; i.e. a transformation zone is an area where coordinated public and private sector investments are prioritised for urban intensification and expansion – see Figure 6 below.

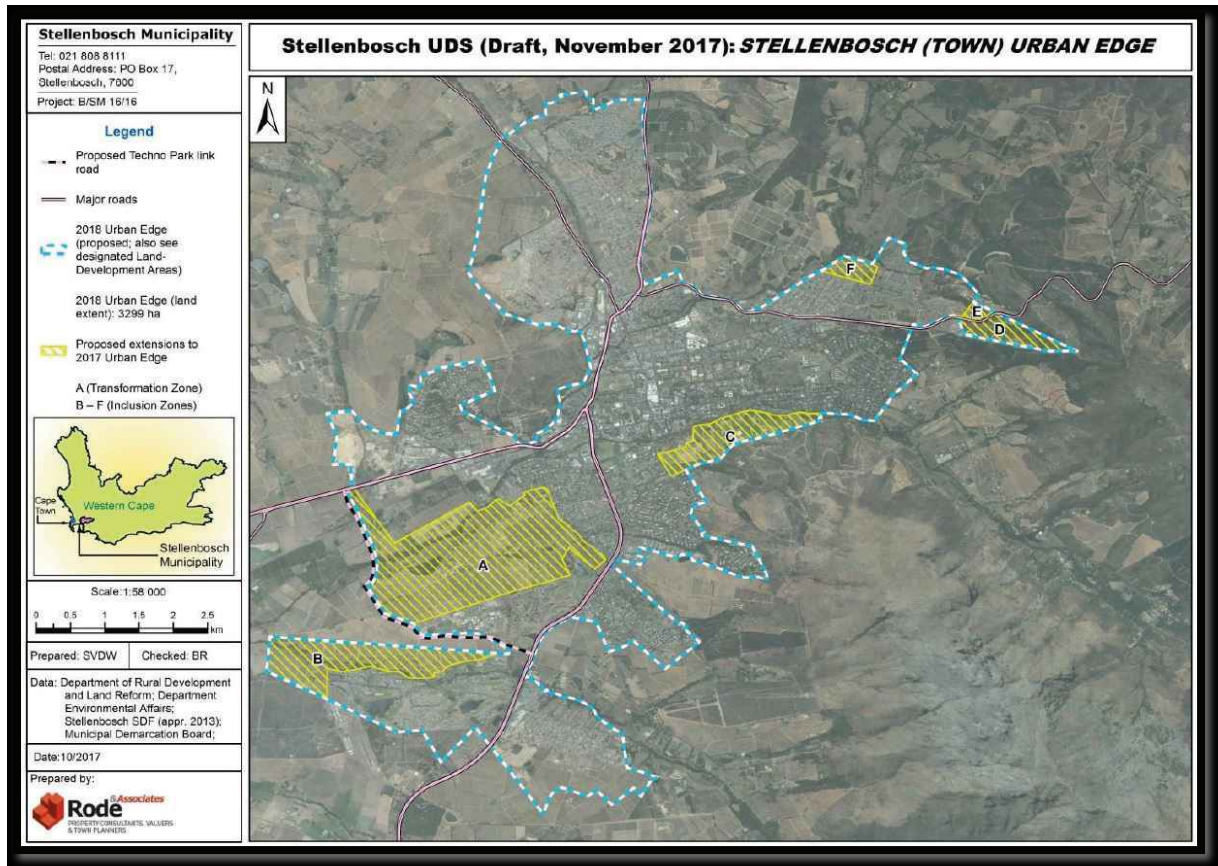


Figure 6: Extract of the Draft Stellenbosch Urban Development Strategy

#### 5.4 Market viability assessment and socio-economic implications associated with the Fleurbaai / Libertas development

Dr Jonathan Bloom (Multi-Purpose Business Solutions) was appointed to conduct a market viability assessment for the need and demand of housing envisaged by the proposed development with specific reference to Stellenbosch town. A full copy of his report is attached hereto (see **Section F**).

The content of Dr Bloom's report is summarised as follows:

##### Nature and Scope of the project

The Fleurbaai / Libertas urban development project is conceived as a

mixed-use development on land of  $\pm 150$ ha, located in an area that forms part of Libertas Farm, abutting Techno Park, Die Boord and the Droeëdyke area. The site is also in close proximity to the R44 (linking Stellenbosch and Somerset West) and Baden Powell Drive. The envisaged Techno Park Link Road will link Baden Powell and the R44, whereas the development area will link to the Techno Park Link Road on the southern side of the project.

The objective of the study is to consider the scope of the project, its impact and relevance based on four pillars that cover (1) the market from a demand and supply perspective; (2) the socio-economic impacts from an income and employment perspective; (3) municipal revenues and charges; and (4) the fit for purpose.

Albeit conceptual and indicative, the proposed development is defined below for purposes of determining its impacts as described above and covers the following scope of land uses:

- A total of 30 single residential erven of  $\pm 4\,500\text{ m}^2$ , 470 erven of  $\pm 700\text{ m}^2$ ; 300 erven of  $\pm 500\text{ m}^2$  and 775 erven of  $\pm 140\text{ m}^2$ .
- Retail of  $\pm 15\,000\text{ m}^2$  and offices of  $\pm 78\,000\text{ m}^2$  is also envisaged together with a school of approximately 135 classrooms and associated infrastructure
- Private open space of  $\pm 15$  ha plus.

