



**STELLENBOSCH**

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

## **ANNUAL REPORT OVERSIGHT REPORT 2020/21**

*This Oversight Report is based on the Annual Report 2020/21 and is drafted and submitted in accordance with the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)*



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## 1. INTRODUCTION

The annual report is one of the key instruments of transparent governance and accountability. It is a post-financial year document that provides an overview of the process of financial and non-financial performance in respect of the previous financial year, which in this instance relates to the 2020/21 financial year. The tabling and adoption of the annual report is a legislative requirement in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

### 1.1 PURPOSE

The purpose of this report is to present to Council for adoption, the Annual Report 2020/21 as well as the Annual Report Oversight Report 2020/21, as required in terms of Section 129 of the MFMA.

## 2. ANNUAL REPORT 2020/21

### 2.1 LEGAL FRAMEWORK

Herewith is an extract from the key legislative requirements as per the MFMA relating to the annual report:-

#### **121. Preparation and adoption of annual reports.**

- (1) Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.
- (2) The purpose of an annual report is—
  - (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
  - (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
  - (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

#### **127. Submission and tabling of annual reports**

- (2) The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

#### **129. Oversight reports on annual reports.**

- (1) The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—
  - (a) has approved the annual report with or without reservations;
  - (b) has rejected the annual report; or
  - (c) has referred the annual report back for revision of those components that can be revised.

### 2.2 COMPONENTS OF THE ANNUAL REPORT

The format of the Annual Report 2020/21 is based on the annual report template issued by the National Treasury in terms of the MFMA Circular 63 of 2012, which differs significantly from the Annual Report Guidelines (MFMA Circular 11) issued by the National Treasury in 2005.



MFMA Circular 63 of 2012 comprises six (6) chapters and attempts to cover all the aspects that need to be reported on as derived from the MFMA and the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

### 3. ANNUAL REPORT 2020/21 CONSULTATION AND ADOPTION PROCESS

#### 3.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

In terms of Council resolution, a Municipal Public Accounts Committee (MPAC) was established in terms of Section 79 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998). The Terms of Reference tasks the MPAC with the responsibility to perform an oversight role over the process of preparing the Annual Report of Council and to produce an Oversight Report based on the Annual Report.

As required by the MFMA, the Municipal Manager attended the Council Meeting where the Annual Report 2020/21 was tabled (28 January 2022) to be released for public comment as well as the MPAC Meetings to answer questions posed by MPAC Members and to respond to written and oral representations from the community. All the councillors were also invited to attend the public hearing and to deliberate on the Draft Annual Report 2020/21.

No members of the community attended the public hearing.

The attendance of the MPAC members for the purpose to review the Draft Annual Report 2020/21 are recorded as follows:

TABLE 1: MPAC MEETINGS

Name	MPAC Meetings					
	07 February 2022 Orientation and Review of Chapters 1,2 and 3	10 February 2022	14 February 2022 (Public Hearing)	21 February 2022	28 February 2022 and site visits	07 March 2022
Cllr Wilfred Pietersen (MPAC Chairperson)	😊	😊	😊	😊	😊	😊
Cllr Ansaaf Crombi (MPAC Member)	😊	😊	😊	😊	😊	😊
Cllr Annemarie Ferns (MPAC Member)	😊	😊	😊	😊	😊	😊
Cllr Nokuthula Gugushe (MPAC Member)	😊	😊	😐	😊	😐*	😞
Cllr Xolile Kalipa	😞	😊	😊	😊	😊	😊
Cllr Ndipiwe Olayi	😊	😐	😞	😊	😊	😞
Cllr Otniel Linden Jooste	😊	😊	😊	😞	😊	😞
Ms Emily Fredericks (MPAC Member)	😊	😊	😊	😊	😊	😊
Mr Jacobus Davids (Co-opted Member)	😊	😊	😊	😊	😊	😊

😊 - Attended 😐 - Absent with an apology 😞 - Absent without an apology

\* Submitted a medical certificate





### 3.2 ADOPTION AND PUBLIC CONSULTATION PROCESS

The Annual Report 2020/21 was tabled in Council on 28 January 2022 in accordance with the MFMA, which requires under Section 127(2) that:

*"The Mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality."*

In terms of Section 121(3) of the MFMA, the Annual Report of a municipality or municipal entity must include the following core components. These core components are formally annexed to the Draft Annual Report:

- a) The Annual Financial Statements as submitted to the AGSA (Section 121(3)(a));
- b) the AGSA's audit report in terms of section 126(3) on those financial statements (Section 121(3)(b));
- c) the annual performance report of the municipality prepared by the municipality in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) (Section 121(3)(c));
- d) the AGSA's audit report in terms of section 45(b) of the MSA (Section 121(3)(d)); and
- e) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d) in the MFMA (Section 121(3)(g)).

The Draft Annual Report 2020/21 was made public on the Municipal Website within five (5) days and within seven (7) days in the local newspaper after it was approved by Council on 28 January 2022. In addition, the Annual Report 2020/21 was also made available at all Municipal Libraries and other identified offices where the public could access the report.

Members of the community and other stakeholders were invited to submit written comments / inputs on the Draft Annual Report 2020/21. The councillors, the community and other stakeholders were also invited to attend the public hearing which was held on **14 February 2022** to present the MPAC with any oral or written inputs on the Draft Annual Report 2020/21.

The Draft Annual Report 2020/21 was furthermore submitted in terms of Section 127(5)(b) to the Auditor General of South Africa (AGSA), Provincial Treasury (Western Cape) and the Department of Local Government (Western Cape).

The closing date for public comments was 28 February 2022. No written submissions from the public were received.

The Provincial Treasury: Western Cape submitted written comments on the Draft Annual Report 2020/21 on 24 February 2022. These comments were tabled and considered by the MPAC on 28 February 2022.

### 3.3 HIGHLIGHTS IDENTIFIED IN THE DRAFT ANNUAL REPORT 2020/21

The MPAC noted and congratulated the Stellenbosch Municipality on the announcement by the Auditor General of South Africa (AGSA) that the municipality received a **clean audit outcome for the 2020/21 financial year**. Stellenbosch Municipality is once again able to report credible and reliable financial and performance results. The clean audit outcome reflects that the municipality maintained a healthy financial position and that all money spent is properly accounted for. The latest audit outcomes mark the 14th consecutive year of unqualified audit outcomes for the Stellenbosch Municipality.



Further highlights and words of gratitude were identified as outlined below:

1. MPAC members noted that the MPAC Orientation Session held on 07 February 2022 was very successful and insightful;
2. Great leadership was shown from the Executive Mayor, Municipal Manager and administrative team as a result of the clean audit obtained for the Stellenbosch Municipality, despite the challenges posed by the COVID-19 pandemic;
3. Public participation awareness through the Stellenbosch Citizen App;
4. MPAC take note of the Economic Hub for local entrepreneurs (CoCreate Hub);
5. The Municipal Manager was commended for her outstanding leadership and strategic guidance during the year under review;
6. Ward committee meetings and public meetings were held, despite the COVID-19 pandemic;
7. The MPAC expressed their delight that Erf 2183, La Rochelle, Klapmuts, was identified for housing development; and
8. The actual capital budget expenditure for most of the departments was noted as satisfactory when considering the impact of the pandemic.

### 3.4 MPAC SITE VISITS

The Draft Annual Report 2020/21 highlighted a number of projects either completed or in various stages of completion. The MPAC identified a number of projects and conducted site visits on Monday 28 February 2022. The purpose of the visit was to verify the progress on the implementation of the projects against the reported information, which is outlined in the table below:

**TABLE 2: MPAC SITE VISITS**

Project name	Area verification of the project by MPAC	Status as per Annual Report	Current status of the project	Remarks by MPAC
Follow up on the Waste Material Recovery Facility	Devon Valley	Follow up visit	Follow up visit	None
Longlands Housing Project	Longlands, Devon Valley	Multi-Year Project	In progress	None
Follow up on the Agricultural Property Small Farmers Allocation: Mr H Arendse	Jamestown	Follow up visit	Follow up visit	Mr H Arendse to contact the Section: Local Economic Development (LED) with regards to expansion and development of unused land and Mr Smit to assist with the application for establishing a permanent structure (packhouse).
Okuhle Connies Educare (ECD Centre)	Kayamandi	100%	100%	The Section: Community Development to possibly assist the ECD centre with further sponsors.
EPWP Projects – Street Sweeping	Cloeteville	100%	To be visited again	To take it up with the department that no workers were on site.
Upgrading of the Ida's Valley Fire Station	Ida's Valley	100%	100%	None
Upgrading of the Waste Water Treatment Works (WWTW)	Pniël	Multi-Year Project	Multi-Year Project	None
	Wemmershoek	Multi-Year Project	Multi-Year Project	The workers on-site to focus on wearing PPE clothing and to adhere to the COVID-19 protocols (wearing of masks)



The new waste material recovery facility (MRF) was launched by the Executive Mayor, Adv G van Deventer, on 25 March 2021 and is currently fully operational. The MRF serves as a place where recyclables are taken to, grouped, baled and provided to companies for use as raw material in the manufacturing of new products. The sorted recyclables have a much higher value than mixed recyclables and will be easily accepted into the booming recycling market. The facility also features a public drop-off area, which will allow residents to bring garage and recyclable waste to dispose of responsibly.

Effective progress was seen on the municipal land that was allocated to Mr H Arendse to plant fresh produce and to create job opportunities. After the MPAC site visit in April 2021, Mr Arendse requested more water supply and additional land.

To date, the success of this emerging farmer pays off as it is evident how the unused land was transformed into a variety of herbs and vegetables. Mr Arendse further indicated that storage capacity remains a challenge and the municipality will be contacted for additional support as the need arise.

The Okuhle Connies Educare is successfully established with the support of the Grant in Aid scheme funded by the Stellenbosch Municipality. The head master shared the story of how her home was redesigned to fulfil her passion for the kids and to nurture them. The facility was well and neatly presented with classrooms full of educational visuals.

The Ida's Valley Fire Station was upgraded with a modern corporate boardroom and CCTV control room, firehouse for the firefighters as well a state-of-the-art fire fighting vehicle. The new fire fighting vehicle is made in South Africa and the municipality was the first municipality in the country to receive this particular model (*Marce 4x4 CAFS Pumper*) and two all-terrain double cab response vehicles. The municipality is very proud of this latest addition to the fleet as it will improve and modernise the firefighting capabilities by keeping communities safer and serving towns for generations to come.

The construction of the 4.5 Ml/day Pniël Waste Water Treatment Works (WWTW) upgrade commenced within the 2019/20 financial year and it is estimated that the project will be completed within the 2021/22 financial year. The municipality will only commission the new section of the plant in the 2021/22 financial year if Eskom does the necessary upgrading. The full upgrade will only be operational in the 2022/23 financial year as the construction to change the process on the old section of the plant can only commence once the new section is operational.

The intent of the upgrade at the Wemmershoek WWTW was to increase the capacity from 3ML/day to 7ML/day in phases to eradicate the Franschhoek WWTW challenges. Thus, the upgrade is necessary in order to address the challenges with the current NERADA technology at the Wemmershoek WWTW.

#### **4. CONCLUSION**

As MPAC, we are of the opinion that the Annual Report 2020/21 is a **true and accurate reflection** of the Stellenbosch Municipality's financial and non-financial performance for the 2020/21 financial year.

The oversight process on the Annual Report 2020/21 is herewith concluded and as Chairperson of the MPAC, I would like to thank the MPAC Committee Members, the Executive Mayor and Mayoral Committee, the Municipal Manager, Directors, Senior Managers, as well as all the officials for their contribution to the development and finalisation of the Annual Report 2020/21. Their diligence and constructive commitment during this oversight period are noted and appreciated.



## 5. RECOMMENDED RESOLUTION TO BE ADOPTED BY COUNCIL

In accordance with Section 129(1) of the MFMA it is **RECOMMENDED** to Council:-

1. That Council, having fully considered the Annual Report Oversight Report 2020/21 of the Stellenbosch Municipality, **ADOPTS** the Annual Report Oversight Report 2020/21;
2. That Council, having fully considered the Annual Report 2020/21, attached hereto as Annexure B, **APPROVES** the Annual Report 2020/21 without any reservations;
3. That the Annual Report Oversight Report 2020/21 be made public in accordance with Section 129(3) of the MFMA, and;
4. That the Annual Report Oversight Report 2020/21 be submitted in accordance with Section 129(2) and 132(2) of the MFMA to the Auditor General of South Africa, Provincial Treasury: Western Cape, Department of Local Government: Western Cape and the Provincial Legislature: Western Cape.



CLLR WILFRED PIETERSEN  
MPAC CHAIRPERSON

DATE: 7 MARCH 2022.





## MPAC Site Visits



*Material Recovery Facility*



*Longlands Vloottenburg (±144 Services and ±144 units)*



*Mr H Arendse, Agricultural Land*

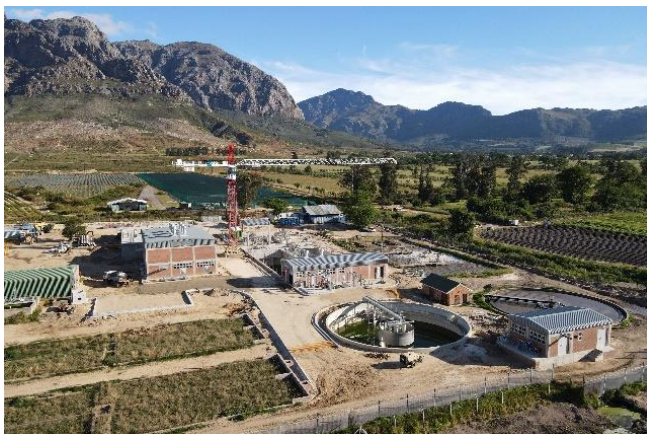




Okuhle Connies Educare



Idas's Valley Fire Station



Pniël WWTW



Wemmershoek WWTW



**Annexure A:**

**MPAC Comments and Feedback from  
Directorates**



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## **MPAC COMMENTS AND FEEDBACK FROM DIRECTORATES**



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## MPAC COMMENTS AND FEEDBACK FROM DIRECTORATES

### 1. Directorate: Office of the Municipal Manager

OFFICE OF THE MUNICIPAL MANAGER			
Page no.	Comment/s	Response	Responsible Department
10	Under the heading, Strategic Focus Area, indicate if it is a norm that the strategic focus areas remain the same as the previous FY?	The municipality indicated that the Strategic Focus Areas have not changed as the priorities / objectives are the same. This was discussed at strategic sessions.	Office of the Municipal Manager
	Under figure 1, Strategic Focus Area 1, indicate what infrastructure investments are generated to the benefit of the community.	The municipality indicated that the spending on infrastructure and infrastructure upgrades is creating an enabling environment.	Office of the Municipal Manager
	Under figure 1, Strategic Focus Area 1, indicate what measurements are in place to encourage developers to employ people from local areas?	The municipality indicated that it does not have control over who and how developers employ people. According to the municipal mandate the National Policies are being adhered to which states to include local labour in contracts / tenders and reports to Provincial Treasury on a regular basis. COVID-19 had an impact on industries. The municipality is compelled to report on the procurement delivery processes and will put measures in place for developers to comply with the request.	Office of the Municipal Manager
11	Under the heading, Core Principles in Executing the strategy, fourth paragraph. Clarify if the total wards are correct.	The municipality indicated the wards are reported as at 30 June 2021 before the 2021 local government elections where one ward was added.	Office of the Municipal Manager
13	Under table 1, indicate what was the percentage for access to basic services for the previous financial year, and does it show an improvement?	The municipality indicated that the statistics were based on the MERO 2020. The latest MERO was not available when the Draft Annual Report was compiled. All statistics will be updated in the Final Annual Report 2020/21.	Office of the Municipal Manager
	Will the statistics be updated in the final annual report?		Office of the Municipal Manager
14	Under the heading, State of the Greater Stellenbosch, paragraph six, indicate the organisations who assisted with the neglected communities?	The municipality referred the MPAC to pages 174-178 where a detailed breakdown is given on organisations assisted on various aspects.	Office of the Municipal Manager
18	Under the heading, Age Cohorts, the word "was" needs to be corrected with "will be".	The municipality takes note and will update the grammar accordingly.	Office of the Municipal Manager
	It is requested to update the statistics in the socio-economic section.	The municipality takes note and will update the semantics and grammar accordingly.	Office of the Municipal Manager
	Under 1.6.4: Household sizes, clarify what the 3,7 refers to?	The municipality indicated that the calculations were done by the Department of Social Development and not the municipality.	Office of the Municipal Manager
38	Under table 25, the challenges reflect a negative image of the municipality.	The municipality indicated the comments for ICT and Communication should be deleted. The municipality takes note and will update the draft Annual Report 2020/21 accordingly.	Office of the Municipal Manager
43	Under table 30, indicate if the fraud hotline is still in use and necessary? People tend to call in and make false allegations.	The municipality indicated that a municipality must have a fraud hotline.	Office of the Municipal Manager

OFFICE OF THE MUNICIPAL MANAGER			
Page no.	Comment/s	Response	Responsible Department
95	Under table 113, noted that the licensing and control of people selling food to the public is not a function of the municipality. People are selling ready-made foods as well a lot of informal shops without licenses. What measures are in place to eradicate this.	The municipality indicated that the function resorts under the District Municipality where a health inspector will investigate if a premise is compliant to sell food and will issue a permit. The municipality request that all complaints be addressed to the District Municipality.	Office of the Municipal Manager
96	Under table 114, the indigent households should be verified.	The municipality indicated that the indigent households for the 2020/21 financial year are correct and do not include indigent households in informal settlements.	Office of the Municipal Manager
101	Under table 119, replace "Rosedal" with Rozendal. This must be corrected throughout the Draft Annual Report 2020/21.	The municipality takes note and will update the Annual Report 2020/21 accordingly.	Office of the Municipal Manager
120	Table 113: Replace the heading "electricity services" to waste management services.	The municipality take note and will update the heading description accordingly.	Office of the Municipal Manager
172	A different heading for pauper burials as no burials	The municipality will exclude the service statistics for cemeteries and update it in the Final Annual Report 2020/21 – a better definition of pauper burials.	Office of the Municipal Manager
ANNUAL PERFORMANCE REPORT			
9	Clarify the annual actual for TL59?	Addressed in the performance comment and improvement plan.	Office of the Municipal Manager
15	TL60 does not give a true reflection of what is recorded in the section as stated only 3 SMMEs were conducted.	The municipality indicated that departments set goals and deliverables that should be achieved at the end of a financial year. The Annual Performance Report is quarterly audited by the internal audit unit and annually by the Auditor-General. Addressed in the performance comment and improvement plan.	Office of the Municipal Manager

## 2. Directorate: Infrastructure Services

### INFRASTRUCTURE SERVICES

Page no.	Comment/s	Response	Responsible Department
33	Under Key Basic Services, 1.7.1, figure 16, confirm if the Klapmuts Taxi Rank was upgraded or completed in the 2020/21 financial year?	The municipality indicated that the highlight refers to phase 1 which was the civil and roadworks phase. Phase 2 was the construction of the top structures and completion of the Taxi Rank.	Transport
35	Under Key Basic Challenges, table 17, "Increasing infrastructure backlogs". Explain what measures are in place to eradicate the lack of staff capacity as it was picked up through the entire Draft Annual Report 2020/21?	The municipality indicated that electricity posts are identified as a scarce skill and do have a challenge when it comes to specialised services to get the correct staff at the salary that is offered. Each municipality must adhere to the grading in terms of the ratio calculated by the National Treasury for employee costs. The municipality indicated the requirements for electricians were lowered. However, these appointees must then be trained to be effective as the municipality doesn't get the necessary incumbents.	Electrical Services
	There are things called exemptions, to apply for the norms set in terms of attracting skilled people. The process is a fireless process when after training the person the municipality Is there no room to be exempted in the electricity field, the salary attached to the post	The Electricity Act is very clear in terms of what type of qualification to work on what type of work is being done. And cannot compete with the Metro's salary scale.	
35	Under Key Basic Challenges, table 17, "Damages to electricity cable network by fibre optic installers". Indicate what other innovative measures are in place to curb damages to the electricity cable network by fibre optic installers?	The municipality indicated that it is not in control of the installation of the optic fibre but monitors how service providers operate nearby municipal assets.	Electrical Services
58	Under the heading, Infrastructure, last paragraph. Indicate what is the AMEU Project and covers the whole WC024 and should rephrase the paragraph for ease of better reading?	The municipality indicated that the AMEU is not a project, but an association the Municipality Affiliates with. The last sentence in section (d), was misaligned. It forms part of the Hot Water Load Control project and yes, the project (Hot Water Load Control) is for the entire WCO24. The municipality takes note and will correct rephrasing in the Final Annual Report 2020/21.	Electrical Services
101	Under table 119, explain the spending for Rozendal and the zero spending on the bulk water supply in Klapmuts?	The municipality indicated for the spending on the New Reservoir: Rozendal that the budget was put on hold and will follow in the 2021/22 financial year. The reflected expenditure for the bulk water supply in Klapmuts is incorrect and should be 100%.	Water and Wastewater Services
102	Under table 120, Sanitation Service Delivery Levels, indicate why no reporting was reported on the sanitation service delivery levels under "pit toilet".	The municipality indicated that pit toilets are not provided as a sanitation service.	Water and Wastewater Services
104	Under the heading, Electricity, provide a description of the Hot Water Load Control Project.	The municipality indicated that it is a project where the municipality installs an Appliance Control Device (ACD) to switch off, during peak time, all electrical hot water cylinders installed. This is done to shift the total load during peak time and therefore helps the municipality to save on demand.	Electrical Services

INFRASTRUCTURE SERVICES			
Page no.	Comment/s	Response	Responsible Department
105	Under the heading, Electricity losses, indicate why the electricity losses were recorded the same as the previous financial year of 48%.	<p>The municipality indicated it is the same issue with the take-over from Drakenstein.</p> <p><b>Note from the previous Annual Report:</b> "The Municipality had meetings with role players in terms of the 48% in losses. The meters that Drakenstein put in were investigated and a comparison was made with the set of meters Stellenbosch Municipality has put in place which indicated that all meters were correct.</p> <p>Further investigation was to see whether the municipality actually billed those customers (which the municipality took over). If consumers paid the accounts to the Drakenstein Municipality then it can be claimed from the Drakenstein Municipality.</p> <p>Check meters have been installed at the intake point and more meters will be installed in the mini-substations.</p> <p>The Stellenbosch Municipality acted on the list received from the Drakenstein Municipality. The Stellenbosch Municipality can only act in terms of the bylaw by demanding payments on arrear accounts.</p>	Electrical Services
109	Under table 129, confirm if the totals are correct for wheelie bin distribution.	<p>The municipality confirmed that the totals are correct for the annual wheelie bin distributions:</p> <p>Broken bins: 208                      New bins: 239                      Stolen bins: 279                      Additional bins: 99</p>	Solid Waste Management Services
110	Under the heading, Green Waste Chipping, clarify why a contractor was appointed in the 2020/21 financial year if there was a contractor already on site at the previous MPAC site visit at the recycling waste facility last year as per the Annual Report 2019/20?	<p>The municipality indicated there were challenges with the previous contractor during the 2019/20 financial year and had to re-tender. At the time of the site visit by the MPAC, the new contractor was appointed who was already on site.</p>	Solid Waste Management Services
112	Under the heading, Relocation of Eskom Power Lines, paragraph 3, explain how feasible is it to use methane mining for electricity services deliverance? Will half an MW (megawatt) of energy be sufficient to power a sewage plant on its own?	<p>The municipality indicated that the Act does not allow the build-up of methane on landfill sites therefore the landfill has to remove the gas from the landfill.</p> <p>The municipality indicates that by law the methane must be extracted and the landfill site.</p>	Solid Waste Management
114	Under the heading, Relocation of Eskom Power Lines, indicate to who does the lines belong?	<p>The municipality indicated that the relocation of the Eskom power lines is to create space for the expansion of the landfill site. The power lines belong to Eskom. It is Eskom Infrastructure.</p>	Electrical Services

### 3. Directorate: Planning and Economic Development

PLANNING AND ECONOMIC DEVELOPMENT SERVICES			
Page no.	Comment/s	Response	Responsible Department
34	Under table 17, will the Erf 7001, Cloetesville (Soek Mekaar) SCM process be re-opened in the current financial year?	Yes.	Integrated Human Settlements
	Under table 17, explain the challenges experienced in Kayamandi Town Centre	The municipality referred the MPAC to the column which lists the actions to address the challenges.	Integrated Human Settlements
	Did COVID-19 play a role in the delay of SCM processes in the Jamestown Phase 2, 3 and 4 housing project?	The municipality indicated that the urban edge was the issue, the area of development was much higher than anticipated. The municipality indicated that the provisions of the tender were that 30% of the tender should be sub-contracted The tender was cancelled to amend the specifications in order to adhere to the SCM requirements.	Integrated Human Settlements Integrated Human Settlements
34-35	Has the land been transferred to the Stellenbosch Municipality and what plans are in place pertaining to the three areas: Maasdorp Village Franschhoek; Portion 1 of the farm Meerlust No 1006 Paarl, Franschhoek; and Portion of the farm Elsenburg No 34 Stellenbosch (Vaaldraai, Elsenburg).	The municipality indicated that land has not been transferred.	Integrated Human Settlements
121	Erf 7001, Cloetesville: What actions did the municipality put in place after the objections raised at the public participation process and to what extent of the impact it has on what the municipality is planning?	The municipality indicated that all comments / objections were considered and the project was amended to include those comments and actions addressed to the amended project.	Integrated Human Settlements
123	What type of housing is envisaged for the new tender for Farm 527, Jamestown (phase 2, 3 and 4)?	The municipality indicated the type of housing is focussing on mixed housing development.	Integrated Human Settlements
128	Northern Extension, Kayamandi: Clarify if it is municipal land or to buy farms? When will the project be finalised and should speed the process as this is a high priority?	The municipality confirmed that the land (project) belongs to the municipality. It's a process that will take longer as it is agricultural land. Timeframe – after the development rights are in place – 2022/23	Integrated Human Settlements
129	Under the heading, Erf 64, Kylemore, clarify if it is municipal land?	The municipality confirmed that the Department of Public Works indicated the land will be transferred to the Stellenbosch Municipality.	Integrated Human Settlements
		The municipality indicated that the transfer of land process is currently with National Treasury and is in the final stage for transferring the land to the municipality. The National Treasury indicated the transfer will take place after the approvals.	Integrated Human Settlements
132	Under the heading, Erf 2183, La Rochelle, Klapmuts, indicate if the process has been finalised? If not, how far is the housing project?	The municipality indicated that the consultants have concluded their baseline studies and proposed layout. The subdivision application will be submitted to Land Use Management by end of March 2022. The estimated time for planning approval will be 8-10 months.	Integrated Human Settlements

PLANNING AND ECONOMIC DEVELOPMENT SERVICES								
Page no.	Comment/s	Response				Responsible Department		
132	Under the heading, Botmaskop, first paragraph, indicate if the last sentence can be read as, "Botmaskop is earmarked for GAP and Social Housing and the feasibility is in the process?"	The municipality indicated the sentence be rephrased as to a feasibility study will inform the type of housing to be provided.				Integrated Human Settlements		
140	Under table 145, explain why is the expenditure so low against the adjustment budget for Enkanini?	The municipality indicated that the project is funded by the municipality's own resources (CRR). The funding from the Provincial Department of Human Settlements (PDoHS) was only approved and claimed in the subsequent financial year. Only a small portion of the original work had to be paid. After discussion with PDoHS, it was decided that an application will be submitted to repurpose the outstanding funding for the upgrading of informal settlements.				Integrated Human Settlements		
160	Under the heading, Private Joint Initiatives, indicate the progress in relation to private initiatives?	The municipality has prepared a Draft Planning Framework known as the Adam Tas Corridor Local Spatial Development Framework for the defined ATC Area. This policy framework provides a planning vision and guidelines for development for the area and also guides the phasing of development for the area through an implementation framework. The implementation framework is specifically important as it assists and guides the public sector with the phasing of the public sector projects, which include the provision of bulk infrastructure to unlock the development of the defined ATC area. The ATC consists of both public and private sector landholdings.				Development Planning		
161	Under table 162, explain why is the capital expenditure so low? The directorate should include an explanation under the recorded capital expenditure for Planning and Development.	The municipality indicated that the capital expenditure referred to the capital expenditure of the Section: Land Use Management and not the capital expenditure of the entire Directorate: Planning and Economic Development. The funds were to be used for the purchasing of Information Technology equipment (laptops), but due to the COVID-19 pandemic, the municipality experienced delays in the deliveries of the ordered equipment. Hence the underspending in the financial year.				Director: PED		
162	Informal trading: Give clarity why the trading site is still closed	The municipality indicated that the Informal Trading Site in Cloetesville is open and operational, while the sites in Groendal and Klappmuts are completed and an advertisement calling for traders will be placed in March 2022.				Development Planning		
163	Under table 166, confirm the total jobs.	This will be rectified. The total number of jobs created was 1 212 and the total number of projects was 185.				Development Planning		
	Under table 166, a column should be included which indicates the areas where jobs were created.	Stellenbosch & Surrounds	Kayamandi Wards	Franschhoek & Surrounds	Dwarsrivier Valley	Klappmuts	Rural	Development Planning
		405	547	111	41	74	34	
164	Under the heading, Tourism, indicate if there is there a Tourism Strategy in place?	The Municipality is currently reviewing and finalising the 1 <sup>st</sup> draft Tourism Strategy which must be completed by 30 June 2022.				Development Planning		



## 4. Directorate: Community and Protection Services

COMMUNITY AND PROTECTION SERVICES			
Page no.	Comment/s	Response	Responsible Department
58	Under the heading, Community and Protection Services, indicate if the municipality still acknowledges the RTMC structure and what does the structure envisages to do if it's still applicable to the municipality taking into consideration of the court ruling.	The municipality indicated that the structure is acknowledged as it still governs the Traffic Management Act in SA. The municipality is opposed to the implementation of the AARTO act as certain measures and structures are not in place yet within the municipality. Council has been notified as well the RTMC and other structures on the formal objections.	Protection Services
		The municipality indicated that payments must be made to the Post Offices and that there are no post offices in the Stellenbosch area. This comes with a lot of extra services to be paid for example Post Office Services.	Protection Services
		The municipality is currently not implementing the Act and should be seen as beneficial to the municipality as revenue on fines can still be collected.	Protection Services
171	Under the heading Cemeteries, no pauper burials were done during the year under review.	The municipality indicated that such cases are referred to the Executive Mayor who then provides funding and negotiate with service providers to undertake to provide the service at a minimum cost.	Community Services
		The municipality takes note that the list in the Draft Annual Report 2020/21 is referred to as pauper burials. The Final Annual Report 2020/21 will be updated accordingly with a better heading.	Office of the Municipal Manager
172	Under the heading, Cemeteries, indicate if the new cemetery in Kylemore was established?	The department is in the process of rezoning the relevant erven to be able to use as a cemetery. Part of the process is input from the community. The advert will be in the local newspaper during the week of 21 February 2022.	Community Services
	Under table 174, confirm the total number of burials. Priël of 5.	The municipality indicated that the totals are correct. The total of COVID-19 burials should be excluded.	Community Services
	Is the covid burials included in totals of other towns?	Yes.	Community Services
184	Under the heading, Traffic Law Enforcement, indicate why the Vehicle Testing Station and Driver's License Testing Station are still closed?	The information is incorrect as the Driving License Centre is operational. The Vehicle Testing Station is not fully operational due to defective testing equipment that needs to be fixed and SCM procedures that had to be followed. Repairs took place on 15 February 2022 but the calibration of the equipment is due to be done. The service provider is expected to be on-site on 17 February 2022. The testing of motorbikes and trailers was never stopped at the VTS. It was only closed for motor vehicles due to the defective roller brake testing machine.	Protection Services
188	Under the heading Highlights, indicate if the smoke alarms installed in Klappmuts were useful?	It is confirmed that it worked but should note that the backyard dwellers did not have the alarms installed however it is confirmed that it helped a lot where installed.	Protection Services
189	Under table 193, explain the Capex on fire and disaster management	The municipality indicated that there were challenges experienced with the appointed service provider and resulted in a delay in the completion of the project hence after intervening with the service provider, the project is now in the completion phase.	Protection Services
190	Under the heading, Sports facilities and Swimming Pools, the last paragraph, indicate if the Covid-19 regulations are being adhered to in terms of the 275 people and hosting of swimming galas? Should be included in the paragraph.	The municipal swimming pool was closed for the last 4 years due to renovations needed. These renovations were completed during the 2020/21 financial year. No swimming galas were held since the opening of the pool.	Community Services
191	Table 197, explain the underperformance for the	The municipality indicated that capital expenditure reflects as at 30 June 2021.	Community Services



COMMUNITY AND PROTECTION SERVICES			
Page no.	Comment/s	Response	Responsible Department
	swimming pool and in the narrative, it states the swimming pool and skateboard park are completed?	The municipality indicated that the swimming pool opened up recently as the work was not completed as at 30 June 2021. The municipality only pays for work completed therefore the money was rolled over to the 2021/22 financial year.	Community Services
191	Under table 197: What measures have the municipality in place to curb vandalism being committed although there is security on-site?	The municipality indicated that the security cameras and an alarm system has been installed. These cameras are connected to the control room.	Community Services

## 5. Directorate: Corporate Services

CORPORATE SERVICES			
Page no.	Comment/s	Response	Responsible Department
35	Under table 17, indicate if there is any way the grading of posts can be addressed if it means attracting more skilled persons?	The municipality indicated that funding is required and policies need to be developed and approved. To increase a grading of a municipality, the population, income size as well other formulae determine the grading outcomes of municipalities.	HRM
37	Under table 22, confirm the actual Employee Costs?	The norm was explained to the MPAC.	HRM / Finance
38	Under table 25, clarify if the comment under ICT is correct as it reflects concern and if there are any measures in place?	The municipality indicated there are improvements in the department in terms of systems. An audit had been conducted on all ICT-related systems (to be integrated with the financial system and other systems). The municipality indicated that the comment should be deleted.	ICT
49	Under table 44, indicate why no meetings for Portfolio Corporate Services.	The municipality indicated all issues related to Corporate Services go directly to MayCo.	Committee Services
70-72	Under the heading, Ward Committees, indicate the norm of conducting ward committee meetings?	The municipality indicated that the table refers to ward committee meetings as well as public meetings. It depends on the needs identified for particular wards. The norm is bi-monthly dependent on the needs obtained to be discussed and addressed.	Committee Services
		COVID-19 played a significant role in the meetings not being held as required. This statement should be included in the narrative	Committee Services
189	Table 194: Why was the FTE so low for Section Fire and Disaster? Give an explanation below the table. Clarify the high vacancy rate.	The municipality provided feedback to the MPAC.	HRM
194	When will the placement of permanent staff as well as those in the pool be finalised?	The municipality indicated that the placement process has been completed.	HRM
		This statement will be updated in the Final Annual Report 2020/21.	HRM
	Has the Job Evaluation Process been finalised?	The municipality indicated that the Job Evaluation Process has been finalised in the 2019/20 financial year. This process is normally sent to the JD unit at the Cape Winelands District Municipality thereafter to the Provincial Task Unit and can be sent back if any additional information is required.	HRM
	How did the municipality monitor attendance of workers working from home during COVID-19?	The municipality indicated during the COVID-19 pandemic the employees worked on a rotational schedule basis under the lockdown levels.	HRM
	What measures were put in place to recover arrear monies from employees?	There is a policy in place through which employees who have more than 3 months arrears must make provisions to repay the money, bonuses are used to repay the money and disciplinary action may be taken where employees do not adhere to requests by the municipality.	HRM
What was the alternative registering methods that were under investigation?	The municipality is in place to look for alternative measures such as a palm-no-touch system. It should be noted that it will require additional cost as we need to replace the current biometric system.	HRM	
196	Under the second bullet, clarify if the camera footage is used in the court for proof of admissibility? Does it adhere to a registered watermark?	The municipality indicated that it depends on the presiding officer to use it as proof provided.	ICT
197	Under the heading, Challenges, clarify the statement on the	The municipality indicated that the comments need to be updated as mentioned on 7 <sup>th</sup> February 2022.	ICT

CORPORATE SERVICES																																						
Page no.	Comment/s	Response	Responsible Department																																			
	challenges as it raises a great concern on ICT and reflects negatively in the Annual Report.	Comment to be deleted.																																				
	What backup does the municipality have and what generators?	The municipality indicated that there are after-hours systems and do have generators in place even during loadshedding. The municipality does not have control over the cell phone towers when complaints are being submitted to the municipality during loadshedding.																																				
197	Under table 204, what is the norm on the ICT requests being attended to requests (turnaround time)?	It depends on the type of query. Some queries are dealt with within the day it is logged and other queries that need reprogramming takes longer.	ICT																																			
197	Under table 206, clarify the low staff levels in ICT.	<p>12 posts from 15 posts are filled. The 3 remaining pots are not budgeted.</p> <table border="1"> <thead> <tr> <th>Job Level*</th> <th>Posts*</th> <th>Employees*</th> <th>Vacancies (full time equivalents)</th> <th>Vacancies (as a % of total posts)</th> </tr> </thead> <tbody> <tr> <td>18 – 22</td> <td>1</td> <td>1</td> <td>0</td> <td>0%</td> </tr> <tr> <td>14 – 17</td> <td>5</td> <td>4</td> <td>1</td> <td>20%</td> </tr> <tr> <td>9 – 13</td> <td>9</td> <td>7</td> <td>2</td> <td>22.2%</td> </tr> <tr> <td>4 – 8</td> <td>0</td> <td>0</td> <td>0</td> <td>0%</td> </tr> <tr> <td>3 – 0</td> <td>0</td> <td>0</td> <td>0</td> <td>0%</td> </tr> <tr> <td>Total</td> <td>15</td> <td>12</td> <td>3</td> <td>20%</td> </tr> </tbody> </table>	Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)	18 – 22	1	1	0	0%	14 – 17	5	4	1	20%	9 – 13	9	7	2	22.2%	4 – 8	0	0	0	0%	3 – 0	0	0	0	0%	Total	15	12	3	20%	HRM
Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)																																		
18 – 22	1	1	0	0%																																		
14 – 17	5	4	1	20%																																		
9 – 13	9	7	2	22.2%																																		
4 – 8	0	0	0	0%																																		
3 – 0	0	0	0	0%																																		
Total	15	12	3	20%																																		
198	Under table 207, clarify the low staff levels in the Section Legal Services as the municipality deals with specialist legal issues. Can the municipality source the legal services in-house or is it a norm to get external legal specialists?	The municipality indicated that this section speaks to administrative support. The municipality does have a panel of legal experts who can appear in court and who have a right to appear in court and have specialised legal experts.	Corporate Services																																			
198	Under table 207, indicate if there are any measures in place to address the lack of skilled administrative support to the Chief Legal Advisor?	The municipality indicated that the official is assisting the section and the Office of the Directorate assist where possible.	Legal Services																																			
199	Under table 208, why were there so many cases withdrawn?	<p>The reason for matters to be withdrawn will be the decision of the Public Prosecutor.</p> <p>The Magistrate also has a prerogative to struck matters from the roll.</p> <p>The manner in which the fines were written and issued may also have an impact.</p>	Municipal Court																																			
200	Table 209, insert a column to indicate the percentage of monthly revenue (fines) collected?	That can only be addressed in the next annual report.	Municipal Court																																			
208	Table 215, indicate if there is a reason why the male targets are higher than females and disability?	Most applications received are from male applicants across all skill levels.	HRM																																			
209	Under table 216, indicate what type of formulae were used to calculate to determine the occupational categories (which demographics are used)?	The municipality indicated that the Occupational Categories are determined based on the persons' job (occupation) that the person is functioning in. These occupational categories are guided by the Organising Framework for Occupations (OFO). A copy of these OFO codes is available on request.	HRM																																			
209	Under the heading, Vacancy Rate, The narrative should be rephrased as the reading content is confusing and does it include EPWP workers.	<p>The municipality indicated that the 1 120 reflects the funded posts, not the entire organogram.</p> <p>According to the National Treasury norm, the percentage is between 30 – 40% of the operational budget.</p> <p>As income declined the number of posts to fill became lower to stay within the ratio, therefore it became unfunded.</p>	HRM																																			

**MPAC Oversight Comments on the Draft Annual Report 2020/21**

<b>CORPORATE SERVICES</b>			
<b>Page no.</b>	<b>Comment/s</b>	<b>Response</b>	<b>Responsible Department</b>
		EPWP is not included, therefore the paragraph needs to be elaborated.	
210	Under table 218, verify the vacancy rate?	104/1996 = 0,05%	HRM
210	Under the heading, Turnover Rate, indicate what the norm is on the turnover rate?	The municipality indicated this was raised and addressed in the previous financial year's MPAC engagement. There is no norm or standard on a turnover rate. Measures were put in place to fill a vacant position within 3 months. Sometimes the posts need to get re-advertised as the applicants did not comply with the requirements (more technical staff).	HRM
211	Under table 220, list the type of injuries incurred and mitigating actions to reduce injuries at work.	A central health and safety meeting takes place to discuss the type of injures. Not all injuries are of a serious nature. Process and PPP are in place to ensure people do sustain any injuries.	HRM
211	Under table 221, indicate why the sick leave rate is so high?	The municipality indicated that COVID-19 had a massive impact on sick leave.	HRM
		OHS compliant and have safety reps.	HRM

## 6. Directorate: Financial Services

FINANCIAL SERVICES			
Page no.	Comment/s	Response	Responsible Department
189	Under table 193: What was the reason for the low capital expenditure?	The municipality indicated it was the implementation phase of the project. The project was delayed due to challenges with the service provider at the time and will be completed during the 2021/22 financial year after interventions were implemented by the municipality.	CFO / Financial Management Services
191	Under table 197: The capital expenditure indicates under spending whilst it is stated as completed.	The municipality indicated that the capital expenditure was spent as at 30 June 2021 and funds rolled over as the project was launched in the 2020/21 financial year.	CFO / Financial Management Services
213	Under table 225: Explain the low percentage on budgets allocated and spent for skills development and financial year the calculation?	The budget depicted in the table (second column) is for the entire employee-related cost expenditure. Column three of the table will be amended to reflect the total budget for skills development.	CFO / Financial Management Services
213	Under table 225: the CFO should include an explanation of the 1% calculation. Verify the narrative.	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan is a requirement in terms of (NKPI Proxy – MSA, Reg. S10f). An explanation will be added.	CFO / Financial Management Services
218	Under the heading, Financial Summary, table 228, indicate where would consultants be reflected?	The municipality indicated under "Other expenditure" in the financial summary and in the Financial Statements as a note for other expenditure that gives a detailed description of the other expenditure and type of consultant will be stated.	CFO / Financial Management Services
	Are there specific requirements to appoint consultants?	The municipality indicated that there are specific requirements when appointing consultants and are contained in the cost-containment policy.	CFO / Financial Management Services
Financial performances per department	Is it fair to measure performance against revenue as some departments are not revenue-generated?	The municipality indicated that it must report on the revenue per department as per the prescribed guidelines by National Treasury.	CFO / Financial Management Services
229	Under table 254, give a short background on all financial performances where there are under / overspending and how the spending works?	The municipality explained the layout and breakdown of the actuals where over expenditure reflects. This applies to all columns – layout A note will be included under the tables.	CFO / Financial Management Services
231	Under table 257, verify all actual expenditures (zero spending).	The municipality indicated that the Human Settlement Grant is a claim-based grant. The municipality can only claim expenditure once the money is spent and submits claims to the Department. The Department will then allocate funds to the municipality. The other grant funding is received at the start of the financial year and the municipality needs to report in-yearly on the funds received.	CFO / Financial Management Services
231	A footnote be inserted on how the funding and actual spending works in terms of the type of grants.	The municipality refers the MPAC to the Annual Financial Statements (AFS) under Note 33, which gives a description and breakdown of the type of grants and spending thereof.	CFO / Financial Management Services

FINANCIAL SERVICES			
Page no.	Comment/s	Response	Responsible Department
	Is there a limit on the grant funding to request?	The municipality indicated that the Equitable share has a formula that is used by National Treasury to allocate funds to a municipality.	
235	Under table 264, line of "Other Assets". Give a breakdown of all capital expenditure for training centres, housing and social housing.	The municipality indicated that these items are all on the detailed asset register.	CFO / Financial Management Services
236	Under table 264, verify the expenditure against the budget amount under tangible assets, machinery and Equipment and transport assets as well the total actual expenditure?	The municipality indicated that the amounts have been verified as correct. No intangibles have been procured in the current year.	CFO / Financial Management Services
236	Under table 264, clarify why adjust a budget if the municipality cannot spend the funds? Add a note: over and underspending of funds throughout Chapter 5 of the Annual Report.	The municipality indicated that the additional allocations were gazetted during the financial year that must be included in the Adjustments Budget. Cognisance must also be taken of the state of disaster and multi-year projects.	CFO / Financial Management Services
237	Did the municipality receive any donations from the Government?	The municipality confirms that donations are received, however, nothing was received during the 2020/21 financial year. If donations are received, an agreement needs to be in place before it is captured on the budget for approval by Council.	CFO / Financial Management Services
238	Under table 266: Why is the actual spending higher than what was budgeted for WWTW in Pniël and decommissioning of Franschoek as well the underspending for the Bulk Sewer Outfall: Jamestown? Give clarity on the spending. If valid reason, a brief description must be included under the tables for ease of better reading.	The municipality indicated that the WWTW in Pniël is a multi-year to be completed over the next financial year. Funding is being implemented and the total expenditure is within the total budget over three years as well as what was awarded to the service provider.	CFO / Financial Management Services
243	In Chapter 6, under the introduction, clarify why does it state the audit outcomes for the past two financial years?	The municipality indicated that it will be updated as the audit report is attached to the Draft Annual Report 2020/21.	CFO / Financial Management Services
<b>AGSA AUDIT REPORT</b>			
2	Under Note 10, explain the irregular expenditure statement. Is there a conclusion to the outcome with regards to the irregular expenditure?	The municipality indicated the outcome with the Auditor-General was not concluded on this matter. It was a tender which was a multi-year tender, running over three years. The Auditor-General (AG) indicated that the spending for each financial year of the tender will be recorded as an irregular expenditure and insists it must be declared. There were differences of opinions and has put it forward to a Provincial and National level.	CFO / Financial Management Services
<b>AFS 2020/21</b>			
4	Under the heading, Housing Development Fund, indicate if the Developer Contributions (funds) are being paid in the Housing	The municipality indicated that the Development contributions are specific for different services and are not being paid in the Housing Development Fund.	CFO / Financial Management Services

FINANCIAL SERVICES			
Page no.	Comment/s	Response	Responsible Department
	Development Fund as per the guidelines?		
	Are there any other monies that are paid in this fund other than developers' contributions?	The municipality indicated that no other monies have been allocated to the Housing Development Fund as it is depleted and is operating in accordance with the prescripts.	CFO / Financial Management Services
	How can the fund be depleted if you still have rental stock – housing relating income must be deposited in the Housing Development Fund.	The municipality indicated that the fund needs to reflect the profit you make on the rental schemes. Currently, our rental scheme is operating at a loss.	CFO / Financial Management Services
95	Note 35: Explain the performance bonuses for Director Planning and Economic Development and Protection and Community Services.	Directors started late in the financial year and could not be evaluated for the entire financial year. Thus, the performance bonuses were calculated pro-rata.	CFO / Financial Management Services
109	Note 54, are a person allowed to make business with the state if working for the state?	The municipality indicated that Employee and Cllr need to complete a declaration of interest form each financial year.	CFO / Financial Management Services
124	Note 66: How far is the process of finalising the legal costs?	The matter referred to is disclosed as a contingent liability and was not finalised on 30 June 2021. Contingent liability is defined as a liability that may arise depending on the outcome of a specific event. It is a possible obligation that may or may not arise depending on how a future event unfolds.	CFO / Financial Management Services
112	Note 58: Explain the irregular expenditure as per non-compliance for not including a specific condition on local production and content when inviting bidders to tender?	The local content is related to a process according to the Auditor-General which was not followed, leading to non-compliance.	CFO / Financial Management Services
	Explain the irregular expenditure. Is there a conclusion to the outcome with regards to the irregular expenditure?	The content was not included in the local newspaper although it was in the tender.	CFO / Financial Management Services



**Annexure B:**

**Annual Report 2020/21**





# STELLENBOSCH

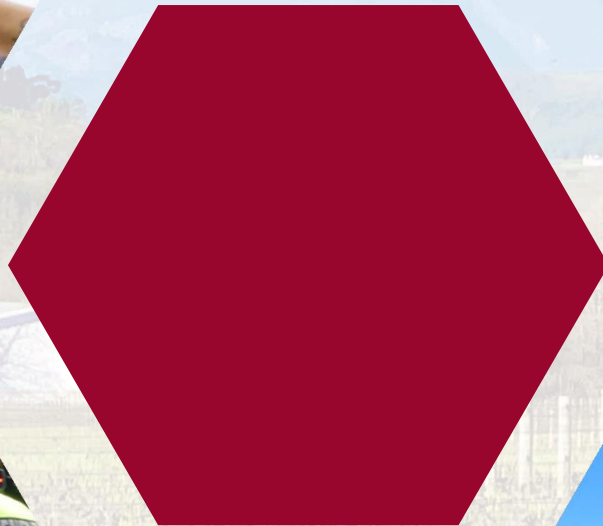
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

# ANNUAL REPORT

## 2020/21

This Annual Report is drafted in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)





## List of Abbreviations

Abbreviation	Description
ABS	Access to Basic Services
ACDP	African Christian Democratic Party
AGSA	Auditor-General of South Africa
AH	Agri-Hub
AMEU	Association of Municipal Electricity Utilities
ANC	African National Congress
ANPR	Automatic Number Plate Recognition System
BAC	Bid Adjudication Committee
BBBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BICLS	Bulk Infrastructure Development Contribution Levies
BPAMS	Building Plan Application Management System
CAC	Civic Amenity Centre
CAFS	Compressed air foam system
CAPEX	Capital Expenditure
CBD	Central Business District
CBP	Community-Based Planning
CCTV	Closed Circuit Television
CDW	Community Development Worker
CEB	Compressed Earth Block
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGI	Compliance and Governance Index
CIGFARO	Chartered Institute of Government Finance, Audit and Risk Officers
CITP	Comprehensive Integrated Transport Plan
CoCT	City of Cape Town
CoGTA	Cooperative Governance and Traditional Affairs
COPE	Congress of the People
CRSES	Centre for Renewable Energy Studies
CSIR	Council for Scientific and Industrial Research
CWDM	Cape Winelands District Municipality
DA	Democratic Alliance
DCAS	Department of Arts, Culture and Sports
DEA and DP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DOE	Department of Education
DoRA	Division of Revenue Act
DWS	Department of Water and Sanitation
ECD	Early Childhood Development
EE	Employment Equity
EHP	Emergency Housing Policy
EIA	Environmental Impact Assessment



Abbreviation	Description
EPWP	Expanded Public Works Programme
ESTA	Extension of Security of Tenure Act
FBAR	Final Basic Assessment Report
FPSU	Farmer Production Support Unit
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
GDP-R	Gross Domestic Product - Regional
GIS	Geographical Information System
HR	Human Resources
HSDG	Human Settlements Development Grant
IBR	Inverted Box Rib
ICT	Information and Communication Technology
IDP	Integrated Development Plan
iGRAP	Interpretations of Standards of Generally Recognised Accounting Practice
IFRS	International Financial Reporting Standards
IIC	Infrastructure Innovation Committee
IMATU	Independent Municipal Trade Union
IMESA	Institute of Municipal Engineers of South Africa
IMFO	Institute for Municipal Finance Officers
IPC	Integrated Planning Committee
IRDP	Integrated Residential Development Programme
ISAMAO	The Institute of South African Municipal Accounting Officers
IWMP	Integrated Waste Management Plan
IWAA	Integrated Water Availability Assessment
IZS	Integrated Zoning Scheme
JPI	Joint Planning Initiative
JSE	Johannesburg Stock Exchange
KIWMF	Kraaifontein Integrated Waste Management Facility
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LETRP	Large Employer Trip Reduction Programme
LGMTEC	Local Government Medium Term Expenditure Committee
LGSETA	Local Government Sector Education and Training Authority
LM	Local Municipality
LR	Labour Relations
LUMS	Land Use Management System
LUPA	Land Use Planning Act
LUPO	Land Use Planning Ordinance
MAYCO	Executive Mayoral Committee
MBI	Municipal Benchmarking Initiative
MERO	Municipal Economic Review Outlook
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)



Abbreviation	Description
<b>MGRO</b>	Municipal Governance Review and Outlook
<b>MIG</b>	Municipal Infrastructure Grant
<b>MILE</b>	Municipal Institute of Learning
<b>MINMAY</b>	Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers
<b>MIS</b>	Management Information System
<b>MIQ</b>	Municipal Data and Intelligence
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of the Mayoral Committee
<b>MMF</b>	Municipal Managers Forum
<b>MOU</b>	Memorandum of Understanding
<b>MPAC</b>	Municipal Public Accounts Committee
<b>MPC</b>	Multipurpose Centre
<b>MPI</b>	Municipal Productivity Index
<b>MRF</b>	Material Recovery Facility
<b>MSA</b>	Municipal Systems Act (Act No. 32 of 2000)
<b>mSCOA</b>	Municipal Standard Chart of Accounts
<b>mSDF</b>	Municipal Spatial Development Framework
<b>MTAB</b>	Metropolitan Transport Advisory Board
<b>MTECH</b>	Medium Term Expenditure Committee
<b>MVA</b>	Mega Volt Amp
<b>NDP</b>	National Development Plan
<b>NEMA</b>	National Environment Management Authority
<b>NGO</b>	Non-Governmental Organisation
<b>NHBRC</b>	National Housing Building Regulation Council
<b>NMT</b>	Non-Motorised Transport
<b>NPO</b>	Non-Profit Organisation
<b>NRTLEC</b>	National Road Traffic Legislation Enforcement Code
<b>NT</b>	National Treasury
<b>OHS</b>	Occupational Health and Safety
<b>OPEX</b>	Operating Expenditure
<b>PDO</b>	Predetermined Objectives
<b>PDoHS</b>	Provincial Department of Human Settlement
<b>PIE</b>	Prevention of Illegal Evictions
<b>PMS</b>	Performance Management System
<b>PPDO</b>	Provincial Predetermined Objectives
<b>PPE</b>	Personal Protective Equipment
<b>PPP</b>	Public Private Partnership
<b>PRASA</b>	Passenger Rail Agency of South African
<b>PSDF</b>	Provincial Spatial Development Framework
<b>PSDF</b>	Provincial Spatial Development Framework
<b>PSP</b>	Provincial Strategic Plan
<b>PT</b>	Provincial Treasury
<b>RBIG</b>	Regional Bulk Infrastructure Grant



Abbreviation	Description
<b>REFSO</b>	Renewable Energy Finance and Subsidy Office
<b>RUMC</b>	Rural Urban Market Centre
<b>SAB</b>	South African Breweries
<b>SABS</b>	South African Bureau of Standards
<b>SALGA</b>	South African Local Government Organisation
<b>SAMDI</b>	South African Management Development Institute
<b>SAMRAS</b>	South African Municipal Resource Accounting System
<b>SAMWU</b>	South African Municipal Workers Union
<b>SANEDI</b>	South African National Energy Development Initiative
<b>SANS</b>	South Africa National Standards
<b>SAPS</b>	South African Police Service
<b>SASSA</b>	South African Social Security Agency
<b>SCA</b>	Stellenbosch Civic Association
<b>SCMU</b>	Supply Chain Management Unit
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>SEDA</b>	Small Enterprise Development Agency
<b>SITA</b>	State Information Technology Agency
<b>SMME</b>	Small Medium Micro Enterprises
<b>SMS</b>	Short Message Service
<b>SOP</b>	Standard Operating Procedure
<b>SPA</b>	Stellenbosch People's Alliance
<b>TPAMS</b>	Town Planning Application Management System
<b>SPLUMA</b>	Spatial Planning and Land Use Management Act
<b>SPV</b>	Special Purpose Vehicles
<b>SSI</b>	Stellenbosch Safety Initiative
<b>STOD</b>	Sustainable Transit-Oriented Development Plan
<b>SWWTW</b>	Stellenbosch Wastewater Treatment Works
<b>TASK</b>	Tuned Assessment of Skills and Knowledge
<b>TIATCP</b>	Technical Innovation Agency Technical Centre Programme
<b>VTS</b>	Vehicle Testing System
<b>WC</b>	Western Cape
<b>WCO24</b>	Greater Stellenbosch Area
<b>WoF</b>	Working on Fire
<b>WRC</b>	Water Research Commission
<b>WWF</b>	World Wildlife Fund



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The background features a large, faint watermark of the Stellenbosch Municipality logo on the left side. In the center, there is a circular graphic composed of two overlapping rings, one in a light red/pink color and one in a light yellow/gold color. The text 'VISION AND MISSION STATEMENT' is centered over this circular graphic.

# **VISION AND MISSION STATEMENT**



# Vision

**THE STELLENBOSCH MUNICIPALITY HAS COMMITTED ITSELF TO THE FOLLOWING VISION AND MISSION:**

**“Valley of Opportunity and Innovation”**

# Mission

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

**IN ALL OUR WORK AND ENGAGEMENTS WITH THE COMMUNITY AND OTHER STAKEHOLDERS, WE SUBSCRIBE TO THE FOLLOWING VALUES:**

## values

**Integrity:**

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

**Accountability:**

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

**Transformation:**

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

**Innovation:**

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

A large, faint circular graphic in the background, composed of two overlapping rings in shades of brown and beige. In the center of the circle is a faint version of the Stellenbosch Municipality logo.

**MESSAGE OF THE EXECUTIVE MAYOR  
CLLR ADV G VAN DEVENTER**



# CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



It is an honour to present the Annual Report of Stellenbosch Municipality for the 2020/21 financial year. This was yet another year full of turbulence and accomplishments. This report provides information about the municipality's financial, operational, social and environmental performance over the 12 months in review, namely the period from 01 July 2020 to 30 June 2021. It also reflects on the progress made towards reaching our objectives as set out in the Integrated Development Plan (IDP).

The Annual Report will show that Stellenbosch Municipality is in a very stable position, with excellent financial controls in place. We are committed to good governance practices and our zero-tolerance approach to misconduct and corruption ensuring that every cent of public money is spent on the people.

At the start of this financial year, South Africa was facing a public health crisis like we have never seen before. The nation was under hard lockdown due to the worldwide COVID-19 pandemic and we were forced to adapt to a new way of life in a very short space of time. Stellenbosch was not immune to the economic devastation and our tourism industry, businesses, places of learning, places of worship and the municipality itself was greatly affected. What stood out for me, was how all sectors of our community took hands to help steer our region through the storm. It was humbling to see so many private companies, community organisations, government departments and churches come together to aid those in need during this time. It showed once again how resilient and caring the people of Stellenbosch are.

Through the *Stellenbosch Unite* initiative, the municipality played a vital role in funding relief measures for residents in need. The municipality also set up a temporary homeless shelter where hundreds of vulnerable residents were provided with a safe place to sleep, with access to food, sanitation, and social services during the initial months of the lockdown. I would like to thank our local business sector and community partners, as well as other spheres of government, for taking hands with the municipality to make this possible.

Despite the COVID-19 pandemic and lockdowns, work continued. Essential and emergency services personnel continued working throughout the entire period to ensure that basic service delivery remained uninterrupted. Administrative municipal staff worked from home whenever possible and as the national restrictions were lifted, they returned to offices on a rotational and eventually a fulltime basis. The pandemic accelerated the digitalisation of the municipality and the way in which we do business. Councillors and officials were trained in using virtual platforms for meetings and I would like to congratulate all those involved in adapting so quickly to this new way of life.

The municipality invested in an App called the Stellenbosch Citizen App, to reach more residents and simplify the public participation process. IDP Public participation meetings took on a hybrid model, with virtual meetings being held across all parts of the municipality. The municipal website



was redesigned and upgraded to improve user experience and make it easier for residents and other stakeholders to interact with the municipality and to access information. Our social media footprint was also greatly expanded with the promotion of our *Let's Fix It* WhatsApp line, Law Enforcement Control Room WhatsApp line, exceptional growth in our Facebook and Twitter pages following and engagement, as well as the creation of our LinkedIn and Instagram profiles.

The maintenance, upgrading and development of our infrastructure remain a key priority for Council. During the period under review, special attention was given to the upgrading of water infrastructure. We have budgeted R48 million and R32,4 million for the upgrading / construction work at the Pniël, Franschhoek and Wemmershoek WWTW. We have also embarked on large scale pipe replacement programmes to remove old pipe networks and replace them with higher quality pipes. Work on the replacement programme commenced in the La Colline area just before the end of the financial year and should be completed within 6 months.

The upgrade and expansion of the Devon Valley Solid Waste Landfill site are underway, with existing cells being expanded and space for additional cells being created. This is critically important because this site has reached capacity and solid waste must be transported to alternative sites and additional costs.

We have also invested heavily in public transport facilities with the construction of new Taxi Ranks in Klapmuts, Franschhoek and Kayamandi.

The old, disused Victoria Street Clinic is now a thriving and vibrant economic hub for local entrepreneurs in the centre of town. The CoCreate Hub provides business training and support to more than 30 local entrepreneurs from across the municipal area.

To ensure safer communities, work has been expedited on the new ultramodern Law Enforcement Control Room that will be opened within the coming months.

Providing residents with dignified living opportunities remains a priority. The first housing project in Ida's Valley in over four decades is nearing completion and most units are already occupied. The Vlotenburg – Longlands development is underway with site establishment and most of the internal services completed. Construction of new Breaking New Ground (BNG) houses will commence in the coming financial year. Funding has been received from the Provincial Department of Human Settlements for the installation of 711 serviced sites for all three phases of the Kayamandi, Zone-O development. A service provider has successfully been appointed to conduct an impact assessment and feasibility study for the development of the Northern Extension. This massive project is envisaged to potentially facilitate the development of between 4 000 to 6 000 residential opportunities in a mix of housing typologies.

Initial work on the Adam Tas Corridor came from the concerted efforts of active citizens focusing on creating a livable future for all. Key principles are to release local energy, and to facilitate organic growth through incremental steps -- for the next twenty to thirty years. The Western Cape Government, Stellenbosch University, the Stellenbosch Institute for Advanced Study, landowners, business leaders and committed citizens all assisted the Stellenbosch Municipality to bring the project to where it is now. In practical terms, ±375 hectares of under-utilised industrial land will accommodate "a new town in town," with an inclusive economy and mixed residential and business development. It runs along the foot of Pappegaaiberg, from the Cape Sawmill site to Kayamandi and Cloetesville. It includes the central government-owned Droë Dyke area, Distell's Bergkelder facility and other properties along the Plankenbrug river. Its potential bulk development will be roughly seven times larger than the V&A Waterfront in Cape Town. The Stellenbosch Municipality has completed a local





spatial development framework for the Corridor, nestled within the already established and larger municipal spatial development framework.

Of course, one of the challenges that seem to be here to stay is Eskom's blackouts. This is why, in January of 2021, we announced that we want to invest in alternatives, co-generate electricity and break the Eskom monopoly. We must ensure a more stable and reliable power grid by becoming more resilient – augmenting our electricity supply to keep the lights on.

I want to thank our residents and experts from around the world for the wonderful feedback on our quest to produce our own electricity. All these proposals will be taken into consideration by our scientific partners and a feasibility report will serve before the Council in the coming months. The report will look into the viability of various proposals, including solar panels, the conversion of methane gas into the much less harmful carbon dioxide, allowing the public to generate electricity and sell this to the municipality and the purchasing of electricity directly from registered independent power producers (IPPs).

The Western Cape Government is also assisting us and appointed two sets of consultants that are currently compiling their own feasibility reports as part of the Municipal Energy Resilience (MER) Programme. Whilst we still have a long way to go, great progress is being made. I want to assure residents that any decisions taken around our approach will be open for public participation, will serve before open council, and will be made with their best interests at heart. It is important to note that this programme will be implemented incrementally to ensure that it does not place undue stress on our budget.

During this financial year, Team Stellenbosch has shown incredible resilience and an ability to pull together as government and residents. Thank you to each and every municipal employee who is working to make excellent service delivery happen, and to ensure that this great municipality becomes even better. This report must inspire all of us to work even harder, to position Stellenbosch firmly as one of the best-run and financially stable municipalities in the country.

---

**ADV GESIE VAN DEVENTER**  
**EXECUTIVE MAYOR**

A large, light-colored circular graphic centered on the page. It features a faint version of the Stellenbosch Municipality logo (fleur-de-lis and grapes) in the background. The text is overlaid on this graphic.

**MESSAGE FROM THE MUNICIPAL MANAGER**  
**G METTLER**



## COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW



During the 2020/21 financial year, Stellenbosch Municipality was confronted with several unexpected changes and challenges. The unprecedented COVID-19 pandemic continues to affect all aspects of our lives in some way or another.

This report provides information on the municipality's performance for the 12 months in review and will show that we have weathered the storm as best as we could, given the tremendous pressure brought on by the lockdowns and significant budget cuts.

The Annual Report will further show that Stellenbosch Municipality is in a fiscally healthy position, with all senior management positions filled and all municipal departments fully operational. We are tremendously proud of the clean audit opinion received from the Auditor General of South Africa (AGSA) for the previous financial year and have continued to work to ensure that we maintain this good financial standing even with the various challenges brought on by the pandemic.

Throughout the COVID-19 pandemic and national lockdowns, measures were put in place to ensure that essential service delivery and emergency services continued uninterrupted. We adopted an approach that resulted in administrative employees to work from home as part of the national lockdown regulations. To ensure business continuity as well as the safety of all municipal officials, there was a need for remote working. I want to thank all municipal officials and communities for working together during this time, as we navigated through very unfamiliar territory.

As a caring local government, guided by our values of innovation, integrity, accountability, and transformation, we have continued to invest heavily in infrastructure upgrades, development, and maintenance, as this report will demonstrate. Key priorities of the municipality remain safety and security, ensuring dignified living opportunities and creating an environment conducive to economic growth and opportunities. As an administration that is expected to perform its duties in an increasingly dynamic and volatile environment, we must be agile and responsive to the fast-changing needs of the communities that we serve.

Good governance and compliance remain essential components to what we do daily. Our control measures are sound and performance management systems are in place to track performance and demand service excellence. Effective oversight, regular financial reporting and transparency helps us to maintain public trust from the residents that we serve. Thank you to all employees for your hard work over the past year. It is an honour to serve with you in this municipality.

Let this Annual Report not only reflect on the challenges and achievements of the past year, but also motivate us to do even better in the next financial year.

Sincerely,

---

**MS GERALDINE METTLER**  
**MUNICIPAL MANAGER**



## COMPONENT C: EXECUTIVE SUMMARY AND MUNICIPAL OVERVIEW

### 1.1 Introduction

This Annual Report 2020/21 addresses the performance of the Stellenbosch Municipality, in the Western Cape, South Africa, in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the municipal councils provide regular and predictable reporting on programme performance and the general state of affairs in their locality.

The report reflects on the performance of the Stellenbosch Municipality for the period of 01 July 2020 to 30 June 2021. The layout of the Annual Report is prepared in terms of section 121(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), in terms of which the municipality must prepare for each financial year.

The Annual Report comprises of six chapters with the following broad overview:

- Chapter 1:** An overview of the municipality's overarching strategy and its accountability processes, social and demographic profile and key highlights and challenges regarding finance, institutional transformation and key basic service delivery.
- Chapter 2:** Details about the governmental workings of the municipality addressing the key aspects of good governance.
- Chapter 3:** Highlights the municipality's performance for the year, focussing on the service delivery and the pre-determined objectives of the Council.
- Chapter 4:** Provides insight into the Human Resources and organisational management areas of the municipality, focussing on organisational structure and legislation.
- Chapter 5:** An overview of the municipality's financial performance, reflecting on the municipality's financial position, assets, cash flow and intergovernmental grants received by the municipality.
- Chapter 6:** An overview of the audit key findings per the Auditor-General.

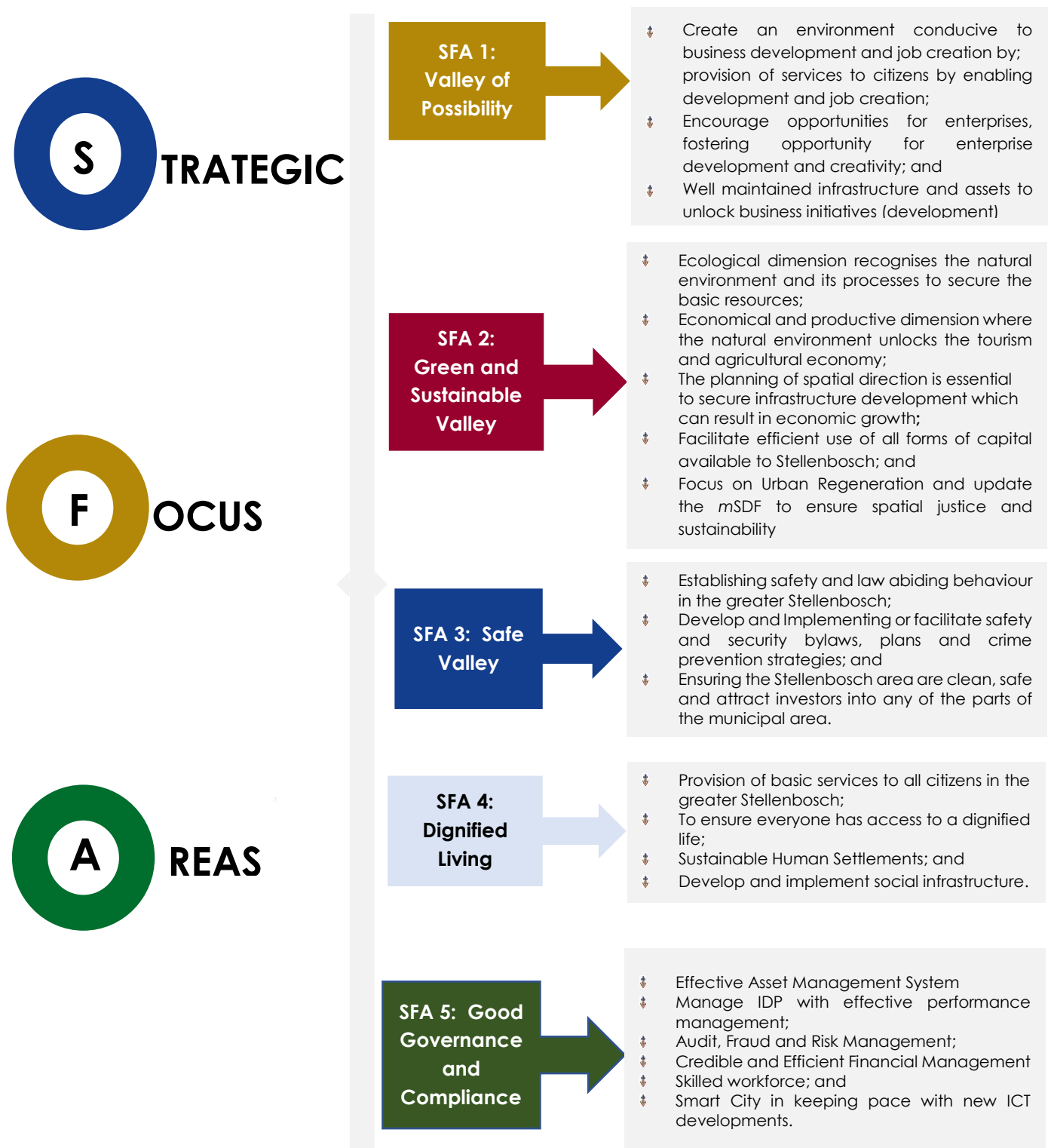
The purpose is to establish a transformed and well governed municipal environment that remain robust which will continue to stimulate the growth and wellbeing of the constituents of Stellenbosch municipal areas.



## 1.2 Strategic Focus Areas

The strategic focus areas within a municipality are the building blocks of the Council's strategy. The focus areas as depicted in the diagram below illustrates the expansion of the vision statement and create structure around how the municipality will achieve its strategic goals. The service delivery budget implementation plan (SDBIP) is developed in a more detailed way to indicate the deliverables against the activities that should be met in a certain timeframe.

Figure 1: Strategic focus areas

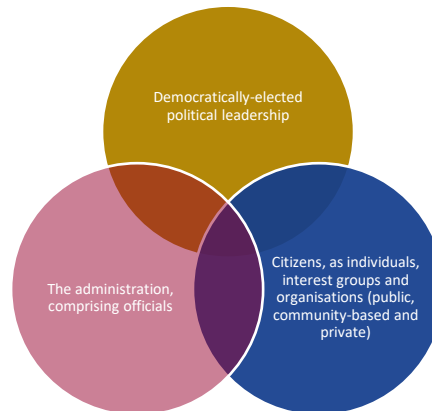




### 1.3 Core Principles in Executing the Strategy

This section refers to the linkage between political leadership, the administration and community. The diagram below illustrates the three components a municipality should encompass:

**Figure 2: Core components in executing strategy**



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

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

A component of community participation focuses on ward-based planning, where the desired outcome is to have a ward-based plan for each of the 22 wards. Ward-based plans are a form of participatory planning designed to promote community action, with clear linkages to the IDP. These plans mobilise communities and citizens to take responsibility for their destiny and capture what communities see as their desired outcomes. These plans also help to fast-track the implementation of the IDP. This ensures that the focus areas of the IDP become the collective responsibility of community members, ward councillors, ward committees, the business community, NGOs and CBOs and all other stakeholders in the greater Stellenbosch.

Participatory processes present an opportunity for visionary local leaders to implement a shared agenda and show tangible and measurable results through collectively addressing the ward priorities.





## 1.4 Alignment with Institutional Structures and Processes

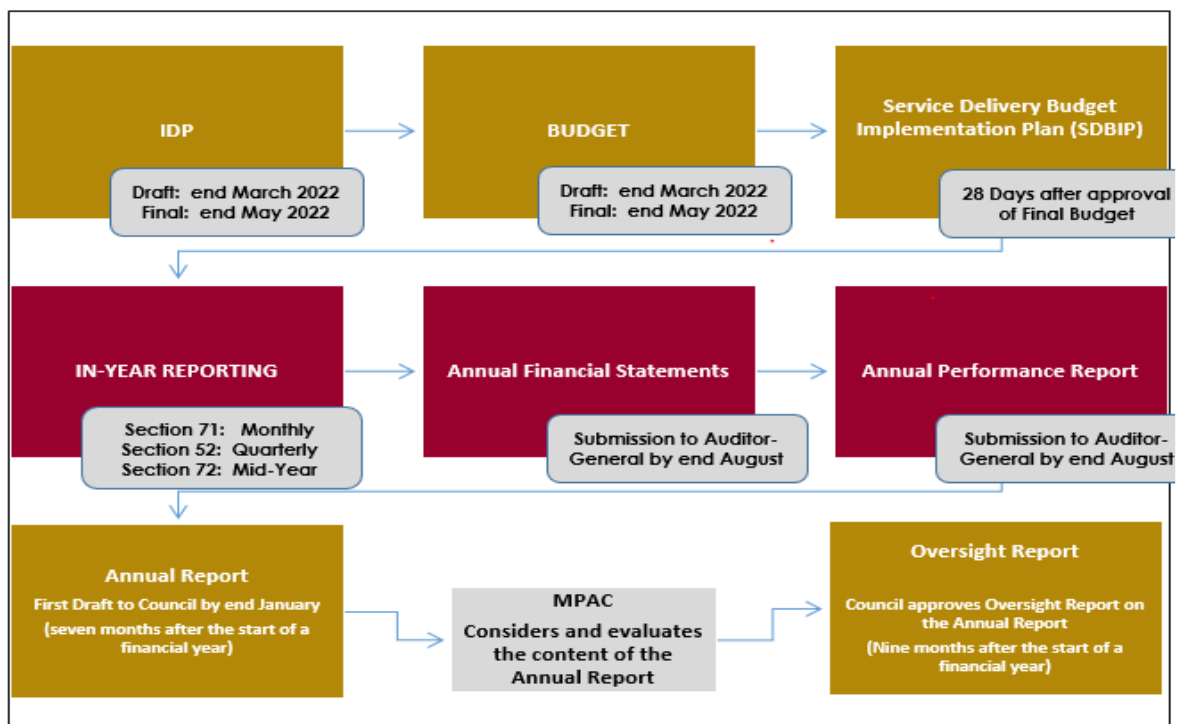
Conventional strategic planning processes are aimed at guiding development and management decisions are time-consuming. Preparing a detailed strategic framework and implementation programme can take months. Unfortunately, these processes do not provide for the “now” – the need to guide decisions today. For municipalities, the “now” has become extremely important. Every month counts. The municipality believe that its challenges have become so significant that if the municipality do not find an integrated and commonly shared response to them fast, the municipality may lose much of what is special about an area and be poorly prepared to meet future challenges successfully.

The administration strongly focuses on action against deliverables which in turn creates effectiveness and efficiency in decision making as well in delivering services to all citizens. Regular, informal but structured engagements between the MayCo and Director’s Forum are held to discuss strategic matters and how to best respond to issues from the public and other stakeholders.

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

To ensure alignment between Council’s strategic processes are adhered to, the municipal accountable cycle needs to be implemented:

**Figure 3: Accountability Process flow**





















## 1.5 Demographical Overview of the Greater Stellenbosch

### 1.5.1 Stellenbosch at a Glance

According to the Western Cape Local Economic Profile 2021, the statistics below give a synopsis of the key aspects of the overview of the Greater Stellenbosch

**Table 1: Socio economic summary**

Demographics		Estimated households 2020			
	Population <b>196 036</b>		Households <b>50 328</b>		
Education		2020	Poverty		
	Matric Pass Rate	<b>81.1%</b>		Gini-Coefficient	<b>0.61</b>
	Learner Retention Rate	<b>73.1%</b>		Human Development Index	<b>0.74</b>
	Learner-Teacher Ratio	<b>26.8%</b>			
Health		2020/21			
	Primary Health Care Facilities	Immunisation Rate	Maternal Mortality Ratio (per 100 000 live births)	Teenage Pregnancies – Delivery rate to women U/18	
	<b>8(excl. mobile / satellite)</b>	<b>52.7%</b>	<b>57.3%</b>	<b>11.4%</b>	
Safety and Security		Annual number of reported cases in 2020/21			
	Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
	<b>904</b>	<b>164</b>	<b>1252</b>	<b>70</b>	<b>194</b>
Access to Basic Service Delivery		% households with access to basic services, 2020			
Water	Refuse Removal	Electricity	Sanitation	Housing	
<b>94.4%</b> 	<b>86.7%</b> 	<b>92.2%</b> 	<b>91.1%</b> 	<b>72.7%</b> 	
Road Safety 2020/21		Labour, 2020		Socio-economic Risks	
Fatal Crashes	<b>31</b>	Unemployment (narrow definition)		<b>Risk 1</b>	Rising Unemployment
Road User Fatalities	<b>39</b>	<b>11.3%</b>		<b>Risk 2</b>	Informal Sector expansion
				<b>Risk 3</b>	Low skills base (Labour)
Largest 3 sectors		Contribution to GDP, 2018			
Finance, insurance, real estate and business services		Wholesale and retail trade, catering and accommodation		Manufacturing	
<b>21.7%</b> 	<b>21.1%</b> 	<b>16.6%</b> 			



## 1.5.2 State of the Greater Stellenbosch

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2021 indicates 196 036 people and 50328 households. The municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klapmuts to the North, and over the Helshoogte Pass to Pniël, Kylemore, Groendal and Franschhoek in the East.

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

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

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

The area is known for its quality, award-winning restaurants and is a tourist haven with many boutiques, galleries, and curio shops. There are several museums and art galleries, and the area is host to a number of annual cultural, food, wine and sports festivals. A wide array of accommodation is available for visitors to choose from.

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

The following municipalities share their borders with Stellenbosch Municipality:

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



### 1.5.3 Wards

Stellenbosch municipal area currently divided into 22 Wards as per amendments made to the boundaries by the Municipal Demarcation Board in 2016. The wards consist of urban settlements as well as the surrounding rural areas which contain agricultural and natural environments. The table below describes the urban settlements and rural areas within the different wards.



Population  
as per StatsSA

**Table 2: Population per ward**

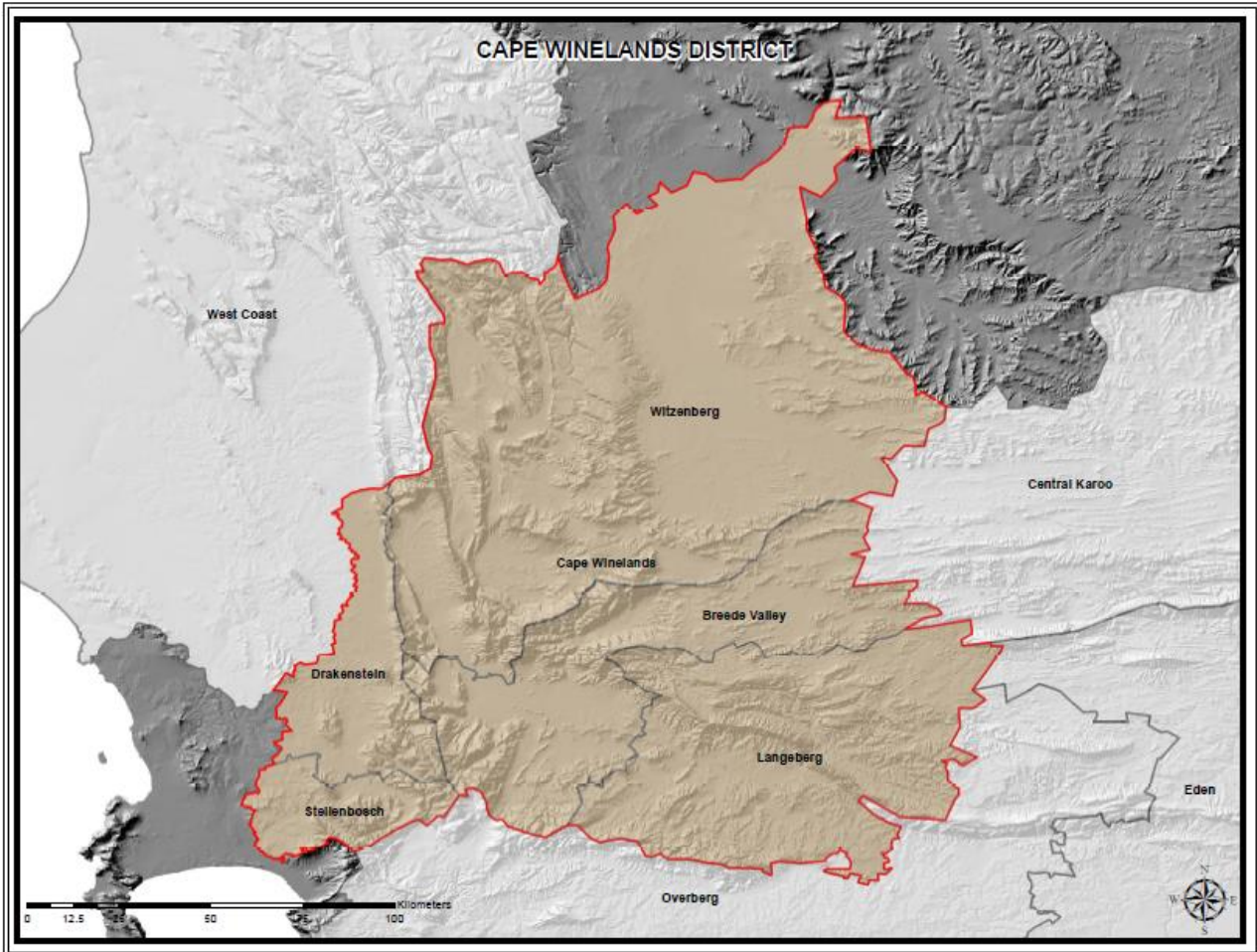
Ward	Areas	Population (2011)
1	Franschhoek Town, Bo-Hoek Farms, Mooiwater	12 389
2	Langrug, La Motte, Dennegeur, Groendal	7 519
3	Wemmershoek, Lanquedoc, Meerlust	8 952
4	Pniël, Kylemore, Johannesdal	8 230
5	The Ridge, Lindida, Ida's Valley (The Hydro in the direction of Ida's Valley and Omega Street to Jonkershoek)	5 656
6	Ida's Valley and farms (Nietvoorbij, Timberlea, Morgenhof, Remhoogte, Muratie, Groenhof, Delheim, Lievland, Kanonkop, Uifkyk, Glenelly, Emerie, Laundry, Packham, L'Avenir)	5 856
7	Mostertsdrift, Kolonieshof, Karindal, Rozendal, Uniepark, Simonswyk, Universiteitsoord, De Weides	3 873
8	Stellenbosch Central and university areas	5 682
9	Boundaries of the Eerste River, Krige, Herte, Skone Uitsig, Bird, Merriman, Bosman, Victoria, Neethling, Van Riebeeck, Drostdy and Helderberg Street	822
10	Tenantville, Lappan Street to Lackay Street, La Colline-Faure, Dr Malan Street to Irene Park, Conde Street, Mount Albert, Taylor, Voorplein to Kromriver, Municipal Flats (Lavanda, Aurora, Phyllaria, Molteno Avenue) to Paul Kruger Street and Banghoek Avenue	5 270
11	Dorp Street to Herte Street, Mark Street, Alexander Street, bottom of Bird Street to the Stellenbosch Train Station, all areas in Onder-Papegaaiberg and businesses	6 545
12	Kayamandi: Enkanini, Snake Valley, Watergang, Thubelitsha, New Watergang (106), Zone O (next to Enkanini), Chris Hani Drive, Municipal Flats (10TH and 13TH Street), School Crescent, Ekuphumleni, Siyahlala, Zone A and George Blake	8 009
13	Kayamandi: Old Location from Lamla Street to Luyolo Street, Red Bricks and Old Hostels	2 482
14	Kayamandi: Zone I Setona Street), Zone O (lower part) Mgabadeli Crescent, Monde Crescent, Costa Land, Strong Yard, Zone M (8th Avenue)	5 280
15	Kayamandi: Mjandana Street (Zone L), Mputa Close, Zone K, Ndumela Street (Zone J), Distell Hostels, Vineyard, Zone O Middle part (Fire Street), Municipal Workers Flats, Zone N, and M, Old Corrobricks Hostels, Mdala Street (Old Hostels) Eight (8) Close	10 403
16	Long Street to end of Smarty Town, Eike Street, Curry Street, Primrose Street, Pine (Bo en Onder), North End, Vredelust, Gemsbok, Daffodil Single, Steps, Sylvia Street, Eiland Street, Last Street (White City), Frikkadel Dorp, September Street, Smarty Town and Weltevrede	8 626
17	Kloof and Longstreet flats, Welgevonden and Weltevreden	7 728
18	Klapmuts and surrounding farms	8 763
19	Eisenburg, De Novo and surrounding farms	10 493
20	Vlottenburg, Raithby, Lynedoch to Meerlust, Eikendal, Mooiberge, Faure	9 628
21	Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen, surrounding farms	8 651
22	Die Boord, Dalsig, Brandwacht, Krigeville, Libertas Farm	4 873
<b>Total</b>		<b>155 733</b>



The Western Cape Province, makes up 10.6% of the country's land surface and encompasses an area of 129 462 km<sup>2</sup>. The province spatial area includes 1 metropolitan area (City of Cape Town), 5 district municipal areas (Central Karoo, Garden Route, Overberg, Cape Winelands and West Coast) and 24 local municipalities.

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

**Figure 4: Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries**



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










## 1.6 Socio-Economic Context

All socio-economic information is sourced from the Local Government Socio Economic Profile 2021.

### 1.6.1 Population Growth

The population of Stellenbosch is 196 036 persons in 2021, which is the second most populated municipal area in the Cape Winelands District (CWD). This total is  expected to grow to 209 854 by 2025, equating to an average annual growth rate of 1.7 per cent for the period.

### 1.6.2 Sex Ratio

The overall sex ratio (SR) depicts the number of males per 100 females in the population. The data indicates that there are notably more females than males in the Stellenbosch municipal area with a ratio of 95.8 males per 100 females in 2021. The increasing SR for Stellenbosch could be attributed to a wide range of factors such as a decrease in female mortality rates as well as the potential inflow of working females to the municipal area. 

### 1.6.3 Age Cohorts

It is evident that Stellenbosch has an ageing population. Between 2021 and 2025, the highest population growth is estimated for the aged cohort, with expected growth for the period reaching an average annual rate of 3.6 per cent. This is more than double the growth in the working age cohort (1.6 per cent). The size of the aged cohort is however relatively small in comparison to the working age category. As such, the dependency ratio remains mostly unchanged between 2021 and 2025.


**Table 3: Age Cohorts**

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2021	43 660	141 601	10 775	38.4
2023	44 839	146 905	11 324	38.2
2025	46 468	151 496	11 890	38.5
Growth	1.6%	1.7%	2.5%	-

Source: Western Cape, Socio-Economic Profile 2021

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

### 1.6.4 Household sizes

Household size refers to the number of people per household. The actual size of households in the municipal area is trending downwards between 2021 and 2025. Contributing factors to a stagnation in household size growth could include, but are not limited to, lower fertility rates, occurrences of divorces, ageing population etc. 



### 1.6.5 Population density

Amidst rapid urbanisation across the Western Cape, population density figures will aid public sector decision makers to mitigate environmental, health and service delivery risks. In 2021, the population density of the Cape Winelands District was 44 persons per square kilometer. In order of highest to lowest, the various local municipal areas compare as follows: In order of highest to lowest, the various local municipal areas in the CWD compare as follows:



- ↓ Stellenbosch 236 people/km<sup>2</sup>;
- ↓ Drakenstein 191 people/km<sup>2</sup>;
- ↓ Breede Valley 51 people/km<sup>2</sup>;
- ↓ Langeberg 27 people/km<sup>2</sup>; and
- ↓ Witzenberg 14 people/km<sup>2</sup>.

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

### 1.6.6 Education

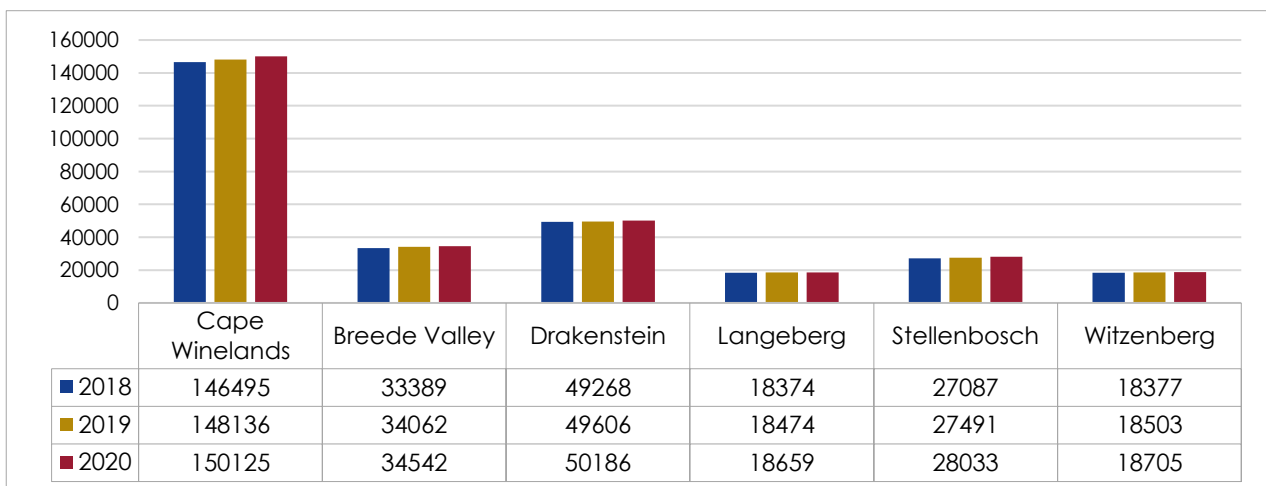
Education and training improve access to employment opportunities and helps to sustain and accelerate overall development. Quality Education is the 4th Sustainable Development Goal, whilst the National Development Plan (NDP) emphasises the link between education and employment as well as the significant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



### 1.6.7 The learner enrollment, learner-teacher ratio and learner retention rate

Learner enrolment in Stellenbosch increased from 27 087 enrolments in 2018 to 28 033 in 2020, an increase of 1.7 per cent. The growth rate in learners is slightly above the Western Cape average of 2.1 per cent across the same period.