The proposed development caters for the middle to high-income segment of the market and is aimed at the following income brackets:

- R202 451 – R809 802 per annum income (units between R600 000 and R2 million)
- R809 203 – R1.6 million per annum income (units between R2.5 million and R4 million)
- R1.6 – R3.2 million per annum income (units between R4.5 and R8 million)

The proposed development offers a scope of housing that addresses various emerging trends related to demand for housing, for which the key trends are lifestyle, proximity, availability of key infrastructure, access and transport. The proposed housing is intended to attract millennials and persons that work in Techno Park, at the surrounding commercial enterprises and the surrounding area. The properties for the purposes of this analysis, are aligned in terms of the classification adopted by the Stellenbosch Municipality for the levying of development charges. The project also offers and addresses the need for commercial space in the form of community retail and offices.

This report adopts an economic perspective related to supply and demand, and the need to deliver benefit to the local economy and jobs to people. In order for the project to be fit for purpose, broad market and socio-economic criteria need to be considered. With some limited variance, the project should fall within the demand forecasts for different housing types in Stellenbosch Town, must offer socio-economic benefits to locals and ensure that the Municipality is able to consider the project from both a financial, policy and planning context. Stellenbosch Town includes and is defined as central Stellenbosch, Jamestown, De Zalze, Onder-Papagaaienberg, Kyamandi, Cloeteville and Ida's Valley.

## **Key outcomes**

### ***Stellenbosch housing trends***

Higher priced houses have emerged as a trend in Stellenbosch Town over the period 2008 to 2017 and current supply is unable to meet the demand in the higher price segment. If this trend continues, average equilibrium prices and price points will increase and due to the lag in provision of supply or curtailing supply together with the inelasticity of supply, no integration of various housing typologies in development will be possible. The only way to reduce the average

equilibrium price for houses is to permit development that underpins market demand for a range of housing typologies and implement policies that make it attractive for developers and investors to provide in the need for different types of housing.

A total of 17 301 units form part of the estimated demand over the next 20 years, i.e. 9 277 houses smaller than 80m<sup>2</sup>, 2 793 houses larger than 80m<sup>2</sup>, 2402 flats and 2 829 townhouses. These figures represent adjusted demand forecasts prepared by Rode and Associates for Stellenbosch Town.

***Key salient outcomes from the analysis include the following***

- The current supply is unable to meet demand for all housing types in Stellenbosch Town;
- Sales trends in the Stellenbosch Municipal area suggest a demand for higher priced houses;
- Emerging trends suggest that average equilibrium prices will increase and continue to increase in Stellenbosch Town due to the following:
  - Limited supply of new development (housing) stock;
  - Lag in the provision of supply caused by inelasticity, which suggests that supply is unable to meet demand in the short-term, resulting in price increases reaching new highs, but not rebalancing downward with more additional stock on the market; and
  - Continuous and sustained price increases will curtail the opportunity to create and develop appropriate mixed-use residential projects that offer a range of affordability options.
- An estimated housing demand of 865 units per annum on average for next 20 years based on the adjusted Rode forecast:
  - 464 houses smaller than 80m<sup>2</sup>
  - 140 houses larger than 80m<sup>2</sup>

- 120 flats
- 141 townhouses
- It is also possible to relate vehicle traffic and employment to future retail, commercial and industrial development in Stellenbosch Town over the next 20 years as follows:
  - 1 additional vehicle will **enter Stellenbosch Town** for every 53m<sup>2</sup> of retail, office and industrial space developed;
  - 1 additional employee will originate from **outside Stellenbosch Town** for every 45m<sup>2</sup> of Gross Lettable Area (GLA) developed; and
  - 1 additional employee would **reside in Stellenbosch Town** for every 27m<sup>2</sup> of GLA developed (given the percentage of persons that commute for employment purposes).
- A total of 8 830 people estimated to be working in Stellenbosch Town by 2036 would form part of the daily commuting workforce;
- Annual housing need per annum on average over the next 20 years based only on commuters:
  - 371 units for middle-income category
  - 70 units for high-income category
- Demand for 388 dwelling units from commuters and persons that would reside in Stellenbosch due to future retail, commercial and industrial development based on a 50% take up of the need.
  - The average annual demand for houses smaller than 80m<sup>2</sup>, flats and small townhouses ranges from 194 to 241 units.
  - The demand for houses larger than 80m<sup>2</sup> for the high-income group by 2036 ranges from 97 to 194 dwelling units on average per annum.

### ***Development Pipeline for Stellenbosch Town***

The pipeline of projects envisaged by developers for Stellenbosch Town has an envisaged rollout over the next 10 years. Although the pipeline does not necessarily include all projects, indications are that approximately 9 575 units are envisaged to form part of planning concepts and applications over the following 10 years. The table below provides an indication of the percentage contribution of the pipeline projects to the Rode adjusted forecast per housing type and the contribution of each housing type to the total number of units. The results indicate that the Development Pipeline would contribute 55,34% of the total units to the adjusted Rode demand forecast.