Figure 6: Learner enrolment

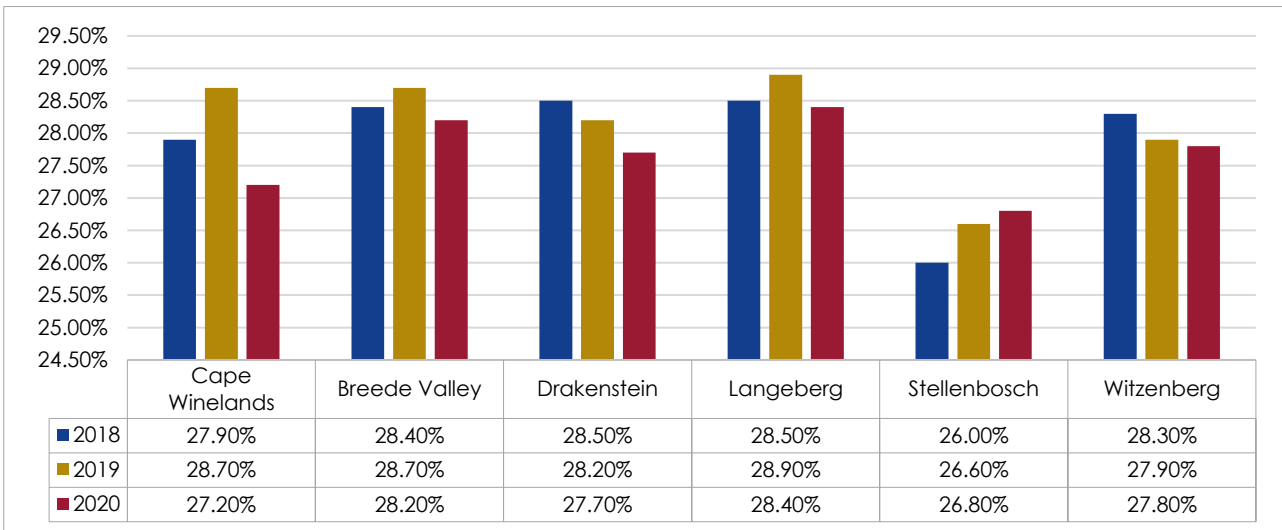


Source: Western Cape, Socio-Economic Profile 2021



The learner-teacher ratio in the Stellenbosch municipal area has gradually been on the rise from 26.0 in 2018 to 26.6 in 2019 and 26.8 in 2020. This is still below the Provincial average of 30.3. It is commonly assumed that children receive less personalised attention in larger class environments and that high learner-teacher ratios are detrimental to improved educational outcomes.

**Figure 7: Learner-Teacher Ratio**



Source: Western Cape, Socio-Economic Profile 2021

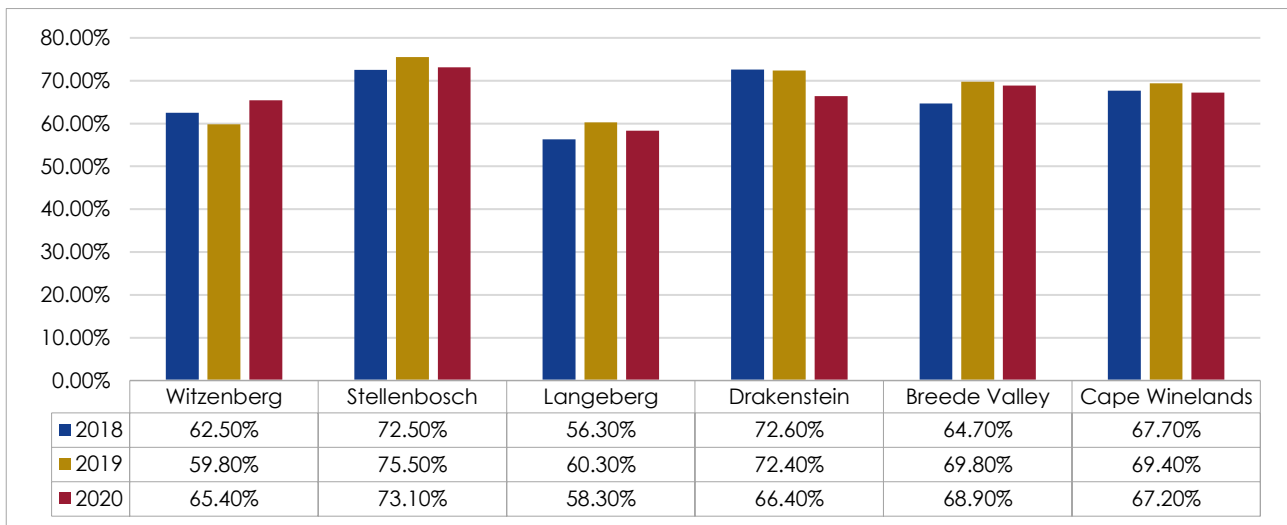
It is commonly assumed that children receive less personalised attention in larger class environments and that high learner-teacher ratios are detrimental to improved educational outcomes.

Although the Stellenbosch municipal area has the highest learner retention rate (73.1 per cent) in the Cape Winelands District, school drop-outs remain a serious concern.

The learner retention rate is influenced by a wide array of factors, including economic influences such as unemployment, poverty/ very low household income, as well as social concerns such as teenage pregnancies. Retention rates should be kept in mind when considering education outcomes/ results, as low retention rates are likely to skew outcomes, as drop-outs are automatically excluded from any outcomes/results. Being able to retain learners is essential for overall positive education outcomes.



**Figure 8: Learner retention**



Source: Western Cape, Socio-Economic Profile 2021

### 1.6.8 Number of schools and no-fee schools

In 2020, the Stellenbosch municipal area had a total of 39 public ordinary schools. The number of schools has remained constant since 2018.

### 1.6.9 Schools with libraries and media centres

The number of schools with libraries / media centres decreased from 29 in 2018 and 2019 to 22 in 2020.

The availability of library facilities within schools contribute towards narrowing the academic attainment gap by allowing students access to information which in turn directly links to improved education outcomes.

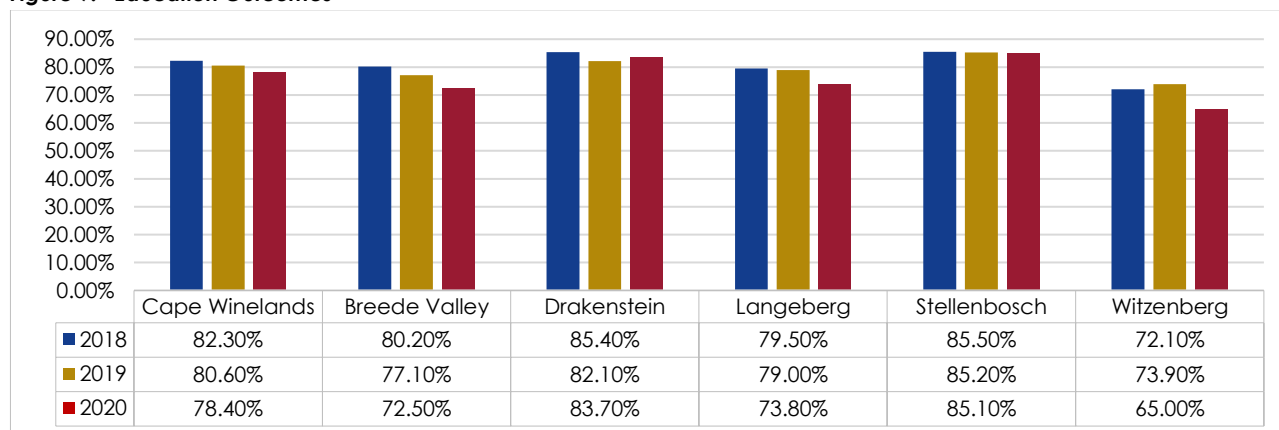
### 1.6.10 Education Outcomes (Matric Pass Rates)

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagements in the labour market, policy decisions and choices in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans may be realised. Education outcomes across the entire South Africa and Western Cape on general deteriorated as a result of COVID-19. The matric pass rate for Stellenbosch however increased ever so slightly from 85.0 per cent in 2019 to 85.1 per cent in 2020.





Figure 9: Education Outcomes



Source: Western Cape, Socio-Economic Profile 2021

### 1.6.11 Health

According to the LGSEP 2021, the Stellenbosch municipal area had 8 primary healthcare facilities in 2020, which comprised of 7 fixed clinics and 1 community day centre; there were also 6 mobile/satellite clinics. In addition to these primary healthcare facilities, there is also a district hospital, 9 ART treatment sites and 13 TB clinics.



Table 4: Health care facilities

Area	PHC facilities (Fixed clinics, CHCs and CDCs)		Community Health Centres <sup>1</sup>	Community Day Centres <sup>2</sup>	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Stellenbosch	7	6	0	1	1	0	9	13
Cape Winelands District	39	33	0	5	4	2	49	100

Source: Western Cape, Socio-Economic Profile 2021

### 1.6.12 Emergency Medical Services

The provision of more operational ambulances can provide greater coverage of emergency medical services. The Stellenbosch municipal area had a total of 6 ambulances servicing the region, which translates to 3 ambulances per 10 000 people in 2020. It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

### 1.6.13 HIV / AIDS and TB

The number of clients (patients) that remain committed to their antiretroviral treatment (ART) plan in the Stellenbosch municipal area decreased by 46 patients between 2019/20 and 2020/21. In total, 6

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

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



914 registered patients received antiretroviral treatment in the Stellenbosch municipal area in 2020/21.

The number of new patients receiving ART also declined from 538 in 2019/20 to 460 in 2020/21. There has been an average annual decline of 7.8 per cent between 2016/17 (1 173) and 2020/21 (849) in the number of registered patients receiving TB treatment in the Stellenbosch municipal area.

**Table 5: HIV/AIDS Management**

Area	Registered patients receiving ART		Number of new ART patients	
	2019/20	2020/21	2019/20	2020/21
Stellenbosch	6 960	6 914	538	460
Cape Winelands District	32 366	32 949	3 434	2 825

Source: Western Cape, Socio-Economic Profile 2021

## 1.6.14 Child Health

The immunisation coverage rate for children under the age of one in the municipal area declined slightly from 55.1 per cent in 2019/20 to 52.7 per cent in 2020/21. The overall CWD rate also declined from 63.1 to 60.6 per cent across the same period. The number of malnourished children under five years of age (severe acute malnutrition) per 100 000 people in the municipal area declined notably from 2.6 in 2019/20 to 0.9 in 2020/21.



The Western Cape average from 1.6 to 0.9. The CWD rate also declined from 3.3 to 1.8 per cent. The neonatal mortality rate (deaths per 1 000 live births before 28 days of life) for the municipal area increased from 5.2 in 2019/20 to 6.3 in 2020/21. The rate was still notably below the CWD average of 10.7.

A total of 8.5 per cent of all babies born in facility in the municipal area in 2020/21 weighed less than 2 5000 grams. This is slightly worse than the 8.2 per cent recorded in 2019/20. This total was the lowest amongst all other local municipalities in the District.

**Table 6: Child Health**

Area	Low Birth Rate		Neonatal Mortality Rate per 1000		Acute Malnutrition Rate (Under 5) per 100 000		Immunisation Rate (Under 1)	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Stellenbosch	8,2	8,5	5,2	6,3	2,6	0,9	55,1	52,7
Cape Winelands District	15,1	15,5	7,9	10,7	3,3	1,8	63,1	60,6

Source: Western Cape, Socio-Economic Profile 2021





### 1.6.15 Maternal Health

In 2020/21, the Stellenbosch municipal area recorded the lowest number of maternal deaths (57.3) and teenage pregnancies (11.4 per cent) in the CWD.



Although the number of teenage pregnancies decreased between 2019/20 and 2020/21, there was a significant deterioration in the maternal mortality rate (increase) in the municipal area. The termination of pregnancy rate (0.6 per cent) remained unchanged across this period.

Table 7: Maternal Health

Area	Maternal Mortality Rate		Delivery rate to women under 20 years		Termination of pregnancy rate	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Stellenbosch	0.0	57.3	13.5	11.4	0.6	0.6
Cape Winelands District	42.7	118.3	15.1	13.6	0.8	0.7

Source: Western Cape, Socio-Economic Profile 2021

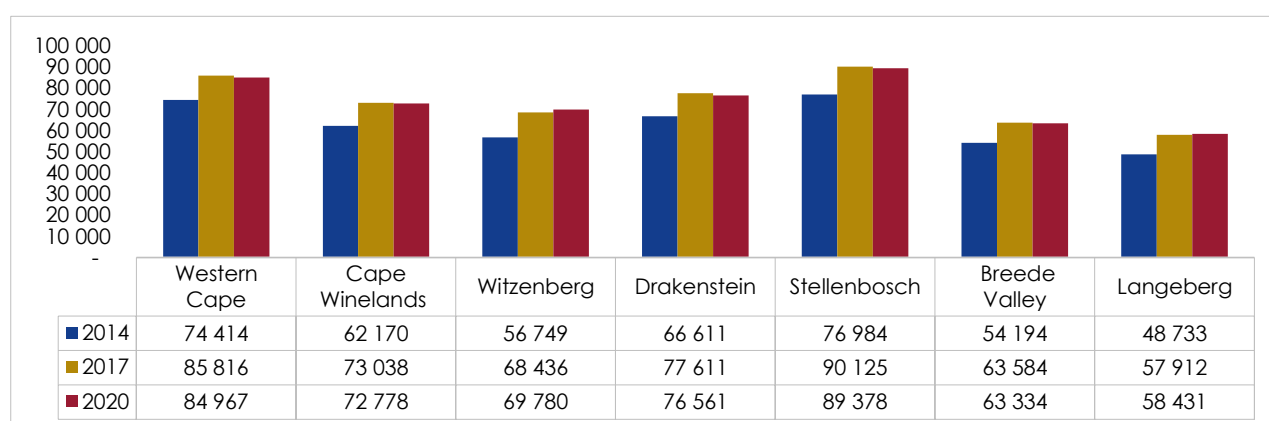
### 1.6.16 Poverty

#### a) GDPR Per Capita

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

GDPR per capita for the Stellenbosch municipal area was at R89 378 in 2020 (current prices) higher than the CWD (R72 778) and Western Cape (R84 967) averages. Constraint growth, coupled with growing population numbers, has resulted in a downward trend in GDPR per capita across most local municipal areas.

Figure 10: GDPR Per Capita



Source: Western Cape, Socio-Economic Profile 2021

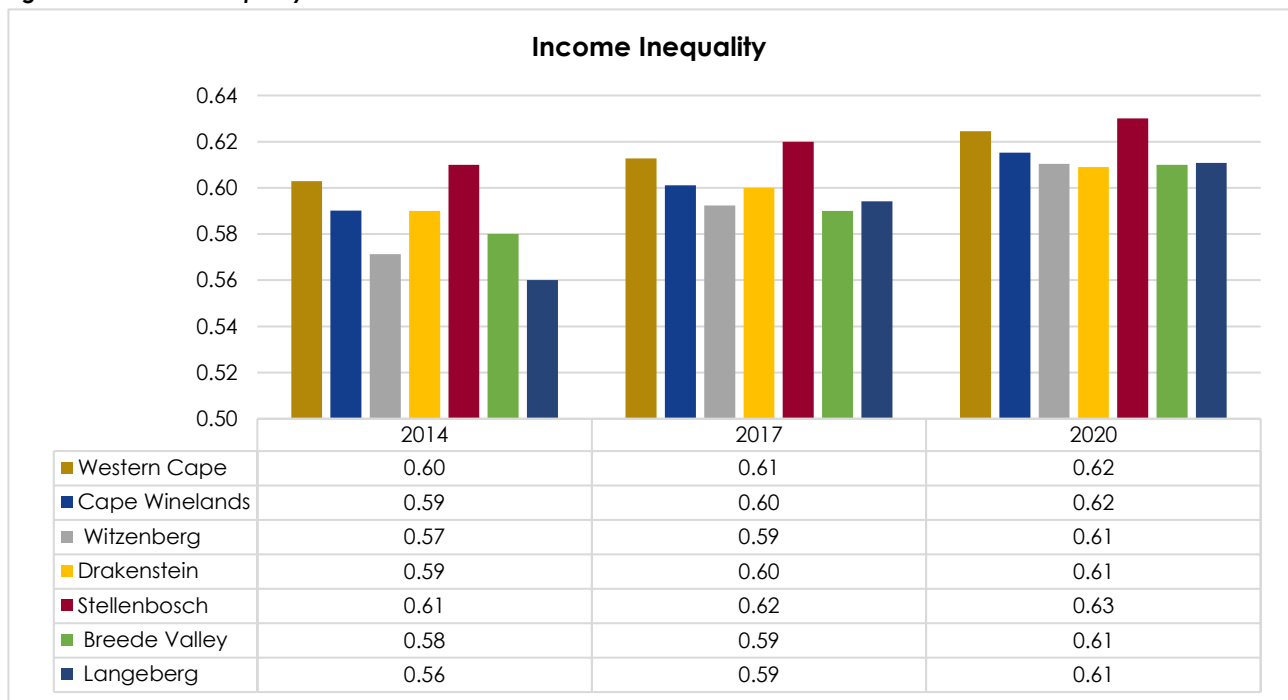
#### b) Income Inequality

The National Development Plan (NDP) has set a target of reducing income inequality in South Africa from a Gini coefficient of 0.7 in 2010 to 0.6 by 2030. However, between 2014 and 2020, income inequality in the Stellenbosch municipal area has worsened, with the Gini-coefficient increasing from 0.614 in 2014 to 0.631 in 2020.



Worsening income inequality was also observed across the CWD (0.590 in 2014 and 0.615 in 2020) as well as the Western Cape Province (0.603 in 2014 and 0.625 in 2020)

Figure 11: Income Inequality



Source: Western Cape, Socio-Economic Profile 2021

### c) Human Development

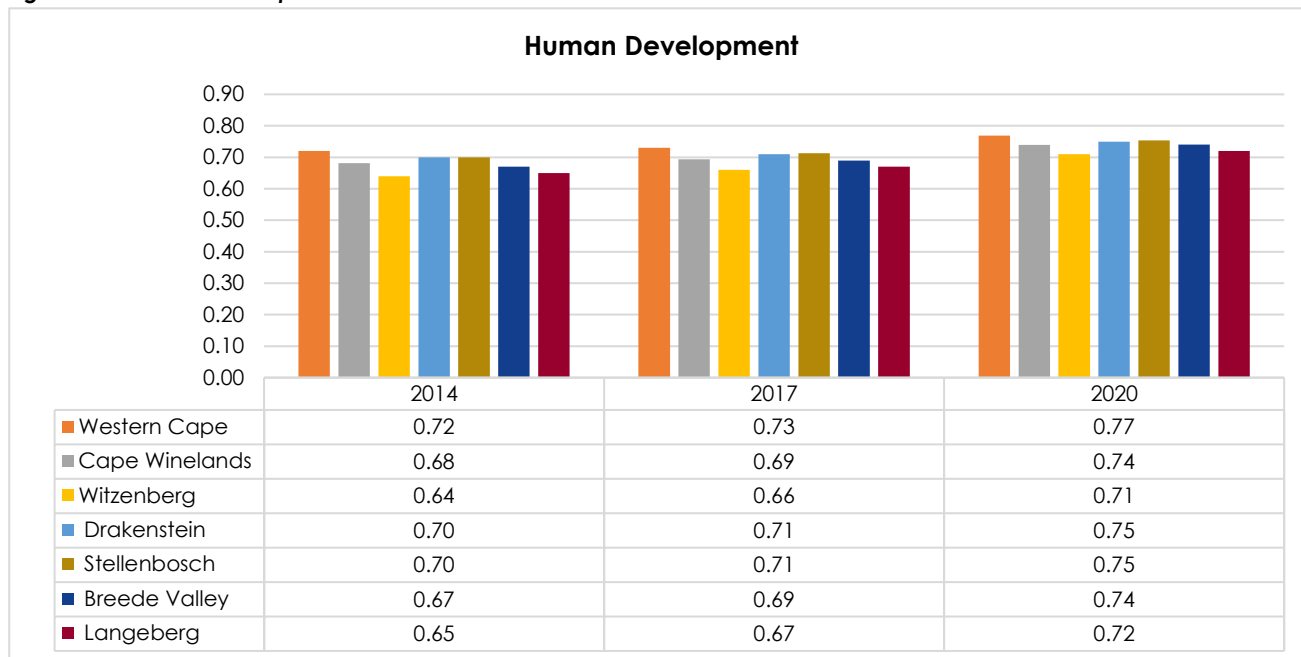
The Human Development Index (HDI) is a composite indicator reflecting on education levels, health, and income. It is a measure of peoples' ability to live a long and healthy life, to communicate, participate in the community and to have sufficient means to be able to afford a decent living.

The HDI is represented by a number between 0 and 1, where 1 indicates a high level of human development and 0 represent no human development. The United Nations uses the HDI to assess the relative level of socio-economic development within countries.

An overall improvement in human development is observed across the entire Western Cape with HDI levels increasing in all districts between 2014, 2017 and 2020. It is interesting to note that despite general economic hardship impacting on households, the HDI score for the Stellenbosch municipal area increase significantly more in recent times i.e., HDI in Stellenbosch was 0.704 in 2014 and increased to 0.709 in 2017; the increase was however more pronounced in 2020 at 0.751. The HDI score for the municipal area was in 2020 higher than the CWD average of 0.740.



Figure 12: Human Development



Source: Western Cape, Socio-Economic Profile 2021

### 1.6.17 Basic Service Delivery

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



This section considers to what extent this has been achieved by reflecting on the latest available information from Quantec Research for 2020. The latest official statistics was collected by Statistics South Africa for the 2016 Community Survey; the 2022 Census will provide the updated official statistics. The information on free basic services is obtained from Statistics South Africa's Non-Financial Census of Municipalities survey findings.

#### a) Housing and Household Services

With a total of 50 328 households in the Stellenbosch municipal area, 72.7 per cent had access to formal housing, the lowest access level when compared with other municipalities in the CWD area; the CWD average was 80.8 per cent. The municipal area also had the highest percentage of people living in informal settlements at 25.2 per cent. In comparison, 17.4 per cent of people across the CWD resided in informal settlements. Access levels to basic services in the municipal area were as follows in 2019:

- ⚡ Piped water inside / within 200 m of the dwelling: 94.4 per cent;
- 🚽 Flush or chemical toilet: 91.1 per cent;
- ⚡ Electricity (for lighting): 92.2 per cent; and
- ♻️ Refuse at least weekly by local authority: 86.7 per cent.

While access to electricity and sanitation services were on par with the CWD average, access to piped water was notably below the district average. Access to refuse removal services were however above the District average.



## b) Free basic services

According to the Department of Local Government, the number of registered indigent households in the Stellenbosch municipal area decreased from 6 813 in 2019 to 7 011 in 2020 (2.9 per cent increase). Municipalities provide a package of free basic services to households who are financially vulnerable and struggle to pay for services. The number of households receiving free basic services in the Stellenbosch municipal area has shown an overall increasing trend between 2017 and 2019. The stressed economic conditions continue to exert pressure on household income levels, which in turn is likely to see the number of indigent households and the demand for free basic services increase

## 1.6.18 Safety and Security

**Murder** is defined as the unlawful and intentional killing of another person.

The number of actual murders in the Stellenbosch municipal area decreased from 76 in 2019/20 to 70 in 2020/21. This amounted to a decrease in the murder rate from 39 occurrences per 100 000 people to 36 (-9.2 per cent) which was still slightly below the District average of 38. In comparison, the Provincial average was 53 in 2020/21.

**Table 8: Murder cases per 100 000**

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	69	76	70	37	39	36
Cape Winelands District	356	398	365	38	42	38

Source: Western Cape, Socio-Economic Profile 2021

## a) Sexual Offences

**Sexual offences** include rape (updated to the new definition of rape to provide for the inclusion of male rape), sex work, pornography, public indecency and human trafficking.

Sexual offences in the municipal area decreased by 17.1 per cent from 119 occurrences per 100 000 people in 2019/20 to 99 in 2020/21, but was still the highest amongst the various municipal areas of the District. Across the same period, the CWD sexual offences rate decreased from 103 occurrences per 100 000 people to 79 (23.4 per cent decline).

**Table 9: Sexual Offences per 100 000**

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	204	230	194	108	119	99
Cape Winelands District	885	969	752	96	103	79

Source: Western Cape, Socio-Economic Profile 2021

## b) Drug-related Offences

**Drug-related** crimes refer to the situation where the perpetrator is found to be in possession of, under the influence of, or selling illegal drugs.

Occurrences of drug related crimes declined significantly across the entire Western Cape - the drug-related crime rate in the Province decrease by 29.8 per cent from 890 occurrences per 100 000



people in 2019/20 to 625 in 2020/21. Mirroring this trend, the rate in the CWD decreased substantially from 834 to 559 (33.1 per cent) while it decreased from 1 119 in 2019/20 to 639 in 2020/21. The municipal area had the second highest drug-related crime rate in the CWD.

**Table 10: Drug Related Offenses per 100 000**

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	2 553	2 157	1 252	1 353	1 119	639
Cape Winelands District	11 181	7 864	5 337	1 208	834	559

Source: Western Cape, Socio-Economic Profile 2021

### c) Driving under the influence (DUI)

*A situation where the driver of a vehicle is found to be over the legal blood alcohol limit.*

Restrictions on the sale of alcohol and limited personal movement outside of a person's dwelling were always going to impact on the number of reported cases of driving under the influence (DUI) and residential burglaries. The total number of DUI cases reported in the Stellenbosch municipal area decreased from 236 in 2019/20 to 164 in 2020/21. Expressed per 100 000 people, the DUI rate was 84 occurrences in 2020/21 (31.7 per cent decrease). The DUI rate in the CWD in turn declined by 55.4 per cent from 100 to 45 occurrences across the same period.

The number of road user fatalities in the Stellenbosch area decreased from 34 in 2019/20 to 31 in 2020/21. The number of fatal crashes decreased from 35 to 39 for the same reference period.

**Table 11: DUI Offenses**

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	308	236	164	163	122	84
Cape Winelands District	953	944	427	103	100	45

Source: Western Cape, Socio-Economic Profile 2021

### d) Road user fatalities

*The type of road user that died in or during a crash i.e. driver, cyclist, passengers, pedestrians.*

The number of road user fatalities in the Stellenbosch area decreased from 34 in 2019/20 to 31 in 2020/21. The number of fatal crashes decreased from 35 to 39 for the same reference period.

**Table 12: Road user fatalities**

Area	Stellenbosch		
	2018/19	2019/20	2020/21
Fatal Crashes	34	34	31
Road User Fatalities	37	35	39

Source: Western Cape, Socio-Economic Profile 2021



## e) Residential Burglaries

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

Residential burglaries in the municipal area decreased sharply from 1 239 reported cases in 2019/20 to 904 in 2020/21. The burglary rate per 100 000 people subsequently decreased by 31.3 per cent from 643 occurrences in 2019/20 to 461 in 2020/21. Across the same period, the burglary rate in the CWD decreased by 18.9 per cent from 586 to 475 occurrences.

**Table 13: Residential Burglaries per 100 000**

Area	Actual Number			Per 100 000		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Stellenbosch	1 358	1 239	904	720	643	461
Cape Winelands District	5 776	5 518	4 537	624	586	475

Source: Western Cape, Socio-Economic Profile 2021

## 1.6.19 Economy and Labour Market Performance

### a) Sectoral Overview

In 2019, the economy of the Stellenbosch municipal area was valued at R16.759 billion (current prices) and employed 78 449 people. Historical trends between 2015 and 2019 indicate that the municipal area realised an average annual growth rate of 0.9 per cent which can mostly be attributed to the tertiary sector which registered a positive annual growth rate of 1.9 per cent. The economy is expected to contract by 6.7 per cent in 2020 with 4 659 jobs being shed.

In terms of sectoral contribution, the finance, insurance, real estate and business services (R3.634 billion), wholesale and retail trade, catering and accommodation (R3.530 billion) and the manufacturing

(R2.779 billion) sectors were the main drivers that contributed to the positive growth. The former two sectors on average grew by 2.4 and 2.1 per cent respectively between 2015 and 2019, while the manufacturing sector declined by 0.9 per cent. The fastest growing sector across this period was however the transport, storage and communication sector (3.1 per cent). Except for agriculture, all sectors in the municipal area are expected to have contracted in 2020. The agriculture, forestry and fishing sector, which provides inputs for the manufacturing sector and purchases goods and services from a large portion of the tertiary sector industries, declined by 4.2 per cent between 2015 and 2019. The largest decline is anticipated to be observed in the construction sector which is expected to decline by 19.8 per cent.

The wholesale and retail trade, catering & accommodation (20 675); finance, insurance, real estate & business (13 509) and agriculture (10 610) sectors were in 2019 the largest sources of job creation. Although these sectors experienced positive average job creation between 2015 and 2019, all three are set to shed a significant number of jobs in 2020. The highest number of job losses are expected to be experienced in the wholesale and retail trade, catering & accommodation (-1 298) sector. General government is the only sector to experience job creation in 2020.

### b) Formal and Informal Employment

It is estimated that total employment in the municipal area will in 2020 amount to 73 790 workers, of which 54 341 (73.6 per cent) are in the formal sector while 19 476 (26.4 per cent) are informally employed. Most of the formally employed consisted of semi-skilled (43.5 per cent) and low-skilled (32.1 per cent) workers. Average annual growth in the skilled (0.4 per cent) and semi-skilled (0.5 per





cent) categories were relatively equal while low-skilled employment contracted at an average annual rate of 1.4 per cent.

The growth in the skilled cohort reflects the market demand for more skilled labour and the ability to sustain and slightly expand the demand for skilled employment even during times of economic hardship. The growth in the skilled and semi-skilled cohorts evidently reflect the need to capacitate and empower low-skilled workers in order to be absorbed in the labour market. Overall, formal and informal employment contracted by 0.4 and 2.1 per cent respectively between 2016 and 2020.

### c) Unemployment

Despite above mentioned decline in total employment, the unemployment rate for the Stellenbosch municipal area slightly improved from 11.6 per cent in 2019 to 11.3 in 2020. The unemployment rate was however still the second highest in the Cape Winelands District (10.8 per cent). This is particularly concerning given that the estimate is based on the narrow definition of unemployment i.e. the percentage of people that are able to work, but unable to find employment.

In turn, the broad definition generally refers to people that are able to work, but not actively seeking employment (excludes those who have given up looking for work).

**Table 14: Economic Sector Overview**

SECTOR	GDP			Employment		
	R Million value 2018	Trend 2014 - 2018	Real GDP growth 2019e	Number of jobs 2018	Average annual change 2014 - 2018	Net change 2019e
<b>Primary Sector</b>	<b>821.8</b>	<b>-4.1</b>	<b>10.1</b>	<b>10 639</b>	<b>172</b>	<b>-490</b>
Agriculture, forestry & fishing	789.5	-4.2	10.9	10 610	172	-489
Mining & quarrying	32.2	0.2	-18.4	29	- 0	-1
<b>Secondary sector</b>	<b>3 908.1</b>	<b>-0.6</b>	<b>-12.9</b>	<b>11 825</b>	<b>26</b>	<b>-1 081</b>
Manufacturing	2 779.0	-0.9	-11.5	7 873	- 8	-601
Electricity, gas & water	247.2	-0.4	-6.4	155	3	-3
Construction	881.9	0.7	-19.8	3 797	31	-477
<b>Tertiary sector</b>	<b>12 029.2</b>	<b>1.9</b>	<b>-6.3</b>	<b>55 985</b>	<b>1 149</b>	<b>-3 088</b>
Wholesale & retail trade, catering & accommodation	3 529.8	2.1	-9.6	20 675	625	-1 298
Transport, storage & communication	1 856.3	3.1	-13.9	3 551	113	-127
Finance, insurance, real estate & business services	3 634.3	2.4	-4.2	13 509	365	-644
General government	1 853.9	-0.2	-0.1	7 645	-21	60
Community, social & personal services	1 154.9	0.7	-2.8	10 605	66	-1 079
<b>Stellenbosch</b>	<b>16 759.1</b>	<b>0.9</b>	<b>-6.7</b>	<b>78 449</b>	<b>1 346</b>	<b>-4 659</b>

Source: Western Cape, Socio-Economic Profile 2021

**Table 15: Skill Levels Formal employment**

Skill Levels Formal employment	Skill Level Contribution 2020 (%)	Average growth (%) 2016 - 2020	Number of jobs	
			2019	2020
Skilled	24.4	0.4	13 818	13 254
Semi-skilled	43.5	0.5	24 883	23 607
Low-skilled	32.1	-1.4	18 639	17 453
<b>Total</b>	<b>100.0</b>	<b>-0.2</b>	<b>57 340</b>	<b>54 314</b>

Source: Western Cape, Socio-Economic Profile 2021

**Table 16: Informal Employment**

Informal Employment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of informal jobs	19 913	19 790	19 904	21 110	21 546	22 950	21 214	22 239	21 851	21 109	19 476
% of Total Employment	30.6	29.9	29.3	29.9	30.0	30.2	28.0	28.7	27.9	26.9	26.4

Source: Western Cape, Socio-Economic Profile 2021

**Table 17: Unemployment Rates**

Unemployment rates	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Drakenstein	13.1	13.4	13.1	12.7	13.1	12.1	13.1	13.7	13.6	14.5	14.1
Langeberg	6.4	6.6	6.5	6.2	6.5	5.6	6.4	6.7	6.7	7.3	7.3
<b>Stellenbosch</b>	<b>9.8</b>	<b>10.1</b>	<b>10.0</b>	<b>9.7</b>	<b>10.1</b>	<b>9.3</b>	<b>10.3</b>	<b>10.7</b>	<b>10.7</b>	<b>11.6</b>	<b>11.3</b>
Witzenberg	7.3	7.4	7.1	6.7	6.9	5.9	6.4	6.7	6.6	7.1	6.9
Breede Valley	10.3	10.6	10.3	9.8	10.2	9.1	10.0	10.4	10.3	11.1	10.7
Cape Winelands	10.1	10.3	10.1	9.7	10.0	9.1	10.0	10.4	10.3	11.1	10.8
Western Cape	15.9	16.1	16.1	16.0	16.4	16.5	17.7	18.4	18.3	19.6	18.9

Source: Western Cape, Socio-Economic Profile 2021

## 1.6.20 Public Infrastructure Spending

The followings content reflects on provincial and municipal infrastructure spending priorities within the Stellenbosch municipal area for 2021/22

**Spending on Social Infrastructure** aids in social development and has the spill-over effect of enabling economic growth. A total of 41.1 per cent of the total WCG infrastructure allocation towards the Stellenbosch municipal area will be spent on social infrastructure. As displayed in the pie chart, the WCG will be spending 10.2 per cent (R17.0 million) of the total infrastructure budget in the municipal area on the Education function. Spending on education is crucial as it can serve to improve education outcomes and skills levels within a community, and more importantly alleviate poverty through increased long-term income for individuals. A healthy and resilient community increases productivity and reduces pressures on government resources. The WCG will in 2021/22 spend R344 000 on Health-related infrastructure within the municipal area. An allocation has also been made by the WCG towards the Housing function (R51.4 million; 25.1 per cent) to improve the quality of life of individuals within the municipal area. The Municipality allocated R9.9 million million towards the Housing function.



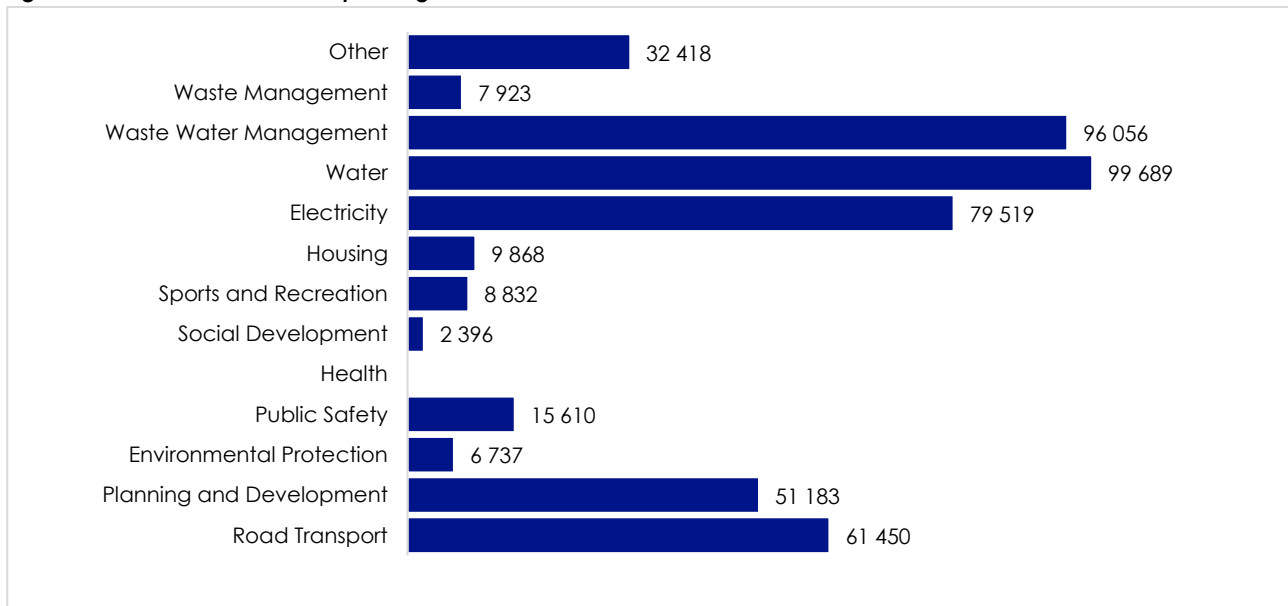


Community safety is a cornerstone of the Western Cape Economic Recovery Plan. Crime has a negative impact on the quality of lives of individuals, but also on the economy by deterring private investment and causing business losses. It further creates a burden on government resources in terms of justice system costs, victim assistance and replacement of assets. The Municipality has as such allocated R15.6 million (3.3 per cent) of its capital budget towards the Public Safety function.

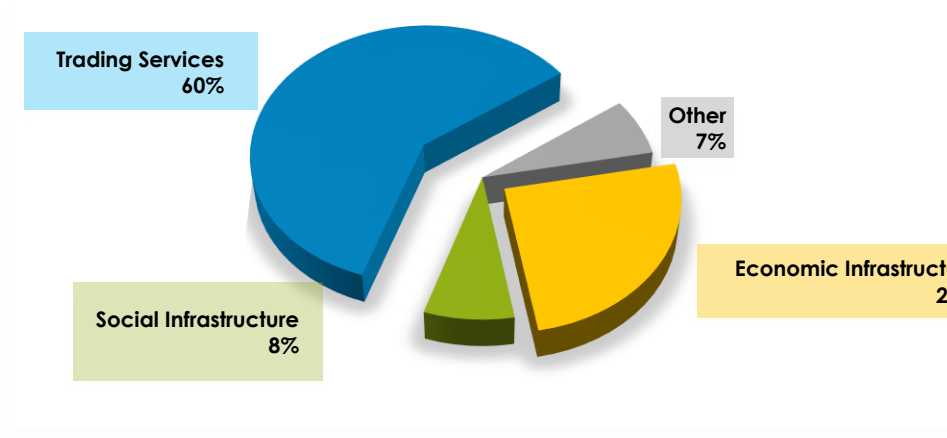
**Economic infrastructure** is defined as infrastructure that promotes economic activity. Considering the sluggish economic growth throughout the Country, spending on economic infrastructure is crucial to stimulating economic activity. The WCG will in 2020/21 spend R98.6 million on economic infrastructure, more specifically towards road transport and public works. Road transport infrastructure goes a long way towards unlocking the region’s economic potential, especially due to it having the largest natural port in Africa and being a tourist destination. The Municipality assists in this regard with its own contribution of R61.5 million (13.0 per cent of total municipal infrastructure spending) towards road transport.

Basic services are crucial to improving the living conditions of citizens within the municipal area and enabling economic activity for businesses via access to water, electricity, sanitation and refuse removal. The Municipality will in 2021/22 channel R283.2 million towards **Trading Services** to reduce backlogs, improve service delivery standards, provide for future residential developments and to roll-out basic services to informal settlements. The 2021/22 trading services budget is mostly focused on water (R100.0 million; 35.2 per cent), wastewater management (R96.1 million; 33.9 per cent) and electricity services (R79.5 million; 28.1 per cent). A smaller allocation of R7.9 million (2.8 per cent) has been made towards the solid waste management function.

**Figure 13: Public Infrastructure Spending**



Source: Western Cape, Socio-Economic Profile 2021



Source: Western Cape, Socio-Economic Profile 2021

## 1.7 Basic Service Delivery Highlights and Challenges

### 1.7.1 Key Basic Services Delivery Highlights

The illustration below depicts a snapshot of key basic services delivered in the Stellenbosch Municipal area. The detailed highlights and challenges will be discussed in chapter 3 under each respective service.



Figure 14: Basic Services Highlights



It should be noted under Roads and Transport, Phase 1 was civil and roadworks. Phase 2 was the construction of the top structures and completion of the Rank.



Despite the highlights general challenges were experienced by the municipality as outlined below, however actions were put in place to address these challenges:

## 1.7.2 Key Basic Services Challenges

The following general challenges were experienced by the municipality:

**Table 18: Key Basic Service Challenges**

Challenge	Actions to address
Erf 7001, Cloetesville ("Soek-mekaar"): <ul style="list-style-type: none"> <li>⚠ Cancellation of SCM process</li> </ul>	The bid was cancelled, and a new tender was advertised. The procurement process to appoint a service provider to undertake a Broad Conceptual Urban Design framework for Erf 7001 has commenced.
Cloetesville Infill housing project: <ul style="list-style-type: none"> <li>⚠ Topography of sites</li> </ul>	A funding application will be submitted in order to start the process of obtaining development rights.
Jamestown Phase 2, 3 and 4: <ul style="list-style-type: none"> <li>⚠ Delayed SCM processes.</li> </ul>	A new tender was advertised in the 2020/21 financial year and will be evaluated during the 2021/22 financial year.
Kayamandi Town Centre: <ul style="list-style-type: none"> <li>⚠ The general slope of the area – the gradient is such that it has an impact on the number of opportunities;</li> <li>⚠ the safety concerns with regards to the communal living;</li> <li>⚠ public acceptance of the high density development and decanting site; and</li> <li>⚠ the impact of the COVID-19 pandemic – social distancing requirements.</li> </ul>	The service provider will appoint a community facilitator to address the public concerns and a funding application will be submitted to PDoHS to address the project challenges.
Langrug, Franschhoek: <ul style="list-style-type: none"> <li>⚠ Continuous land invasion hampers the provision of basic services. Limited access for emergency services.</li> </ul>	A revised proposal to address the challenges in Langrug will be submitted to PDoHS for approval.
Northern Extension, Kayamandi	A service provider was appointed to obtain the development rights by considering the informal settlements and design different development options.
Maasdorp Village, Franschhoek	The sizes of the current properties exceed the current norm and standards for subsidised housing. This relates to an expensive development to provide internal services. The service provider is currently in the process of obtaining all financial information through a survey. This will allow the municipality to make an informed decision on the way forward pertaining to the beneficiaries.
Botmaskop Precinct	The biodiversity of the area identified for possible housing development, might influence the potential for future housing development. The feasibility study will determine the suitability of future housing development considering the biodiversity of the area.
Farms 81/2 and 81/9 Stellenbosch	After discussions with NASHO it became evident that a successful Social Housing project, if a long-term lease agreement is considered should be for more than 50 years. The site itself has certain constraints which limits the number of units that could be build. When a suitable SHI and/or ODA is appointed, the lease period and rental opportunities will be finalised through a Land Availability Agreement (LAA).



Challenge	Actions to address
Erven 412, 217 and 284 Groendal, Franschhoek	The constraints associated with the sites are size, accessibility from main route and the impact of the river. Conceptual site development plans have been completed and will be submitted to Council considering the constraints on the site.
Portion 1 of the Farm Meerlust No. 1006 Paarl, Franschhoek.	Transfer of land in favour of Stellenbosch Municipality. High cost for bulk infrastructure. HDA has been appointed to investigate and assist the Municipality with the transfer of land. Funding application was submitted and await feedback from PDoHS.
A portion of the Farm Elsenburg No. 34 Stellenbosch (Vaaldraai, Elsenburg).	The development is situated outside the urban edge and the provision of bulk services are extremely high. The feasibility study was approved by Council. Discussions with the Provincial Department of Public Works and Infrastructure is ongoing to address the challenges of Vaaldraai.
Delays in transferring Historic Title Deeds.	Conducting Housing Consumer Education workshops and educating beneficiaries on importance of having a Will and on ownership rights
Electrification of Informal Settlements.	This project is currently underway. A thousand (1000) new connections will be made during the first round of electrification.
Public Transport Services not effective. Road network inadequate. Increasing infrastructure backlogs.	Investigate and assess alternative means to improve public transport services. Propose improvements to the road network and to allocate funding to infrastructure staff to attract potential staff and fill vacant positions.
Illegal and unsafe electricity connection	These actions are reported to SAPS and cases opened, each time repairs are to be done. Unfortunately, when the municipality is made aware, there are no perpetrators identified against which a case can be opened. Cases are opened for statistical purposes. The municipality continues with electrification projects as far as it is financially possible. It is anticipated that the more structures are electrified the less these illegal actions will be observed.
Damages to electricity cable network by fibre optic installers	

## 1.8 Proportion of Households with Minimum Access to Basic Services

The source of the information below indicates municipal statistics:

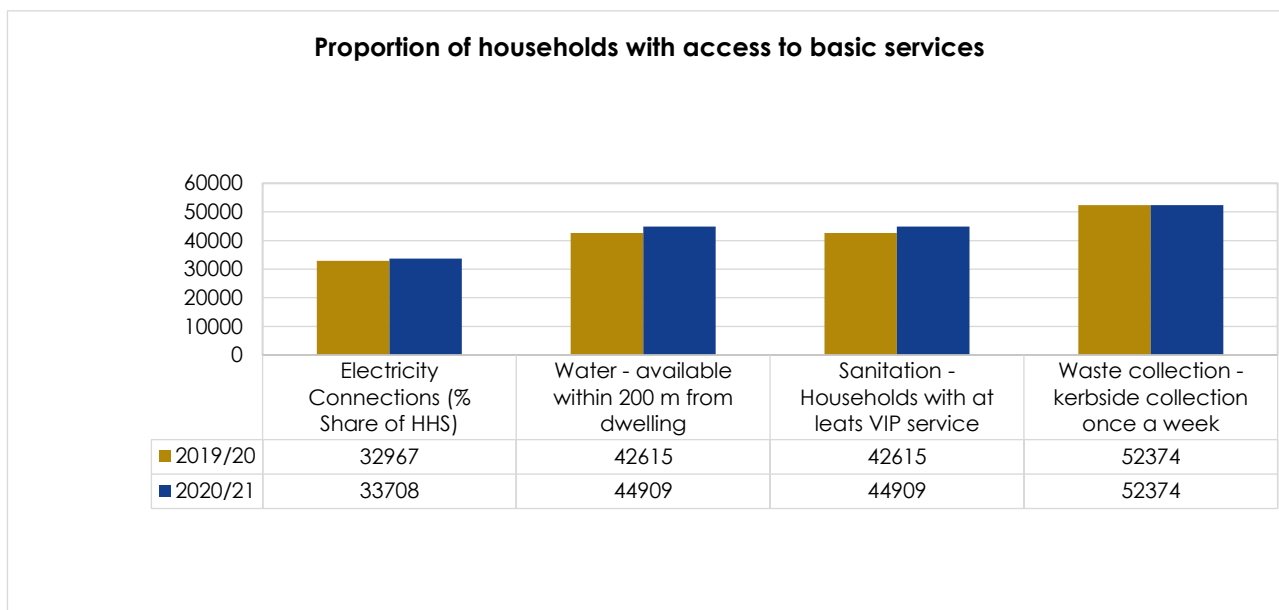
**Table 19: Households with minimum level of Basic Services**

Proportion of Households with minimum level of Basic services		
	2019/20	2020/21
Electricity Connections (% Share of HHS)	32 967	33 708
Water - available within 200 m from dwelling	42 615	44 909
Sanitation - Households with at least VIP service	42 615	44 909
Waste collection - kerbside collection once a week	52 374	52 374





Figure 15: Proportion of households with access to basic services



## 1.9 Financial Viability Highlights

Table 20: Municipal Viability Highlights

Highlight	Description
Capital Expenditure Framework	Developed a capital expenditure framework for the period 2019 - 2029 compliant with the requirements of the Integrated Urban Development Framework and the Spatial Planning and Land Use Management Act (SPLUMA).
Long Term Financial Plan	Developed a 10-year Long Term Financial Plan that is incorporated in the capital expenditure framework.
Current ratio	The municipality maintained a very good current ratio of 1.46:1. This compares well with the norm of 1.5 to 2:1.
Collection rate	The municipality maintained a good collection rate of 98% which is above the norm of 98%. This indicates that the municipality's creditor control and debt collection processes are in place and the revenue is managed effectively.
Finance Charges	Finance charges represent 1.83% of the total operational expenditure. This compares favorably with the norm of 6% to 8%.
Liability Management	Capital Cost (Interest Paid and Redemption) represent 3.04% of total operating expenditure. This indicates that the municipality has the capacity to take on additional financing from borrowing to invest in revenue generating assets.
Debt Management	The municipality's total debt represents 29.14% of the total operational expenditure. This compares favorably with the norm of 45% and is an indication that the municipality has the capacity to take on additional financing from borrowings.