*Table 1: Housing demand and supply*

| <b>Housing type</b> | <b>Amended Rode Demand forecast</b> | <b>Development Pipeline</b> | <b>Percentage of housing type</b> | <b>Percentage of total pipeline</b> |
|---------------------|-------------------------------------|-----------------------------|-----------------------------------|-------------------------------------|
| Houses              | 12 070                              | 6 907                       | 57,22%                            | 72,14%                              |
| Flats               | 2 402                               | 1 130                       | 47,04%                            | 11,80%                              |
| Townhouses          | 2 829                               | 1 538                       | 54,37%                            | 16,06%                              |
| <b>Total units</b>  | <b>17 301</b>                       | <b>9 575</b>                | <b>55,34%</b>                     | <b>100,00%</b>                      |

The housing types envisaged for the Development Pipeline all fall within the adjusted Rode forecast, except for houses larger than 80m<sup>2</sup> that exceeds the forecast by 2,40%. A breakdown of the envisaged supply suggests that 29,87% of housing units supplied over 10 years accrues to dwelling units larger than 80m<sup>2</sup>, which are more aligned with middle to high-income groups; 42,27% to affordable housing (lower to middle-income groups); 16,06% to townhouses (middle-income group) and 11,80% to flats.

The projects that form part of the pipeline, based on the progressive growth trajectory (same growth trajectory used to demonstrate demand over 20 years), is envisaged to deliver 9 575 units over 10 years, which is 31,83% more than the forecast over the same period. By year 12 of the forecast period, the forecasted number of units will exceed the number of pipeline units by 1 156 or



12,70%. In other words, slightly more than a **one-year gap exists between the envisaged completion of development for the Pipeline projects and the projected demand for housing units in Stellenbosch Town after 10 years.**

***Fleurbaai / Libertas: Fit for Purpose***

The proposed development forms part of the pipeline of projects envisaged for Stellenbosch Town by developers over the next 10 years. The proposed development represents about 13,37% of the total number of housing units included in the adjusted Rode forecast by 2036, and 16,45% of the total number of housing units envisaged as part of the project pipeline envisaged by developers.

Figure 7 below summarises the outcomes of the analysis and alignment with the premise of a fit for purpose, i.e. whether or not the development project is able to “tick the boxes” from a socio-economic perspective, i.e.:

- The project needs to ensure that potential demand is met from a supply perspective;
- The housing types fit with the need and emerging trends and the housing development framework of the Stellenbosch Municipality;
- The project does not result in a funds flow deficit for the Municipality in terms of service infrastructure (which should be covered by DCs);
- The local economy benefits from the development in terms of direct capital expenditure and backward and forward linkages between sectors; and
- Jobs, even on a temporary basis, are created and devolved to locals that are able to work on the project.