## 1.10 Financial Viability Challenges

Table 21: Financial Viability Challenges

Challenge	Description
Financial Viability	The traceability of all debtors poses a challenge to the debt collection process. Low economic growth, increased unemployment and above inflation increases in cost of water impacts on affordability of municipal accounts.
Revenue Leakage	An integrated revenue enhancement approach followed to combat revenue leakages.



## 1.11 Financial Overview

**Table 22: Financial Viability and Management Financial Overview (000')**

Details	Original budget	Adjustment Budget	Actual
	R'000		
<b>Income</b>			
Grants (Operating and Capital)	291 976	291 571	264 637
Taxes, Levies and Tariffs	1 099 680	1 073 680	1 319 673
Other	301 816	241 521	221 370
<b>Sub-Total</b>	<b>1 693 473</b>	<b>1 830 891</b>	<b>1 805 680</b>
<b>Less Expenditure</b>	<b>1 887 464</b>	<b>1 830 891</b>	<b>1 812 392</b>
<b>Net surplus / (deficit)</b>	<b>-193 991</b>	<b>-224 118</b>	<b>-6 712</b>

### 1.11.1 Operating Ratios

**Table 23: Operating Ratios**

Detail	Expected norm	Actual	Variance
Employee Cost	25 %- 40 %	29.99%	8.23%
Repairs and Maintenance	8%	4.88%	3.12%
Finance Charges	6%-8%	1.34%	6.66%

Employee cost is below the national norm of between 25% to 40%, representing a positive outcome, Repairs and maintenance are below the norm, which indicates that expenditure on repairs and maintenance would have to be increased in future budgets to properly maintain Council's assets. Finance charges are 6% lower than the norm of 6-8%, this can be attributed mainly to the municipality's low reliance on borrowings to fund its capital budget.

### 1.11.2 Total Capital Expenditure

**Table 24: Total Capital Expenditure (000')**

Detail	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000					
Original Budget	452 759	463 792	418 057	528 041	558 276	375 751
Adjustment Budget	437 183	482 580	499 855	563 550	577 905	453 880
<b>Actual</b>	<b>348 861</b>	<b>410 562</b>	<b>433 682</b>	<b>493 303</b>	<b>405 931</b>	<b>392 941</b>

## 1.12 Municipal Standard Chart of Accounts

MFMA Circular No. 80: Municipal Financial Systems and Processes requirements in support of the Municipal Standard Chart of Accounts (mSCOA) issued in terms of the Local Government: Municipal Finance Management, 2003 (Act No. 56 of 2003) (MFMA). In MFMA SCOA Circular 1 it was indicated that mSCOA is a business reform rather than a mere financial reform and requires a multi-dimensional relationship.

The municipal standard chart of accounts was implemented in Stellenbosch Municipality on 01 July 2017. The municipality is in continuous engagement with the service provider, National Treasury and other municipalities through various working groups as well as online platforms to improve mSCOA compliance and functionality.



## 1.13 Organisational Development Overview

The municipality regarding municipal transformation and organisational development achieved the following highlights:

**Table 25: Organisational development highlights**

Highlight	Description
Approved Policies	Employee Parking Policy - 28 October 2020.
	Consequence Management Policy - 26 May 2021.
Staff Capacity	Critical posts filled as and when required with availability of funds.
Organisational Stability	All staff placements were made in terms of the new organisational structure.

## 1.14 MFMA Competencies

In terms of section 83(1) of the MFMA, the accounting officer, senior managers, chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury prescribed such financial management competencies in Government Notice 493, dated 15 June 2007.

To assist the aforementioned officials in acquiring the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcome-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect, as of 1 January 2013 (exempted until 30 September 2015 as per Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."



The table below provides details of the financial competency development progress as required by the regulation (Government Notice 493 of 15 June 2007):

**Table 26: Financial Competency Development: Progress Report**

Description	A Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Senior Managers	4	0	4	4	4	3
Any other financial officials	1	0	1	1	1	1
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	0	1	1	1	1
Supply chain management senior managers	2	0	2	2	2	1
<b>Total</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>8</b>

## 1.15 COVID-19

The President of the Republic of South Africa, declared the state as a national disaster and implement a national lockdown for South Africans from 26 March 2020 till current period. National government (through consultation with the National Corona Virus Command Council) further promulgated various regulations (with subsequent amendments in certain instances) in order to compliment the lockdown mechanisms and provide clarity on the rules and regulations that would apply during these periods.

Since the COVID-19 pandemic has spread around the world, the socio-economic responses are not only as a health crisis, but also affecting the life of society, the nation's safety, economic activities, and the change of work culture of organisations.

The municipality partnered with an established Joint Operation Committee which is responsible to formulate, implement and report on activities / actions that underpin a collaborative response to COVID-19 within the municipal area.

The municipality's Communication Unit regularly updated the constituents by publishing, circulated and distributed various COVID-19 related publications (e.g., pamphlets, placards and posters, notices and regulations, COVID-19 statistics and information, etc.) on various municipal platforms



(e.g., social media pages and website) and advocate to officials on the importance to adhere to the regulations in terms of stopping the spread of the virus.

### 1.15.1 Impact of COVID-19 from a risk-based perspective within the organisation:

The table below depicts key COVID-19 related risks and actions to address the key issues:

**Table 27: COVID-19 Risk Register**

Risk	Description	Action
Staff absenteeism and impact on Business Continuity	The greatest risk on business continuity is if a high infection rate of COVID-19 is experienced in the municipality.	Procure and supply of personal and protective equipment to staff (free of charge), regular cleaning and sanitising of workspaces.
		Develop COVID-19 Workplace Plan and develop COVID-19 workplace policy.
		Weekly compliance check of workplaces to ensure safe working environments.
The slowdown in revenue generating services	Potential negative impact on revenue collection and financial sustainability during the lockdown and as a result of compromised economic productivity.  (Inclusive of Debt management; cashflow; changes patterns in revenue (more off the grid connections to water and electricity), purchase and selling of electricity.	Approval of the adjustment budget by the Council, opening of critical finance departments, i.e. debtors in line with Level 4.
		Debt relief to businesses that can show direct COVID-19 impact.
		Re-opening permitted financial services including, cash office and preparation of offices for other permitted the gradual return of permitted financial services staff on a rotational basis.
		Gradual re-opening of other permitted municipal financial services and continuation of financial systems.
Under-expenditure on Capital projects	Negative impact on capital spending as a result of Service Delivery stoppages as a result of lockdown regulations and the necessity to minimise physical contact during the pandemic.	Contractors returning to site as per Level 4 criteria, implementing OH&S measures as legislated and adjustment budget approval to continue all projects.
		Continuous monitoring of capital and operational spending.
		Continue to expand permitted infrastructure service development in line with respective guidelines of each lockdown level.
		Continue to expand permitted infrastructure service development in line with respective guidelines of each lockdown level.
		Safeguarding infrastructure sites and equipment and ensuring safe return of staff and contractors to enable the continuation of capital projects.
		Continuously monitor compliance with health and safety regulations related to the management of the spread of COVID-19 and all other OHS requirements.
Increased need COVID-19 and hygiene, education, Awareness	Visible education to ensure the public and staff know what COVID-19 is, how it transmits and what appropriate protocols are for preventing and minimising transmission.	This is ongoing and various platforms have been used by the municipality i.e. Facebook, Twitter, official webpage and official statements daily by the national and provincial government, statements by the MM.
Potential compromise of Governance processes	Adherence to all legislative compliance actions and processes including Council, IDP and Budget related matters.  Some of the regulatory governance processes have been severely impacted, including Council Meetings, public participation processes. This has a direct effect on the ability of the municipality to approve the Final IDP Review and MTREF Budget.	All legislative processes will continue and have continued during the lockdown.



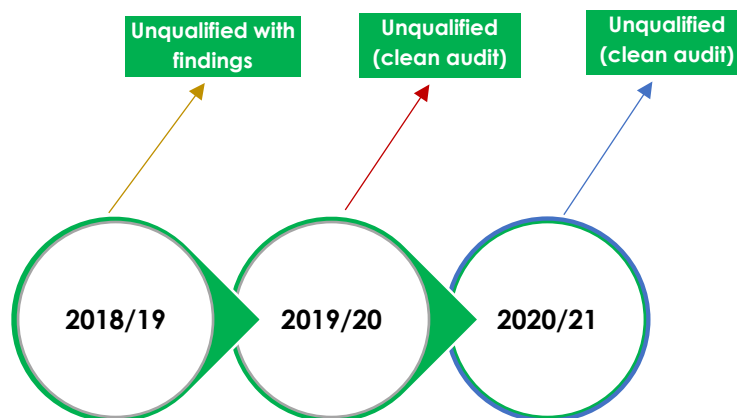
Risk	Description	Action
	The lockdown has placed a mandatory need for social distancing and a ban on gatherings and meetings.	A council resolution delegated all functions to the MM and Executive during the disaster period to ensure continuity.
	Some of the regulatory governance processes have been severely impacted, including Council Meetings, public participation processes. This has a direct effect on the ability of the municipality to approve the Final IDP Review and MTREF Budget.	Stellenbosch Citizen App was launched during the lockdown for public participation purposes, COVID-19 communication and general municipal communication, in addition to other online platforms available.
		Implementation of Virtual council meetings for the tabling of the Final IDP and MTREF Budget and potentially other Council meetings during the lockdown.
		Ensure adjustment budget in line with Disaster guidelines released by the National Treasury to accommodate the unforeseen impact of COVID-19 pandemic.
Land Invasion	The risk of land invasion is at its highest currently as community desperation increases and political pressures begin to mount. The recent City of Cape Town judgement has made it very difficult for municipalities to respond to land invasion and protect land earmarked for housing development.	Law Enforcement, Corporate Services support Legal Services.

### 1.16 Auditor General Report

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen the country’s democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This process is concluded by annually checking all government spending.

The diagram below indicates the audit outcome progress from 2018/19 to 2020/21.

Figure 16: Audit outcomes from 2018/19 - 2020/21



The audit outcomes of a municipality are based on the fair presentation and absence of significant misstatements in financial statements; performance information for predetermined objectives that was reliable and credible and the all financial / non-financial information were in compliance with laws and regulation.



## CHAPTER 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

### 2.1 Introduction

Good Governance is an approach of government that is committed to creating a system founded on strengthening democracy, promoting transparency, building public administrative capacity, responding to public needs and respecting for human rights. It is measured by eight factors **namely participation, rule of law, transparency, responsiveness, consensus oriented, accountability, effectiveness and efficiency, equitability and inclusivity**. Within the context of good governance corruption is minimised, the views of minorities are considered and the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

### 2.2 National Key Performance Indicators - Good Governance and Public Participation

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

**Table 28: National KPI - Good Governance and Public Participation**

KPA and Indicators	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan.	92.97%	91.52%	79.74%	85.08%	86.5%	87.5%	70.25%	86.57%

The COVID-19 pandemic severely impeded the municipality's ability to spend its capital budget during the past two financial years. However, despite the numerous challenges posed by the pandemic, the municipality attained an average capital expenditure of at least 81.44% for the period 2018/19 – 2020/21.

### 2.3 Performance Highlights - Good Governance and Public Participation

**Table 29: Highlights of Good Governance and Public Participation**

Highlight	Description
Council	Council has remained stable and well-functioning throughout 2020/21.
Audit Outcomes	Clean Audit for the 2019/20 and 2020/21 financial years.
Institutional Transformation	The new organisational structure was approved and the placement process is largely completed.
S.80 and S.79 Committees of Council	The establishment of functional S.80 and S.79 Committees of Council and held meetings regularly.
Public Participation	Public participation sessions were held with all 22 ward committees in September 2019 and in April 2020. Despite the had lockdown as a result of the COVID-19 pandemic in March 2020, public participation was moved to online platforms and hybrid spaces. Interested and affected parties were encouraged to participate online and provide feedback on the IDP and Budget through the newly developed





Highlight	Description
	Stellenbosch Citizen App and email. The council introduced hybrid venues to conduct public participation.
Communication	Stakeholder engagement has improved significantly and media releases / media responses for local, regional and national publications and broadcasters are released on a weekly basis. Activity on the municipality's social media platforms and municipal website has improved. Social media platforms have grown significantly and now reaches a much larger, ever-growing audience.
Compliance	The municipality adhered to all laws and regulations in terms of compliance.

## 2.4 Challenges - Good Governance and Public Participation

**Table 30: Challenges of Good Governance and Public Participation**

Description	Actions to address
Fraud and Corruption Management	Through the fraud hotline, direct calls received and walk-ins, active reporting has been ongoing. Unfortunately, it has become apparent that the fraud hotline and in particular the Regulations for Senior Managers (Misconduct and Financial Misconduct) are being abused to unfairly target individuals and management. Most of the allegations against senior management (MM and MSA section 56/57) had no basis other than causing disrepute. Continuous threats of charging people with no basis are also ongoing. This gives rise to excessive use of resources and risk to the reputation of individuals and the municipality to remain compliant with relevant legislation.
COVID-19 pandemic	The pandemic had a negative impact in terms of staff absenteeism and staff morale – a rotational work schedule to work from home has been enforced.

## 2.5 Public satisfaction with municipal services

No formal community surveys were developed – the community makes use of the social space to state their satisfaction or dissatisfaction with services and the municipality will try their utmost best to address the needs of the public.



## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### 2.6 Political Governance Structure

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

#### 2.6.1 Council – 01 July 2020 to 30 June 2021

Below is a table below that categorises the councillors within their specific political parties and wards.

**Table 31: Council for the period 01 July 2020 to 30 June 2021**

Name of councillor	Capacity	Political Party	Ward representing or proportional
F Adams	Part-time	DNCA	Proportional Representative (PR)
FJ Badenhorst	MayCo member from 20 November 2019	DA	Ward Councillor: Ward 21
F Bangani-Menziwa [Ms]	Part-time	ANC	Ward Councillor: Ward 13
Ald PW Biscombe	Single Whip	DA	Ward Councillor: Ward 17
G Cele [Ms]	Part-time	ACDP	PR
P Crawley [Ms]	MayCo member	DA	PR
A Crombie (Ms)	Part-time	DA	Ward Councillor: Ward 20
Z Dalling [Ms]	Part-time	DA	Ward Councillor: Ward 9
R Du Toit [Ms]	Part-time	DA	Ward Councillor: Ward 10
J Fasser	Part-time	DA	PR
A Florence	Part-time	DA	PR
A Frazenburg	MayCo member	DA	Ward Councillor: Ward 1
E Fredericks [Ms]	Part-time	DA	Ward Councillor: Ward 18
T Gosa	Part-time	DA	PR
E Groenewald [Ms]	MayCo member	DA	Ward Councillor: Ward 22
J Hamilton	Part-time	DA	PR
AJ Hanekom	Part-time	DA	Ward Councillor: Ward 7
DA Hendrickse	Part-time	EFF	PR Coucillor
JK Hendriks	Part-time	DA	Ward Councillor: Ward 19
LK Horsband [Ms]	Part-time	EFF	PR Coucillor
N Jindela	Deputy Executive Mayor; Speaker from 14 Nov 2019	DA	PR Coucillor
MC Johnson	Part-time	DA	Ward Councillor: Ward 4
DD Joubert	Part-time	DA	Ward Councillor: Ward 5
N Mananga-Gugushe [Ms]	Part-time	ANC	Ward Councillor: Ward 12
C Manuel	Part-time	DA	Ward Councillor: Ward 3
NE Mcombring [Ms]	Part-time	DA	Ward Councillor: Ward 6
XL Mdemka [Ms]	MayCo member	DA	PR Coucillor
C Moses [Ms]	Part-time	ANC	PR Coucillor
RS Nalumango [Ms]	Part-time	ANC	PR Coucillor
N Olayi	Part-time	DA	PR Coucillor
MD Oliphant	Part-time	ANC	PR Coucillor



Name of councillor	Capacity	Political Party	Ward representing or proportional
SA Peters	MayCo member	DA	PR Coucillor
WC Petersen [Ms]	Speaker; Deputy Executive Mayor from 14 November 2019	DA	Ward Councillor: Ward 2
MM Pietersen	MayCo member	DA	PR Coucillor
WF Pietersen	Full-time MPAC Chairperson	PDM	PR Coucillor
SR Schäfer	Part-time	DA	PR Coucillor
Ald JP Serdyn [Ms]	Part-time	DA	Ward Councillor: Ward 11
N Sinkinya [Ms]	Part-time	ANC	Ward Councillor: Ward 15
P Sitshoti [Ms]	Part-time	ANC	Ward Councillor: Ward 14
Q Smit	MayCo member	DA	Ward Councillor: Ward 8
LL Stander	Part-time	ANC	PR Coucillor
G van Deventer [Ms]	Executive Mayor	DA	PR Coucillor
E Vermeulen [Ms]	Part-time	DA	Ward Councillor: Ward 16

The table below indicates the Council meetings attendance for the 2020/21 financial year.

**Table 32: Council meetings for the 2020/21 financial year**

Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-Attendance
29 July 2020	43	88%	12%
24 August 2020	27	88%	12%
11 September 2020	7	79%	21%
28 October 202	29	90%	10%
02 November 2020	2	72%	28%
13 November 2020	2	90%	10%
25 November 2020	32	88%	12%
27 January 2021	17	79%	21%
31 March 2021	21	93%	7%
28 April 2021	18	95%	5%
26 May 2021	24	83%	17%
23 June 2021	18	72%	28%

## 2.6.2 Executive Mayoral Committee

The Executive Mayor of the municipality heads the executive arm of the municipality and is assisted by the Mayoral Committee, The Executive Mayor is at the centre of the system of governance since executive powers are vested in her to manage the day-to-day affairs. This means that the Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the council, as well as assigned by legislation.

The Executive Mayoral Committee positions were occupied as follows.

**Table 33: Executive Mayor for the period 01 July 2020 – 30 June 2021**

Executive Mayor for the period	Period
Adv. G. Van Deventer	1 July 2020 – 30 June 2021

**Table 34: Executive Mayoral Committee for the 2020/21 financial year**

Executive Mayoral Committee 01 July 2020 – 30 June 2021	
Name of member	Capacity
G van Deventer (Adv.) [Ms]	Executive Mayor
N Jindela	Deputy Executive Mayor; Chairperson: Human Settlements Committee
WC Petersen (Ms)	Speaker
FJ Badenhorst	MayCo member: Chairperson: Community and Protection Services
P Crawley [Ms]	MayCo member: Chairperson: Financial Services
A Frazenburg	MayCo member: Chairperson: Corporate Services
E Groenewald [Ms]	MayCo member: Chairperson: Planning and Economic Development
XL Mdemka [Ms]	MayCo member: Chairperson: Parks, Open Spaces and Environment
SA Peters	MayCo member: Chairperson: Rural Management and Tourism
J Fasser	MayCo member: Chairperson: Youth, Sport and Culture
Q Smit	MayCo member: Chairperson: Infrastructure Services

The table below indicates the dates of the Executive Mayoral Committee meetings and the number of reports submitted to Council for the 2020/21 financial year.

**Table 35: Executive Mayoral Committee Meetings 2020/21**

Meeting dates	Number of items submitted
22 July 2020	23
19 August 2020	16
16 September 2020	14
14 October 2020	4
17 November 2020	16
20 January 2021	16
17 February 2021	8
24 March 2021	5
14 April 2021	13
19 May 2021	14
15 June 2021	14

### 2.6.3 Portfolio Committees

In terms of section 80 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), if a council has an executive committee, it may appoint, in terms of section 79, committees of councillors to assist the executive committee or executive mayor. Section 80 stipulates that committees are permanent committees that specialise in a specific functional area of the municipality and, in some instances, may make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to council.



The portfolio committees for the 2020/21 mayoral term and their chairpersons are listed in the tables below.

### 2.6.3.1 Planning and Economic Development Portfolio Committee

**Table 36: Planning and Economic Development Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
E Groenewald [Ms]	Portfolio Chairperson
J Fasser	Committee member
T Gosa	Committee member
AJ Hanekom	Committee member
RS Nalumango [Ms]	Committee member

**Table 37: Planning and Economic Development Meetings**

Meeting dates	Number of reports submitted
01 September 2020	5
02 February 2021	1
10 March 2021	3
04 May 2021	2
01 June 2021	2

### 2.6.3.2 Infrastructure Committee

**Table 38: Infrastructure Services Portfolio Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
Q Smit	Portfolio Chairperson
AJ Hanekom	Committee Member
NE Mcombring [Ms]	Committee Member
C Moses [Ms]	Committee Member
Ald JP Serdyn [Ms]	Committee Member

**Table 39: Infrastructure Services Portfolio Committee meeting**

Meeting dates	Number of reports submitted
07 March 2019	1
05 September 2019	5



### 2.6.3.3 Finance Portfolio Committee:

**Table 40: Finance Portfolio Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
PR Crawley [Ms]	Portfolio Chairperson
A Florence	Committee Member
J Hamilton	Committee Member
RS Nalumango [Ms]	Committee Member
MD Oliphant	Committee Member

**Table 41: Finance Portfolio Committee Meeting Dates**

Meeting dates	Number of reports submitted
11 August 2020	3
13 October 2020	2
12 November 2020	2
16 March 2021	2
13 April 2021	1
16 June 2021	1

### 2.6.3.4 Community and Protection Services Portfolio Committee

**Table 42: Community and Protection Services Portfolio Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
FJ Badenhorst	Portfolio Chairperson
JK Hendriks	Committee Member
C Manuel	Committee Member
N Olayi	Committee Member
P Sitshoti [Ms]	Committee Member
LL Stander	Committee Member

**Table 43: Community and Protection Services Portfolio Committee Meeting Dates**

Meeting dates	Number of reports submitted
05 August 2020	22
02 September 2020	2
07 October 2020	4
02 December 2020	4
03 February 2021	8
03 March 2021	4
07 April 2021	5
05 May 2021	4
10 June 2021	3



### 2.6.3.5 Corporate Services Portfolio Committee

**Table 44: Corporate Services Portfolio Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
AR Frazenburg	Portfolio Chairperson
F Bangani-Menziwa [Ms]	Committee Member
Z Dalling [Ms]	Committee Member
R Du Toit [Ms]	Committee Member

**Table 45: Corporate Services Portfolio Committee Meeting Dates**

Meeting dates	Number of reports
None	

### 2.6.3.6 Human Settlements Portfolio Committee

**Table 46: Human Settlements Portfolio Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
N Jindela	Portfolio Chairperson (until 13 November 2019)
WC Petersen [Ms]	Portfolio Chairperson (from 14 November 2019)
G Cele [Ms]	Committee member
A Crombie [Ms]	Committee member
LK Horsband [Ms]	Committee member
DD Joubert	Committee member

**Table 47: Human Settlements Portfolio Committee Meetings**

Meeting dates	Number of reports
05 August 2020	2
09 November 2020	1
02 December 2020	3
03 March 2021	1
15 April 2021	1
02 June 2021	3

### 2.6.3.7 Rural Management and Tourism Portfolio Committee

**Table 48: Rural Management and Tourism Portfolio Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
SA Peters	Portfolio Chairperson
A Crombie [Ms]	Committee Member





Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
JK Hendriks	Committee Member
LK Horsband [Ms]	Committee Member

**Table 49: Rural Management and Tourism Portfolio Committee Meeting Dates**

Meeting dates	Number of reports
07 October 2020	1
31 March 2021	1
05 May 2021	2
02 June 2021	2

### 2.6.3.8 Youth, Sport and Culture Portfolio Committee

**Table 50: Youth, Sport and Culture Portfolio Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
MM Pietersen	Portfolio Chairperson
R Du Toit [Ms]	Committee Member
DA Hendrickse	Committee Member
N Sinkinya [Ms]	Committee Member
E Vermeulen [Ms]	Committee Member

**Table 51: Youth, Sport and Culture Portfolio Committee Meeting Dates**

Meeting dates	Number of reports
06 August 2020	14
03 September 2020	10
08 October 2020	7
05 November 2020	7
04 March 2021	7
01 April 2021	11
06 May 2021	5
03 June 2021	5



## 2.6.3.9 Parks, Open Spaces and Environment Portfolio Committee

**Table 52: Parks, Open Spaces and Environment Portfolio Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
XL Mdemka [Ms]	Portfolio Chairperson
F Adams	Committee Member
Ald JP Serdyn [Ms]	Committee Member
E Vermeulen [Ms]	Committee Member

**Table 53: Parks Open Spaces and Environment Portfolio Committee Meeting Dates**

Meeting dates	Number of reports
03 August 2020	4
14 September 2020	3
09 November 2020	1
08 March 2021	6
07 June 2021	2

## 2.6.4 Section 79 Committees

### 2.6.4.1 Municipal Public Accounts Committee (MPAC)

**Table 54: MPAC Committee**

Period 1 July 2020 – 30 June 2021	
Name of member	Capacity
WF Pietersen	Chairperson
E Fredericks [Ms]	Committee Member
MC Johnson	Committee Member
N Mananga-Gugushe [Ms]	Committee Member
SR Schäfer	Committee Member

**Table 55: MPAC Committee Meeting Dates**

Meeting dates	Number of reports
05 November r2020	3
18 March 2021	3
29 June 2021	8



## 2.6.4.2 Appeals Committee

**Table 56: Appeals Committee**

Name of member	Capacity
N Jindela	Chairperson
G Cele [Ms]	Committee Member
P Crawley [Ms]	Committee Member
MD Oliphant	Committee Member
Q Smit	Committee Member

**Table 57: Appeals Committee Meeting Dates**

Meeting dates	Number of reports
None	

## 2.6.4.3 Local Labour Forum (LLF)

**Table 58: Local Labour Forum (LLF)**

Name of member	Capacity
E Groenewald (Ms)	Portfolio Chairperson
R Du Toit (Ms)	Committee Member
LK Horsband (Ms)	Committee Member
XL Mdemka (Ms)	Committee Member
RS Nalumango (Ms)	Committee Member

**Table 59: Local Labour Forum Meeting Dates**

Meeting dates	Number of reports
27 July 2020	1
28 September 2020	12
26 October 2020	9
30 November 2020	10
25 January 2021	10
22 February 2021	8
29 March 2021	13
31 May 2021	9
28 June 2021	11



## 2.6.4.4 Employment Equity Committee

**Table 60: Employment Equity Committee**

Name of member	Capacity
E Groenewald [Ms]	Portfolio Chairperson
J Hamilton	Committee Member
LK Horsband [Ms]	Committee Member
XL Mdemka [Ms]	Committee Member
WC Petersen [Ms]	Committee Member

**Table 61: Employment Equity Committee Meeting dates**

Meeting dates	Number of reports
None	

## 2.6.4.5 Councillor Disciplinary Committee

**Table 62: Councillor Disciplinary Committee Portfolio Committee**

Name of member	Capacity
Q Smit	Portfolio Chairperson
A Frazenburg	Committee Member
E Groenewald [Ms]	Committee Member
N Sinkinya [Ms]	Committee Member
LL Stander	Committee Member

**Table 63: Councillor Disciplinary Committee Portfolio Committee meeting dates**

Meeting dates	Number of reports
None	

**Table 64: Councillor Disciplinary Portfolio Committee Meeting Dates**

Meeting dates	Number of reports
22 February 2021	1

## 2.6.4.6 Rules Portfolio Committee

**Table 65: Rules Portfolio Committee**

Name of member	Capacity
WC Petersen [Ms] (until 13 November 2019)	Portfolio Chairperson
N Jindela (from 14 November 2019)	Portfolio Chairperson
Ald PW Biscombe	Committee Member
G Cele [Ms]	Committee Member
P Crawley [Ms]	Committee Member
J Hamilton	Committee Member



Name of member	Capacity
P Sitshoti [Ms]	Committee Member

**Table 66: Rules Portfolio Committee Meeting dates**

Meeting dates	Number of reports
None	



## 2.7 Strategic Governance Structure

The Municipal Manager is the Chief Accounting Officer of the municipality and the head of the administration and serves as chief custodian of service delivery and implementation of political priorities. The municipal manager is assisted by the directors, which constitutes the Management Team, whose structure is outlined in the diagram below. All the executive team have signed performance agreements for the year under review.

Figure 17: Top Management Structure

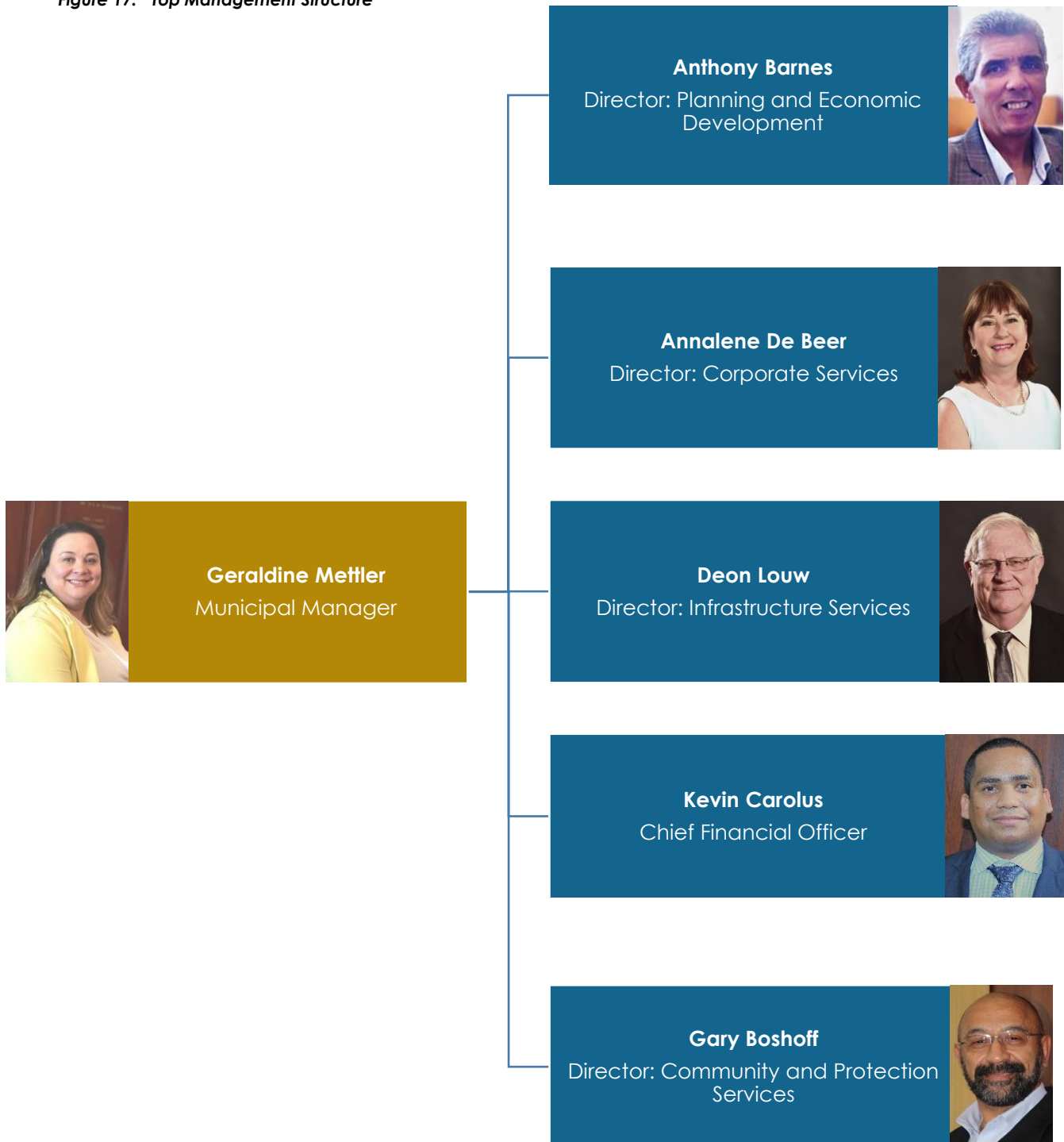
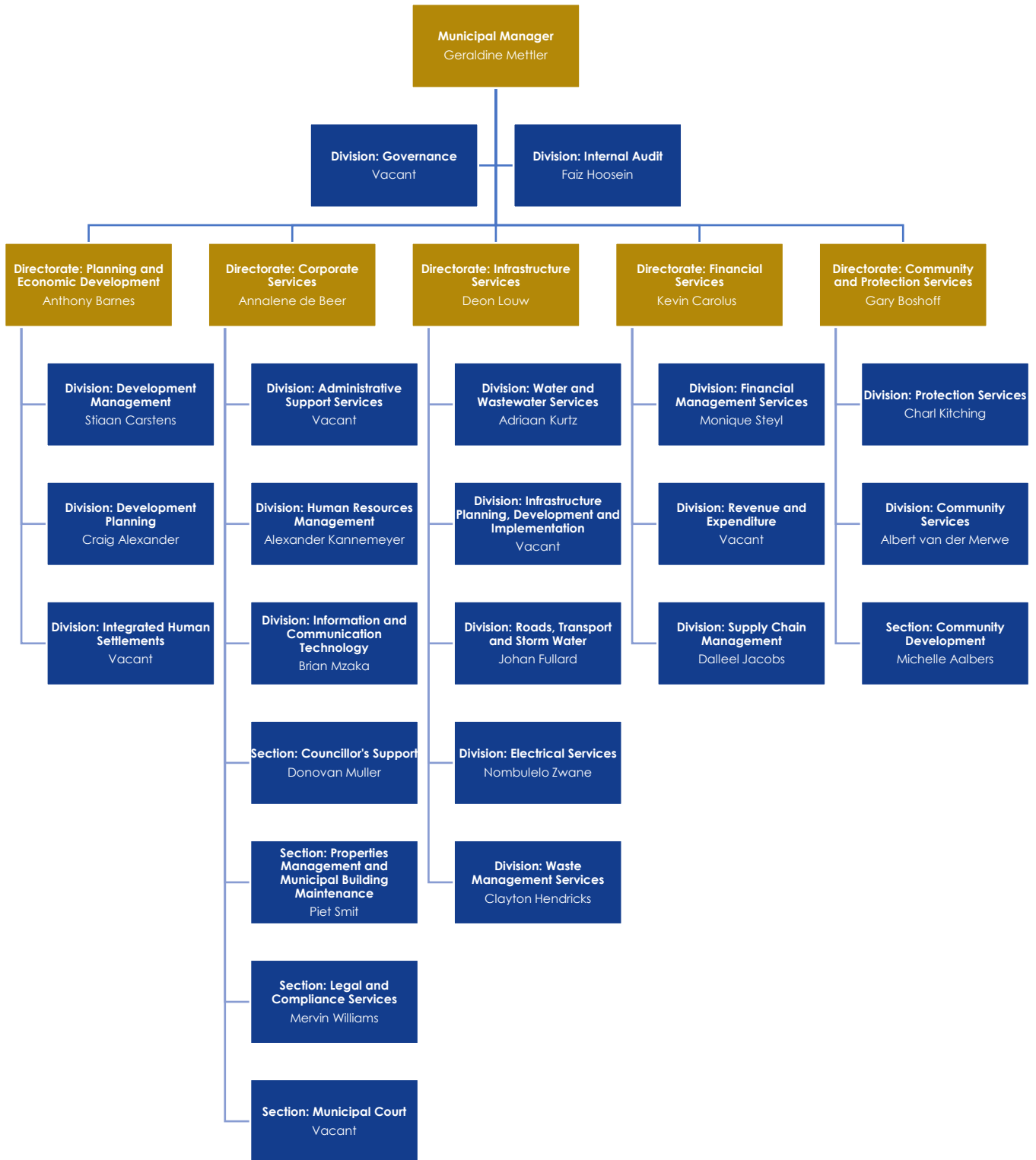




Figure 18: Macro Structure







## COMPONENT B: PUBLIC ACCOUNTABILITY

MSA section 15(b) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16(i) states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18(i)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

The participation outlined above is required in terms of the:

- ‡ preparation, implementation and review of the IDP;
- ‡ establishment, implementation and review of the performance management system;
- ‡ monitoring and review of performance, including the outcomes and impact of such performance; and
- ‡ preparation of the municipal budget.

### 2.8 Intergovernmental Relations

#### 2.8.1 National Intergovernmental Structures

The National Forum, i.e. The Municipal Managers Forum, facilitated by the Department of Cooperative Government and Traditional Affairs (COGTA) meets twice per annum. New legislation and its implications, as well as challenges for local government, e.g. financial sustainability, professionalism and oversight structures, are discussed.

The Directorate: Infrastructure Services represented by the Director: Infrastructure Services as a member of the national WRC / SALGA Municipal Benchmarking Initiative in Water Services, which collaborates in a national programme towards the improvement of water services, co-driven by SALGA and the Water Research Commission (WRC) and in collaboration with Ethekewini Municipality, MILE (Municipal Institute of Learning), representatives of other municipalities, the Institute of Municipal Engineers (IMESA) and the Department of Water and Sanitation (DWS).

#### 2.8.2 Provincial Intergovernmental Structures

##### a) Office of the Municipal Manager

The Stellenbosch Municipality is a keen participant in joint intergovernmental planning initiatives of the Provincial Government. MinMay (Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers) and the Premier's Coordinating Forum are provincial forums for fruitful interaction regarding local government cooperation and challenges. These meetings are held bi-annually. The Provincial Municipal Managers Forum meets quarterly.

Chief Audit Executive and Chief Risk Officer fora are held quarterly in conjunction with Provincial Treasury where all municipalities share best practices and consult on areas of improvement.

Stellenbosch is represented on the Provincial IDP Managers Forum, the Provincial Public Participation and Communication Forum, all of which are facilitated by the Provincial Department of Local Government.



## b) Financial and Corporate Services

The Directorate: Financial Services participates in several provincial fora quarterly. The fora include the Supply Chain Management Forum, the Municipal Property Rates Act Forum, the Management Accountants Forum as well as the Chief Financial Officer Forum.

The Municipal Court is in full operation and collaborates with the Department of Justice regularly.

## c) Planning and Economic Development

The municipality is represented by the Manager: Spatial Planning on the task team set up by DEA&DP to revise the Provincial Spatial Development Framework (PSDF). Through this inter-governmental process, Stellenbosch Municipality can provide input into the format and substance of this document that will have a legal bearing on all local municipalities in the Western Cape.

The DEA&DP and the municipality established a working group to consult monthly or more regularly as the need arises about environmental authorisation applications and land use (spatial planning) matters. Slow response times to applications by developers, entrepreneurs, farmers, service providers (Eskom, Telkom, cellular operators, etc.), waste management bodies, mining operators and roads authorities, cause delayed investment and infrastructure provisions. This has negative effects on the economy, hence the working group was established to increase the speed with which the applications are administered.

The working group consists of the technical role players and it is overseen by the portfolio councillors of the municipality. This structure ensures prior commitment to and understanding of matters to be reported to the relevant portfolio committees or council. The working group is administered by the DEA&DP and meetings are in liaison with the Directorate: Planning and Economic Development, who must invite and ensure attendance by affected internal role players.

Regional Forum Meetings between Provincial Department of Human Settlements (PDoHS) and Municipalities in the Cape Winelands region:

- ‡ The PDoHS and the municipalities in the Cape Winelands Region meet quarterly to discuss all Housing Development policies and budget-related matters in housing delivery. During the meeting, all the housing officials of the various municipalities are present to share and discuss challenges as well as innovative ideas, in the built environment. The overall performance of each municipality is discussed in detail and mitigating options if the need arises;
- ‡ Applications of new and existing projects are also discussed with the PDoHS. The municipalities receive information relating to: beneficiary administration, outstanding approvals, informal settlement challenges, title deed transfers, farmworker evictions and other matters with regards to the housing delivery. Legislation and court rulings are also discussed to ensure that senior officials are aware of any new implementation programmes, circulars and legal precedents. Each of the five municipalities is allowed to host this engagement;
- ‡ The Section: Informal Settlements also represents the municipality at the bi-monthly Informal Settlements Support Programme (ISSP) meetings of the Provincial Department of Human Settlements (PDoHS). The latter programme aims to interpret National and Provincial guidelines with respect to upgrading of the informal settlements. The purpose of these monthly meetings is to discuss best practices in informal settlements within the Cape Winelands region; and
- ‡ The Section: Informal Settlements furthermore collaborates between various municipal departments and Stats SA. The collaboration is aimed at regularising the municipality's data



collection efforts into a format that is acceptable to Stats SA and that the collected data eventually will meet the standards as required by Stats SA.

#### **d) Infrastructure Services**

The Directorate participates in the Stellenbosch River Collaborative Steering Committee with the aim of developing a multi-stakeholder collaborative governance process within which to deal with issues of water quality and pollution in the Stellenbosch rivers. The participants include the Winelands Water Users Association, Stellenbosch Municipality, Department of Water Affairs, the Department of Environmental Affairs, Cape Nature, WWF, Wildlands and key stakeholders in the wine industry such as Spier and the Distell group.

The 3rd Generation Integrated Waste Management Plan (IWMP), gives direction regarding Waste-to-Energy, Alternate Waste Management options and Waste Management projects proposals. This innovative approach was recognised by the DEA&DP when the municipality was requested to assist three other local municipalities in taking this approach. The municipalities of Beaufort West, Prins Albert and Laingsburg were assisted in this manner by the visit of the Waste Management Department team, who trained their local officials as well as assisted within the first data collection exercise.

Stellenbosch Municipality is represented at the quarterly Waste Management Officers Forums; where best practices, changing legislation, feedback from national and provincial government policy changes, etc. are discussed to keep all municipalities in the Western Cape abreast of all issues about waste management. The Western Cape Recycling Action Group (RAG) quarterly forums, although more geared at private-sector contributions to waste minimisation, also provide the platform for municipalities to engage with each other and the private sector for waste minimisation opportunities.

The Department: Electrical Services is extensively involved with other local municipalities' electricity departments through the Association of Municipal Electricity Utilities (AMEU). The AMEU promotes quality of service and management excellence amongst its members in the field of electricity supply, and facilitates communication between its members and between members and the technical, economic and political environment, in order to influence that environment.

#### **e) Community and Protection Services**

Traffic Services liaises with Western Cape Government: Department Transport and Public Works continuously on matters related to transport administration and licensing, traffic law administration (motor-vehicle licensing) and issuing of learner and driving licenses.

The department further engages with RTIA, RTMC, Director of Public Prosecutions and the Department of Justice regarding legislative requirements and adherence.

To execute the Safely Home Programme, the department interacts with various engineering entities such as provincial engineers and Cape Winelands District Council. The Western Cape Government developed the Provincial Strategic Plan (PSP) which gave rise to policies, programmes and projects forming partnerships amongst government, citizens, civil society and business. Various spheres of government are being engaged to co-create a culture of wellness and safety in the workplace and to promote wellness and safety through integrated service delivery models to address the social determinants of health through interaction with Department Education, Health Department and SAPS.



The municipality engages in numerous partnerships to facilitate service delivery.

**Table 67: Municipal Partnerships**

Name of Partner / Partnership	Purpose
Mayor / Rector Forum	A partnership with the University of Stellenbosch to ensure aligned development planning and that the municipality draws from the university's expertise and resources.
Memorandum of Cooperation between the Stellenbosch Municipality and Stellenbosch University (SU)	Cooperation in terms of closed-circuit television in the interest of the security of the town and the campus with a view to a crime-free university town.
Landfill Monitoring Committee	A partnership with the Devon Valley residents, whereby residents monitor the Stellenbosch landfill site.
IMESA (Institute for Municipal Engineers South Africa)	A partnership with IMESA aimed at strengthening knowledge and capacity related to municipal infrastructure and service delivery.
Integrated Development Committee (IPC)	A partnership with the university and other stakeholders aimed at exploring spatial and urban planning possibilities for Stellenbosch to meet the needs of the municipality and university.
Department Social Development, DCAS, Cape Winelands District Municipality	Joint implementation of programmes focussing on common issues within WC024.
SALGA Municipal Benchmarking Initiative	The partnership is aimed at improving efficiency and effectiveness through comparative process benchmarking, peer-to-peer operational knowledge sharing and iterative performance improvements.
Bergriver Improvement Programme	The partnership was formed to improve the quality of the stormwater run-off from the Langrug Informal Settlement. The project entails the implementation of biomimicry, waste recycling and a Sustainable Urban Drainage lab.
LTAB	The partnership was formed between political leaders to discuss Land Transport-related matters that affect transport in the area.
Transport Working Group	The Transport Working Group was established to discuss transport related matters that affect Stellenbosch, including all relevant governmental institutions and other role players.
IPC	The Integrated Planning Committee is a working group between the City of Cape Town, Stellenbosch, Saldanha, Overstrand, Theewaterskloof, and Drakenstein Municipality that discuss all transport related matters to effectively promote regional planning
NMT Working Group	A working group that discusses all Non-Motorised Transport matters in the Stellenbosch area. The group consist of NMT users, officials, representatives from the university and the disabled fraternity.
Drought Steering Committee	This is a committee consisting of a panel of roll players in the drought intervention plan including consultants to discuss, plan, manage and action the Drought Intervention strategies that culminated from various source documents including WCWDM strategies, WSDP, Audit Reports and various Master Plans and processes. It also oversees the SCM and construction phase of the plans.
GreenCape	The GreenCape partnership represents a cooperation with the province's 110% green initiatives, focussing on alternative waste management initiatives and energy efficiency.
CSIR	The partnership is aimed at multidisciplinary research and development by supporting innovation in Stellenbosch.
Genius of Space	This initiative developed from, and forms part of the Western Cape 110% Green Initiative. The Biomimicry Genius of Space project is a registered flagship project of 110% Green. This initiative combines two priorities of the Western Cape Government – the Berg River and the Green Economy – to find an innovative solution to water pollution in the Berg River.
General	Municipal Partnerships.
<b>District Intergovernmental Structures</b>	
District Coordinating Forum	This forum meets quarterly and seeks to promote and facilitate intergovernmental relations between the district municipality and the local municipalities in the district. The Stellenbosch Municipality participates in this forum and the Cape Winelands District Municipal Managers Forum and benefits from this involvement by being exposed to good practises in other municipalities and strengthening the relationship with the district municipality in forging joint partnerships in the interest of good governance and service delivery. The Cape Winelands District Municipality supports community development and uses indigenous sports to create social cohesion amongst communities in the district.