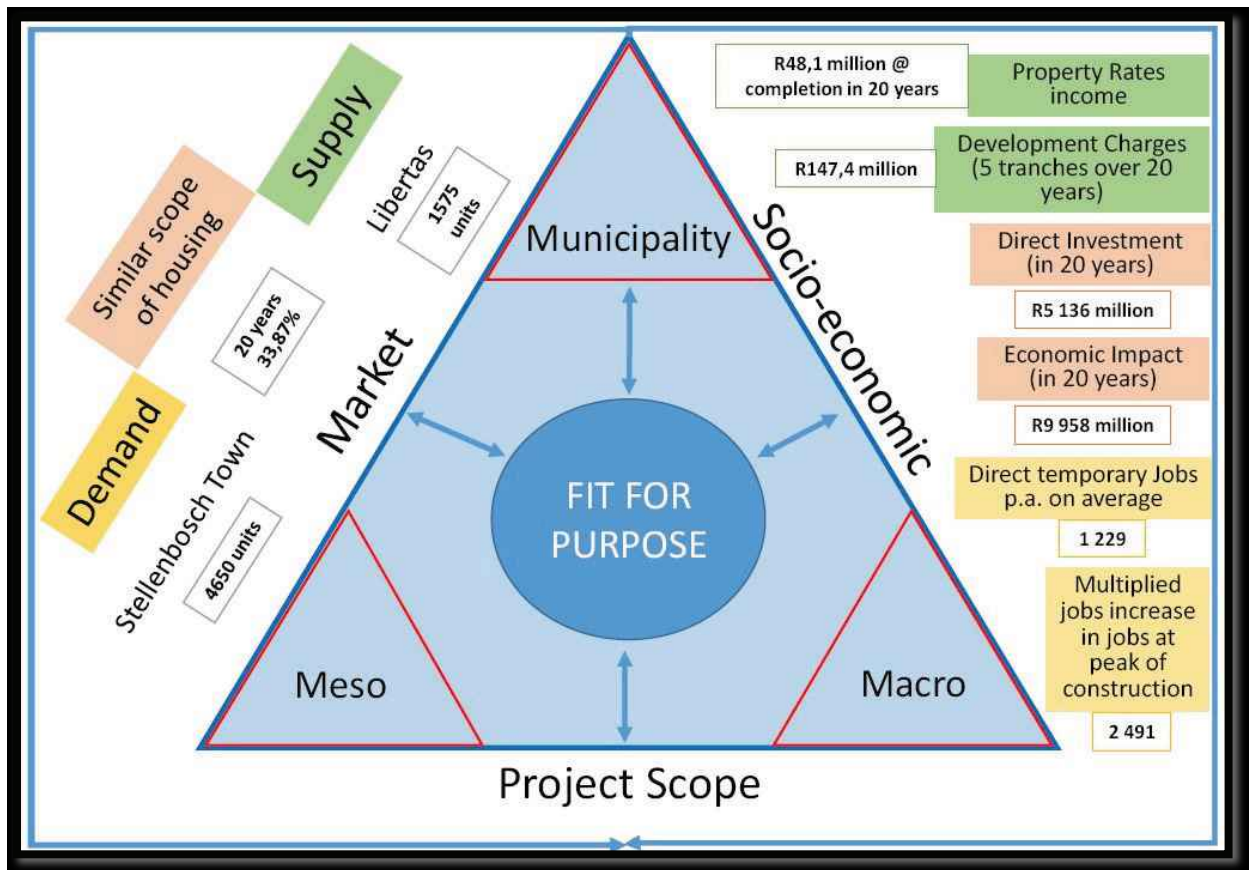


Figure 7: Fit for purpose

In terms of demand and supply, the proposed development would add 1 575 units of stock to the demand for housing over 20 years. Based on the housing typology envisaged for the project (larger than 80m<sup>2</sup>), this represents 56,39% of the total number of 2 793 units (or one in two units) once the development is complete and occupied. The development represents a direct investment of R5136 million that includes the residential components, community retail, offices and education facility that will generate Development Charges estimated at R147.4 million in five tranches and property rates of R48.1 million for Stellenbosch Municipality in Year 20 from residential uses and additional rates revenue from retail and offices.

Over the duration of the construction period, an average of 1 229 people would directly work on the project components, including the retail, commercial

components and the education facility. All of these benefits are estimates based on the development of 1 575 dwelling units, offices, retail and education facilities over the 20-year development period.

## 5.5 Spatial planning considerations

The motivation to include the subject property within the urban edge is also based on the following spatial planning considerations:

- *Western Bypass, associated link roads and access*

A main contributing factor in this request is the recent progress towards the future realisation of the proposed Western Bypass, deriving at a preferred conceptual alignment therefor. The Western Bypass project team also completed an intensive and generally positive participation process involving affected and implicated land owners. The subject property will be able to obtain additional access via various linkages onto Techno Park's Neutron Road as well as via a future major intersection onto the proposed Techno Park Link Road, giving direct access to the Western Bypass. In conjunction with the Western Bypass, the proposed Techno Park Link Road adjoining the Western Bypass could on the western side help define a new compact urban form for Stellenbosch, containing future development.

- *Traffic impact considerations*

iCE traffic engineers were requested to provide input on roads and traffic considerations for the proposed development of the subject property. According to their traffic report the development of the subject property will have significant benefits relating to traffic flow, public transport and non-motorised transport on the R44 and other roads in Stellenbosch. A copy of iCE's traffic report is attached hereto (see **Section G**).

The development will also provide funding for the Techno Avenue Link Road according to the traffic report, which was also endorsed and given as a written commitment by the Director: Infrastructure Services to the Provincial Roads Engineer.

- *Housing needs*

The IDP has identified inadequate supply of housing as a major concern. The availability of developable land for housing opportunities is limited (especially close to the centre of town) and Council will have to redefine the current urban edge in order to identify additional land deemed desirable for urban development. It is therefore clear that the inclusion of the subject property in the urban edge (and earmarked for urban development) will greatly contribute towards realising this goal.

- *Balanced housing stock*

The Stellenbosch northern extension project will provide ±5 000 housing opportunities and the Jamestown (south) development project will provide ±1 500 in the subsidised housing and GAP housing markets. In order to maintain an economic balance in Stellenbosch with regards to housing stock, it is only logical that housing opportunities aimed at the medium to higher end of the market, be simultaneously provided. It would be unreasonable to expect all families to live in flats and it is our opinion that the subject property is a desirable geographic location for the provision of more family orientated plots in order to maintain a healthy economic balance in Stellenbosch as a whole. This will stop families (that are financially able to contribute to the municipal coffers) from choosing to live in Somerset West, Val de Vie, Franschhoek or Paarl rather than Stellenbosch.

- *Agricultural potential considerations*

It is generally accepted that the farm land to the south of Techno Park has the higher soil potential (than the farm land north of Techno Park). It is therefore better – from an agricultural point of view – to develop the subject property since the loss of high potential agricultural land will be limited.

## **5.6 Other planning considerations**

The motivation to include the subject property within the urban edge is also based on the following spatial planning considerations:

- *Educational needs*

As indicated in the attached letter from the Stellenbosch University, the University has reached its maximum capacity, and can only expand through limited densification of existing buildings and very limited land available for re-development. The identification and consideration of additional land in order to make provision for the expansion and growth of this world-class institution is imperative and urgent.

The Stellenbosch University also has an obligation, in conjunction with the Stellenbosch Municipality, to reduce and alleviate traffic pressures within the centre of town, or at least to not further contribute towards increased traffic congestion in the town centre. Therefore, alternative peripheral locations should be explored in order to divert and simultaneously alleviate town centre traffic.