Name of Partner / Partnership	Purpose
	<p>Special focus and attention were given to communities in rural areas. The Stellenbosch, Drakenstein and Breede Valley Municipalities have participated in various indigenous games which were hosted by the Cape Winelands Municipality. The relationship between Stellenbosch Municipality and the district municipality has improved and the Department: Community Services have managed to exceed all expectations. A targeted approach was followed and sports were used as a catalyst to cement this relationship with the district.</p> <p>The areas that the Department of Community Services targeted were communication, sharing of resources, capacity building and financial resources. The improved relationship between the district municipality and Stellenbosch Municipality enabled the communities to also participate in the Provincial and National Indigenous Games.</p>

### 2.8.3 Ward Committees

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

**Figure 19: Main duties of the ward committees**



The advent of democracy in 1994 brought about a new democratic local governance system that promotes certain basic values and principles. Such values and principles include transparency, accountability and an open and inclusive system of governance through community involvement in governance, and planning and democratisation of development. This certainly placed South Africa on par with other democratic governments throughout the world and positioned it as a reputable reference for an effective decentralised system of government.

The notion of participation remains a key cornerstone of good governance and constitutes an integral component in the policymaking process, development planning and budgeting. Section 152 of the Constitution, places the participation of communities at the centre of service delivery and other matters of Local Government. Correspondingly, the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and the MSA provides the legislative framework for the establishment of Ward Committees by municipalities.



Section 42 of the MSA stipulates that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of said Act, must involve the local community in the development, implementation and review of the municipality's performance management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.

#### Composition of Ward Committees:

- ✦ are made up of representatives of a particular ward;
- ✦ are made up of members who are elected to represent a specific geographical area / block;
- ✦ are chaired by the ward councillor;
- ✦ are meant to be an institutionalised channel of communication and interaction between communities and municipalities;
- ✦ provide community members the opportunity to express their needs and opinions on issues that affect their lives, and to be heard at the municipal level via the ward councillor; and
- ✦ are advisory bodies created within the sphere of civil society to assist the ward councillor in carrying out his or her mandate in the most democratic manner possible.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor, who makes specific submissions directly to the council. These committees play a critical role in the development and annual revision of the integrated development plan of the area.

The ward committee supports the ward councillor, who receive reports on development, participate in development planning processes and facilitates wider community participation. The municipality constantly strives to ensure that all ward committees function optimally in terms of the provision of community information, convening meetings, ward planning, service delivery, IDP input and performance feedback to communities.

The COVID-19 pandemic has undeniably brought about profound changes on all levels of society. These changes, inter alia, demand new ways of thinking regarding development and public participation.

**Ward 1:** Franschhoek town, Bo-Hoek Farms, Mooiwater

**Table 68: Ward 1 Committee Members**

Name of representative	Capacity representing
A Frazenburg	Councillor
AH Bauer	Bo-hoek farms
H Diedericks	Beaucop De Leau to School Street
AP Kilian	Calais Street to Hugenote Road
PG Mihalopoulos	Akademie to De Villiers Street
M Nyanga until Nov 2020	Beaucop De Leau to Dalibuhle School
F Ahmed	Upper farms
C Daniels until Nov 2020	Beaucop De Leau to School Street
E Morris	Ward Administrator



**Ward 2:** Langrug, La Motte, Dennegeur, Groendal, Domaine des Anges

**Table 69: Ward 2 Committee Members**

Name of representative	Capacity representing
W Petersen	Councillor
N Gertse	Dennegeur
N Fata	Zwalitcha
A Jeffhas	Jaffhas to Boonzaaier Road
Vacant	La Motte
N Noboza until Nov 2020	Mazaleni
M Van Zyl until Jan 2021	Domain Des Anges
A Manuel until Feb 2021	Berg River Dam Houses
M Hoffman	School Street to R45
G Jeffhas	Santa Rosa to R45 Unknown
K Mpongo until Nov 2021	Ikhanini
S Silo from Feb 2021	Mazelini
R Pearce	Ward Administrator

**Ward 3:** Lanquedoc, Meerlust, Wemmershoek, Maasdorp and Surrounding

**Table 70: Ward 3 Committee Members**

Name of representative	Capacity representing
C Manuel	Councillor
Vacant	Vygje, Kerk, Hoof Street - Lanquedoc
MP Krediet	Vygje, Kerk, to Gravel Road - Lanquedoc
J Plaatjies	Meerlust and Farms
J Nomdoe	Angelier, Prins Afrika, Leeubekkie, Vygje Streets - Wemmershoek
C Stuurman	Hoof, Kerk, Vygje Streets - Lanquedoc
G Moody	Vygje, Angelier Streets - Wemmershoek
L Cloete	Wemmershoek
D Booysen	Vygje, Kerk, Hoof Street - Lanquedoc
G Viljoen	Ward Administrator

**Ward 4:** Pniël, Kylemore and Johannesdal

**Table 71: Ward 4 Committee Members**

Name of representative	Capacity representing
M Johnson	Councillor
S Charles	Malva, Arum, Gousblom, Freesia, Daffodil, School Streets and Farms
G Jacobs	Johannesdal
A Williams	Panorama, Simonsberg, Pine and Silvermine Streets
D Lackay	Panorama, Simonsberg, Pine and Silvermine Streets
J Myburgh	Kloof, Hill, Dahlia, Oak Kleigat Streets
R van Wyk until Jan 2021	Kerk, Brand, De Wet, Adams, Rooi, Jooste, Cupido Streets
B Lewak	Malva / Arum / Gousblom / Freesia / Daffodil / Skool Streets and Farms
R Sauls	Johannesdal
M Simpson	Ward Administrator





**Ward 5:** The Ridge, Lindida and Ida's Valley (Hydro in the direction of Ida's Valley and Omega Street to Jonkershoek)

**Table 72: Ward 5 Committee Members**

Name of representative	Capacity representing
D Joubert	Councillor
A Pieterse	Hydro and Surrounding Farms
RB Van Rooyen until Feb 2021	The Ridge
L Hendricks	Bo-vlei
K Marais until Feb 2021	Schoongezicht Farms
P Herandien	Lindida, Kreefgat, Uppervlei
W Johannes	Jonkershoek Upper
J Naude	Lindida, Kreefgat, Uppervlei
N Rhode	Jonkershoek
S Zass	Ward Administrator

**Ward 6:** Ida's Valley and farms (Nietvoorbij, Timberlea, Morgenhof, Remhoogte, Muratie, Groenhof, Delheim, Lieland, Kanonkop, Uityk, Glenelly, Emerie, Laundry, Packham, L'Avenir)

**Table 73: Ward 6 Committee Members**

Name of representative	Capacity representing
N Mcombring	Councillor
G August	Protea to Sonneblom Streets
O Bergstedt	Tindall to Luckhoff Streets
J Brandt	Speler to Botmaskop Streets
P Constable	Farm areas to North
F Fortuin	Tindall to Luckhoff Streets
P Gordon	Rustenburg Rd to Lelie Street
M Hendricks	Botmaskop
F Poole	Old Helshoogte to Lelie Streets
P Roets until January 2021	Rustenburg Rd to Lelie Street
D Jones	Lindley to Weber Streets
C Van Rooyen	Ward Administrator

**Ward 7:** Mostertsdrif, Kolonieshof, Karindal, Rozendal, Uniepark, Simonswyk, Universiteitsoord and De Weides

**Table 74: Ward 7 Committee Members**

Name of representative	Capacity representing
A Hanekom	Councillor
CD Cillie	Simonswyk
PE Claassen	Mostertsdrif
GA Giliomee	Karindal
GG Groenewald	Mostertsdrif
AB Meiring	Karindal
WJ Van Aswegen	Simonswyk
R Pheiffer	Ward Administrator



**Ward 8:** University Areas: Marais, Merriman, Helderberg Street

**Table 75: Ward 8 Committee Members**

Name of representative	Capacity representing
Q Smit	Councillor
R De Villiers	Van Riebeek, The Avenue, Coetzenburg Road
CL Macleod	Van Riebeek, Die Laan, Neethling, Eerste River
M Wannenburg	Merriman, Marais, Hofmeyer, Bosman
E Beukman	Merriman, Marais, Hofmeyer, Bosman
D Madire	Victoria, Neethling, Bosman, Van Riebeek
L Van Wyk from Aug 2020	Victoria, Neethling, Bosman, Van Riebeek
J Gilliomme	Ward Administrator

**Ward 9:** Eerste River, Krige, Herte, Skone Uitsig, Bird, Merriman, Bosman, Victoria, Neethling, The Avenue

**Table 76: Ward 9 Committee Members**

Name of representative	Capacity representing
ZJ Dalling	Councillor
JM Calitz	Geographic
GG Cillié	Geographic
JMK Meyer	Geographic
A Louw	Geographic
H Esterhuizen	Geographic
W Sezoe from Apr 2021	Geographic
L Combrink	Geographic
K Britz	Geographic
T Kumm	Geographic
J Giliomee	Ward Administrator

**Ward 10:** Tennant Street, Bell Street, Lappan Street, Lackey Street, Langstraat- Suid , La Colline – Faure Street, Dr Malan Street to Irene Park, Conde Street, Mount Albert, Taylor, Voorplein to Kromriver, Municipal Flats (Lavanda, Aurora, Phyllaria), Molteno Avenue to Paul Kruger Street and Banghoek Avenue

**Table 77: Ward 10 Committee Members**

Name of representative	Capacity representing
R du Toit	Councillor
P Hough	Tenantville
B Samuels	Tenantville
P Stone	Lapland
S Williams	Lapland
K Malgas	La Coline
L Atson	-
M Michaels	Ward Administrator



**Ward 11:** Dorp Street to Herte Street, Mark Street, Alexander Street, bottom of Bird Street to the Stellenbosch Train Station, all areas in Onder-Papegaaiberg and surrounding businesses.

**Table 78: Ward 11 Committee Members**

Name of representative	Capacity representing
J Serdyn	Councillor
P Carinus	Onder-Papegaaiberg – Flamingo Street to Devon Valley Road
D Cupido until Mar 2021	Devon Valley and Farms
I Fourie	Onder-Papegaaiberg – Flamingo Street to Devon Valley Road
M Snyman	Onder-Papegaaiberg – Flamingo Street to Devon Valley Road
B Brand	Dorp Street
CF Schreiber	Tarentaal Street to Patrys Street
K Wesselman from Apr 2021	Dennesig
Dr E Basson from Apr 2021	Bosmans Crossing
J Giliomee	Ward Administrator

**Ward 12:** Kayamandi: Enkanini, Snake Valley, Watergang, Thubelitsha, New Watergang(106), Zone O (next to Enkanini), Chris Hani Drive, Municipal Flats (10th and 13th Street), School Crescent, Ekuphumleni, Siyahlala, Zone A, George Blake

**Table 79: Ward 12 Committee Members**

Name of representative	Capacity representing
N Managa-Gugushe	Councillor
L Dangisa	Geographic
M Galada	Geographic
S Mgodana	Geographic
S Mdutyana	Geographic
N Ntanjana	Geographic
M Qondani	Geographic
N Sifumba	Geographic
S Siguba	Geographic
Y Makuleni	Geographic
N Jodo	Geographic
S Mafenyang	Ward Administrator

**Ward 13:** Kayamandi: Old Location from Lamla Street to Luyolo Street, Red Bricks, Old Hostels

**Table 80: Ward 13 Committee Members**

Name of representative	Capacity representing
F Bongani-Menziwe	Councillor
N Bhayibhile	Geographic
NVV Finini	Geographic
N Nojoko	Geographic
V Hani	Geographic
JZ Jekem	Geographic
S Magade	Geographic
PN Makasi	Geographic
S Mcako	Geographic



Name of representative	Capacity representing
B Takisa	Geographic
M Zondiwe	Geographic
N Tolibisa	Ward Administrator

**Ward 14:** Kayamandi: Zone I Setona Street), Zone O(lower part) Mgabadeli Crescent, Monde Crescent , Costa Land, Strong Yard, Zone M (8th Avenue), Zone P

**Table 81: Ward 14 Committee Members**

Name of representative	Capacity representing
P Sitshoti	Councillor
MH Gxilishe	Geographic
MD Masimini	Geographic
O Manthsi	Geographic
E Mgoqi	Geographic
N Mpemnyama	Geographic
NA Mthiya	Geographic
S Oliphant	Geographic
N Zweni	Geographic
M Brown	Geographic
P Tina	Geographic
B Lesaoana	Ward Administrator

**Ward 15:** Kayamandi: Mjandana Street(Zone L), Mputa Close, Zone K, Ndumela Street(Zone J), Distell Hostels, Vineyard, Zone O Middle part(Fire Street), Municipal Workers Flats, Zone N, and M, Old Corobrik Hostels, Mdala Street(Old Hostels)

**Table 82: Ward 15 Committee Members**

Name of representative	Capacity representing
N Sinkinya	Councillor
T Dishi	Geographic
NJ Kepu	Geographic
M Kumalo	Geographic
TJ Lepheana	Geographic
EP Masimini	Geographic
P Nyakaza	Geographic
N Ngwevela	Geographic
T Tshatani until Dec 2020	Geographic
L Xelenga	Geographic
V Maramnco	Ward Administrator



**Ward 16:** Long Street, Eike Street, Jakaranda Street, Short Street, Curry Street, Quarry Street, Primrose Street, Pine Street, Hoop Street, North End Street, Vredelust Street Noord, Vredelust West Street, Laai Street, Last Street, Arnolds Street, Anthony Street, Carriem Street, Davidse Street, Cupido Street, Ismael Street, Crombi Street, Chippendale Street, Bergstedt Street, Achilles Street, Africa Street, Cornelson Street, Cloetesville

**Table 83: Ward 16 Committee Members**

Name of representative	Capacity representing
E Vermeulen	Councillor
J Beneke	Curry, Pine, Primrose, Silvia, Quarry
A Flink	Last to North End Streets
M Fredericks	Curry, Pine, Primrose, Silvia, Quarry
E Gordon	From Sports Field to last Street
M Johannes	White City
A Meyer until Dec 2020	Tenantville and Slabtown
J Williams	Long Short, Jakaranda, Eike Streets
Y Lamberts	Ward Administrator

**Ward 17:** Longstreet, Kloof Street, Fir Street, Williams Street, Rhode Street, Hendrickse Street, February Street, Weltevrede 2 and Welgevonden, King Street, Hine Street, Fontein Street, Wilger Street, Raziet Street, Pool Street, Valentyn Street, Ortell Street, King Street, Isaac Street, Stellita Park, Gabriel Street, Part of Lackay Street

**Table 84: Ward 17 Committee Members**

Name of representative	Capacity representing
P Biscoombe	Councillor
J Joon	Rietenbosch
D Smith	Flats: Kloof and Long Streets
A Van der Westhuizen	Huis Ebenhaezer
M Wagner	Rhode Street Flats
D Robyn	Stellitta Park
S Frederick	Kloof Street Flats
J September until Feb 2021	-
J Isaacs	-
H Sauls	Ward Administrator

**Ward 18:** Klapmuts and surrounding farms

**Table 85: Ward 18 Committee Members**

Name of representative	Capacity representing
E Fredericks	Councillor
J Kleinsmith	New Houses, Brickfields
J Fredericks	Koelpark
W Johannes	Sand, Bell, Merchant, Railway Houses
A Michel	Weltevrede Park 1
N Mtaba	Mandela City, Lawson
J September	La Rochelle, Pinotage Village
J Fochessati	New Houses / Brickfield
G Wentzel	Rozenmeer, Police Station, Farms



Name of representative	Capacity representing
G Hector	Weltevrede Park 2
B Foster	Ward Administrator

**Ward 19:** Elsenburg, Vaaldraai, Slaley, Kromme Rhee, De Novo, Bottelary, De Hoop, Simonsig and surrounding farms

**Table 86: Ward 19 Committee Members**

Name of representative	Capacity representing
JKI Hendriks	Councillor
V Fortuin	Elsenburg
F Hansen	De Novo
A Kamfer	Bottelary Farms
C Martins	Bottelary Farms
J May	Koelenhof / Koelpark
C Adriaanse	Weltevrede / Smartietown
Z Daniels	Kromme Rhee
James Williams	Ward Administrator

**Ward 20:** Vlottenburg, Raithby, Lynedoch, Mooiberge, Meerlust and Polkadraai

**Table 87: Ward 20 Committee Members**

Name of representative	Capacity representing
A Crombie	Councillor
AT Joon until Apr 2021	Vlottenburg
D Fortuin	Vlottenburg
CHO Gordon	Raithby
P Taaibosch	Vlottenburg
M James	Raithby
G Pojie	Vlottenburg
E Jacobs	Lynedoch Farms
A Malgas	Meerlust Farms
Vacant	Polkadraai
E Mpemnyama	Ward Administrator

**Ward 21:** Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen and surrounding farms

**Table 88: Ward 21 Committee Members**

Name of representative	Capacity representing
R Badenhorst	Councillor
V Malmnas	De Zalze
S McNaughton	Blaauwklippen
R Kriel	Paradyskloof
A Levendal	Jamestown
HC Eggers	Paradyskloof
O Meyer	Jamestown
A Verwey	Paradyskloof
B Pieterse	Jamestown / Mountainview



Name of representative	Capacity representing
N Williams	Ward Administrator

**Ward 22:** Krigeville, Dalsig, Welgelegen, Brandwacht, Die Boord and Kleingeluk

**Table 89: Ward 22 Committee Members**

Name of representative	Capacity representing
E Groenewald	Councillor
M Vlok	Bo-Brandwacht, Faber, Kolbe, Mazot, LeSeuer, Linne
P Kruger	Van Taak, Wege, Robbertz, De Wet, Barry
A Pelser	Constantia, Welgevallen Alpen, Draailaan
I Maree	Rokewood Mairina, Saffraan, Kaneel, Blenheim
E Slabber	Piet Retief Bult, Welgevallen, Draailaan, Lourenz, Sering, Bergh, Vlier, Pleunis, Nootgedacht
A Coetzee	Skadu, Lower, Binnekring, Buitekring
R Lambrechts	Rhodes Noord, Van Rheebe, Formosa, Sultan, Swellengrebel, Keiffer, Woltemade
P Schaafsma	Upper-Lovell, Fairways, Peekka and other, Elbertha, Lovell, Forelle, Santa Rosa
S Wilson	Dalsig, Dennerand, Coligny, Dennesig, Park
W Crowley	Ward Administrator

### 2.8.3.1 Functionality of Ward Committees

The purpose of a ward committee is to:

- ✦ create formal communication channels between the community and Council;
- ✦ advise the Ward Councillor in identifying the needs and concerns of the community;
- ✦ support the Ward Councillor in informing the community about their rights and responsibilities; and
- ✦ support the Ward Councillor in consulting and providing feedback to the community.

The COVID-19 pandemic has undoubtedly brought about a dramatic change in the world prompting governments including local governments to be responsive to the plight of their citizens specifically marginalised individuals and vulnerable groups.

In an effort to limit the spread of the COVID-19 pandemic, large gatherings were banned including all public meetings, ward meetings at the local government level and other invited or created spaces of engagement. The rapid transmission of the pandemic with various variants thereof across the globe caused panic and its prevention became the number one priority to be addressed.

The biggest casualty of the COVID-19 pandemic is public participation. The local government has the responsibility to provide the platforms / tools thereby enabling people to be part of the public participation activities that local governments embark upon.

Public participation is crucial in the collective response to the COVID-19 pandemic from adherence to the regulations to the steps needed to be taken on easing the restrictions imposed by National Government.

Ward committees need to find new ways of conducting business inter alia through platforms such as virtual meetings, MS Teams meetings, etc which produce various challenges for some constituencies.





The table below provides information on the establishment of Ward Committees and their functionality.

**Table 90: Ward Committees and their functionality**

Ward Number	Committee established	Number of reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
1	Yes	0	1	29 Oct 19 Nov 3 Dec 25 Feb 25 Mar 29 Apr 27 May 17 Jun	Yes
2	Yes	0	1	15 Jul 19 Aug 15 Sep 21 Oct 18 Nov 14 Dec 18 Feb 18 Mar 22 Apr 27 May 17 Jun	Yes
3	Yes	0	1	3 Mar 20 Apr 4 May	Not fully functional
4	Yes	0		8 Sept 13 Oct 13 Nov 9 Feb 9 Mar 11 May 8 Jun	Yes
5	Yes	0	2	25 Mar 29 Apr	Not fully functional
6	Yes	0	1	17 Sept 8 Oct 4 Nov 2 Dec 3 Feb 3 Mar 7 Apr 5 May 2 Jun	Yes
7	Yes	0	-	28 Sept 25 Nov 27 Jan 21 Mar 29 Jun	Yes
8	Yes	0	2	20 July 18 Aug 9 Sept 7 Oct 4 Nov 2 Dec 3 Feb 3 Mar 7 Apr 5 May 2 Jun	Yes
9	Yes	0	2	7 Jul 4 Aug 1 Sept 6 Oct 3 Nov 1 Dec 2 Feb	Yes



Ward Number	Committee established	Number of reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
				3 Mar 6 Apr 4 May 3 Jun	
10	Yes	0	1	22 Sept 6 Oct 3 Nov 1 Dec 2 Mar 6 Apr 4 May 1 Jun	Yes
11	Yes	0	2	14 Jul 11 Aug 8 Sept 13 Oct 10 Nov 9 Feb 9 Mar 13 Apr 11 May 8 Jun	Yes
12	Yes	0	-	20 Oct 2 Dec 6 Feb 23 Mar 2 Jun	Yes
13	Yes	0	1	16 Oct 2 Mar 13 Apr 18 May 2 Jun	Yes
14	Yes	0	-	19 Feb 19 Mar 12 May 17 Jun	Yes
15	Yes	0	-	26 Oct 17 Nov 25 Feb 23 Mar 20 Apr 18 May 22 Jun	Yes
16	Yes	0	1	4 Dec 22 Feb 17 Mar 8 Apr 11 May 8 Jun	Yes
17	Yes	0	2	14 Oct 18 Nov 3 Mar 7 Apr 5 May 9 Jul	Yes
18	Yes	0	1	18 Jul 15 Aug 12 Sept 10 Oct 07 Nov 05 Dec	Yes
19	Yes	0	2	29 Sept 13 Oct 10 Nov 1 Dec 29 Jan 9 Mar 8 Apr	Yes



Ward Number	Committee established	Number of reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
				4 May 10 Jun	
20	Yes	0	-	17 Sept 29 Oct 26 Nov 12 Apr 17 Jun	Yes
21	Yes	0	1	8 Sept 6 Oct 3 Nov 1 Dec 9 Feb 2 Mar 6 Apr 4 May 1 Jun	Yes
22	Yes	0	1	5 Aug 2 Sept 7 Oct 4 Nov 2 Dec 20 Jan 3 Feb 3 Mar 7 Apr 5 May 9 Jun	Yes

**Note:** The COVID-19 pandemic had a direct result on the number of public meetings held due lockdown regulations.



## COMPONENT C: CORPORATE GOVERNANCE

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

### 2.9 Risk Management

Section 62 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control, as well as the effective, efficient and economical use of the resources of the municipality.

This responsibility was delegated to the Chief Risk Officer. During the year under review, the following was done:

- ‡ continuous awareness raising throughout the municipality;
- ‡ the Risk Management Committee was established to facilitate and govern the risk management process, with a term of reference, and has been operational since January 2013;
- ‡ the Chief Audit Executive has a seat on the Risk Management Committee where all risk and fraud management related activities are reported;
- ‡ the Risk Management Committee reports to the Audit and Performance Committee;
- ‡ risk registers have also been completed at an operational level;
- ‡ the previous year's strategic registers were revisited and an acceptable risk appetite was determined;
- ‡ the revised risk register was adopted by Council; and
- ‡ risks were also identified which could prevent the achievement of the predetermined objectives and were noted in the SDBIP.

Although the Chief Risk Officer is responsible for coordinating and facilitating risk management at all levels within the municipality, the municipal manager and management are the drivers of risk management and the mitigation of risk exposure in the municipality.

The importance of the latter and the role of management as well as that of the Executive Mayor and Council, was highlighted as the COVID-19 pandemic took hold and a total lockdown in accordance with the Disaster Management Act was announced by the President, Mr C Ramaphosa in March 2020, the latter part of the previous financial year.

As of the 1<sup>st</sup> of April 2020, the country went into lockdown, level 5, for a month which had a huge impact on the country as a whole. During the months after as the lockdown levels and legislation were adapted as numbers started to drop and the economy started to open up slowly, council and management had to assess, revise and adjust to this and the results of and impact of the pandemic.

Resources and the allocation thereof as well as managing it over the next 12 months became even more important to ensure not only continued service delivery but to assist and adapt to this new normal.



As per consultation and discussion by management and council as well as serious consideration from the Executive Mayor the COVID-19 pandemic was identified as a strategic risk within the Stellenbosch Municipality and the strategic risk register was reviewed and adopted same in June 2020.

With the start of the new financial year, it was evident that the pandemic is far from over and as it ebbed and flowed internationally, this was closely watched not only by cabinet, national and provincial government but by the municipality.

As the so-called “second wave” started to take hold late in 2020, early January 2021 the Strategic Risk Register was reviewed again. Information was drawn from what was happening internationally, precautions implemented in South Africa by National and Provincial Government, the actual impact on the economy and most importantly from the Joint Operation Committee (JOC).

This committee or JOC was formed to include as many role players as possible in the government and private sector who was part of the combined effort in the greater Stellenbosch area (WC024) to manage, assist and monitor the pandemic. Information is exchanged and discussed during these to assist in adapting in these fast-changing environments.

This register was then submitted to Council for approval on 20 January 2021 (see the detail of the register). The impact of the COVID-19 pandemic is monitored in essence daily as information becomes available especially how to manage it from the perspective of local government.

The top 5 risks identified for 2020/21 are as follows:

- ‡ Increased risk of land invasion;
- ‡ Availability and cost of electricity;
- ‡ COVID-19 Pandemic;
- ‡ Scarcity of landfill space; and
- ‡ Increase in community unrest due to the fact that growth in demand for housing exceeds the resources available for development.

#### a) Likelihood rating scale

**Table 91: Risk likelihood rating scale**

Impact and Likelihood Rating		
Likelihood Grading		
5	Highly probable	Will undoubtedly happen / recur with high degree of certainty
4	Likely / Probable	Very high likelihood of occurrence / recurrence but not persisting issue
3	Possible	Might occur / recur occasionally
2	Unlikely	Occurrence not expected with a small possibility that it will happen
1	Rare	May occur but only in exceptional circumstances
Impact Grading		
5	Very high	Very high impact with catastrophic and / or irreversible consequences
4	High	Impact is severe with clear and direct consequences on functionality or performance
3	Medium	Significant impact and requires action to minimise exposure
2	Low	Low impact on functionality, performance or delivery
1	Very Low	Very Low impact on functionality, performance or delivery



## b) Risk management grid

Table 92: Risk management grid

Critical 20-25	Act Immediately
High 16-19	Action Plan
Moderate 9-15	Monitor / Transfer
Low 1-8	No Action Required

The strategic risk register below gives an indication of all the focus areas, risk and mitigation measures taken to address these identified risks within the organisation

### 2.9.1 Strategic Risks Identified

Table 93: Risk register

Risk Item	Risk Description	Risk Background	Strategic Objectives	Impact Rating (1-5)	Likelihood Ratings (1-5)	Residual Risk Exposure (1-25) Risk Appetite	Action Plans / Mitigation
1	Increased risk of land invasion.	Political environment leading up to the election. Legal precedents set under disaster management declaration limiting municipal scope to evict. Illegal invasions and landgrabs. Compromising housing development and housing opportunities	Dignified Living, Safe Valley, Financial Sustainability, Good Governance and Compliance	5	5	25	Legal panel in place to respond to legal matters; Security tender in place; Arms tender currently advertised; housing development continuing in response to housing demand; close relationships with SAPS and other law enforcement agencies, combined control room; utilisation of municipal drones to monitor areas of potential land invasion.
2	Availability and cost of electricity.	Continuous and persistent load shedding; sustainability of the national power supplier	Green and Sustainable Valley, Dignified Living	5	5	25	Self-generation, back-up generators for essential services



Risk Item	Risk Description	Risk Background	Strategic Objectives	Impact Rating (1-5)	Likelihood Ratings (1-5)	Residual Risk Exposure (1-25) Risk Appetite	Action Plans / Mitigation
3	COVID-19 Pandemic	Manage the COVID-19 pandemic within the context of the prescribed regulations, taking the second wave and intensity of new infections into account.	Safe Valley, Dignified Living	5	4	20	Response and preventative plan on corona i.t.o. of the Disaster Management Regulations; PPE in place; screened installed; information distribution; daily screening and sanitising. Revise Risk Adjusted Strategy. Names of essential workers for vaccine submitted to the province.
4	Scarcity of landfill space.	Unavailability of suitable land; costs of SLA's and alternative waste disposal; legislative requirements i.e EIA applications and approvals etc.	Green and Sustainable Valley	5	4	20	Waste management strategy, finalisation of the agreement with Eskom to move electricity poles for opening space. Mitigation action put in place.
5	Increase in community unrest due to the fact that growth in demand for housing exceeds the resources available for development.	Lack of bulk infrastructure; lack of identified and suitable land, unrealistic eviction judgements, housing backlogs, migration.	Dignified Living, Safe Valley	4	5	20	Housing pipeline, emergency policy, TRA identification, increased monitoring for illegal occupants.
6	Financial Sustainability.	Debt management; cashflow; changes patterns in revenue (more off the grid connections w.r.t water and electricity). Financial sustainability exacerbated due to COVID-19.	Good governance and Compliance, Green and Sustainable Valley	5	4	20	Legal framework to lock in customer regarding off grid connections and fix cost charges. Revenue enhancement strategy.





Risk Item	Risk Description	Risk Background	Strategic Objectives	Impact Rating (1-5)	Likelihood Ratings (1-5)	Residual Risk Exposure (1-25) Risk Appetite	Action Plans / Mitigation
7	Economic downturn due to civil unrest and crime	Increase in criminal activities, civil unrest, reputational risk due to perceived increase in the said activities.	Safe Valley, Dignified Living	5	4	20	Combined SSI, close relationships with SAPS and other law enforcement agencies, combined control room, strategic camera placings, etc.
8	Loss of credibility and reputation due to perceived fraud and corruption.	Abuse of legislation; reputational risk and credibility; media statements and role of social media in reports etc.	Good Governance and Compliance	4	4	16	Hotline, fraud prevention policy, SALGA to address unintended consequence of regulations.
9	Material misstatements in the AFS that constitutes non-compliance with Section 122 of the MFMA.	System errors, transactions and events not recognised as they occur and accordingly no recorded in the financial period it occurred.	Good Governance and Compliance	4	3	12	8-month AFS, systems upgrade and alignment. Audit readiness is essential with a need for an external audit prior to the formal audit from AGSA. Actions to be reflected in detail in Audit Action Plan.
10	Cyber attacks	Cyber-attacks and cyber safety / security has become essential in municipalities. Investigate security gaps. Users opening unsafe / infected attachments	Good Governance and Compliance	3	3	9	IT to do a gap analysis on security requirements / gaps to prevent cyber-attacks. Staff awareness to not open suspicious email attachments. New electronic system monitoring potential cyber threats.
11	Urbanisation and growth.	Comprehensive understanding of the developmental needs in the greater Stellenbosch area; rapid and continued urbanisation; changes in the needs of the community; masterplans; housing pipeline; IDP	Valley of Possibility	3	3	9	Approved SDF, approved housing pipeline, DBSA funding will be utilised for updating new CEF with spatial demand quantification.



Risk Item	Risk Description	Risk Background	Strategic Objectives	Impact Rating (1-5)	Likelihood Ratings (1-5)	Residual Risk Exposure (1-25) Risk Appetite	Action Plans / Mitigation
		and SDF alignment.					

### 2.9.2 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, while the MFMA, section 112(1)(m) (i), identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms are put in place and separation of duties in a supply chain management system to minimise the likelihood of corruption and fraud.

Management and Council have taken ownership of combatting fraud and corruption throughout the municipality.

The Anti-Fraud and Corruption Prevention Policy was consulted with key internal stakeholders and the Audit and Audit Performance Committee. The policy intends to strengthen fraud and corruption prevention at all levels within the municipality and re-invest the management of fraud and corruption to management at all levels.

The fraud hotline or tip-off line is also fully functional and managed by an independent service provider. A toll-free number and e-mail service are available to members of the public to report any suspected fraudulent or corrupt activities.

### 2.10 Functions of the Audit and Performance Audit Committee

The Municipal Audit and Performance Audit Committee's objectives and functions are based on Section 166(2) (a-e) of the MFMA, further supplemented by the Local Government: Municipal Planning and Performance Management Regulation, as well as the approved Audit and Performance Audit Committee Charter approved 28 March 2018 by Council.

The objectives of the Audit and Performance Audit Committee (APAC) of the Stellenbosch Municipality are to:

- ✚ Assist the Council in discharging its duties relating to the safeguarding of Council's assets;
- ✚ Develop and oversee the operation of an adequate internal process and control system;
- ✚ Oversee the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards;
- ✚ Provide support to the Council on the risk profile and risk management of the Council; and
- ✚ Ensure that there is an internal audit function in place and that the roles of the internal and external audit functions are coordinated.

The APAC is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters and mainly make recommendations to management.



The responsibilities of the APAC are further to review the:

- ✦ Effectiveness of the Council's system of internal control and risk management;
- ✦ Financial reporting and financial statements;
- ✦ Internal Audit function;
- ✦ Auditor General's report;
- ✦ Council's compliance with legislation and regulation;
- ✦ Compliance with the Council's Code of Conduct and ethics; and
- ✦ Performance Management System to make recommendations in this regard to Council.

The committee members are as follows:

**Table 94: Members of the Audit and Performance Audit Committee**

Name of representative	Capacity	Meeting dates
Dr NL Mortimer	Chairperson (re-appointed for a second term 1 April 2019)	26 August 2020
VJ Botto	Member (appointed 1 September 2017)	7 December 2020
TW Lesihla	Member (appointed 1 September 2017)	5 May 2021
J Williams (Ms)	Member (appointed 1 April 2019)	29 June 2021

The APAC advises Council, political office-bearers, the Accounting Officer and management of the municipality on the matters pertaining to duties as described in the Audit and Performance Audit Committee Charter.

The APAC is also accountable to identify major risks to which Council is exposed and determine the extent to which risks have been mitigated.

## 2.11 Internal Auditing

Section 165(2)(a), (b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must: –

- a. prepare a risk-based audit plan and an internal audit programme for each financial year; and
- b. advise the accounting officer and report to the Audit Committee on the implementation of the internal audit plan and matters relating to:
  - ✦ internal audit;
  - ✦ internal controls;
  - ✦ accounting procedures and practices;
  - ✦ risk and risk management;
  - ✦ performance management;
  - ✦ loss control; and
  - ✦ compliance with this Act, the annual Division of Revenue Act and another applicable legislation.
- c. perform such other duties as may be assigned to it by the Accounting Officer.

Stellenbosch Municipality's Internal Audit function is performed by in-house staff. The main focus areas were compliance with applicable laws, regulations, policies and procedures which resulted in both assurance as well as consulting work. During the year under review, the internal audit activity was able to effectively execute 87% of the initial adopted risk-based audit plan.



In addition, process flowcharts for all identified audit areas have been documented, highlighting the key controls and / or control gaps for process owners' / line managers to consider and implement. Follow-up reviews were conducted relating to previously reported matters during the previous financial year.

## 2.11.1 Risk Register and Three-Year Strategic Plan

**Table 95:** ✓ Confirms audit activity completed in the financial year

Audit Activity	2018/19	2019/20	2020/21
<b>Statutory audits</b>			
Division of Revenue Act (DoRA) Compliance	✓	✓	✓
Pre-determined Objectives	✓	✓	✓
Performance Management System	✓	✓	✓
Performance reviews: MM and Directors	✓	✓	✓
Risk Management Review	✓	✓	✓
MGRO 1 and 2	✓	✓	✓
<b>Additional audits after review of risks</b>			
Supply Chain Management	✓	✓	
ITGC, Applications Review and Support Services Equipment		✓	
Review of Cobit Compliance	✓	✓	✓
Governance	✓		
Quarterly Key Control Reviews (SORR)	✓	✓	✓
Financial Year-End Stock-Take	✓	✓	✓
mSCOA	✓	✓	
Building plans and applications for re-zoning	✓		✓
Contracts Management (refer to Table 1.1.3.2)			
Asset Management (refer to Table 1.1.3.2)			
Mont Rochelle (Ad-hoc review) (refer to Table 1.1.3.2)			
Allowances (Overtime, Standby and Scarcity Skills)			✓
COVID-19: Compliance			✓
Quality Assessment Review			✓
<b>Follow-up reviews</b>			
AG Follow-Up Review	✓	✓	✓
Supply Chain Management		✓	
Performance Management System		✓	
Risk management follow up	✓		✓
Applications for Building Plans	✓		✓
Applications for Re-zoning	✓		✓

Risk assessment updates were performed during the 2020/21 financial year and all relevant risks were populated into an updated Risk Register for the municipality. This Risk Assessment Plan forms the basis of the 2020/21 financial year's Risk-Based Audit Plan. New updates to the Stellenbosch Municipality's risk profile were captured during 2020/21 in consultation with the Risk Management Committee. This will ensure that adequate audit coverage is obtained from Internal Audit in consultation with the Auditor General and management.



## 2.11.2 Annual Risk Based Audit Plan

Risk-Based Audit Plan for 2020/21 was implemented with available resources. The table below provides detail on audits completed.

**Table 96: Annual Risk-Based Audit Plan**

Audit Activity	Status
DoRA Compliance	Combined Assurance – AG
MGRO 1 and 2 (MGAP)	Report submitted to PT
<b>IA follow up review:</b>	
Risk Management: Follow up	Completed - refer to QAR
Applications for Building Plans	Final report submitted
Applications for Re-zoning	Final report submitted
AG Audit Action plan 2019/20	Final report submitted
<b>Quarterly Key Control reviews (SORR):</b>	
Quarter 4	AG to set up SORR with IA
Quarter 1	
Quarter 2	
Quarter 3	
<b>Performance Management:</b>	
Pre-determined Objectives	
Quarter 4	Final Report submitted
Quarter 1	Final Report submitted
Quarter 2	Final Report submitted
Quarter 3	Final Report submitted
Performance Management System	Final Report submitted
Performance Reviews: MM and Directors (mid-year and annual assessments)	Final Report submitted
<b>Information Technology:</b>	
ITGC, Applications review and support services equipment	Approved roll over 2021/22
Review of Cobit compliance	Final Report submitted
<b>Other:</b>	
Stores Inventory Review	IA provided direct assistance on behalf of the AG(SA)
Contracts Management	Approved roll over 2021/22
Asset Management	Approved roll over 2021/22
Allowances (Overtime, Standby and Scarcity Skills)	Final Report submitted
COVID-19: Compliance	Phase 1: Final Report submitted Phase 2: Final Report submitted
Quality Assessment Review	Final Report submitted
Mont Rochelle (Ad-hoc review)	In progress – approved roll over 2021/22

## 2.11.3 PMS Audits

Actual performance was subjected to an internal audit review and results of their findings submitted to the APAC. Quarterly audits were performed and reported to the APAC.



## 2.11.4 Functions of the Audit and Performance Audit Committee

The Municipal Audit and Performance Audit Committee's objectives and functions are based on Section 166(2) (a-e) of the MFMA, further supplemented by the Local Government: Municipal Planning and Performance Management Regulation, as well as the approved Audit and Performance Audit Committee Charter, approved 28 March 2018 by Council.

The objectives of the Audit and Performance Audit Committee (APAC) of the Stellenbosch Municipality are to:

- ✚ Assist the Council in discharging its duties relating to the safeguarding of Council's assets;
- ✚ Develop and oversee the operation of an adequate internal process and control system;
- ✚ Oversee the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards;
- ✚ Provide support to the Council on the risk profile and risk management of the Council; and
- ✚ Ensure that there is an internal audit function in place and that the roles of the internal and external audit functions are coordinated.

The APAC is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters and mainly make recommendations to management.

The responsibilities of the APAC are further to review the:

- ✚ Effectiveness of the Council's system of internal control and risk management;
- ✚ Financial reporting and financial statements;
- ✚ Internal Audit function;
- ✚ Auditor General's report;
- ✚ Council's compliance with legislation and regulation;
- ✚ Compliance with the Council's Code of Conduct and ethics; and
- ✚ Performance Management System to make recommendations in this regard to Council.

The committee members are as follows:

**Table 97: Members of the Audit and Performance Audit Committee**

Name of representative	Capacity	Meeting dates
Dr NL Mortimer	Chairperson (re-appointed for a second term 1 April 2019)	26 August 2020
VJ Botto	Member (appointed 1 September 2017)	7 December 2020
TW Lesihla	Member (appointed 1 September 2017)	5 May 2021
J Williams (Ms)	Member (appointed 1 April 2019)	29 June 2021

The APAC advises Council, political office-bearers, the Accounting Officer and management of the municipality on the matters pertaining to duties as described in the Audit and Performance Audit Committee Charter.

The APAC is also accountable to identify major risks to which Council is exposed and determine the extent to which risks have been mitigated.



## 2.12 Supply Chain Management

The Supply Chain Management Policy applicable to the 2020/21 financial year was revised and adopted by the Council on 27 May 2020 (as Appendix 29 of the budget-related policies, in the Council item) in terms of section 17(1) – (3) of the MFMA.

The changes referred to above will ensure that the Department: Supply Chain Management (SCM) has the required legislative mandate to further streamline procedures and processes to promote more efficient and effective service delivery to all internal and external stakeholders.

### 2.12.1 Competitive bids in excess of R200 000

The following table details the number of Bid Committee meetings held for the 2020/21 financial year:

**Table 98: Bid Committee Meetings**

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
51	277	51

The attendance figures of members of the Bid Specification Committee are as follows:

**Table 99: Attendance of Members of Bid Specification Committee**

Member	% Attendance
Supply Chain Management Representative	100%
Relevant technical expert responsible for a function	100%

The attendance figures of members of the Bid Evaluation Committee are as follows:

**Table 100: Attendance of Members of Bid Evaluation Committee**

Member	% Attendance
Senior Accountant: SCM or SCM Practitioner	100%
Relevant technical expert responsible for a function	100%

The attendance figures of members of the Bid Adjudication Committee are as follows:

**Table 101: Attendance of Members of Bid Adjudication Committee**

Member	% attendance
Director Financial Services (Chairperson)	100%
Director Planning and Economic Development	98%
Director: Infrastructure Services	92%
Director: Community and Protection Services	90%
Director: Corporate Services	90%

The percentages indicated above include the attendance by those officials acting in the position of a bid committee member and / or chairperson.

### 2.12.2 Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 96 bids with a value of R 271 922 869.98, excluding annual tenders awarded based on approved rates. The ten highest bids awarded by the bid adjudication committee are as follows:



**Table 102: Ten Highest Bids Awarded by Bid Adjudication Committee**

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded
B/SM 66/20	Provision of Waste Containers and Waste Transportation Services Between Waste Disposal Facilities for the Stellenbosch Municipality	Infrastructure / Solid Waste	Waste Carriers	R29 317 985
B/SM 28/21	Upgrading of the Wemmershoek Wastewater Treatment Works: Phase 1	Infrastructure / Wastewater	Khubeka Construction	R28 390 218,91
B/SM 52/20	Klapmuts Bulk Water Supply and Associated Works	Infrastructure / Water	JVZ Construction	R24 973 121,64
B/SM 79/20	Electrification and Subsequent LV Maintenance of Informal Houses in the Enkanini Informal Settlement of Stellenbosch for the period ending 30 June 2023	Planning / Informal Settlements	Alsu Ondernemings PTY LTD	R15 627 687,44
B/SM 26/20	Provision of Off-Grid Electricity to Residents of the Informal Settlement Known as Enkanini And Possibly to other Informal Settlements Within the WC024 Municipal Area until 30 June 2023	Infrastructure / Electricity	The Sustainability Institute Innovation Laboratory (Pty) Ltd	R13 549 185
B/SM 101/20	Design, Manufacture, Testing, Supply, Delivery and Offloading of 2 20MVA 66/11 KV Transformers for Jan Marais Substation	Infrastructure / Electricity	Actom Power Transformers	R13 584 809
B/SM 56/20	Upgrade of Kayamandi Main Transport Facility	Infrastructure / Roads	Bambana Management	R13 458 747,11
B/SM 33/20	Construction of the Franschoek Transport Facility- Phase 2	Infrastructure / Roads	Bambana Services (Pty) Ltd	R11 294 524,04
B/SM 55/20	Cleaning of CBD Area in Stellenbosch	Infrastructure / Solid Waste	Dreyer Cleaning + Utility	R9 963 290
B/SM 05/21	Software License Renewal and Configuration of VSA Rampage Telephone Management System for the period ending 30 June 2023	Corporate / ICT	Gijima Holdings (Pty) Ltd	R9 558 035,52

### 2.12.3 Awards made by the Accounting Officer

In terms of paragraph 2.4 of Council's Supply Chain Management policy, only the Accounting Officer may award a bid which is over R 10 million. The authority to make such an award may not be sub-delegated by the Accounting Officer.

The table below indicates the bids awarded by the Accounting Officer are as follows:

**Table 103: Awards made by the Accounting Officer**

Bid number	Title of bid	Directorate and Section	Value of bid awarded
BSM 52/20	Klapmuts Bulk Water Supply and Associated Works	Infrastructure / Water	R24 973 121,64
BSM 56/20	Upgrade Kayamandi main Transport Facility	Infrastructure / Roads	R13 458 747,11
BSM66/20	Provision of waste containers and waste transportation services between waste disposal facilities for the Stellenbosch Municipalities for the period from date of award until 30 June 2022	Infrastructure / Water	R29 317 985



Bid number	Title of bid	Directorate and Section	Value of bid awarded
BSM 68/20	Supply and delivery of water and wastewater treatment chemicals	Infrastructure / Water	Rates
BSM 69/20	Chipping / Shredding and removal of green garden waste	Infrastructure / Solid Waste	Rates
BSM 74/20	Annual Electrical Labour Tender for a contract period ending 30 June 2023	Infrastructure / Electricity	Rates
BSM 79/20	Electrification and Maintenance of Informal Houses in The Enkanini Area of Kyamandi Township in Stellenbosch for the period ending 30 June 2022	Planning / Informal Settlements	R15 627 687,44
BSM 83/20	Supply and delivery of Disinfection Chemicals	Infrastructure / Water	Rates
BSM 85/20	Pipe Replacement using conventional and trenchless methods	Infrastructure / Water	Rates
BSM 94/20	The Prevention of Illegal Occupation on Municipal Land and the Demolition of Illegal Structures for a period of three years.	Community / Law Enforcement	Rates
BSM 99/20	Supply and Delivery of Electrical Equipment and Materials	Infrastructure / Electricity	Rates
BSM 101/20	Design manufacture testing supply delivery and offloading 2 20 MVA 66 11 kV transformers for Jan Marais Substation	Infrastructure / Electricity	R13 584 809
BSM 08/21	Supply of materials and hire of Equipment for Road, Stormwater and other Infrastructure Requirements	Infrastructure / Roads and Stormwater	Rates
BSM 13/21	Establishment of a Roster, for Professional Engineering Services for a Term, ending 30 June 2023	Infrastructure / Roads and Stormwater	Rates
BSM 14/21	Provide Private Armed Security for a period of 3 years	Community / Law Enforcement	Rates
BSM 23/21	Group Life	Corporate/ HR	Rates
BSM 28/21	Upgrade of the Wemmershoek Wastewater treatment works -Phase 1	Infrastructure / Water	R28 390 218,91
BSM 35/21	Long term financial plan	Finance	Rates
BSM 71/21	Operation and Management of Stellenbosch Landfill	Infrastructure / Solid Waste	Rates
BSM 78/21	Bill Payments	Finance	Rates
BSM 81/21	Works on Traffic Signals until 30 June 2024	Infrastructure / Roads	Rates

## 2.12.4 Objections Lodged

The table below indicates the total objections lodged during the year under review.

**Table 104: Objections Lodged**

Tender Nr	Description	Date of finalisation of the appeal
B/SM 68/20	Rotocarb (PTY) Ltd	2020/10/26
B/SM 39/19	Summit Projects	2020/10/19
B/SM 55/20	Ibhunga Cleaning and Bricks Paving and Painting	2020/10/09



Tender Nr	Description	Date of finalisation of the appeal
	Sindele's Cleaning and Building	2020/10/09
	Liso Lokhanyo holdings (pty) ltd	2020/10/09
B/SM 26 20	DC Go (Pty) Ltd	2020/10/29
B/SM 04/20	Traffic Management Services	2020/12/15
B/SM 101/20	WEG Transformers	2020/12/22
B/SM 21/21	Recency office furniture cc	2021/02/21
B/SM 82/20	Lumber and Lawn	2021/01/26
B/SM 12/21	Resource Innovations	2021/02/23
B/SM 35/21	Inca	2021/03/01
B/SM 43/21	Venducape	2021/03/02
B/SM 46/21	Impepho Catering and General	2021/06/02
B/SM 61/21	Kets Attorneys	2021/05/04
B/SM 14/21	Isidingo Security	2021/05/13
B/SM 69/21	Top plan projects	2021/05/05
B/SM 18/21	Umzulu Trading	2021/05/11
B/SM 57/21	Zutari	2021/06/25
B/SM 48/21	Thabomeleng	2021/06/15
B/SM 57/21	Zutari	Withdrawn
B/SM 85/21	Securicom	2021/07/14
B/SM 65/21	Livewire	2021/08/04
B/SM 75/21	Bidvest Waltons	2021/08/18

The municipality also had eighteen (13) appeals which were resolved together with two (11) objections which were also dealt with.

### 2.12.5 Formal Quotations (above R30 000 and below R200 000) Procurement Processes

The number of formal quotations approved by the Snr. Manager: Supply Chain Management for the year under review follows:

**Table 105: Formal Quotations (above R 30 000 and below R 200 000)**

Description	Financial Years			
	2017/18	2018/19	2019/20	2020/21
Number of Awarded Formal Quotations	206	203	145	122
Total Formal Quotations advertised	264	249	159	139
<b>Percentage awarded</b>	<b>78.03%</b>	<b>81.53%</b>	<b>91.19%</b>	<b>88%</b>

### 2.12.6 Deviation from normal Procurement Processes

Paragraph 4.36 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. The following table indicates the number of certificates of emergencies and deviations approved in terms of section 4.36 of the SCM Policy.

**Table 106: Deviation from Normal Procurement Process**

Description	Financial Years			
	2017/18	2018/19	2019/20	2020/21
<u>Certificate of Emergencies:</u> Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy	0	0	0	0
<u>Deviations:</u> Approved by the Accounting Officer i.t.o. Section 4.36.1 of the SCM Policy	54	42	32	19
<b>TOTAL</b>	<b>54</b>	<b>42</b>	<b>32</b>	<b>19</b>

Deviations from the normal procurement processes have been monitored closely to mitigate the risk associated with it.

### 2.12.7 Disposal Management

The system of disposal management envisages the following:

- ✦ immovable property is sold only at market-related prices except when the public interest or the plight of the poor demands otherwise;
- ✦ movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market-related prices, whichever is the most advantageous;
- ✦ firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- ✦ immovable property is let at market-related rates, except when the public plight of the poor demands otherwise;
- ✦ all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- ✦ where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- ✦ in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

The municipality complies with section 14 of the MFMA which deals with the disposal of capital assets as well as with the Asset Transfer Regulations.

### 2.12.8 Supply Chain Management Performance Management

The SCM policy requires that an internal monitoring system be established and implemented to determine, based on retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an ongoing process. Procedure manuals for various SCM processes have been developed, approved and are being implemented.

### 2.12.9 Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to the AG's office:



- a) Service provider means a person or institution or any combination of persons and institutions that provide a municipal service;
- b) External service provider means an external mechanism referred to in section 76(b) that provides a municipal service for a municipality; and
- c) Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its account or on behalf of the municipality.

Section 121(b) of the MFMA and section 46 of the MSA further state that a municipality should include the following aspects related to service providers in its annual report:

- ✚ The performance of each service provider;
- ✚ A comparison of the performance with targets set for and performance in the previous financial year; and
- ✚ Measures are taken to improve performance.

### 2.12.10 B-BBEE Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad-Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BBEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. Under the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission, the following table provide details on the municipality's compliance concerning broad-based black economic empowerment which only focus on the organisational aspect of the compliance reform: It should be noted that a consultant is currently in process to do an in-depth rating of the BBEE compliance in terms of supply chain and socio-economic activities.

#### a) Management Control

**Table 107: B-BBEE Compliance Performance Information - Management Control**

Category	% for each category	Race Classification			Gender		Disability
		A	C	W	F	M	
Directors	4 / 6 = 66.67%	0	4	2	2	4	0
Senior Management	18 / 25 = 72%	3	15	7	4	21	0

#### b) Skills Development

**Table 108: B-BBEE Compliance Performance Information- Skills Development**

Category	% for each category	Race Classification		Gender		Disability	Total amount spend
		Category	Total	Category	Total		
Black Employees	317	A	116	F	88	None	R 3 135 206 (95% of total spend)
		C	200	M	229		
		I	1				
Non-Black employees	17	W	17	F	6	None	R 1 65 011 (5% of total spent)
				M	11		
Black People on internships, apprenticeship, learnership	34	A	11	F	17	None	R1 068 800 (28 300 x 8) (32 400 x 26)
				M	17		



Category	% for each category	Race Classification		Gender		Disability	Total amount spend
		Category	Total	Category	Total		
Unemployed black people on any programme under the learning programme matrix	2	C	2	M	2	None	52 600 (26 300 x 2)
Black people absorbed at end of learnership, internship and apprenticeship	0	0	0	0	0	None	0

## 2.13 By-Laws and Policies

Section 11 of the MSA gives municipal councils the executive and legislative authority to pass and implement by-laws and policies.

Budget related policies reviewed in the 2020/21 financial year are listed below.

**Table 109: Budget Related Policies Reviewed**

Policies Revised	Date Adopted
Traffic Calming Policy	24.08.2020
Land Use Enforcement Policy for Stellenbosch Municipality, March 2019	24.08.2020
Performance Management Policy	29.07.2020
Parking Policy for Council	28.10.2020
Policy and procedures for ward committees, including COVID-19 protocols	25.11.2020
Universal Access Policy Review	27.01.2021
Non-Motorised Transport Policy	21.04.2021
Consequence Management Policy	26.05.2021
Accounting Policy	26.05.2021
Asset Management Policy	26.05.2021
Borrowing, Funds and Reserves Policy	26.05.2021
Budget Implementation and Monitoring Policy	26.05.2021
Cash Management and Investment Policy	26.05.2021
Cost Containment Policy (2019-09-25)	26.05.2021
Credit Control and Debt Collection Policy	26.05.2021
Development Charges Policy	26.05.2021
Financing of External Bodies Performing Municipal Functions Policy	26.05.2021
Grants-In-Aid Policy	26.05.2021
Indigent Policy	26.05.2021
Inventory Management Policy	26.05.2021
Irrecoverable Debt Policy	26.05.2021
Liquidity Policy	26.05.2021
Petty Cash Policy	26.05.2021
Preferential Procurement Policy	26.05.2021
Property Rates Policy	26.05.2021
SCM Policy for Infrastructure Procurement and Delivery Management	26.05.2021
Special Ratings Area Policy	26.05.2021
Supply Chain Management Policy	26.05.2021
Tariff Policy	26.05.2021



Policies Revised	Date Adopted
Travel and Subsistence Policy	26.05.2021
Virement Policy	26.05.2021
Ward Allocation Policy	26.05.2021
Wayleave Policy (2021-03-31)	26.05.2021
Development Charges Policy	26.05.2021

**Table 110: Bylaws reviewed**

Bylaws	Date of Approval
Stellenbosch Liquor Trading Hours By-Law	29.07.2020
Problem Properties By-Law	29.07.2020
Stellenbosch Municipality By-Law on Stormwater	25.11.2020
Stellenbosch Municipality By-Law on Integrated Waste Management	25.11.2020
Stellenbosch Municipality By-Law on Parking	28.04.2021
Stellenbosch Municipality By-Law Roads and Street	28.04.2021
Stellenbosch Municipality By-Law on Posters (Draft)	28.04.2021
Property Rates By-Law	26.05.2021
Tariff By-Law	26.05.2021
Special Areas Rating By-Law	26.05.2021
By-Law on Stormwater	26.05.2021

## 2.14 Municipal Website

The municipal website is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget-related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA.

**Table 111: Municipal Website Checklist**

Documents Published on the Stellenbosch Municipality's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Within legislated period
All current budget-related policies	Yes	Within legislated period
Current annual and adjustment budgets and all budget-related documents	Yes	Within legislated period
All current budget-related policies	Yes	Within legislated period
The annual report for 2020/21	-	Pending
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2020/21	Yes	Within legislated period
All service delivery agreements for 2020/21	Yes	Within legislated period
All long-term borrowing contracts for 2020/21	Yes	Within legislated period
All supply chain management contracts above a prescribed value for 2020/21	Yes	Within legislated period
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2020/21	Yes	Within legislated period





## 2.15 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996, section 152 (1)(e), in setting out the objectives of local government, states that municipalities must “encourage the involvement of communities and community organisations in the matters of local government”. Section 160(7) of the Constitution further says that “a municipal council must conduct its business in an open manner, and may close its sittings, or its committees, only when it is reasonable to do so”.

The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) MSA, section 4, encourages the involvement of communities in the affairs of their municipalities. As a local government, the municipality has an obligation to act with high levels of transparency, accountability, openness, participatory democracy and direct communication with communities to improve the lives of residents. At the heart of the Communication Policy, adopted by Council in July 2020, lies the notion of improved communication that facilitates public participation.

Communication platforms played a vital role during the year under review and as the country was hit by the COVID-19 pandemic. It was the municipality's duty to inform the greater Stellenbosch of all newsworthy information. Ensuring that the right messages reach the intended audiences on the most appropriate platforms and continuously facilitating conversations through to the various communication platforms, contributes to the strengthening of the municipality's corporate identity and brand. The relationship with the media became crucial and also the vehicle to steer the communication to all stakeholders. Comprehensive responses were prepared to all media enquiries from the community, local, regional and national publications / broadcasters on a weekly basis. Positive news stories are being disseminated through the proactive release of media statements. These statements and positive news stories are also amplified to reach audiences online by sharing them on the municipal website and other social media platforms. The communication informed the community of the COVID-19 pandemic and how to practice social distancing and good health as well to educate and encourage the residents to stay safe by vaccinating. Daily statistics are still being broadcast on all communication platforms.

Members of the public can report faults or refer enquiries through an e-mail link on the website to the [contact.stellenbosch@stellenbosch.gov.za](mailto:contact.stellenbosch@stellenbosch.gov.za) mailbox. This mailbox is monitored daily and enquiries, compliments and complaints are forwarded to the relevant departments on a daily basis. The municipal website is updated with new and official notices, formal quotations, tenders, news stories, vacancies as well as meeting agendas and minutes on an ongoing basis. The website is increasingly made more user-friendly and plans are already in place to simplify navigation and increase overall customer satisfaction by restructuring the website.

The municipal Facebook page and the Twitter account has been growing steadily and now reaches a much larger, ever-growing audience. Apart from being used to publicise municipal news stories, photos and videos, social media platforms are used to broadcast important alerts and notices. Traffic is also diverted to the website through the municipality's social media platforms. Municipal advertisements are regularly placed in the community and regional newspapers and contribute to building the municipality's brand. The Executive Mayor's monthly newsletter, pamphlets, posters, notice boards and regular IDP / Ward meetings provide the municipality with additional platforms for communicating with residents and other stakeholders.

In an effort to improve internal communication within the organisation, the interdepartmental communication forum has been established and meetings of this forum have proved to be





invaluable. The interdepartmental communication forum meets at least quarterly. Improved internal communication is further achieved through the newsletter of the Municipal Manager, internal memos, notice boards, a bulk SMS system and regular staff meetings.

Below is a communication checklist of the compliance to the communication requirements.

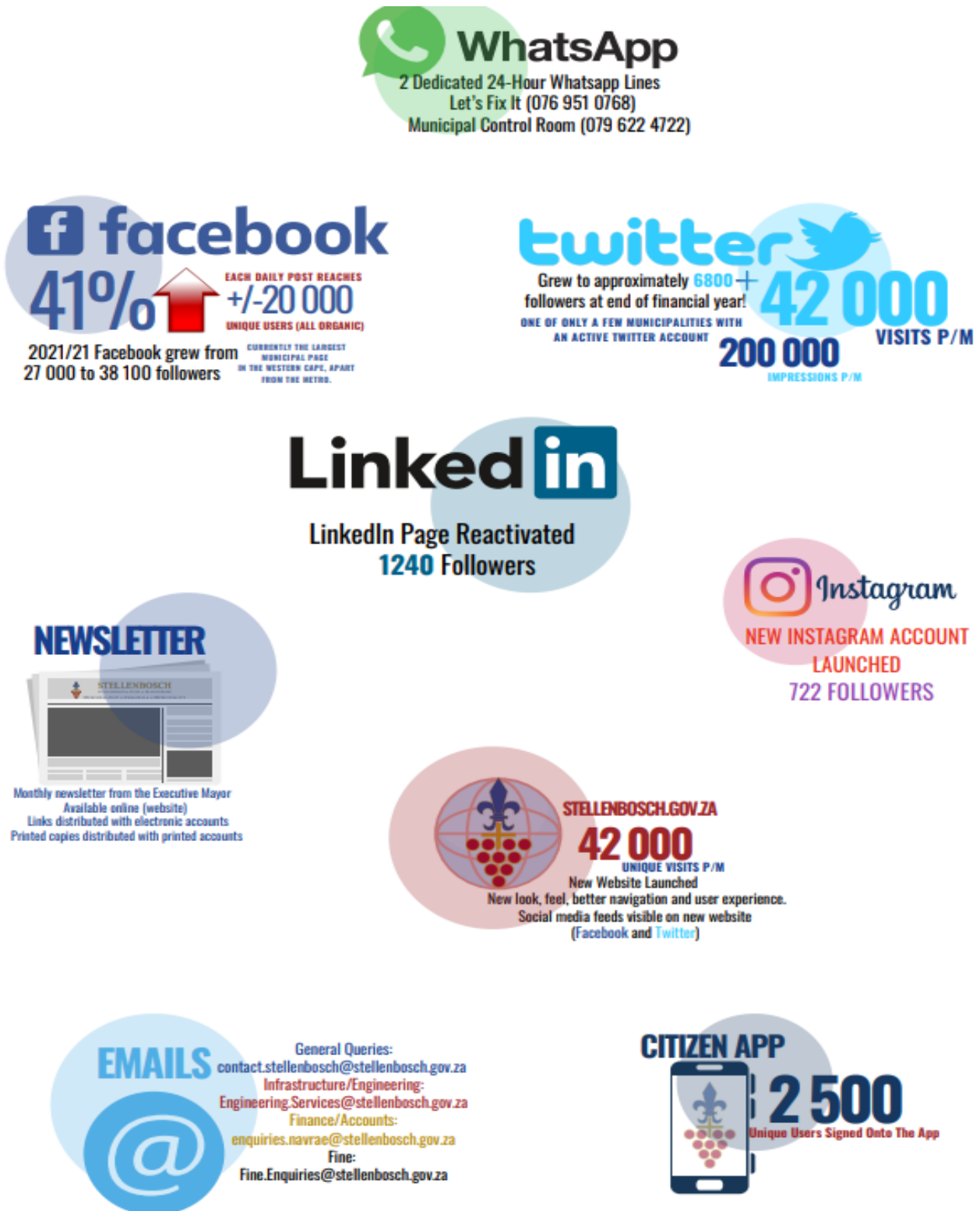
**Table 112: Communication Activities**

Communication activities	Yes / No
Communication Unit	Yes
Communication Strategy	Yes
Communication Policy	Yes
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes



The image below illustrates the volume of visitors to the municipality's social media platforms.

Figure 20: Social media activity





## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### 3.1 Overview of performance within the organisation

This section provides an overview of the key service achievements of the municipality that came to completion during 2020/21 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

To improve on performance planning, implementation, measurement and reporting, the municipality implemented the following actions:

- ‡ Departmental operational plans were developed for monitoring and reporting operational programmes. An electronic performance management system is operational within the municipality. The same system forms the basis of performance evaluations of the Directors and the Municipal Manager; and
- ‡ The municipality endeavoured during the development of the TL SDBIP as well as with the development of the Departmental SDBIP that the “SMART” principle be adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time-bound, thus making them measurable.

## COMPONENT A: BASIC SERVICES

This component includes the municipal functions, basic service delivery highlights and challenges, details of services provided for water, wastewater (sanitation), electricity, waste management, housing services and a summary of free basic services.

### 3.2 Municipal Functions

#### 3.2.1 Analysis of Functions

The municipal functional areas are indicated below.

**Table 113: Municipal Functional Areas i.t.o. the Constitution**

Municipal Function	Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Air pollution	Yes
Building regulations	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No



Municipal Function	Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes from 2013
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

### 3.3 National Key Performance Indicators – Basic Service Delivery

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

**Table 114: Basic Service Delivery**

KPA and Indicators	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Basic Service Delivery*</b>						
The percentage of households earning less than R6,500 per month with access to free basic services <small>(In the case of Stellenbosch Municipality- number of registered Indigent households are being reported)</small>	6 486	5 686	6 453	6 813	6 666	7 283
Service for water, sanitation and refuse removal (Average)	7 042	5 686	6 453	6 813	6 666	7 283

\*The data emanates from the Indigent Register of the Stellenbosch Municipality

### 3.4 Water Provision

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

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

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

After the drought disaster and a good rainfall season during 2020, the municipalities in the Western Cape lifted water restrictions. Stellenbosch Municipality currently has no water restriction. Stellenbosch Municipality supplies water to the consumers in their area of jurisdiction through the following six water supply systems:

- ‡ Stellenbosch (Ida's Valley - Own sources, DWS allocation and Paradyskloof WTW – Theewaterskloof Dam);
- ‡ Western Cape Water Supply Scheme (WCMSS) via a tunnel;
- ‡ Franschhoek (Du Toits River-Own resources, Wemmershoek Dam WTW - CoCT);
- ‡ Dwarsrivier (Wemmershoek Dam WTW- CoCT);
- ‡ CoCT agreement (Blackheath WTW, Faure WTW and Wemmershoek WTW); and
- ‡ Boreholes BH1: Die Braak, BH2: Meerlust and BH3: Van der Stel.

The total population supplied with water in the Stellenbosch Municipal area amount to approximately 136 036 people. Water is also supplied to a fairly extensive industrial area.

Stellenbosch Municipality manages three water treatment works, namely Ida's Valley, Paradyskloof and Franschhoek, which is a micro water treatment plant. The potable water supply from these works amounted to 18.099 MI/d and a further 9.308 MI/d was obtained from the City of Cape Town (CoCT) during the 2020/21 financial year, ensuring a supply of approximately 27.4 MI/d to the municipality's area of responsibility.

Areas supplied from the Wemmershoek Dam and water treatment works include half of Franschhoek town, La Motte, Wemmershoek, Pniël, Boschendal, Johannesdal, Kylemore, Lanquedoc, Klapmuts, Koelenhof, Elsenburg, Devon Valley and Muldersvlei. Areas supplied from Blackheath water treatment works include Polkadraai, Spier and Vlottenburg.



Areas supplied from Faure water treatment works (supplied from Steenbras Dam – CoCT) are Faure, Jamestown, De Zalze, Raithby and Lynedoch. Although these water treatment works fall within the sphere of responsibility of the City of Cape Town, their impact with regard to water quality and quantity needs to be monitored and considered by Stellenbosch Municipality.

Stellenbosch Municipality supplies potable water to the entire municipal area through a network and infrastructure consisting of 56 reservoirs / holding tanks and water towers, 36 water pump stations, 41 pressure reducing valve installations, 667 kilometres of pipeline and 79 water supply zones. The system is fully controlled and operated by a telemetry system.

The total bulk water input into the water network for the 2020/21 financial year was 10.0038 MI, with an annual average daily demand of 27 407 kl/day. 33.9% of the water supplied are purified from the municipality's water sources at the Ida's Valley and Franschhoek water treatment plants. The balance is supplied by the CoCT, where raw water supplied by the Department of Water and Sanitation is purified. Potable water supplied from the CoCT is analysed monthly.

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

Based on the municipality's IWA Water Balance sheet for the 2020/21 financial year under review, the municipality recorded 18.1% for "non-revenue" water, which is a decrease of 2.4% from the previous financial year and 9.9% for Real Network Losses. Refer to the municipality's International Water Association (IWA) Water Balance Sheet.

<b>System input volume: July 2020 to June 2021 ; kl *</b>		<b>10 003 874</b>	<b>100%</b>		
(water demand in reticulation system)					
Potable	Authorised consumption 85,1%	Revenue water 81,9%	Billed metered (normal) *	7 701 782	77,0%
		Non-revenue water 18,1%	Billed unmetered	486 778	4,9%
	Un-billed metered		300 116	3,0%	
	Un-billed unmetered		20 008	0,2%	
	Apparent losses		500 194	5,0%	
	UAW 14,9%	Real network losses	994 996	9,9%	
<b>Non-revenue water (NRW) ; kl</b>		<b>1 815 314</b>	<b>18,1%</b>		
<b>Real network losses ; kl</b>		<b>994 996</b>	<b>9,9%</b>		

The no-revenue water for the 2020/21 financial year is 18.1% that is below the target set of 25%. The real physical network losses are at 9.9% that is below the best practice value of 15%.

The table above is the International Water Association table to compute the water balance and is also accepted in the DWS reporting structure. This forms the basis of the information needed and what is currently used to calculate water losses. This is combined with a monitoring system installed on all bulk water supply points to determine and ensure accurate data of water provided. The consumption data for all water users are drawn from the SAMRAS system with a regular data download to determine the total water sold. The figure above is used as far as possible to reflect the water balance and water losses in the water systems. The water readings of all areas are also filled in on a spreadsheet that is sent to the DWS on a three-monthly basis to monitor and control water usage and allocations of water.

The municipality has developed a comprehensive Water Conservation and Water Demand Management (WC&WDM) strategy, which includes a 10-year financial plan. The strategy has two



goals: the municipality will prioritise the implementation of WC&WDM, and will ensure ongoing planning, management, monitoring and an enabling environment. The WC&WDM initiatives include a water pipe replacement programme, indigent domestic leak repair and meter replacement programme, Stellenbosch water meter audit and Stellenbosch in-house water services operation and maintenance.

Stellenbosch Municipality implemented level 1 water restrictions from the 1st of November 2015 to achieve a 10% water consumption decrease. This was due to low supply dam levels and low rainfall figures during the rainy season. This was followed by the implementation of Level 2 restrictions from March 2016 due to extreme heat conditions and even lower supply dam levels in Stellenbosch and the City of Cape Town. The Level 2 restrictions included the increased tariffs for water consumption to achieve a 22% savings on water consumption.

The City of Cape Town is currently on Level 1 water restrictions. Fortunately, the municipality was in a position to lower the water restrictions but will have to encourage low water usage for the time being. Stellenbosch Municipality is on Level 2 water restrictions because its water sources contribute a large percentage of the water input volume into the WC024 area.

The municipality implemented level 6 B from 19 February 2018 – 31 October 2020 whereby restrictions were lifted with effect from 01 November 2020.

The following table reflects the current status of the dam levels supplying the WCWSS with water and the status of Stellenbosch's dam levels.

**Table 115: Western Cape Dams**

Major dams	2021	2020
	(%)	(%)
Berg River	100.8	81.2
Steenbras Lower	89.9	49.9
Steenbras Upper	84.6	99.6
Theewaterskloof	101.9	55.8
Voëlvei	88.1	54.5
Wemmershoek	97.7	43.3
<b>Total Stored (MI)</b>	<b>879 173</b>	<b>723 706</b>
<b>% Storage</b>	<b>97.4</b>	<b>58.8</b>

The table and graphs below depict the Stellenbosch dams and overall water usage trends:

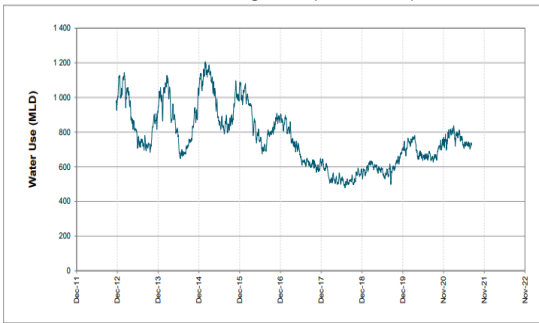
### Stellenbosch's own Dams

**Table 116: Stellenbosch dams**

Ida's Valley 1	100	100	100
Ida's Valley 2	100	100	103

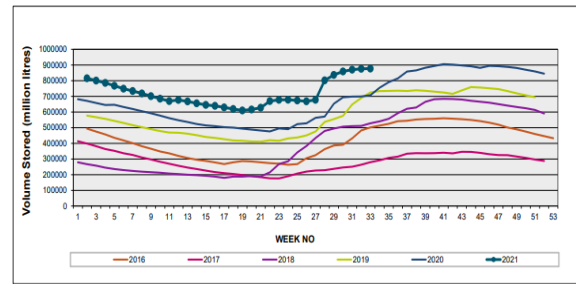


Overall Water Usage Trend (2010 - Present)



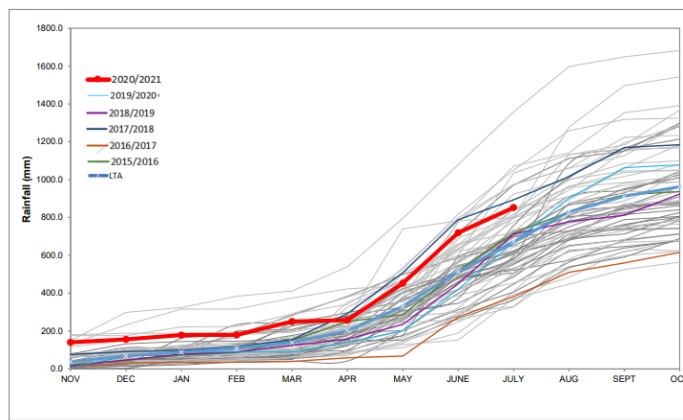
WCSS means Western Cape Water Supply System  
MLD means million litres per day  
More information on Water Saving and Restrictions is available on the City of Cape Town's 'ThinkWater' website

WCSS Comparative Storage Graph



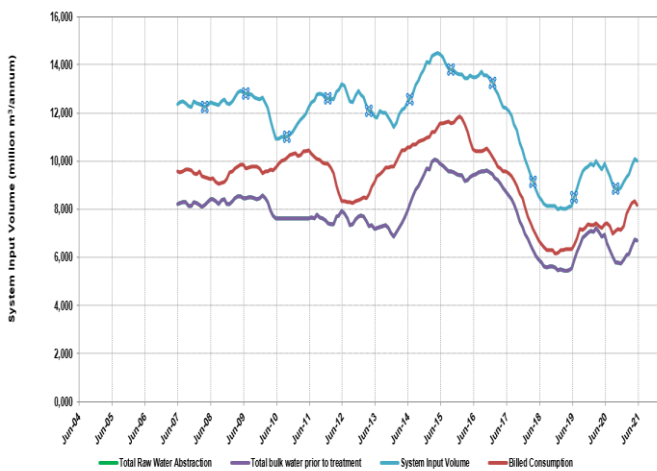
Accumulated Monthly Rainfall at Wemmershoek

Note: Wemmershoek station used due to long record and mountainous location

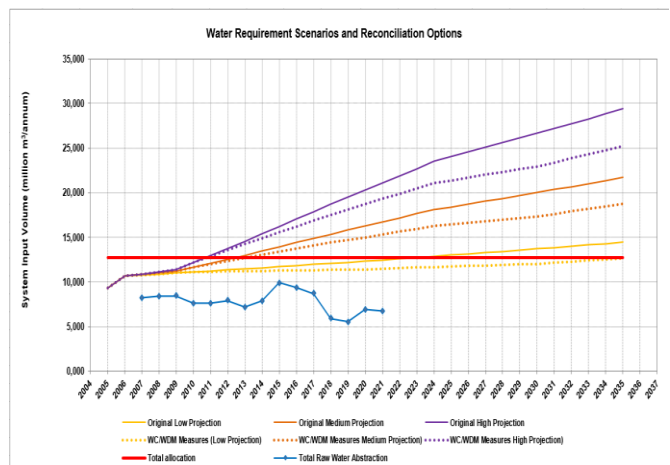


Groundwater is now seen as a potential water source and will be investigated and evaluated after the new water resources study is completed.

Water Consumption Volume (12 month rolling)



Water Requirement Scenarios and Reconciliation Options







### 3.4.1 Service Statistics – Water Services

The table below outlines water usage totals per category:

**Table 117: Total Use of Water (Mℓ)**

Total Use of Water (Mℓ)					
Year	Total Water into the System (Mℓ)	Total Water Sold (Mℓ)	Non-Revenue Water	% Non-Revenue Water	% Physical Water Loss
2014/15	14 876	11 556	3 320	22.3%	10.3%
2015/16	13 889	10 498	3 391	24.4%	12.4%
2016/17	12 220	9 572	2 648	21.8%	9.7%
2017/18	8 661	6 779	1 882	21.7%	8.2%
2018/19	8 058	6 380	1 676	20.8%	6.9%
2019/20	8 015	6 374	1 640	20.5%	6.5%
2020/21	10 003	7 701	1 815	18.1%	9.9%

### 3.4.2 Water Service Delivery Levels

As a priority, it is the responsibility of Stellenbosch Municipality to ensure that adequate and appropriate investments are made to ensure the progressive realisation of the rights of all people in its area of jurisdiction to receive at least a basic level of water and sanitation services. While the provision of basic water services is the most important and immediate priority, Water Services Authorities are expected to provide intermediate and higher levels of services (for example water on site) if it is practical and provided it is financially viable and sustainable to do so.

All water services provided by Stellenbosch Municipality to consumers within its borders are linked to the municipality's Tariff Policy and Tariff By-laws, and poor households are incorporated through the municipality's Indigent Policy.

A large number of residents in the lowest income groups (living in informal areas) poses a major challenge to the municipality to provide suitable housing. Stellenbosch Municipality strives towards providing all households in the towns with a water connection inside the house and connecting all households to a waterborne sanitation system.

All the formal households in the urban areas of Stellenbosch Municipality's Management Area are provided with water connections and waterborne sanitation facilities inside households (higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. The municipality has become aware of the fact that communal standpipes represent in all likelihood the weakest part of a network's water supply services. Standpipes are often constructed in ways that cannot withstand excessive use (and in some instances abuse) and are often neglected in terms of operation and maintenance, with negative effects on the quality of the water supply.

Communal standpipes are also used by poor households who normally do not pay for water.



The table below specifies the different water service delivery levels per households:

**Table 118: Water Service Delivery Levels**

Description	2015/16 (audited)	2016/17 (audited)	2017/18	2018/19	2019/20	2020/21
<b>Household</b>						
<b>Water: (above minimum level)</b>						
Piped water inside	37 902	37 989	38 027	40 321	42 615	38 120
Piped water inside yard (but not in dwelling)	3 596	3 596	3 596	3 596	3 596	3 596
Using public tap (within 200m from dwelling)	8 491	9 238	9 699	11 327	12 955	10 504
Other water supply (within 200m)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Minimum Service Level and Above Sub-Total</b>	<b>49 989</b>	<b>50 823</b>	<b>51 323</b>	<b>55 244</b>	<b>59 166</b>	<b>52 220</b>
<b>Minimum Service Level and Above Percentage</b>	<b>99.75</b>	<b>99.75</b>	<b>99.75</b>	<b>99%</b>	<b>98,93%</b>	<b>98%</b>
<b>Water: (below minimum level)</b>						
Using public tap (more than 200m from dwelling)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Other water supply (more than 200m from dwelling)	125	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
No water supply	405	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Below Minimum Service Level Sub-Total</b>	<b>530</b>	<b>0</b>	<b>0</b>	<b>581</b>	<b>632</b>	<b>1 263</b>
<b>Below Minimum Service Level Percentage</b>	<b>1.06</b>	<b>0</b>	<b>0</b>	<b>1%</b>	<b>1,07%</b>	<b>2%</b>
<b>Total Number of Households (formal and informal)</b>	<b>48 002</b>	<b>48 002</b>	<b>52 374</b>	<b>55 825</b>	<b>59 798</b>	<b>53 483</b>

The table below indicates the capital expenditure for water services at 30 June 2021.

**Table 119: Capital expenditure as at 30 June 2021: Water Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
New Reservoir: Rozendal	14 173 975	1 729 909	-87.80%
Bulk water supply Klapmuts	11 751 157	11 751 157	0%
Vehicles	5 655 281	5 313 766	-6.04%
Bulk water supply pipe and Reservoir: Kayamandi	4 500 000	3 203 980	-28.80%
Water Conservation and Demand Management	4 020 292	3 095 545	-23%
<i>Only the 5 largest capital projects are listed</i>			

Water Services have spent, **62.58%** of the capital budget for the financial year.



### 3.5 Wastewater (Sanitation) Provision

The main focus for the 2020/21 financial year was to implement the demands of the Stellenbosch Municipality's masterplan, fulfilling the development needs for the Stellenbosch Municipality's vision, part of the demand was to complete the upgrade of the existing **Stellenbosch Wastewater Treatment Works (WWTW)**, upgrade of the **Pniël Wastewater Treatment Works**, identifying and resolving operational issues at the **new Wemmershoek Wastewater Treatment Works**.

The extension of the Stellenbosch WWTW from a 20MI/day to a 35MI/day plant commenced in April 2015 and carried on through to the 2019/20 financial year. This completed plant made use of Membrane Bioreactor Technology to ensure that current and future demand flows to meet the highest standards in effluent quality. The total construction value is estimated at R479 million. The project is funded by the Stellenbosch Municipality and Department of Water and Sanitation (DWS) through its Regional Bulk Infrastructure Grant (RBIG) initiative. Phase 1 of the project is completed and is fully operational. New challenges occurred during phase 1, which led to phases 2 and 3 of the project.

The construction of the 4.5 MI/day Pniël WWTW upgrade has commenced within the 2019/20 financial year and should be completed within the 2021/22 financial year. The upgrade of the Wemmershoek WWTW upgrade will commence in the 2021/22 financial year and should be completed by 30 June 2024.

The table below specifies the different sanitation service delivery levels per household for the financial years 2015/16 – 2020/21.

**Table 120: Sanitation service delivery levels**

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Household</b>						
<b><u>Sanitation/sewerage: (above minimum level)</u></b>						
Flush toilet (connected to sewerage)	37 902	37 939	38 027	40 321	42 615	44 909
Flush toilet (with septic tank)	1 079	1 079	1 079	1 079	1 079	1 079
Chemical toilet	321	114	94	94	139	184
Pit toilet (ventilated)	209	0	0	0	0	0
<b>Other toilet provisions (above minimum service level)</b>	<b>1 038</b>	<b>0</b>	<b>0</b>	<b>2 336</b>	<b>2 386</b>	<b>2 386</b>
<b>Minimum Service Level and Above Sub-Total</b>	<b>40 549</b>	<b>39 132</b>	<b>39 252</b>	<b>44 595</b>	<b>46 219</b>	<b>48 609</b>
<b>Minimum Service Level and Above Percentage</b>	<b>94.86</b>	<b>97.51</b>	<b>97.01%</b>	<b>92.0%</b>	<b>98,14%</b>	<b>95.18%</b>
<b><u>Sanitation / sewerage: (below minimum level)</u></b>						
Bucket toilet	125	0	0	0	0	0
Other toilet provisions (below minimum service level)	1 038	0	0	0	0	0
No toilet provisions	1 035	0	0	0	0	0
<b>Below Minimum Service Level Sub-Total</b>	<b>2 198</b>	<b>1 193</b>	<b>1 173</b>	<b>1 050</b>	<b>972</b>	<b>1 263</b>
<b>Below Minimum Service Level Percentage</b>	<b>5.14</b>	<b>2.49</b>	<b>0</b>	<b>1.88%</b>	<b>2.11%</b>	<b>2.49%</b>
<b>Total Number of Households</b>	<b>42 747</b>	<b>40 325</b>	<b>52 374</b>	<b>55 825</b>	<b>59 276</b>	<b>61 351</b>



The table below indicates the capital expenditure for sanitation services at 30 June 2021.

**Table 121: Capital expenditure as at 30 June 2021: Sanitation Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrade of WWTW: Priël and Decommissioning of Franschoek	64 399 977	75 649 730	17.47%
Bulk Sewer Outfall: Jamestown	29 499 970	22 367 831	-24.18%
Extension of WWTW: Stellenbosch	5 072 391	4 083 230	-19.50%
New Plankenburg Main Outfall Sewer	4 488 316	4 070 543	-9.31%
Upgrade of WWTW Wemmershoek	3 958 992	1 537 959	-61.15%
<i>Only the 5 largest capital projects are listed</i>			

Sanitation Services have spent, **99.90%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Department: Water and Wastewater Services:

**Table 122: Number of employees in the Department: Water and Wastewater Services**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	6	4	2	33%
9 – 13	78	39	39	50%
4 – 8	139	53	86	61.8%
3 – 0	190	94	96	64%
<b>Total</b>	<b>414</b>	<b>191</b>	<b>223</b>	<b>53.86%</b>

### 3.6 Major projects implemented

The table below indicates all major projects implemented for Department: Water and Wastewater Services.

**Table 123: Major projects implemented**

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
<b>Water Conservation and Water Demand Management (Wc/Wdm) Initiatives</b>				
Water Treatment Works Ida's Valley	Upgrading of the existing works to increase the current treatment capacity as well as to introduce colour removal.	R100M	Various upgrades and modifications to treatment works processes are to be made to increase treatment capacity.	A consultant was appointed and the project is currently in the inception phase.
Extension of the Stellenbosch Wastewater Treatment Works (SWWTW).	The extension of the Stellenbosch Wastewater Treatment Works (SWWTW) is one of the largest projects in Stellenbosch history.	R480M	Increased Treatment capacity to 35 MI/day Resolves the critical need for present and future WWT demand in the area. Enable economic development in the area	Phase 1 consists of constructing new a 27MI/day MBR lane. In Phase 2 the existing plant will be upgraded to BNR (Biological Nutrient Removal) system with a capacity of 8MI/day. The project



Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
<b>Water Conservation and Water Demand Management (Wc/Wdm) Initiatives</b>				
			Support the housing provision pipeline.	has reached 100% completion. With further investigation into a tanker discharge facility.
New Wemmershoek (Franschhoek Valley) WWTW	The New Nereda Wemmershoek WWTW is at the forefront of technological innovation and construction was completed in April 2015 (Nereda © technology).	R29M	Ensure allowance for future demand and economic growth and development of the greater Franschhoek and surrounding areas. Increase capacity from 3ML/day to 7ML/day in phases to eradicate Franschhoek WWTW challenges. Allow decommissioning of existing Franschhoek WWTW.	A consultant was appointed to design phase 1 of the new CAS plant. The construction will commence in July 2021. Staff is constantly trained to operate this highly technical plant.
Upgrade of Pniël WWTW	The upgrade of existing WWTW.	R144M	Capacity increased to 4.5ML/day.	Activated sludge process with Belt press and new UV disinfection system.
Jamestown Outfall sewer	Upgrade existing Sewer and construct a new pump station	R60M	Capacity increased to accommodate Jamestown new developments	Near completion

### 3.7 Electricity

Load shedding continues to be experienced due to Eskom's challenges with their power stations. As in the previous financial years 2017/18, 2018/19 and 2019/20 and 2020/21 Stellenbosch Municipality continues to contribute to Eskom's electricity supply stability, mainly with the following projects:

#### a) The Demand Side Management

The municipality continued with the Energy and Demand Management project, to replace energy-inefficient street light fittings with energy-efficient (LED) fittings.

#### b) Hot Water Load Control Project

The municipality has continued to install hot water load control devices in the Franschhoek area, which will enable shedding of all geysers during peak times, hence making an energy-saving at the end of the month. A total of 9 223 load control devices were installed across Stellenbosch and Franschhoek. All new developments are being issued with load control devices to manage the energy demand.

#### c) Alternative Energy

The current regulatory reforms include amendments to the Electricity Regulation Act on new generation capacity to enable municipalities to pursue their generation options.

The Minister of Mineral Resources and Energy, Mr Gwede Mantashe on 16 October 2020, gazetted amendments to the Electricity Regulations on New Generation Capacity. The amendments now enable municipalities in good financial standing to develop their power generation projects themselves or in collaboration with Independent Power Producers (IPPs), which was not the case in the past.

Stellenbosch Municipality is now exploring least-cost electricity pathways that are accessible to



mitigate against load-shedding amongst other aspirations.<sup>3</sup>

#### d) Electrification of Informal Settlements

Through the Integrated National Electrification Programme (INEP) grant received, the municipality managed to construct an electricity network in Enkanini to cater for 1 300 connections, the contractor is still on-site implementing the project.

In Langrug, planning is underway to upgrade the network to cater for additional connections. Planning includes arrangements that need to be made to make way for the installation of the new infrastructure.

#### e) Pniël take-over

The municipality continued with network upgrading in the 2020/21 financial year.

Each financial year, the municipality work from the report starting / addressing the worst infrastructure first.

### 3.7.1 The Electricity Service Delivery Statistics

Stellenbosch Municipality has four intake points, as indicated in the table below.

**Table 124: Stellenbosch Municipality notified demand per intake point**

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Stellenbosch	60 MVA	0	50.94 MVA
Franschhoek	10 MVA	0	9.30 MVA
Cloetesville	16 MVA	0	15.09 MVA
Pniël	9 MVA	0	6.83 MVA (Peak from July 2020 to May 2021)

Note: There was no growth in Maximum Demand released from the previous financial year. In fact, a decline was experienced. This probably due to the effect COVID-19 had particularly on business.

### 3.7.2 Electricity Losses

The electricity losses as at 30 June 2021 were 8.86%

An alarming 48% in losses was discovered by an investigation conducted on the Pniël network. Due to this high number, an in-depth investigation was initiated.

Preliminary findings on the investigations indicate the following:

- ‡ Not all meters were given through by Drakenstein Municipality at Take-Over; and
- ‡ The billing information for some of the meters was not accurately provided. Where multiplication factor was applicable, it was not given through as such.

The meters that were discovered were provided to the Directorate: Financial Services to effect billing.

The multiplication factor has been affected and the customers will be billed accurately going forward.

<sup>3</sup> The Hot Water Load Control Project: The municipality installs an Appliance Control Device (ACD) to switch off, during peak time, all electrical hot water cylinders installed. This is done to shift the total load during peak time and therefore helps the municipality to save on demand.



Letters were issued to all the affected customers, stating what had occurred and how this is to be rectified in order to collect the revenue that was not collected.

The table below specifies the different electricity service delivery levels per households.

**Table 125: Access to basic electricity**

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Household Prepaid</b>						
<b>Energy: (above minimum level)</b>						
Electricity (at least minimum service level) (No. of conventional meters)	6 486	6 486	6 453	4 715	4 601	4 429
Electricity - prepaid (minimum service level) (No. of prepaid meters)	17 504	17 504	25 946	27 825	28 366	29 279
<i>Minimum Service Level and Above Sub-Total</i>	23 990	23 990	32 399	32 540	32 967	33 708
<i>Minimum Service Level and Above Percentage</i>	79.67	86.7	80.08	85.51	86.04	86.86
<b>Energy: (below minimum level)</b>						
Electricity (< minimum service level)	0	0	0	0	0	0
Electricity - prepaid (< min. service level)	4 460	4 460	6 453	0	0	4 429
Other energy sources	N/A	N/A	N/A	N/A	N/A	N/A
<i>Below Minimum Service Level Sub-Total</i>	4 460	4 460	6 453	0	0	4 429
<i>Below Minimum Service Level Percentage</i>	13.27	13.27	12.32	0	0	0
<b>Total Number of Households</b>	<b>48 002</b>	<b>48 002</b>	<b>52 374</b>	<b>32 540</b>	<b>32 967</b>	<b>33 708</b>

The table below indicates the capital expenditure for electricity services at 30 June 2021.