- *Green spaces*

Critical for future consideration of the subject property to be included within

the amended urban edge and demarcation for urban development, is the provision of appropriate green space within the subject property to typically accommodate water courses and enhancement, creation of the appropriate sense of place within a future mixed-use estate in context of the larger Stellenbosch. Such green space could be provided to also comply with the “*live, work and play*” principal.

- *Heritage*

The development of the subject property will provide the opportunity to protect and restore the historic farm stead and associated buildings, to the benefit of the broader community.

## 6. CONCLUSION

It is our professional opinion – substantiated by the relevant specialist consultants and their reports – that if the subject property is included in the urban edge and sensitively developed:

- It will support the principles of the Stellenbosch Municipality’s IDP;
- It will contribute to creating a compact urban form for Stellenbosch town (it can be deemed to be infill development of the area between Die Boord and Techno Park);
- It will contribute to the upgrading of municipal engineering infrastructure;
- It will assist in funding and constructing the proposed Techno Park Link Road;
- It will pay significant development charges to the Stellenbosch Municipality;
- It will address housing needs and backlog;
- It will provide balanced housing stock by supplying more family orientated housing opportunities;
- It will assist in limiting the loss of families working in Stellenbosch, moving to

other towns;

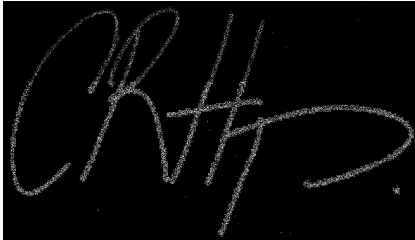
- It will not lead to a loss of a critical biodiversity area;
- It will have a limited impact on agricultural resources;
- It will have a limited impact on heritage resources;
- It will have a limited visual impact; and
- It will have significant socio-economic benefits for Stellenbosch in the form of new employment opportunities, rates, taxes, infrastructure upgrades, traffic improvements, new educational facilities, etc.

The Draft MSDF identified very little private land that can be developed for the middle to higher income groups. Land identified for development in Stellenbosch includes Jamestown (south), Droeëdyke, Northern Extension (Kayamandi) and Stellenbosch Beltana Depot. This land is almost all government owned land which is identified for future social housing, lower income and gap-housing projects. The only private land included in the MSDF for future urban development, is the limited remainder of the Brandwacht farm.

The subject property is ideally located close to the town's central business district and is surrounded by existing urban development (to the north, east and south), and the planned Techno Park Link Road forming the western boundary. The development of the subject property can therefore be regarded as a logical infill development opportunity.

The proposed Fleurbaai / Libertas urban development project will lead to much needed economic growth and provide many new employment opportunities. The development will also provide sufficient housing stock for Stellenbosch over the next few years which will indirectly protect the agricultural hinterland surrounding Stellenbosch and contribute positively to the town.

We therefore respectfully request that the urban edge be amended to include the subject property.

A black and white image of a handwritten signature, appearing to read 'CRH', on a dark background.

.....  
**CLIFFORD HEYS**  
**TV3 PROJECTS (PTY) LTD**



## URBAN DESIGN STATEMENT BY **URBA** ARCHITECTS AND URBAN DESIGNERS (Dr Henri Comrie)

The images on the **16** pages to follow represents a distilled extract from a 104 page **slide presentation** of a proposal for the larger Libertas site. The presentation has been prepared to suit a verbal account of the process and underlying principles.

Rather than including the full set, it was decided to extract the slides that best demonstrate the salient features: a sensitive fit and application of the guiding principles contained in the most recent IDP report, i.e.:

- To promote spatial integration and connectivity
- Facilitate people orientated development with maximum density, a mix of uses, non-motorised transport and public transport solutions
- Create walkable environments
- Financial sustainability Infrastructure-light and replicable
- Support placemaking, identity and sense of place
- Designed to be inclusive and developmental in nature by supporting flexible growth

And at a more detailed level to introduce well considered **typologies** that:

- Support mixed use, high density development
- Is conceived as a range of building heights 2-4 storeys
- Which defines High Streets as apposed to big box retail malls
- Is clustered around shared community/public facilities
- Is outward orientated rather than being introverted building forms and includes minimum street setbacks
- Incorporates a vertical land use mix with both retail/commercial and residential
- Incorporates active ground floors and positive street edges