**Table 126: Capital expenditure as at 30 June 2021: Electricity services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Integrated National Electrification Programme (Enkanini)	13 706 319	12 787 621	-6,70%
General Systems Improvements - Stellenbosch	14 795 082	12 132 548	-18%
General System Improvements - Franschhoek	2 000 000	1 810 451	-9,48%
Electricity Network: Pniël	3 500 000	3 479 387	-0,59%
Kwarentyn Sub cables: 11kV 3 core 185mmsq copper cabling, 3,8km	2 500 000	2 921 458	16,86%
<i>Only the 5 largest capital projects are listed</i>			

Electricity Services have spent, **90.32%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Department: Electricity Services.

**Table 127: Total number of employees in the Department: Electricity Services**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	3	3	0	0%
9 – 13	47	20	27	57.4%
4 – 8	63	42	20	31.7%
3 – 0	18	9	9	50%
<b>Total</b>	<b>132</b>	<b>76</b>	<b>56</b>	<b>42.4%</b>



## **3.8 Waste Management, Refuse Collections, Waste Disposal and Recycling**

### **3.8.1 Waste Management**

The Department: Waste Management's key responsibility is to keep the municipal area clean and free of illegal dumping and to provide a refuse collection and disposal service for all residents. The department also focuses on several ways to encourage waste minimisation and the implementation of various waste treatment, recovery and recycling solutions.

As a result of the COVID-19 pandemic, the waste volumes decreased during the financial year but steadily increase as economic activities start up again. As it is encouraging to see the economic recovery in the town the increasing waste volumes are concerning as it puts pressure on the municipality infrastructure and budgets.

The municipality is currently busy with planning to mitigate the increased volumes of waste with the successful completion of the Material Recovery Facility. The municipality also completed its 3<sup>rd</sup> generation Integrated Waste Management Plan and Integrated Waste Management By-law. These strategic documents will establish the long-term plan for the section by providing regulations for the general public and business with regard to waste.

The National Waste Strategy and Provincial directives require the municipality to divert organic waste from landfill by 50% in 2022. For this, the municipality has developed its 1<sup>st</sup> Organic Waste Diversion Plan and designed an Organic Transfer Station to divert organic waste from landfill.

Staffing within the Department: Waste Management is a major challenge with only 34% of the positions filled.

The other challenge is that the landfill has reached capacity and all waste must be hauled and disposed of at a private landfill in Vissershok in Cape Town at a huge expense.

### **3.8.2 COVID-19**

During the 2020/21 financial year 14 staff members contracted COVID-19. Fortunately, all were minor infections with no fatalities. The department managed to render service during this time with the help of an external service provider.

The Department of Environmental Affairs and Development Planning (DEA&DP) initiated a bi-weekly Waste Management coordination meeting with all municipalities within the Province to manage the pandemic within the waste management field.

### **3.8.3 Area Cleaning**

Area cleaning within the municipal area is provided by a contractor that is responsible for the cleaning of the Stellenbosch CBD and the use of EPWP personnel. Area cleaning is an essential service and all teams have worked throughout all the different lockdown levels. This section employed temporary employees from local communities that were sourced from the municipal unemployment database to perform cleaning services in the streets, open spaces and around waste removal skips.





Area cleaning services are provided through a blue and black bag system. Where the municipality faces severe illegal dumping, it provides its plant machinery (digger loaders and tipper trucks) to clean and clear such areas.

The municipality noticed an increase in the illegal dumping of builders' rubble and green waste within the hotspot area.

Before



After



### EPWP Employment opportunities 2020/21 financial year

Table 128: EPWP employment opportunities

July 21	Aug 21	Sept 21	Oct 21	Nov 21	Dec 21	Jan 21	Feb 21	Mar 21	Apr 21	May 21	June 21
400	361	395	397	405	369	397	397	421	423	450	450

### 3.8.4 Refuse Collection

Refuse collection is completed according to a weekly schedule for formal households, commercial properties and industries. The municipality supplies 240 wheelie bins to all service points excluding informal settlements where communal skips are provided and collected, this is a service that is provided daily.

#### Wheelie 240 litre bins

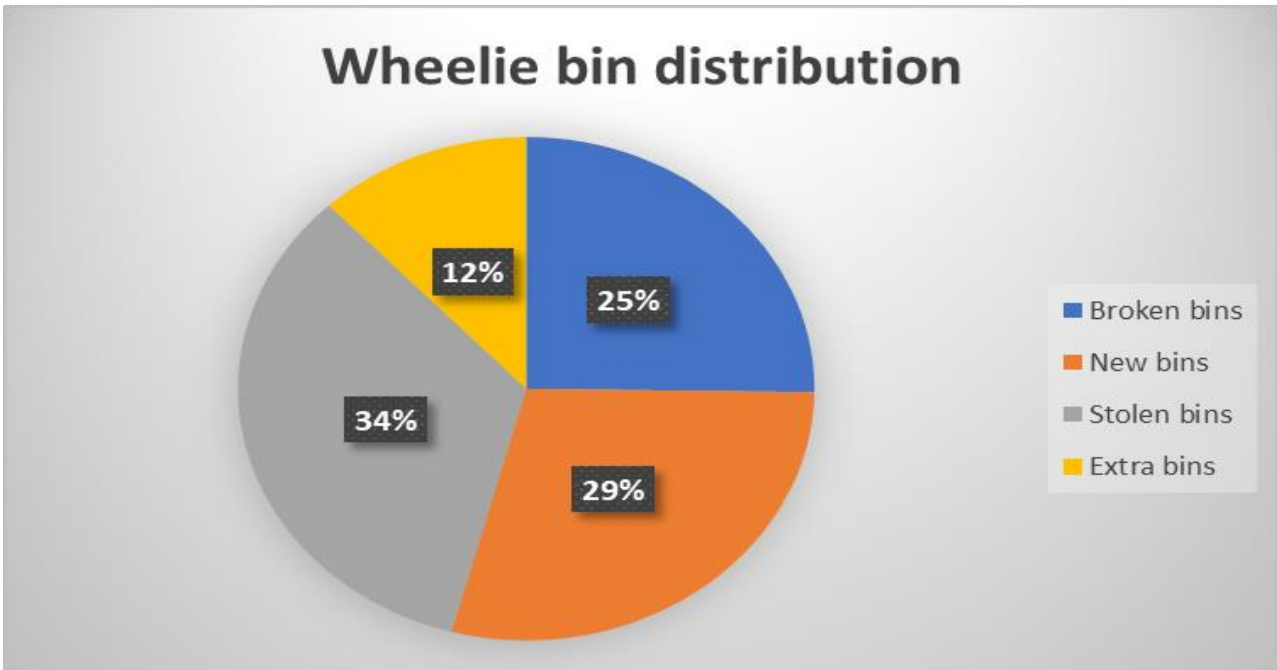
During the 2020/21 financial year, 823 wheelie bins were distributed in total. These were made up as follows:

Table 129: Refuse bins distribution

Bins	Total
Broken bins	208
New bins	239
Stolen bins	279
Extra bins	99
<b>Total</b>	<b>823</b>



Figure 21: Wheelie bin distribution



### 3.8.5 Waste Disposal and Waste

The new waste material recovery facility (MRF) was launched by the Executive Mayor, Adv G van Deventer, on 25 March 2021.

This state-of-the-art facility will serve as a place where recyclables are taken to, grouped, baled and provided to companies for use as raw material in the manufacturing of new products. The sorted recyclables have a much higher value than mixed recyclables and will be easily accepted into the booming recycling market. The facility also features a public drop-off area, which will allow residents to bring garage and recyclable waste to dispose of responsibly.

Construction of the facility began in August 2019 and the total budget for the project was R29 million. The MRF can process 450 tons of recyclable material per month and will employ up to 40 people once it becomes fully operational.

Photo: New MRF building at the opening



Photo: Executive Mayor G van Deventer official opening the new MRF building





### a) Green waste chipping

Green Waste is being chipped on-site at the Stellenbosch Landfill Site by an appointed contractor. Green waste is accepted at the Landfill Site, Franschhoek Drop Off, and now also at the Klapmuts Transfer Station. Green Waste from the respective sites is all transported to the Landfill Site where it is chipped.



*Photo: Area allocated for chipping of Green Waste*

### b) Door-to-door recycling collection

There were some challenges in rendering the door-to-door recycling service, with a resultant decline in recycling initiatives. A new contractor was appointed in the last quarter of the 2020/21 financial year to manage and operate the newly completed Materials Recovery Facility (MRF).





### Disposal Stellenbosch landfill



*Photo: Stellenbosch Landfill Site*

The Stellenbosch landfill situated in Devon Valley Road is in the care and maintenance phase and receives limited waste. Cell three has filled up since August 2019. Work is currently underway to license a new cell at the site.

Due to the lack of landfill airspace in Stellenbosch, the transfer of all general waste to the private landfill situated in the City of Cape Town area at Vissershok Waste Management Facility (VHWMF) commenced during August 2019 and is still ongoing.



All waste that was delivered by either SM owned vehicles or by way of contractors working for SM as well as private users was transferred from the Klapmuts Transfer Station to VHWMF for disposal. Volumes of waste accepted at the site is as indicated in the table below.

The table below shows the Landfill statistics for incoming waste in tons for the 2020/21 financial year.

**Table 130: Landfill statistics for incoming waste in tons**

TOTAL WASTE AT DVLS PER MONTH (Tonnage)	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021
	NDA	NDA	6333	5585	3431	13047	2608	3850	5371	9609	3364	2095

WASTE RECEIVED AT DVLS	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021
Builders' Rubble	1660	1948	1266	1068	841	1148	1096	1375	1528	1273
Garden Waste	2185	672	474	393	501	789	1023	624	431	521
Clean Cover	1154	2057	1200	4070	959	1188	2503	3704	1129	49
Area Cleaning	1102	515	338	290	110	606	613	608	200	175
Domestic Refuse	67	168	80	72	93	43	23	15	24	16
Industrial Refuse	123	114	59	66	57	58	73	56	47	61

WASTE REMOVED AND/OR BENEFICIATED	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021
Chipped Garden Waste			1372	229	2380	619	16	545	153	1231	0	508
Bricks Out			0	4	18	8	0	56	56	65	63	82

Note: NDA = No data available for July and August 2020

The table above refers only to incoming waste which was captured over the weighbridge as incoming loads and waste removed, or beneficiated, for the 2020/21 financial year.

Only area cleaning volumes are landfilled and all other waste types are either beneficiated, stockpiled or used in another way on site, e.g. soil as cover material and builders' rubble for the building of a road on site.

Builders' rubble and soil on-site are used to build a ring road that may serve the purpose of a fire break and access to various points on the premises.

Gas monitoring has been identified as a need and noted as such in audits conducted on-site. A total of 13 gas monitoring wells were installed. The installations of these wells formed part of the service rendered by an appointed contractor who is also tasked to conduct gas monitoring activities as per legislative requirements.



Photo: Drilling of well on-site



Photo: One of the installed gas monitoring wells

### c) **Klapmuts Transfer Station**

The Klapmuts Refuse Transfer Station (RTS) has a design capacity of 150 tons per day transfer capacity. Since August 2019 the Klapmuts RTS has been utilised at near capacity to transfer waste to VHWMF. Waste from all areas are being transported in collection vehicles to the site and is transferred into open-top 30m<sup>3</sup> bins for onward transport using three containers at a time, by way of bulk transport to VHWMF by an appointed contractor that renders this service.

The filling of bins is done by use of 2 TLB machines, and a hook lift truck replaces the filled bins in the bays with empty bins. Filled bins are then placed in a designated area, pending removal by the appointed contractor.

The transfer of waste to and through Klapmuts RTS commenced during August 2019 and for the period up 30 June 2020 to 30 June 2021 a total of 31 260 tons of general waste was transferred.





*Photo: Klapmuts Transfer Station*

#### **d) Franschhoek drop off**

The Franschhoek Drop-off facility continued to provide a free service to the residents of Franschhoek and its surroundings to dispose of garden waste and bulky goods. A contractor is appointed to transport garden waste to Stellenbosch Landfill and bulky waste to Vissershok Private Landfill.

#### **e) Relocation of Eskom Power Lines**

The Stellenbosch landfill situated in the Devon Valley Road is transverse by two high voltage Eskom power lines. The presence of these power lines prevents the municipality from engineering and operating the area located between cells 1, 2 and 3 as waste disposal cells. This has resulted in the premature filling up of the facility which was put into care and maintenance mode with limited waste acceptance since August 2019.

In order to relocate the two sets of power lines an appointment was made of an environmental assessment practitioner (EAP) to undertake a Basic Assessment (BA) process that would lead to an



application for an environmental authorisation allowing Eskom to proceed with the relocation project. This project commenced during the previous financial year making use of an existing panel tender. The project commenced in June 2019 and the Final Basic Assessment Report was submitted to National Department of Environment as planned during June 2020. The Environmental authorisation was received during November 2020.

In addition, an application was made for the Water Use License (WUL) to enable this project to proceed. The WUL and certificate were received during April 2021.

In order for the project to proceed without any delays, technical progress meetings were commenced. These meeting took place initially bi-monthly and is now taking place monthly. Membership of this committee is made up of relevant staff members from Eskom as well as officials from Stellenbosch Municipality.

Progress was made with the municipality and affected landowners signing the servitude agreement with Eskom.

Thereafter the project will be ready for final approval, design and updating of the quotation which will be sent to the municipality. Any outstanding funding will need to be paid over to Eskom to ensure that the project can proceed to tender and construction.

**f) Development of additional waste disposal cells project**

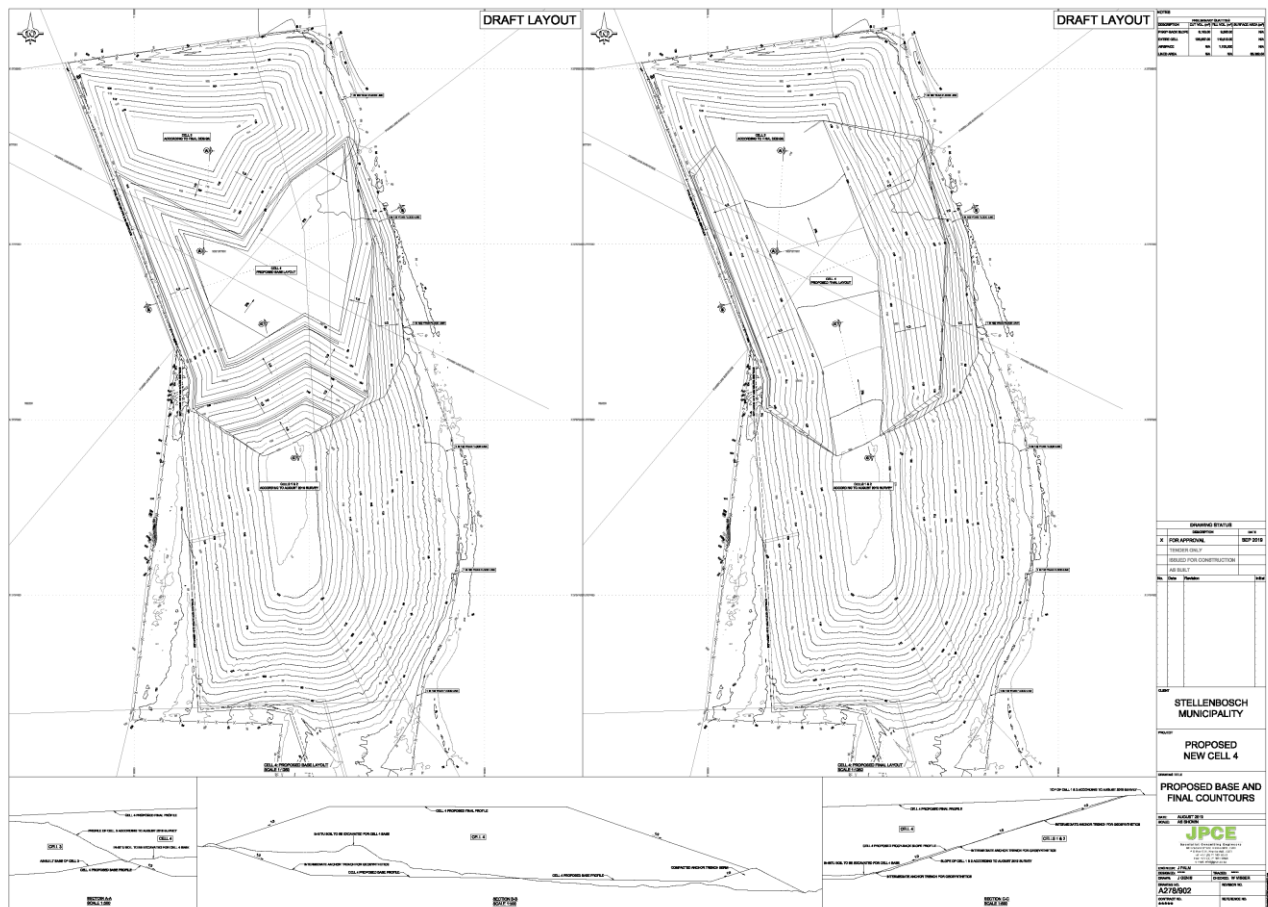
The Stellenbosch landfill reached capacity during the previous financial year. All Stellenbosch waste is now being transferred to the private Vissershok Landfill. This represents a huge additional expense for the municipality. Thus, the project to design and construct the new cells is an important high priority project.

The tender for the appointment of a service provider for the provision of professional services for the design, tender documentation and contract supervision for new cells and associated infrastructure at the Stellenbosch Landfill was advertised and closed during June 2021. The evaluation is underway and will be completed during the 2021/22 financial year.





Figure 22: New waste disposal cells between cells 1 and 2 and cell 3



**g) Projects continued in the 2021/22 financial year but initiated in the previous financial year(s):**

**i) Landfill gas extraction, flaring and electricity generation**

**Review of Landfill gas extraction and utilisation project:**

A number of investigations into the use of the landfill for harvesting and the beneficial utilisation of landfill gas have been undertaken. The most recent study document in a report dated 12 June 2017 recommends extraction flaring and electricity generation. The GasSim peak landfill gas generation rate was established as 515 Nm<sup>3</sup>/hr in 2017. This investigation has indicated that at least 0,5MW of electricity generation could be sustained from the landfill for some 10 years.

The scope of the appointment will be for a landfill gas and waste to energy specialist to review work undertaken to date, specifically the findings of the report dated 12 June 2017 as well as the waste characterisation study that was completed during 2020.

The study must detail the findings and recommendations. The findings and recommendations will need to be documented in a report that will be submitted in hard and soft copy.

A presentation of the findings and recommendations will be required to take place in the offices of the Stellenbosch Municipality in Plein Street, Stellenbosch after the conclusion of the project.



This study will ensure that the municipality does not embark on a project with significant funding requirements that do not show potential to realise the projected benefits with regard to carbon mitigation and energy production through the installation of a landfill gas well field, flaring station and electricity generation.

In addition to the benefits of reducing the carbon footprint of the municipality and generation of electricity, the potential for the generation of income from the sale of carbon credits as well as the off-set against South African carbon tax needs to be evaluated and reported on, as well as a recommended mechanism to implement this that is financially and technically feasible.

A number of gas wells have been inserted into the waste body which can be used to evaluate landfill gas composition, in particular, that the % methane is above 50%.

Envitech was appointed in June 2021. They undertook a site visit during June and commenced with a review of documentation, permits, waste management licenses as well as the RHDHV report dated 2017. The final report from Envitech will be available by 31 August 2021.

## **Compliance**

### **(i) Internal audits**

For disposal facilities (landfills and transfer stations) to be operated in compliance with the relevant legislation, all landfills must be licenced and managed according to the conditions in the licence. Internal audits form part of these legal requirements. Audits were conducted quarterly in the months of August, November, February, and June by Head Office waste management staff. Audits were conducted at the Landfill Site, Klapmuts Transfer Station and one audit was conducted in June at the newly constructed Materials Recovery Facility, which commenced operations on 01 April 2021.

### **(ii) External audits**

Management practices at all sites must also be compliant with the Norms and Standards in terms of the National Environmental Management Waste Act (NEMWA) as well as with certain sections of Minimum Requirements for Waste Disposal by Landfill (DWAF, 1998), and other relevant regulations.

To be able to assess whether waste management practices are according to all stated conditions, landfill owners must, on a regular basis (at least once per annum), obtain the services of an external auditor to do an independent landfill compliance audit.

To ensure compliance, external audits have been undertaken by an independent specialist consultant, at the Stellenbosch landfill and at the Klapmuts Transfer Station, in accordance with the waste management licence conditions. The Materials Recovery Facility will be included and audited during the 2021/22 financial year. Six months later a review of the audit finding to ascertain improvements has been carried out. The independent auditor reported back to the municipality as well as to the Monitoring Committee. The municipality is compliant with most of its permit conditions, except for stormwater, groundwater and gas monitoring. All the non-compliances are being addressed with the establishment of a new borehole monitoring network as well as appointments for groundwater and landfill gas monitoring.

### **(iii) Monitoring Committee**

All landfills are established and operated in terms of a waste management license (WML) issued by either the national or Provincial Department of the Environment. In terms of the WML landfills are required to establish a Monitoring Committee. The objective of the Monitoring Committee is to provide a forum to enable the community to effectively participate in and monitor the operation, rehabilitation, closure and ongoing monitoring of a landfill.



The Stellenbosch landfill has an active monitoring Committee. The committee is chaired by a representative of the community and minutes are prepared by the municipality. Monitoring Committee meetings are attended by DEA&DP officials as well as officials of various municipal departments as and when required. The independent external auditor also attends the meeting as and when required to report on the findings of the annual external as well as the review audit. Due to the COVID-19 restrictions, meetings were held in a hybrid format which implies that attendees are present either in person or via the online platform.

#### **h) Waste Managers Officers Forum**

The Waste Management Officer (WMO) for the Stellenbosch Municipality is the Senior Manager: Waste Management. Quarterly meetings of the Provincial Waste Managers Officers forum take place at various venues across the Province. The WMO attends the meeting and reports back on activities within the municipality – this also provides a forum to receive information from Provincial officials and for networking with WMOs from other municipalities within the province.

These forums are also held on a district level where municipal representatives from the Cape Winelands represents to discuss the waste-related matter within the district.

#### **i) Social Engagement and Environmental clean-ups**

The Department of Environment, Forestry and Fisheries (DEFF) provided the municipality with a Youth Environmental Coordinator (YCOP) to assist with social engagement and awareness.

Stellenbosch Municipality has embarked on a mission to eradicate the issue of illegal dumping in informal areas. The goal is to educate the people on the dangers associated with illegal dumping and to implement solutions that will be most effective for each specific area.

On the 23<sup>rd</sup> of October 2020, a door-to-door environmental awareness campaign was done in Ward 10 (La Colline) in Stellenbosch.

33 households in the vicinity were visited via door-to-door awareness with the primary focus being on educating community stakeholders on littering, municipal services and residents' responsibility regarding their generated waste. Distribution of goody bags with the waste promotional material, waste recycling bags as well as COVID-19 information.

During the financial year, the department conducted 8 community based environmental awareness sessions with regards to recycling and illegal dumping. Environmental awareness was conducted by the YCOP at the following Stellenbosch Communities:

- ‡ Klapmuts (Merchant Street and Mandela City);
- ‡ Ida's Valley;
- ‡ Kayamandi (Enkanini and Mjandana Street);
- ‡ Cloetesville;
- ‡ La Colline;
- ‡ Groendal in Franschhoek;
- ‡ Languedoc; and
- ‡ Kylemore.



**j) Involvement with Professional and Educational Institutions**

During the financial year, the department visited 13 local schools and conducted environmental awareness with regard to school recycling and illegal dumping. The department donated 26 recycling boxes to 13 Stellenbosch local schools to start a school recycling. Solid waste management initiated toilet paper roll recycling in September 2020. Each bathroom of the Infrastructure offices has a recycling box. Recycled toilet paper rolls were also donated to Spark Lynedoch primary schools. Environmental awareness was conducted by the YCOP at the following schools:

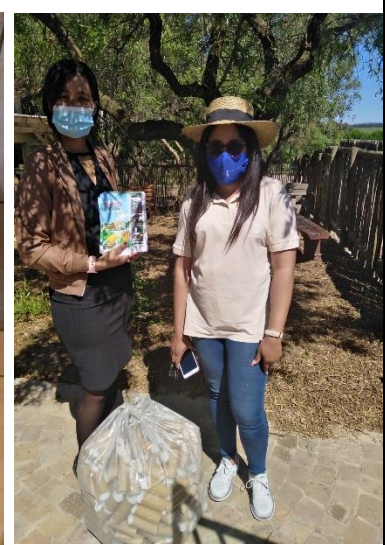
1. Groendal Primary School;
2. Dalubuhle Primary School;
3. Kayamandi Primary School;
4. Ikaya Primary School;
5. Ida's Valley Primary School;
6. Webergedenk Primary School;
7. Kayamandi High School
8. Makupula High School;
9. Stellenzicht High School;
10. Lückhoff High School;
11. Cloetesville;
12. Rietenbosch Primary School; and
13. Spark Lynedoch Primary School.

Stellenbosch Schools Eco-Clubs was launched on the 19 of March 2020 by Stellenbosch University Water Institute in all four schools in Kayamandi and at Rietenbosch Primary in Cloetesville. Stellenbosch University Water Institute together with Stellenbosch Municipality Youth Environmental Coordinator have been active in these five Kayamandi schools for over a year and consolidated their efforts by starting eco-clubs. Future campaigns will be launched to all schools on waste and environmental awareness.



**Relevant Site Photographs**

**Photo 1:** Stellenzicht Senior Secondary School awareness and delivering of recycling bins.



**Photo 2:** Stellenbosch Municipality donated the toilet paper rolls to Spark Lynedoch Primary school.

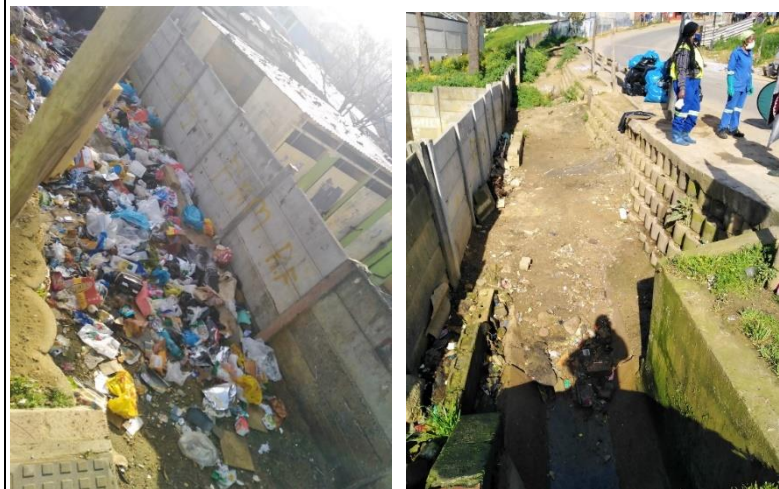




**Photo 3:** Stellenbosch Municipality, Cape Winelands District local government support, Provincial Department of Environmental Affairs and Development Planning (DEA&DP) and National Department of Forestry, Fisheries and Environment, Stellenbosch waste pickers at Stellenbosch Material Recovery Facility for a waster pickers PPEs handover by DFFE.



**Photo 4:** La Colline door-to-door environmental awareness.



**Photo 5:** Kayamandi car wash clean-up by YCOP, EPWP's and Wildlands project manager before and after pictures.



**Photo 6:** Kayamandi library environmental corner.



The table below specifies the different waste management service delivery levels per households.

**Table 131: Service delivery levels of waste management**

Description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Household</b>						
<b>Refuse Removal: (Minimum level)</b>						
Removed at least once a week	40 264	37 207	49 072	48 988	37 926	49 300
Minimum Service Level and Above Sub-Total	40 264	37 207	49 072	52 374	37 926	49 300
Minimum Service Level and Above Percentage	90.2	78.7	93.7	93.5	100%	100%
<b>Refuse Removal: (Below minimum level)</b>						
Removed less frequently than once a week	1 064	1 064	1 064	1 064	1 064	N/A
Using communal refuse dump	N/A	N/A	N/A	N/A	N/A	N/A
Using own refuse dump	2 058	5 358	6 453	2 323	N/A	N/A
Other rubbish disposal	766	766	N/A	N/A	N/A	N/A
No rubbish disposal	N/A	N/A	N/A	N/A	N/A	N/A
Below Minimum Service Level Sub-Total	3 888	7 188	7 517	3 387	N/A	N/A
Below Minimum Service Level Percentage	8.81	8.80	11.66	6.5	N/A	N/A
<b>Total Number of Households</b>	<b>44 152</b>	<b>44 493</b>	<b>52 374</b>	<b>52 375</b>	<b>38 990</b>	<b>49 300</b>

The table below indicates the capital expenditure for waste management services as at 30 June 2021.

**Table 132: Capital expenditure as at 30 June 2021: Waste Management Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Stellenbosch WC024 Material Recovery Facility	8 112 860	7 892 446	-2.72%
Transfer Station: Stellenbosch Planning and Design	1 477 497	295 337	-80.01%
Expansion of the landfill site (New cells)	1 051 263	1 001 799	-4.71%
Upgrade Refuse disposal site (Existing Cell)- Rehab	941 530	772 479	-17.95%
Landfill Gas to Energy	156 522	59 478	-62%
<i>Only the 5 largest capital projects are listed</i>			

Waste Management Services have spent, **84.98%** of the capital budget for the financial year

The table below indicates the total number of employees in the Department: Waste Management Services.

**Table 133: Total number of employees in the Department: Waste Management Services**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	3	3	0	0%
9 – 13	10	5	5	50%
4 – 8	43	28	15	34.8%
3 – 0	85	15	70	82%
<b>Total</b>	<b>141</b>	<b>51</b>	<b>90</b>	<b>63.8%</b>



## 3.9 Integrated Human Settlements

### 3.9.1 Housing Development

The municipality has an important responsibility to plan for Integrated Human Settlements by ensuring that all its citizens reside in developable, formalised, safe and sustainable human settlements. This is accomplished by providing dignified living through National and Provincial funding within closer proximity to employment opportunities thereby improving the quality of life of all citizens.

The Section: Housing Development's main function is to plan for future housing developments, in accordance with the Housing Pipeline planned the following multi-year projects:

#### a) Erf 7001, Cloetesville

This development is to deliver medium to upper (GAP) houses (not BNG housing units). There is an urgent need for this site to be developed to create an integrated urban development area (Cloetesville) area.

Stellenbosch Municipality is essentially making the land available (via the ATR processes) to a developer to develop housing opportunities in the GAP market. This is in line with feasibility studies that have been conducted for the GAP housing market in Stellenbosch. The proposal is also in line with the Stellenbosch IDP and mSDF which designates this property for future GAP housing purposes.

The town planning and design principles are to incorporate aspects of integration, designing for community safety, accessibility and dignified spaces.

**Figure 23: Erf 7001, Cloetesville**



The site is sloped and contains numerous pine trees. The site contains a water retention / water tower facility and buffers associated with this facility will need to be investigated. Water supply lines will also need to be determined.

It should be noted, that a previous Call for Proposal was advertised during the 2018/19 financial year and was cancelled due to non-responsive bidders.

A new tender was re-advertised during the 2020/21 financial year. Following the resolution of Council dated October 2020, an official notice was published in the newspaper (Die Burger) on 30 October 2020 and on the municipal website, soliciting public inputs / objections.

The Public Participation Process received a considerable amount of inputs / comments which served before Council on the proposed disposal (through a land availability agreement) of municipal land,





Erf 7001, Cloetesville and the appointment of a turnkey developer / implementing agent to facilitate the delivery of gap housing units.

The Supply Chain Management procurement process to appoint a Turnkey Developer / Implementing Agent for the planning and implementation of Erf 7001, Cloetesville, Stellenbosch, was concluded, however, the bid was cancelled.

A new tender was completed during the 2020/21 financial year, to undertake a Broad Conceptual Urban Design Framework for Erf 7001, Cloetesville, the objective is to obtain town planning and development rights. The appointment of a suitable service provider will commence during the 2021/22 financial year.

**b) Possible sites for mix-used development in Cloetesville (infill housing development)**

The municipality commissioned two studies to determine the suitability of municipal-owned vacant erven in Cloetesville for further infill development.

The first study was undertaken to identify all municipal owned vacant property in Cloetesville.

The second study zoomed in on the services available to all properties and from that four (4) properties have been identified with a higher possibility of successful development.

A site visit was undertaken by officials, the ward councillor, the deputy mayor and the representatives of the Backyarders Committee. During the site visit, a few additional possible development sites were identified by the visiting group.

A technical proposal was advertised during March 2020 and a consultant was appointed and concluded a feasibility study of various sites within the Cloetesville area for possible Infill Housing Development.



The following sites as identified below with an orange asterisk, have been approved by Council for further funding applications:

Figure 24: Map illustrating the location of each of the sites



Table 134: Housing sites

Site	Type	Yield	Constraints	Opportunities	Recommendation
Site 5: Erf 7271	Serviced sites (Plot and Plan) GAP and / or FLISP units	16 152	Swartland Shale Renosterveld vegetation	<ul style="list-style-type: none"> <li>Each high-rise building provides safe recreational space;</li> <li>Concept plan makes provision for pedestrian walkways.</li> </ul>	Serviced sites (Plot and Plan)
<ul style="list-style-type: none"> <li>Site 6:</li> <li>Option 1: Erf 6847, Erf 6886, Erf 6300</li> <li>Option 2:</li> </ul>	<ul style="list-style-type: none"> <li>GAP / and or FLISP units</li> <li>Serviced sites (Plot and Plan)</li> </ul>	279 90	Within 100m from a stream – to be considered during design	<ul style="list-style-type: none"> <li>The outdoor gym is effectively being used as a hangout area for the youth</li> </ul>	<ul style="list-style-type: none"> <li>A small apartment block is proposed</li> <li>Each high-rise building is designed with an internal courtyard which provide safe recreational space.</li> </ul>



Site	Type	Yield	Constraints	Opportunities	Recommendation
					<ul style="list-style-type: none"> <li>• Serviced sites (Plot and Plan)</li> </ul>
Site 7: Erf 8776	GAP / and or FLISP units	37	An ESA is located to the north of the site along the stream which should be avoided	<ul style="list-style-type: none"> <li>• Park has great significance to the community.</li> <li>• U-shaped building will provide the opportunity to develop accommodation.</li> </ul>	<ul style="list-style-type: none"> <li>• Ideal location for a high-rise building.</li> </ul>
Site 11: Erf 6705	<ul style="list-style-type: none"> <li>• GAP / and or FLISP units</li> </ul>	12	<ul style="list-style-type: none"> <li>• Title Deed restrictions.</li> <li>• visual impact - R44.</li> </ul> Significant groundwater	<ul style="list-style-type: none"> <li>• In an established residential neighbourhood.</li> <li>• Lends itself to be developed.</li> </ul>	Proposed housing typology should blend with the existing houses

**c) Farm 527, Jamestown (Phase 2, 3 and 4)**

The subject property is located on the southern edge of the suburb of Jamestown, east of the R44 between Stellenbosch and Somerset West. It is flanked by an existing cemetery on its western boundary and a sports field located centrally on its northern edge.

**Figure 25: Farm 527, Jamestown (Phase 2, 3 and 4)**



The site falls within an area characterised by medium to high-density residential as well as non-residential uses that serve the local community of Jamestown.

Portion 4 of Farm 527, has been rezoned for residential purposes allowing for a mix of residential types. Phase 1 of the development consisting of 162 subsidised housing opportunities has recently (November 2016) been completed.



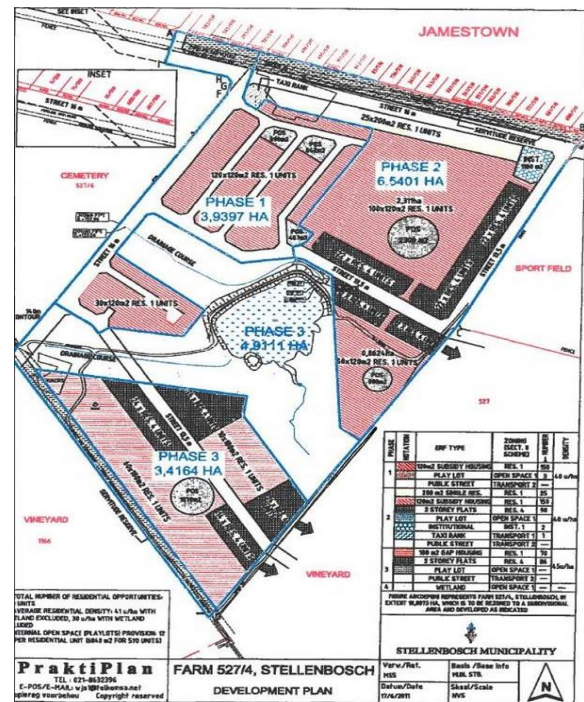


It is therefore proposed that Phase 2 and 3 of Portion 7 of Farm 527 (site and service, 2-storey walk-ups, GAP housing, high-income housing and public open space) be made available simultaneously for development in the short to medium term.

The development of this area (the new Phase 4) is only possible in the medium to long term (as also indicated in the Stellenbosch Municipality Housing Pipeline annual review). It will therefore be required of the prospective developer to do the necessary detailed feasibility studies and obtain the relevant planning and other approvals to enable township establishment for this phase of the development.

The Call for Proposal followed a 2-stage approach to appoint a suitable developer (Stage 1: Concept Proposal and Functionality (ability to deliver on project requirements) and Stage 2: Financial Proposal and Feasibility).

**Figure 26: Approved Development Plan for Portion 4 of Farm 527**



The proposals for Stage 1 have been scrutinised and assessed on the concept proposal and ability of Bidders to deliver on project requirements. Only those Bidders whose bids are assessed as having achieved the minimum required score (70%) will be considered responsive.

The tender was advertised in 2018 when the 2017 urban edge was still applicable. Council subsequently adopted the new Spatial Development Framework (SDF) in 2019 which substantially change the urban edge in Jamestown. This result in a much bigger area for the Jamestown human settlement development that is planned and will lead to a substantial change in the scope of the tender which was advertised in 2018. Therefore, the change in scope and other procurement requirements resulted in the cancellation of the bid.

A new tender was advertised to undertake a broad conceptual urban design framework for a portion of Portion 7 of Farm 527 and Remainder Farm 527, Jamestown and to obtain town planning and development rights.

**d) Kayamandi Town Centre**

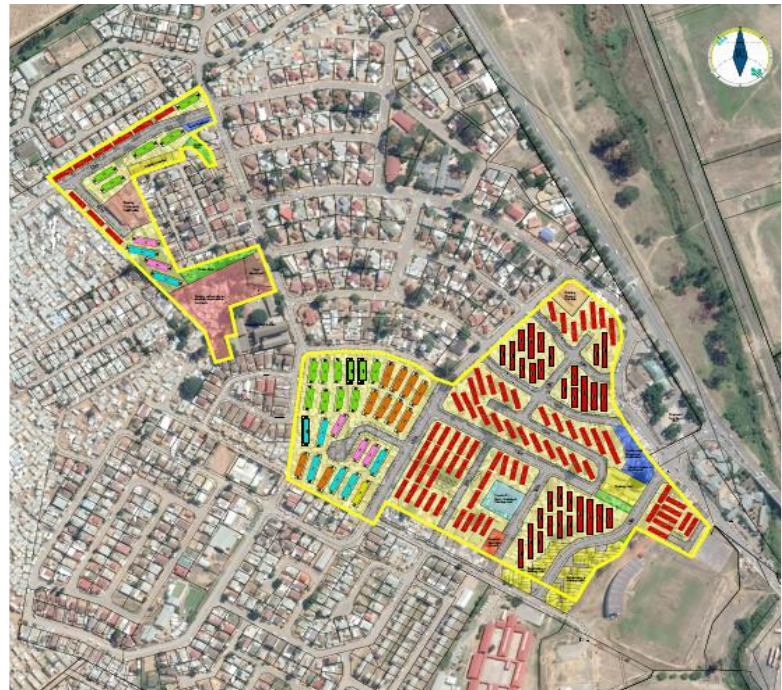
The Kayamandi Town Centre project has been developed over a number of years. The project is still in its planning stage whereby development rights must be obtained. This project must be viewed as a multi-year project.

A service provider with the necessary multi-disciplinary team of professional consultants was appointed to conduct a feasibility study to assess the redevelopment of the town centre of Kayamandi to provide a holistic development picture of Kayamandi. The latter resulted in a framework for possible future development opportunities in Kayamandi and its environs.



The required process for township establishment took longer than anticipated primarily due to the impact of COVID-19 on processes, the challenges on the ability to interact with relevant stakeholders and also certain aspects in the planning process that arose and now requires additional input.

**Figure 27: Kayamandi Town Centre**



The proposed typology mix is such that it will enhance the beauty and character of the Kayamandi Town Centre in that it will provide for a mix of typologies to accommodate the old and the young. The proposal for walk-up units is also to provide maximum densification within the available limited space.

The proposed town planning layout consists of ±1 800 housing opportunities (2 to 3 storey BNG walk-ups). The development parameters will include a mix of housing typologies, business units and community facilities. This design methodology was utilised to suit the demand and the needs of the affected community.

The community agreed upon a relocation strategy that must be followed to effectively address the challenges facing Kayamandi.

The aim would be to unpack the developmental opportunities of Kayamandi and recommend a relocation strategy for the families moving to the temporary units / site that has been earmarked for this process (Northern Extension).

The proposed land uses in the feasibility study / urban design concept can be accommodated within this zoning. It is therefore proposed that this zoning is used when the study is rezoned during the land use planning application processes.

The proposed land use concept takes into consideration the following issues:

- ✚ The general slope of the area – the gradient is such that it has an impact on the number of opportunities;
- ✚ the safety concerns with regards to the communal living; and
- ✚ the impact of the COVID-19 pandemic – social distancing requirements.

The planning application process is anticipated to be completed during the 2022/23 financial year.

#### **e) Langrug, Franschhoek**

Langrug informal settlement is located in the north-eastern area of Franschhoek and falls within the jurisdiction of the Stellenbosch Municipality. On the southern side of the settlement is Groendal formal housing developments down to Franschhoek town. On the eastern side is the Mooiwater low-income housing development. On the northern side of Langrug is a nature reserve that is located on the upper part of the mountain slope on which Langrug informal settlement encroaches.



The community experiences locational risks such as being located on a slope, in an area that is prone to floods and being at risk of rock falls. The settlement has varied access to basic services. The Langrug informal settlement is viable for in-situ upgrading.

Living conditions at informal settlements are typically poor with residents facing a range of basic livelihood challenges, such as poor access to basic sanitation, low to no potable water supply, inadequate electricity provision, detrimental solid waste accumulation in public spaces, frequent shack fires, safety and security risks; to name a few. Langrug informal settlement is no exception to these deplorable living conditions. Furthermore, and due to the growing number of informal housing and population in the settlement coupled with the lack of availability of land for housing in the Franschoek Area, there is a growing need at Langrug for additional basic services and amenities (roads, water, sanitation, electricity etc.), the management of grey and black water emanating from households, and the development of housing projects in the settlement.

According to the Stellenbosch Municipality's Spatial Development Framework (SDF) that was approved in July 2019, Franschoek is viewed as having less livelihood potential. Hence, the focus is on improving the living conditions of existing residents as opposed to significant new growth. According to the Stellenbosch Municipality's Informal Settlement Strategy for Langrug, the municipality is planning to supply Upgrading of Informal Settlements (UISP) services. The municipality is also providing electricity over time to informal structures without electricity as part of the municipality's ongoing Electrification Programme. The Medium-Term Revenue and Expenditure Framework (MTREF) is continuously updated to provide for such opportunities. The municipality is planning to undertake detailed planning studies to unlock housing development opportunities, develop a phased approach implementation plan premised on detailed designs for the provision of basic services and formalisation of Langrug, apply for development rights and installation of basic services, and identify suitable land for decanting.

In light of the above challenges, there are various projects and interventions which have been identified for planning and eventual implementation. The objective of these projects is to upgrade Langrug incrementally and to, as far as possible, formalise existing development patterns to improve the delivery of basic services.

Hereunder is a summary of the medium to long term projects:

- ✚ The construction of phase 2 emergency access road and the installation of underground services;
- ✚ Re-blocking of sections to improve access and basic services;
- ✚ Upgrading of the bus route;
- ✚ Relocation and subsequent rehabilitation of the dam area;
- ✚ To commence with the re-blocking of Langrug, a decanting site on Erf 3229 Franschoek (Mooiwater) is being developed (basic services), the process of which is currently underway; and
- ✚ Cancellation of the existing General Plan and consolidation to create one land unit. This project is managed by the Section: Informal Settlements.

The Section: Project Management Unit submitted the feasibility study and costing for Erf 3229, Mooiwater, Langrug to the Section: Housing Development to submit the Project Initiation Document (PID) to the Provincial Department of Human Settlement.

The dam be pumped, as and when required, by the Department: Roads and Stormwater.





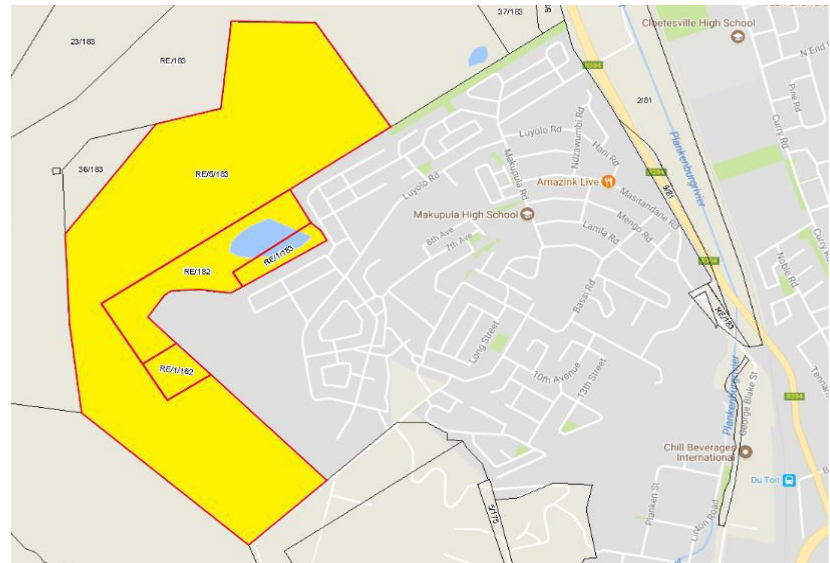
**f) Northern Extension, Kayamandi**

The Northern Extension of Stellenbosch is situated north of Kayamandi, adjacent to Cloetesville and the Welgevonden Estate. The sites are located on the western side of the R304 (main arterial from the North) to Stellenbosch.