1

PROPOSED DEVELOPMENT FOOTPRINT IN CONTEXT WITH BOUNDARY LINES ERASED



Crafting of built form in place

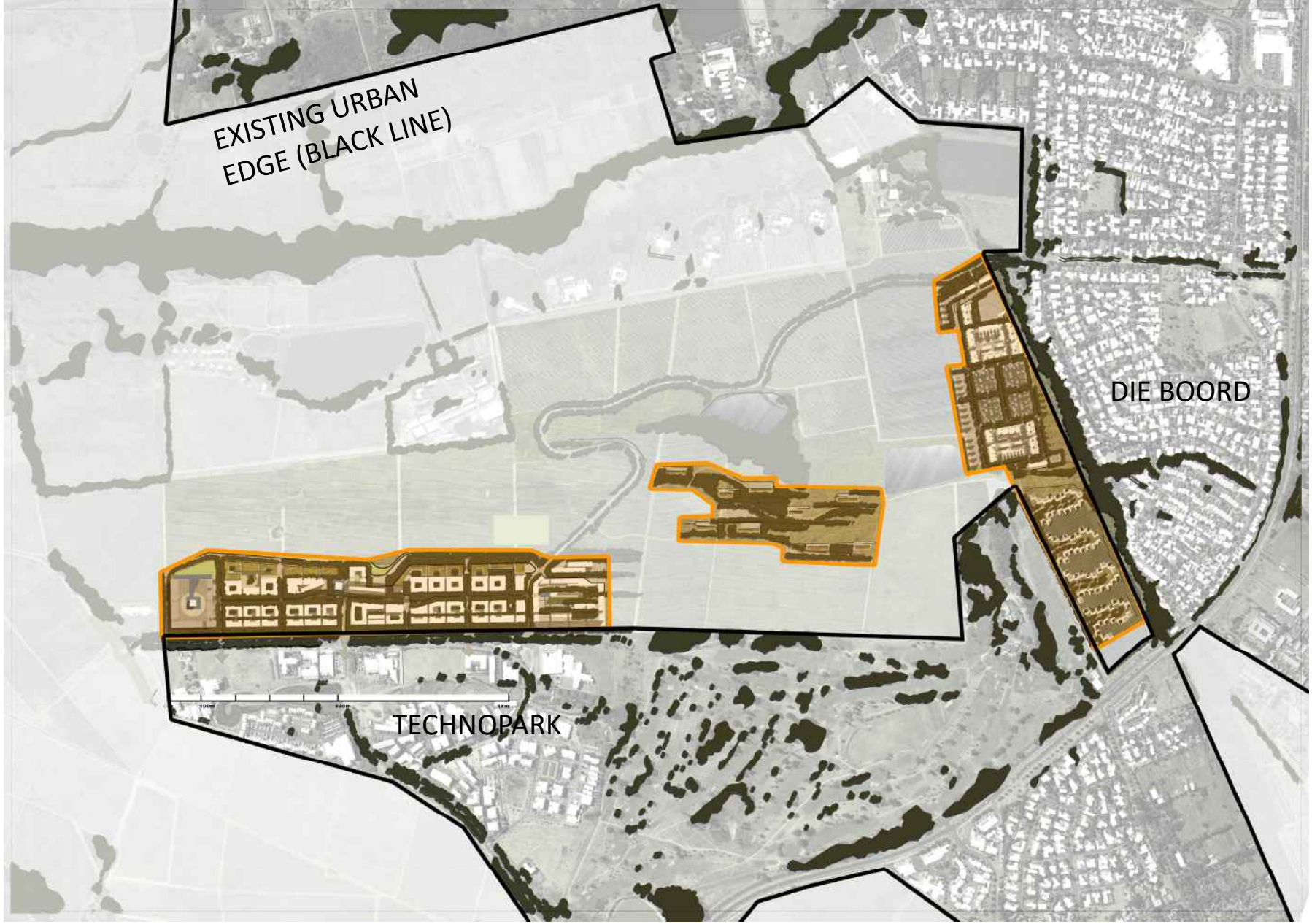
GENERAL ILLUSTRATIVE PLAN: SPOTLIGHT ON THE LARGER SUBJECT SITE



GENERAL ILLUSTRATIVE PLAN: COONNECTEDNESS



PROPOSED POCKETS OF DEVELOPMENT IN RELATION TO THE EXISTING URBAN EDGE



PROPOSED HOUSING UNIT COUNT (EXCLUDING OTHER MIXED USE COMPONENT)



29,96  
Units/Ha  
854 units  
over 25Ha

1  
Unit/Ha  
10 units  
over  
10Ha

16  
Units/Ha  
336 units  
over 21Ha



6,7  
Units/Ha  
1200 units  
over 180Ha



LIBERTAS STATUS QUO

7





WITH PROPOSED INSERTED



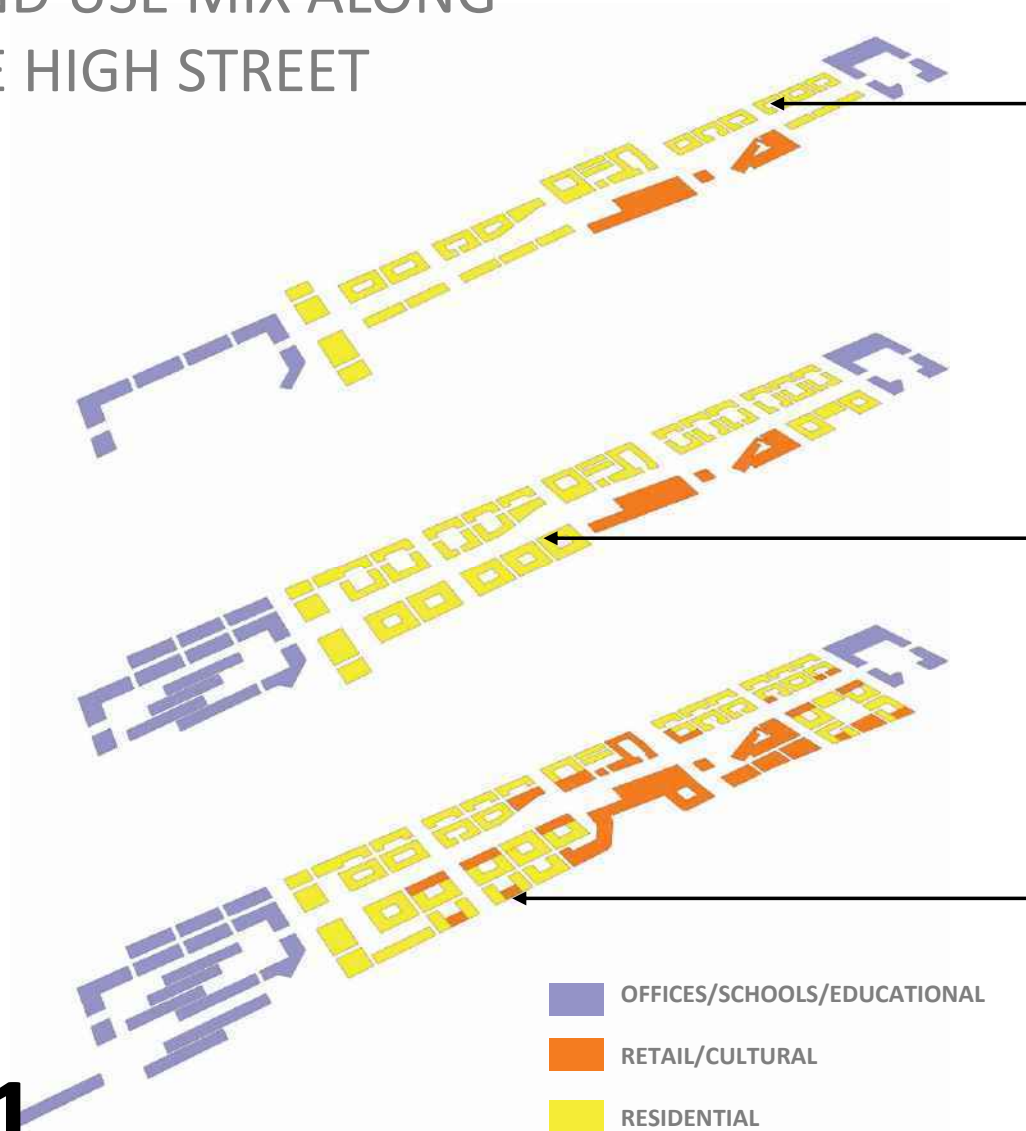
LIBERTAS STATUS QUO (ZOOMED IN VIEW)



10

WITH PROPOSED INSERTED  
(ZOOMED IN VIEW)

# LAND USE MIX ALONG THE HIGH STREET



COURTYARD TYPE RESIDENTIAL BLOCKS

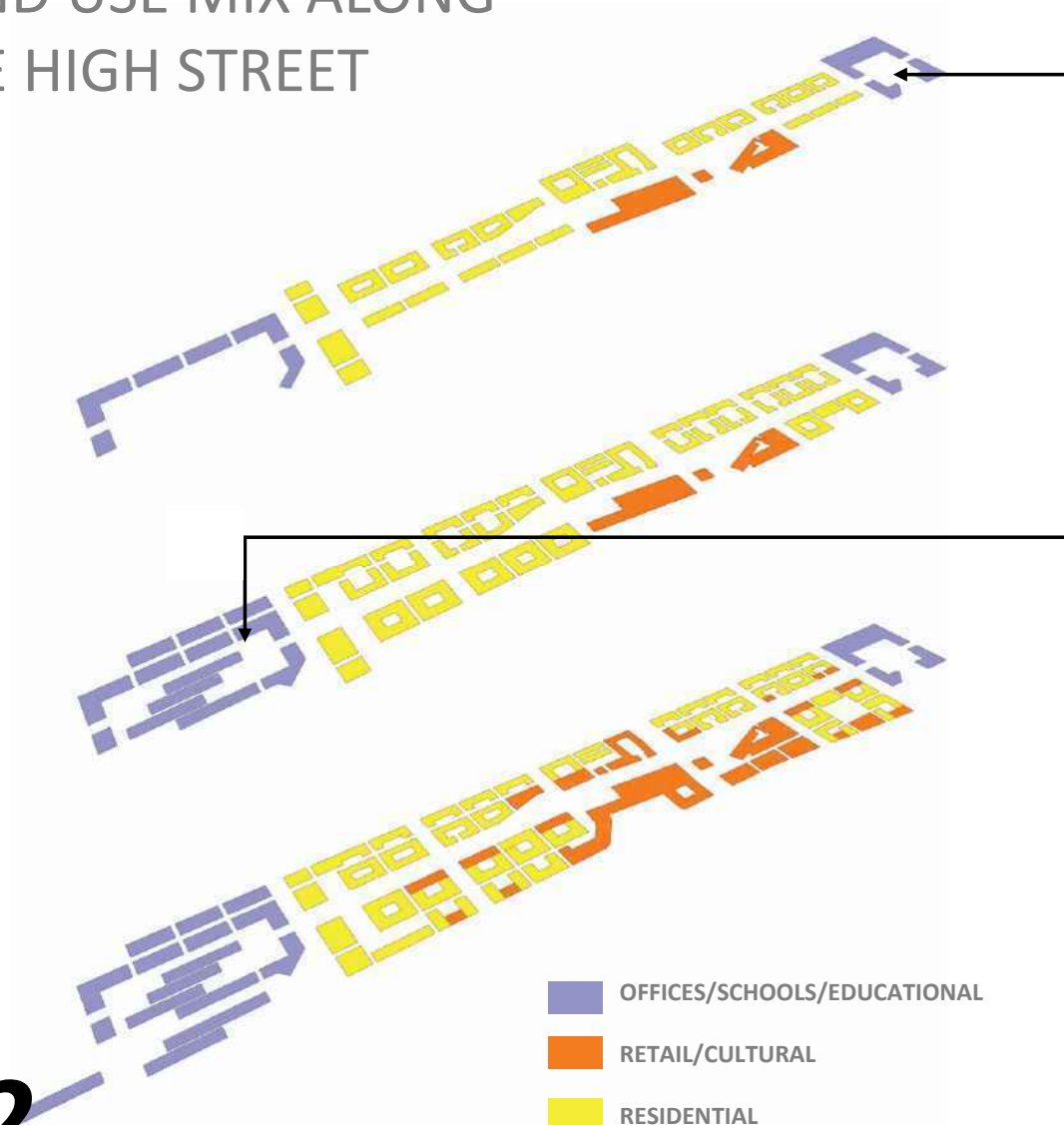


LIVE/WORK UNITS WITH ROOF GARDENS



SMALL TERRACE RESTAURANTS

# LAND USE MIX ALONG THE HIGH STREET



CAMPUS/COLLEGE



SCHOOL/COLLEGE

SMALL TERRACE RESTAURANTS

# LAND USE MIX ALONG THE HIGH STREET



13



PUBLIC TERRACE, SQUARE  
CULTURAL & RESTAURANTS



# ELEMENTS OF THE SUPER BLOCK



**COURTYARD TYPE RESIDENTIAL BLOCKS**

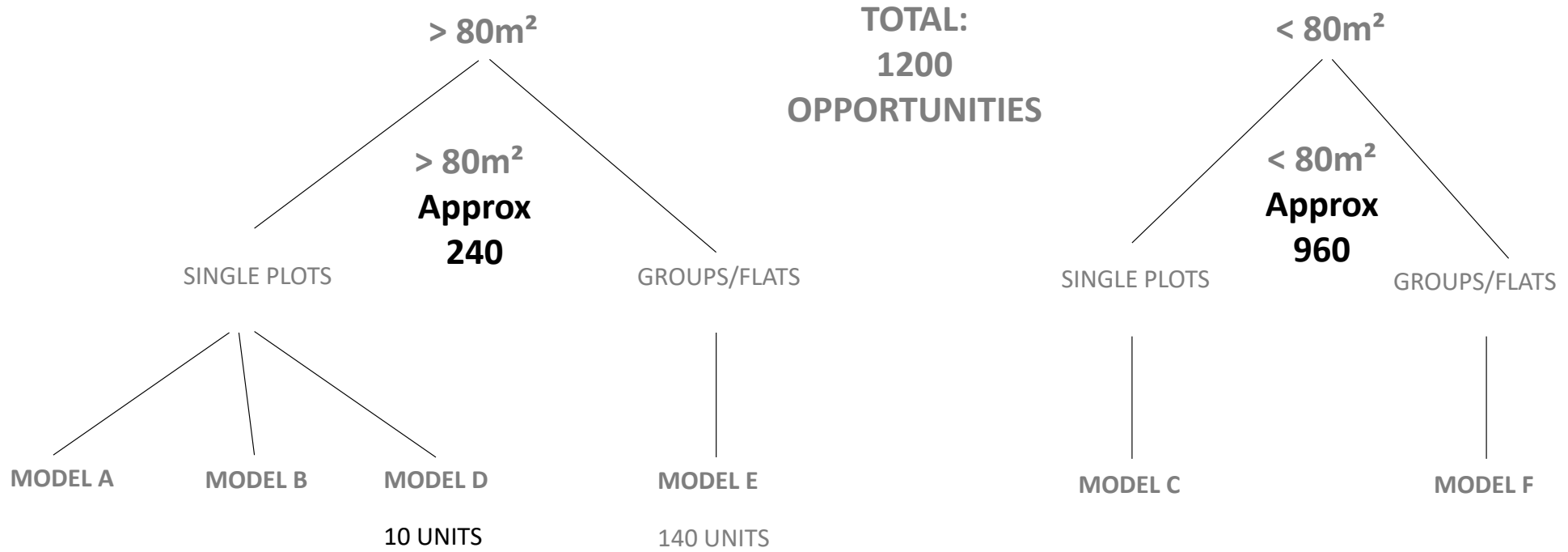


**SMALL TERRACE RESTAURANTS**



**LIVE/WORK UNITS WITH ROOF GARDENS**

# RESIDENTIAL TYPOLOGY BREAKDOWN





## CHECKLIST OF ADHERENCE TO IDP GUIDING PRINCIPLES (APRIL 2020)

- To promote **spatial integration and connectivity** ✓
- Facilitate **people orientated development** with maximum density, a **mix of uses, non-motorised transport** and **public transport solutions** ✓
- Create **walkable environments** ✓
- Financial **sustainability** Infrastructure-light and replicable ✓
- Support **placemaking, identity** and **sense of place** ✓
- Designed to be **inclusive and developmental** in nature by **supporting flexible growth** ✓