A service provider was appointed by Stellenbosch Municipality to appoint the necessary multidisciplinary team of professional consultants to conduct a due diligence assessment to assess whether it is suitable for the expansion of mixed-use development to the north of Kayamandi.

The specific site has been suggested by the Stellenbosch Municipality for the northward extension of the urban area of Stellenbosch. The intention was to determine the feasibility of establishing a multiple-use development, providing ±5 000 – 6 000 residential opportunities in the Northern Extension of Stellenbosch.

**Figure 28: Locality plan, Northern Extension, Kayamandi**



The feasibility study includes identifying developable land within the study area (different farmland identified). The development potential of the said site was evaluated from an engineering, planning and environmental perspective. The subsequent planning applications following this feasibility study will include the rezoning of the given properties from Agricultural" for the required Zoning Scheme By-Laws suitable for the proposed residential densities and mix-use development.

The subject properties are as follows:

**Table 135: Total farms measured in extent**

Farms	Measuring in Extent
Farm 183 A	35.54ha
Farm 183 B	11ha
Farm 183 C	8.5ha
Farm 183/23	20.5ha
<b>Total</b>	<b>75.54ha</b>

**Table 136: Total farms measured per HA**

Farms	Measuring per ha
Remainder Farm 182, Stellenbosch	7.296ha
Portion 1 of Farm 182, Stellenbosch	1.4175ha
Portion 1 of Farm 183, Stellenbosch	1.3856ha
Portion 5 of Farm 183, Stellenbosch	50.8432ha
<b>Total</b>	<b>60.9449ha</b>

The Section: Housing Development advertised a tender to appoint a service provider to undertake a Broad Conceptual Urban Design framework for the Northern Extension and to obtain town planning and development rights. This project timeframe for completion is 2022/23 financial year.





It should be noted, that a portion of the development of the northern extension has been identified as a possible relocation area for the redevelopment of the Kayamandi Town Centre.

### g) Erf 64, Kylemore

The identified property is 15.5ha in the extent of which the municipality requires  $\pm 8$ ha for residential purposes.

Various meetings were held with the National Department of Public work (NDoPW) and it was indicated that the Directorate: Investment Analysis will conduct a feasibility study as part of the relevant business process of the Department of Public Works and Infrastructure (DPWI). Upon completion of the feasibility study, the relevant report and recommendations have been submitted to the Directorate: Disposals (Land Reform and Human Settlements) to inform their submission for Ministerial approval.

The feasibility study was completed during the 2019/20 financial year and awaited the transfer of Erf 64, Kylemore to the municipality. It should be noted that pre-feasibility studies were conducted more than 10 years ago and need to be reviewed and amended where necessary.

**Figure 29: Locality plan of Erf 64, Kylemore**



The Housing Development Agency (HDA) has been appointed via an Implementation Protocol agreement to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements (PDoHS).

The project is ongoing.



## h) La Motte, Franschhoek

La Motte is a former Bosbou Hamlet situated approximately 3.5 km north-west of Franschhoek town, on the Robertsvallei Road, close to where it intersects the R45. Originally built to house forestry workers, the village is made up of the original dwellings and a range of community facilities. During the construction phase of the Berg River Water Scheme, new houses were built adjacent to the existing settlement to temporarily house the construction workers; these houses have been transferred to identified beneficiaries.

Figure 30: La Motte, Franschhoek



The Stellenbosch Municipality and the community of Franschhoek have been proactive in addressing the need for affordable and subsidised housing and several initiatives have successfully been implemented.

Through a tender process, a service provider was appointed and a feasibility study has been concluded.

The Department of Public Works, as custodians of the relevant portions of land, has been engaged to start the necessary procedures that would lead to the transfer of the subject properties into the name of Stellenbosch Municipality, for housing purposes.

The Municipality is currently awaiting feedback from the National Department of Public Works. The Housing Development Agency (HDA) has been appointed via an Implementation Protocol agreement to assist with the transfer of land from the National Department of Public Works (NDPW) to the Stellenbosch Municipality and to further attend to the required applications to obtain land use rights, the registration of diagrams / general plans with the Surveyor General and the relevant applications to the Provincial Department of Human Settlements (PDoHS).

## i) Farms 81/2 and 81/9, Stellenbosch

In terms of the implementation of Social Housing Programmes, the Stellenbosch Municipality has identified Portions 2 and 9 of Farm No 81 Stellenbosch. This site is located between the Cloetesville and Kayamandi settlements. Its boundary is framed by the R304 to the west and the railway line to the east. The Plankenburg River traverses the site along the eastern boundary. The southern boundary of the property includes portions of the Kayamandi Tourism Centre, as well as a bridge over the railway line. The northern boundary is framed by the Mount Simon residential development.



**Figure 31: Farms 81/2 and 81/9, Stellenbosch**



A feasibility study has been done during January 2020 to determine the development potential of the site. Council approved the feasibility report on 12 February 2020 for Social Housing (rental stock).

The Section: Housing Development liaised with the Provincial Department of Human Settlements (PDoHS), Social Housing Regulation Authority (SHRA) and National Association of Social Housing Organisations (NASHO) to obtain inputs in the finalisation of the specifications and criteria for a Call for Proposal.

Service providers have been appointed to undertake a geotechnical investigation, flood line studies and a traffic impact assessment on the site.

In terms of the geotechnical investigation, the property is regarded as being favourable on a certain portion of the site, for residential development. Other areas on the site have average to poor soil conditions factors that reduce the suitability of the land for development. This is caused due to the extent of uncontrolled fill, the existing topography and soil corrosion.

In terms of the floodline study, it is evident from the 1:100-year flood line that most of the land on the west side of the Plankenburg river is above the flood level and would be suitable for residential development. The only area on the west side of the river that is affected by the 1:100-year flood is the lower ground around the tributary that flows in from the Watergang Dam to the North of Kayamandi, roughly 200 metres south of the Mount Simon residential estate. This should be considered when planning the development in this area.

The Traffic Impact Assessment (TIA) report concludes in support of a proposed Residential Development (3-4 storey walk-up flats) on Erven 81/2 and 81/9, Stellenbosch.



## j) Erf 2183, La Rochelle, Klapmuts

Erf 2183, Klapmuts is located along Gomas Street, Klapmuts, approximately 1.5km off the R310 that links Stellenbosch to the N1. The site is located on the south-eastern edge of the town of Klapmuts and is bordered by vacant land to its southern and eastern boundaries, with a proposed new housing development on the western and northern boundaries towards Mandela City, Klapmuts. To provide in the dire housing need in the Klapmuts area, especially for current backyarders, this property was identified as a possible option for a "site-and-service" housing project.

**Figure 32: Erf 2183, La Rochelle, Klapmuts**



The scope of work for the tender advertised, entails the subdivision of Erf 2183, La Rochelle, Klapmuts into residential erven of approximately 40m<sup>2</sup> to 50m<sup>2</sup> in terms of the Stellenbosch Municipal Land Use Planning By-law (2015), the submission of all diagrams to the Surveyor-General's office for approval and registration as well as the submission of all documents to the Department Human Settlements: Western Cape Government for the relevant funding for this incremental housing project.

The approved Stellenbosch Municipality Spatial Development Framework proposes that government land assets should be utilised to enable residential densification and infill development. These government land parcels should also enable integration between informal settlements and established areas.

## k) Botmaskop

A service provider was appointed during the 2020/21 financial year to undertake a feasibility study for Botmaskop and the remainder of erf 3363 and a portion of remainder erf 3931 Stellenbosch. The site abuts Helshoogte Pass and Simonsberg Road, between Ida's Valley, Simonswyk and Uniepark / Rozendal. The study area is approximately 40 hectares in extent, with road access to two sides, without having to inconvenience existing neighbourhoods. In addition, it is within walking distance from a primary and secondary school and abuts large open spaces.





**Figure 33: Botmaskop housing development**



The site belongs to the Stellenbosch Municipality and is utilised primarily for forestry (to be phased out) and an open space. No planning for the development of the site has been done to date.

In the context of the locality of the site and immediate surroundings, as well as identified housing needs, it is believed that the Botmaskop site presents an ideal opportunity to provide housing opportunities for a variety of income groups. The exact nature and extent can only be determined after a feasibility study has been concluded. A development at Botmaskop offers a chance for reversing the segregated neighbourhood layouts in Stellenbosch as it creates an infill opportunity.

Access to the site poses very few problems. The capacity of bulk services would have to be tested against a final development model. The approved Stellenbosch Municipality Spatial Development Framework earmarks the site for mixed-use community and residential infill.

The number of units per price category will be determined based on the required analysis and assessments from the feasibility study which is underway.

On conclusion of the feasibility study, Council will make an informed decision on a development proposal of the municipal land.

## **I) Maasdorp Village, Franschhoek**

The Maasdorp Forest Village comprising Portions 27 and 28 of Farm La Motte No 1041 Paarl is located north of the intersection of Main Road 191 (R45) and Divisional Road 1351 approximately four kilometres north east of Franschhoek.



The site currently accommodates approximately 32 formal houses and outbuildings. The site is currently zoned for Agricultural purposes and must be rezoned and subdivided to enable formal township establishment accommodating the existing households and as otherwise may be determined by further investigations and community engagements.

**Figure 34: Maasdorp Village, Franschhoek**



During June 2018, a service provider was appointed to attend to the township establishment process for Maasdorp Forest Village, Franschhoek: Portions 27 and 28 of Farm La Motte No 1041 Paarl, and future expansion on Portions 3 and 7 of Farm La

La Motte No 1041, Franschhoek; the project has later been referred to only as the detailed planning and design for the Township Establishment of Maasdorp Forest Village.

Community engagements, a traffic impact study, engineering services reports and a geotechnical investigation have been completed together with draft plans of subdivision for further consideration. The required process for Township Establishment took longer than anticipated primarily due to the impact of COVID-19 on processes, the challenges on the ability to interact with relevant stakeholders and also certain aspects in the planning process that arose and now requires additional input. Due to the socio-economic impact of COVID-19 and the relevancy of the socio-economic profile on the feasibility of proposed property extents and accommodation of original Maasdorp residents on these properties, the necessity to update the socio-economic survey and engineering services costing for efficient decision-making purposes on the development proposal, was identified. The submission of the land use applications is pending, requiring only a mere update of a socio-economic survey and engineering services.

#### **m) Faire Donne Estate, Franschhoek**

In accordance with a Council decision, the municipality embarked on a marketing strategy for medium-cost housing development.

Herewith below an extract of the approved Council Resolution:

*“(b) that the new proposed criteria outlined below, be approved;*

- (i) potential beneficiaries must reside or work in the Franschhoek Valley or be in the service of Stellenbosch Municipality for at least for 3 years;*
- (ii) preferential treatment will be given to First Time Home Owners;*
- (iii) preferential treatment will begin to previously disadvantaged individuals in the allocation process, if they qualify in term of 3.3.1; and*
- (iv) should the need (people who qualify) outweigh the demand, then the criteria listed above will be converted into a point system in determining the final list of qualifying beneficiaries.”*

Thereafter, the Section: Housing Development received a number of 136 applications for the 50 available plots, of which 48 was successfully registered in the Deeds Office. In accordance with the Sales Agreements, the potential beneficiary has two (2) months to secure the necessary funding.



### 3.9.2 Informal Settlements

The management of the Informal Settlements has been done for the last number of years in accordance with a Council approved strategy. In essence, provide increased access to basic services as far as possible, enumerate / survey all informal settlements on a regular basis in order to inform development documents and lastly to upgrade informal settlements as far as possible under the pillar of dignified living.

#### a) Informal Settlements population

According to the most recent surveys undertaken by Section: Informal Settlements and independent service providers, the population of informal settlement dwellers is approximately 19 710 residents. This is approximately one-sixth (1/6) of the municipal population of approximately 153 000 residents (Census 2011).

#### b) Development proposals / strategy

The Section: Informal Settlements developed a development strategy for every informal settlement within the municipal area. These full strategies are included under Cluster 1 to Cluster 5.

The strategy is premised on 3 pillars:

- i) a synopsis of existing basic services. This synopsis includes an analysis of the shortfalls in service provision;
- ii) Cryptic demographic information of the head of households, as well as a desktop risk analysis of the settlement; and
- iii) the third pillar / component consists of development proposals. These proposals are aligned with 3 strategic documents, i.e. the IDP, SDF and the housing pipeline.

The development proposals are furthermore aligned with the budget cycle of the municipality, as well as the Housing Pipeline which is aligned amongst others with the provincial budgeting cycle.

#### c) Emergencies

The Section: Informal Settlements assists the Section: Disaster Management in emergencies by verifying the data that is collected about the disaster victims. These emergencies are usually fire incidents in informal settlements or flooding incidents and excessively strong winds.

#### d) Housing Statistics

**Table 137: Households with Access to Basic Housing - Source StatsSA 2011**

Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2017/18	52 374	26 506	50.60%
2018/19	52 374	34 071	65.1%
2019/20	52 374	34 071	65.1%
2020/21	52 374	36 017	65.1%





The following table shows an **increase** in the number of people on the housing waiting list. There are currently approximately **17 652** applicants on the waiting list.

**Table 138: Housing waiting list as at 30 June**

Year	No. of people on the Housing Waiting List	% Housing waiting list increase
2014/15	18 833	0.6% (Decrease due to sanitisation of the waiting list data).
2015/16	18 791	0.2% (Decrease due to sanitation of the waiting list data).
2016/17	18 953	7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received).
2017/18	16 482	13.04% (Decrease due to sanitisation of the waiting list data).
2018/19	16 231	The department rolled out an updating of the waiting list programme which resulted in all the deceased applicants being removed and duplicate applications removed and this has resulted in the decrease of the total number of active applicants on the waiting list.
2019/20	16 590	2.21% (Increase due to new applications received).
2020/21	17 652	6% (increase) is due to the drive by the municipality which targeted farm dwellers and those who never registered their names on the housing demand database.

### 3.9.3 Housing Administration

#### a) Transfer of housing stock

During the period under review, the municipality continued with the process to deal with the historic backlog and transfer of properties to beneficiaries of state-subsidised houses. A process action plan was devised in terms of which administrative procedures would be streamlined. A panel of attorneys were appointed to transfer identified properties. A total of 259 title deeds were transferred for the 2020/21 financial year. The transfers were completed in the following areas:

**Table 139: Transfer of housing stock**

Area	Total
Cloetesville	12
Kayamandi	44
Franschhoek	06
Klapmuts	38
Kylemore	2
Pniël	17
Ida's Valley	85
Mooiwater	50
Tennantville	3
Kylemore	2
<b>Total</b>	<b>259</b>

The Section: Housing Administration is conducting continuous Housing Consumer Education Programmes with affected beneficiaries and addressing issues around title deeds. The municipality also appointed temporary field workers to assist with beneficiary administration which includes tracing of beneficiaries and conducting occupation surveys to ensure that title deeds are registered correctly.



The municipality partnered with an NGO which assists municipalities to deal with the historic backlog in terms of transfer of properties. The NGO provides funding for the temporary appointment of staff to enhance capacity and also provides funding to the municipality of R500 per title deed registered. The donation is used to appoint the field workers to assist with the beneficiary administration of the transfer processes.

**Table 140: Total properties registered at deeds office (during 2020/21)**

Total properties registered at deeds office (during 2020/21)	
Historical project title deeds registered	105
New project title deeds registered*	154
Total even	259

\* Funding for the title deeds was provided through the Title Deed Restoration Programme. It is only given for houses of subsidies approved.

**b) Waiting list administration**



The municipality continues with the “data-cleaning” process pertaining to applications that appear on the waiting list where vital information is outstanding. An area-based approach was used where staff members went out to the various areas and invited applicants to workshops during which the applicant’s information was updated. The entire Stellenbosch municipal area was covered during this programme.

The agreement with the Western Cape Department of Human Settlements to assist with the data clean-up of the Stellenbosch municipal waiting list continues. The waiting list is updated and verified regularly by the Western Cape Department of Human Settlements to ensure that the number of people deemed to be on a “waiting status” are a true reflection of those persons who still require housing assistance within the greater Stellenbosch area.

This new online database system and mobile app were launched in August 2019. The mobile app makes it easier for applicants to use their smartphones to submit housing applications in the comfort of their own homes on the Housing Demand Database. The Housing Demand Database System is being updated regularly to ensure that Council has credible data for planning for future housing projects to be implemented.



**c) Administration of public rental stock**

On 25th June 2014, Council adopted a Policy for the Administration of Public Rental Stock. This document was the culmination of a collaboration between stakeholder departments within the municipality. The purpose of the policy is to ensure effective management and well-maintained assets that will improve the quality of life for residents. The Section: Housing Administration is busy with the review of the Human Settlements Administration and Allocation Policy, which will include the allocation and management of the Public Rental Stock. This policy will be referred to Council for adoption after due public participation processes have been completed.

A caretaker programme was implemented in all public rental stock to deal with the increase in anti-social behavioural problems. This programme was implemented to ensure that communities “take” their neighbourhoods back into their hands and also to improve the communication between the municipality and the tenants. The total number of caretakers appointed for all the public rental flats was eleven (11).

**d) Housing consumer education (HCE)**

A total of thirteen (13) workshops were held with mainly tenants in municipal rental stock. The Housing Consumer Education (HCE) workshops are also used to address issues around anti-social behaviour in public rental flats. The HCE programmes were also held for beneficiaries of houses that were built between 1994 and 2010. These are houses that form part of the Title Deeds Restoration Programme. These beneficiaries are advised about the security of tenure, issues of inheritance and drafting of a Will. The HCE workshops were also held with beneficiaries of the Ida's Valley Housing Project during the 2020/21 financial year to educate them about homeownership, writing of a Will and By-laws governing properties. Housing Consumer Education workshops will be concluded for the Longlands Housing Project beneficiaries during the 2021/22 financial year.

**Figure 35: Housing Consumer Education and Public Participation**



**e) Job Creation**

A job creation programme was initiated via the EPWP project and as a result, 25 job opportunities were created listed below:



- ‡ Thirteen (13) EPWP workers were appointed to assist with the cleaning of the rental units and this resulted in the decrease in complaints received from tenants as properties are in a neater state; and
- ‡ Twelve (12) temporary field workers were also appointed to assist with the transfer of state-subsidised houses and to eradicate the historic backlog in terms of the transfer of these houses.

The tables below indicate the total number of employees in the Department: Integrated Human Settlements.

**Table 141: Total employees in the Department: Integrated Human Settlements**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	0	0	100%
14 – 17	3	3	0	0%
9 – 13	28	14	14	50%
4 – 8	23	7	16	69.5%
3 – 0	-	-	-	-
<b>Total</b>	<b>55</b>	<b>24</b>	<b>30</b>	<b>54.5%</b>

**Table 142: Total employees in the Section: New Housing**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	1	0	1	100%
9 – 13	3	0	3	100%
4 – 8	0	0	0	0%
3 – 0	0	0	0	0%
<b>Total</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>80%</b>

**Table 143: Total employee in the Section: Housing Administration**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0
9 – 13	12	9	3	25%
4 – 8	8	7	1	12.5%
3 – 0	9	7	2	22.20%
<b>Total</b>	<b>30</b>	<b>24</b>	<b>6</b>	<b>20%</b>

**Table 144: Total employees in the Section: Informal Human Settlements**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	6	2	4	66%
4 – 8	9	4	5	55%
3 – 0	0	0	0	0%
<b>Total</b>	<b>16</b>	<b>7</b>	<b>9</b>	<b>56.25%</b>

The table below indicates the capital expenditure for New Housing as at 30 June 2021.

**Table 145: Capital Expenditure as at 30 June 2021: New Housing**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Enkanini Planning	3 000 000	90 000	-97%
Northern Extension: Feasibility	3 400 000	2 575 873	-24.24%
Kylemore Erf 64	992 335	-983 800	-0.86%
La Motte Old Forest Station (±430 services and ±430 units)	1 200 000	-	-100%
Kayamandi Town Centre: Planning (±700 units)	1 000 000	1 000 000	0%
<i>Only the 5 largest capital projects are listed</i>			

New Housing spent, **55.26%** of the capital budget for the financial year.

### 3.10 Property Management

This section is responsible for the management of municipal-owned land and buildings, i.e. acquisition, awarding of rights and disposal thereof, excluding any housing rental stock and housing projects. The management of office accommodation is also done by this section.

The following properties were transferred to 3<sup>rd</sup> parties, i.e. transferred from Stellenbosch Municipality (disposals):

**Table 146: La Motte Transfers**

Erf No.	Date Registered	Purchase Price
233	02/07/2021	R170 000
234	10/09/2020	R140 000
237	17/08/2020	R200 000
254	07/10/2020	R120 000
255	27/10/2020	R130 000
256	22/07/2020	R150 000
264	20/05/2021	R200 000
265	15/10/2020	R120 000
266	15/03/2021	R130 000





Erf No.	Date Registered	Purchase Price
267	01/10/2020	R160 000
270	17/11/2020	R150 000
271	24/11/2020	R190 000
283	18/09/2020	R120 000

The following property was bought by Stellenbosch Municipality and was transferred accordingly:

**Table 147: Property bought and transferred**

Erf No.	Purchaser	Date Registered	Purchase Price
1852, Stellenbosch	Stellenbosch Municipality	2020-07-08	R51 360 000

The following new Lease agreements were concluded:

**Table 148: Lease agreements concluded**

Property Description	Lessee
Lease area 502L, Stellenbosch	Stellenbosch Flying Club
Lease area 502N, Stellenbosch	Stellenbosch District Riding Club
Portion of Rem Erf 235, Stellenbosch	Bergzicht Training Centre
Erf 3389, Stellenbosch	Historical Homes of SA
Erf 1693, Franschhoek	Franschhoek Tennis Club
Erf 2885, Franschhoek	Franschhoek Bowling Club
Portion of Rem Erf 23, Franschhoek	Franschhoek Methodist Church
Portion of Farm 1653, La Motte	La Refuge

The following property transactions were approved by Council, but not yet transferred):

**Table 149: Property transactions approved by Council during 2020/21**

Property Description	Purchaser
Erf 758 Kayamandi	The United Methodist Church of SA
Erf 718, Kayamandi	PGWC (clinic)
Portion of Farm Rem Farm 502, Stellenbosch	PGWC (Aeronautical School)
Portion of Farm 1653, La Motte	PGWC(School)
Portion of Erf 342, and Remainder Erf 1331 Klapmuts	PGWC (clinic)
Erf 1523, Kayamandi	Seventh Day Adventist Church
Erven 4810,4811 and 3648, Onder-Papegaaiberg, Stellenbosch	To be confirmed

A new draft policy for the management of encroachments was compiled but still needs to be considered by Council.

### **Municipal Buildings Maintenance and Project Management**

This section is also responsible for the maintenance of all Council-owned buildings and the construction / project management of all upgrading and or new facilities. Some of the highlights of the past financial year include the following:

- ✦ Completion of phase three of Cloetesville Flats (multi-year project valued at R10.8m);
- ✦ New public ablution facilities in Franschhoek;





- ‡ New sport Clubhouse in La Motte;
- ‡ Upgrade of Cloetesville Hall;
- ‡ Upgrade of Stellenbosch Townhall Kitchen and Bar Area;
- ‡ Hard and Soft landscaping at Klappmuts MPC; and
- ‡ Various fencing projects.

The planning phase of the following projects was finalised or started with:

- ‡ Redevelopment of ex Kleine Libertas precinct;
- ‡ Stellenbosch Traffic Offices;
- ‡ Upgrade / conversion of the residential unit into office space in Simonsbergweg / Stellenbosch;
- ‡ Upgrade of Kayamandi Corridor;
- ‡ Upgrading of Kayamandi Library;
- ‡ Upgrading of various heritage buildings, incl. Voorgelegen, Rhenish Complex and Bergzicht buildings;
- ‡ Upgrading of Makapula Hall;
- ‡ Upgrading of van der Stel Complex;
- ‡ Structural upgrade to Jamestown Ward Office / Library;
- ‡ Structural upgrade Ida's Valley Pavilion;
- ‡ Structural upgrade Raithby Pavilion; and
- ‡ Structural upgrade Franschoek Municipal Depot.

Various projects / acquisitions were processed under the following term tenders:

- ‡ Furniture, tools and equipment;
- ‡ Hygienic services;
- ‡ Fencing;
- ‡ Maintenance and replacement of air conditioners;
- ‡ Maintenance of lifts; and
- ‡ Pest control.

The following term tenders were awarded:

- ‡ New term tender for the rental of indoor plants; and
- ‡ New term tender furniture, tools and equipment.

**Table 150: Service Data Statistics – Property Management**

Details	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Encroachment Agreements: New	23	22	16	2	0	0
Encroachment Agreements: Renewals	7	5	0	0	0	0
Lease Agreements: New	4	1	0	1	1	1
Lease Agreements: Renewals	-	2	2	0	1	8
Sales Agreements	2	3	0	0	3	7
Servitudes	29	-	-	5	2	1



The table below indicates the capital expenditure for Property Management and Building Maintenance Section as at 30 June 2021.

**Table 151: Capital Expenditure as at 30 June 2021: Property Management and Building Maintenance**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Purchasing of land	46 960 585	46 224 000	-1.57%
La Motte Clubhouse	3 050 000	3 050 000	0%
Upgrading of Traffic Offices: Stellenbosch	2 848 787	2 205 424	-22.58%
Upgrading of Eike Town Hall	2 735 187	2 732 955	-0.08%
Structural Improvement: General	2 397 244	1 766 295	-26.32%
<i>Only the 5 largest capital projects are listed</i>			

Property Management have spent, **93.94%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Property Management and Building Maintenance.

**Table 152: Total number of employees in the Section: Property Management and Building Maintenance**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	0	0	0	100%
9 – 13	12	7	5	41.6%
4 – 8	13	7	6	46.1%
3 – 0	1	1	0	0%
<b>Total</b>	<b>27</b>	<b>16</b>	<b>11</b>	<b>40.7%</b>

### 3.11 Free Basic Services and Indigent Support

#### Access to Free Basic Services

The following table indicates the percentage of average registered indigent households that have access to free basic municipal services. The total indigent households exclude all informal households and include formal households that have been registered as indigent households. The total i.t.o. free basic electricity includes only indigent households claiming 100 kWh from the Stellenbosch Municipality. It also does not include the totals where the electricity distribution is conducted by ESKOM.

In accordance with the approved indigent policy of the municipality, all households earning less than R6 500 per month will receive the free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's Indigent Policy.



The table below indicates the number of households receiving free basic services.

**Table 153: Access to Free Basic Services**

Year	Number of Households								
	Total no. of HH	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2018/19	52 374	6 813	13.01	6 813	13.01	4 833	9.23	6 813	13.01
2019/20	52 374	6 666	100%	6 666	100%	4 932	100%	6 666	100%
2020/21	50 328	7 283	100%	7 283	100%	5 189	100%	7283	100%

The percentage is based on indigent household access compared to a total of 50 328 households.

Services subsidised are:

- ⌵ Water - basic charge + 6 kl;
- ⌵ Electricity - basic charge + 100 kWh;
- ⌵ Sanitation - based on a 250m<sup>2</sup> erf; and
- ⌵ Refuse - one removal per week.

### Free Basic Services per basic service

The provision of free basic services is summarised in the tables below.

**Table 154: Free basic electricity to indigent HH**

Financial year	Electricity		
	Indigent Households		
	No. of HH	Unit per HH (kwh)	Value R'000
2017/18	6 453	100	6 216
2018/19	6 813	100	8 415
2019/20	4 932**	100	6 888
2020/21	5 198	100	7 711

\*Average for the year  
\*\*Only Indigent consumers who claimed free units

**Table 155: Free basic water services to indigent HH**

Financial year	Water		
	Indigent Households		
	No. of HH	Unit per HH (kl)	Value R'000
2013/14	5 095*	6	2 949
2014/15	5 757	6	4 783
2015/16	6 486	10	7 760
2016/17	5 686	10	7 280
2017/18	6 453	10	2 391
2018/19	6 813	6	2 634
2019/20	6 666	6	2 741
2020/21	7 283	6	3 178

\*Average for the year



Table 156: Free basic sanitation to indigent HH

Sanitation			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	102.98	8 330
2018/19	6 813	112.25	9 177
2019/20	6 666	135.99	9 518
2020/21	7 283	145.73	11 075
*Average for the year			

Table 157: Free basic refuse removal services to indigent

Refuse Removal			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value R'000
2017/18	6 453	1	8 662
2018/19	6 813	1	9 543
2019/20	6 666	1	10 878
2020/21	7 283	1	17 926
*Average for the year			



## COMPONENT B: ROADS, TRANSPORT AND STORMWATER

### 3.12 Roads

This component includes roads, transport, traffic engineering and wastewater (stormwater drainage).

#### a) Transportation Planning and Traffic Engineering

The municipality has compiled its Draft Non-Motorised Transport (NMT) Master Plan and Policy. The Draft NMT Master Plan and Policy is a review consolidation, and update of the NMT policy and master plans which were compiled in 2015.

The NMT Master Plan and Policy strives to promote and encourage alternative modes of transport such as walking and cycling. The NMT Master Plan and Policy aim to analyse the capacity of the current network, identify current and future NMT needs, and recommend improvements that will ensure an effective NMT network.

The NMT Master Plan and Policy further strives to position NMT as a consistent long-term municipal priority. The strategic objective and implementation plan are the implementation of a coherent, logical and integrated NMT network for Stellenbosch by 2024.

The 2019 – 2020 update of the 2016 Comprehensive Integrated Transport Plan (CITP) has also been compiled. The 2019/20 update considers recent amendments to the SDF and proposes more effective approaches to improving transport, including public transport, freight and NMT within Stellenbosch.

The main road networks through Stellenbosch currently operate at capacity and at times beyond capacity, resulting in traffic congestion. Analysis of the road networks and assessments of the public transport operations and facilities are periodically carried out to identify shortcomings and opportunities for improvements. The municipality has compiled its Draft Road Master Plan (RMP), the RMP aims to analyse the capacity of the current network, identify current and future needs and recommend infrastructure improvements that will aid in establishing an effective road network.

Stellenbosch Municipality, in collaboration with Stellenbosch University, continues with research and development to establish a real-time traffic signal control system for Stellenbosch. This research project will assist in addressing everyday congestion through the application of Smart Transportation technology namely Traffic-Adaptive-Signal-Control (TASC). TASC refers to the real-time control of signalised intersections and enables the real-time adjustment of traffic signal timing to increase vehicle flows through the intersection thereby reducing congestion.

#### b) Road Construction and Intersection Upgrades

To reduce the effects of congestion, improve traffic flow and increase traffic safety at intersections within Stellenbosch, various intersections were upgraded by the municipality through the intersection improvement programme that had commenced about 8 years ago.



The following has been completed in the 2020/21 financial year:

- ‡ The modification of the R44 / Paradyskloof intersection and extension of Skuilplaats Road to Trumali Road; and
- ‡ The upgrading of Technopark Intersection with R44 and the Technopark Access Road.

The following Roads and Intersection Upgrades at the construction phase at the end of the 2020/21 financial year:

- ‡ Upgrading of the R44 / Helshoogte Intersection;
- ‡ Upgrading of the Oude Libertas Road and Adam Tass Road Intersections;
- ‡ Upgrading of Vredenderg Road and Adam Tas Road Intersection; and
- ‡ Realignment of Devon Valley Road and upgrading Devon Valley and Adam Tas Road Intersections.

### **c) Gravel Road Upgrading to Asphalt Surface Standards**

The municipality previously commenced with a gravel Road Upgrading Programme where gravel roads in the municipality's residential settlements are being upgraded to permanent asphalt standards. In the previous financial year, gravel roads were upgraded in the Wemmershoek and La Motte residential settlements. During the 2020/21 financial year, the municipality has completed the upgrading of the following roads in Franschhoek:

- ‡ Pepler;
- ‡ Haumann;
- ‡ Naude;
- ‡ Louis Botha; and
- ‡ Cabriere.

### **d) Non-Motorised Transport (NMT)**

In line with the municipality's NMT Master Plan, NMT Infrastructure is annually rolled out and implemented to ensure continuous expansion of the NMT network. During the 2019/20 financial year, sidewalks have been constructed in the following areas, namely Stellenbosch CDB and Noordwal Oos Street, Paradyskloof, Ida's Valley and Onder-Papagaaiberg. During the 2020/21 financial year NMT facilities were constructed at the following areas:

- ‡ R44 non-motorised transport (NMT) facility linking Blaauklippen and Jamestown;
- ‡ Cloeteville: Waaiepalm Street, Kloof Street, Crombi Road and Last Road;
- ‡ Ida's Valley: Davy's Street and Old Helshoogte Road;
- ‡ Pniël: Silwermyl Street;
- ‡ Stellenbosch CBD: Noordwal Wes Road and Louw Street; and
- ‡ Stellenbosch: Merriman Ave.

### **e) Public Transport**

To facilitate and improve local public transport services, the municipality commissioned the construction of a new Taxi rank in Groendal Franschhoek and the upgrading of existing taxi ranks in Kayamandi and Klapmuts.





The following taxi rank had been completed in the 2020/21 financial year:

- ‡ Klapmuts Taxi Rank.

The following taxi ranks are at the final stages of the construction phase, at the end of the 2020/21 financial year:

- ‡ Groendal Taxi Rank; and
- ‡ Kayamandi Taxi Rank.

#### **f) Stormwater**

The municipality's Stormwater Master Plan was updated in a previous financial year. Improvements, as identified in the Master Plan are implemented annually, and the system is periodically maintained to ensure preparedness for the winter season.

The municipality's By-Law on Stormwater was promulgated in May 2021. The By-Law on Stormwater regulates stormwater systems in built-up areas and regulates activities that may have a detrimental effect on the development, operation or maintenance of the stormwater system.

The By-Law also aims to improve the management of stormwater systems by reducing the probability and impacts of flooding, protecting natural aquatic environments and maintaining acceptable water quality within the system.

#### **g) Bridges**

Planning for the reconstruction of the Distillery Road Bridge in Bosman's Crossing, Stellenbosch, commenced in the 2019/20 financial year. The Distillery Road Bridge is the only access road into Bosman's Crossing, a small mixed development area within Stellenbosch comprising of various commercial developments and apartment complexes. Designs for the bridge are complete, and all necessary approvals for the reconstruction of the bridge have been attained. The procurement process for the appointment of a contractor had commenced towards the end of the financial year.

Planning and design had previously commenced for the construction of a pedestrian bridge that would link Kayamandi with Cloetesville. The proposed bridge would create a safe passage for pedestrians between the two communities, crossing the R304, the railway line and the Plankenbrug River. Designs for the bridge is complete and the necessary approvals for the construction of the pedestrian bridge have been attained. Implementation will commence once the project prioritisation and procurement processes (for the appointment of a contractor) are concluded.



### 3.12.1 Roads Statistics

The following graphs give an overview of the total kilometres of roads maintained and new roads tarred: *Tarred (Asphalted) Roads*.

Figure 36: Tarred Roads

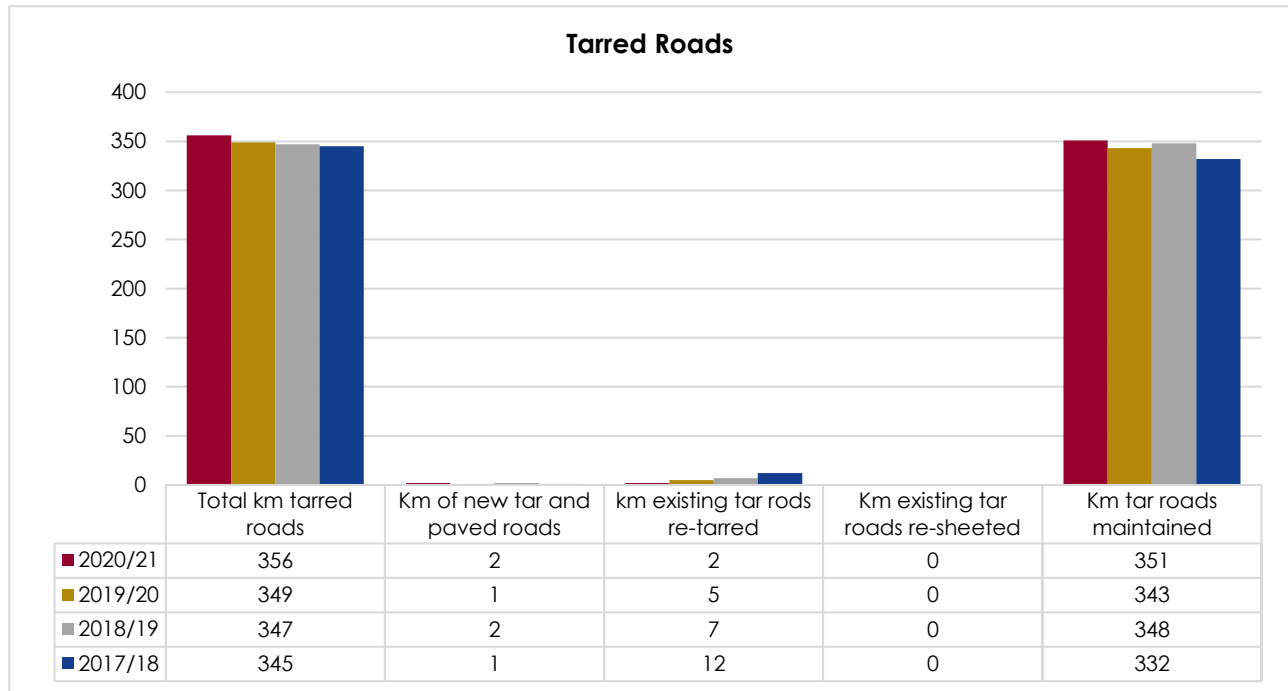
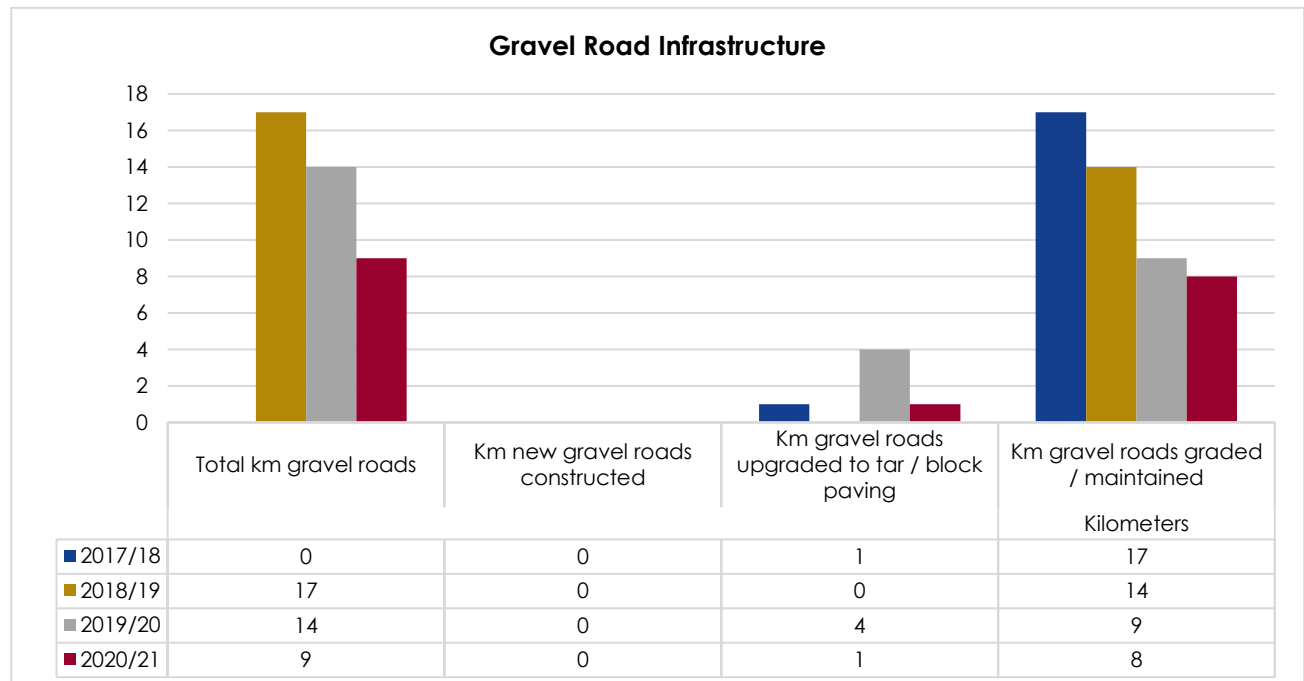


Figure 37: Gravel road infrastructure

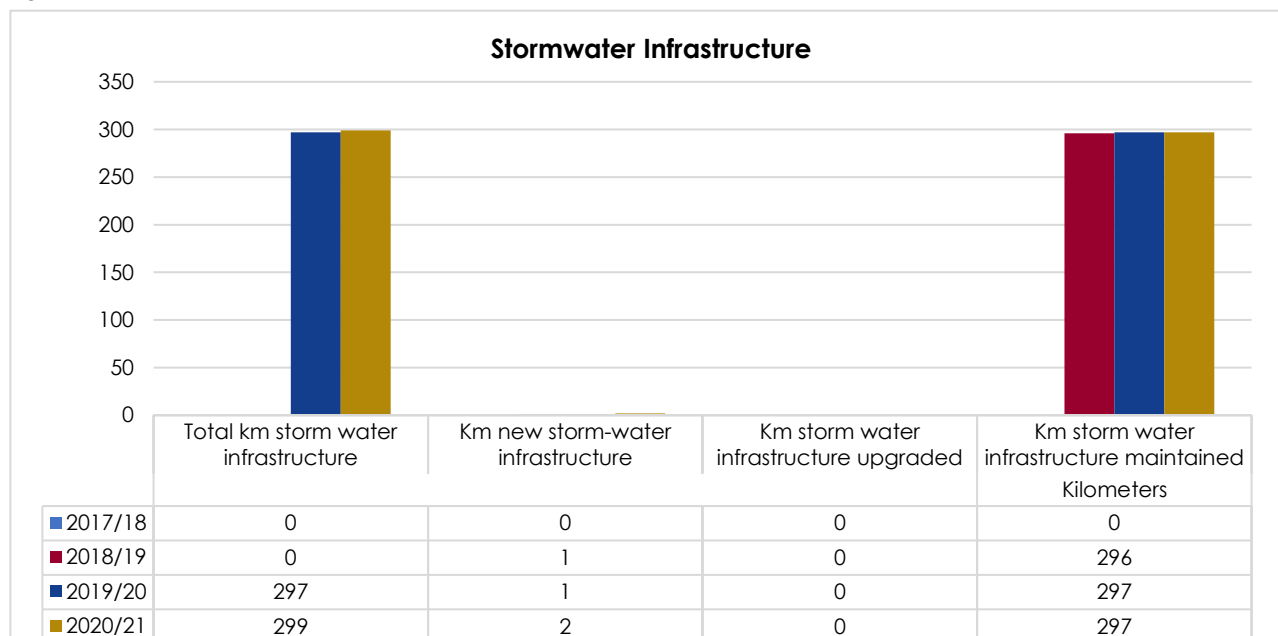




### 3.12.2 Stormwater Infrastructure

The graph below shows the total kilometres of stormwater infrastructure maintained and upgraded as well as the kilometres of new stormwater pipes installed.

Figure 38: Stormwater Infrastructure



The table below indicates the capital expenditure for Roads, Transport and Stormwater Services as at 30 June 2021.

Table 158: Capital Expenditure as at 30 June 2021: RTS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Adhoc Reconstruction of Roads (WC024)	15 755 412	15 519 995	-1.49%
Schuilplaats Road Link	4 077 911	4 063 368	-0.36%
Specialised Vehicles	2 013 225	2 013 225	0%
Bridge Rehabilitation	3 102 451	3 102 447	0%
Reseal Roads - Stellenbosch and Surrounding	2 178 000	2 178 000	0
<i>Only the 5 largest capital projects are listed</i>			

Roads and Stormwater spent **95.61%** of the capital budget for the financial year.



The table below indicates the total number of employees in the Department: Roads, Stormwater, Transport and Traffic Engineering.

**Table 159: Total number of employees in the Department: Roads, Stormwater, Transport and Traffic Engineering**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	3	3	0	0%
9 – 13	34	19	15	44.1%
4 – 8	28	16	12	42.8%
3 – 0	91	63	28	30%
<b>Total</b>	<b>157</b>	<b>102</b>	<b>55</b>	<b>35.0%</b>

### 3.13 Development Services and Project Management Development Services, Asset Management and Systems and Project Management Unit (PMU)

The Department: Development Services, Asset Management and Systems and Project Management Unit (PMU) is responsible for Technical Information Management, Asset Management, Wayleave Management, Development Services and Project / Programme Management in the Directorate: Infrastructure Services.

During the 2020/21 financial year, the department successfully facilitated the adoption of eight Asset Management Improvement projects over the medium term (i.e. 3-5 years) as indicated in the Asset Management Maturity Assessment performed in the previous financial year. The department continued to provide operational services in terms of wayleave applications, building plan assessments, land use applications and project management.

#### 3.13.1 Project Management Unit (PMU)

During the 2020/21 financial year, the PMU managed a capital expenditure budget of R29.2M (of which R14.4M was Human Settlements Grant funding). Multi-year projects included Basic Improvements:

- ✚ Langrug, Ida's Valley IRDP / FLISP;
- ✚ Kayamandi: Zone O (±711 services);
- ✚ Klapmuts TRA (298 Nutec Structures);
- ✚ Klapmuts: Erf 2181 (298 serviced sites);
- ✚ Longlands Vlottenburg (±144 Services and ±144 units);
- ✚ Smartie Town, upgrading of The Steps / Orleans Lounge; and
- ✚ Watergang Farm upgrading.

The Project Management Unit assists other municipal departments to implement their projects. The Section: PMU is currently assisting departments with the following capital projects:

- ✚ Roll out of optic fibre – Section: Roads and Stormwater;
- ✚ La Terra substation – Department: Electrical Services;
- ✚ Taxi rank: Franschhoek – Section: Transport Planning and Public Transport;
- ✚ Taxi rank: Kayamandi – Section: Transport Planning and Public Transport;
- ✚ Taxi rank: Klapmuts – Section: Transport Planning and Public Transport;



- ‡ Jamestown Cemeteries – Directorate: Community and Protection Services; and
- ‡ Integrated National Electrification Programme – Department: Electrical Services.

The PMU is also responsible for the administration of the Integrated Urban Development Grant (IUDG). The Integrated Urban Development Framework (IUDF) marks a new deal for South Africa's cities and towns. It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges facing South Africa's cities and towns. The key outcome of the IUDF is spatial transformation and to create a growth model of compact, connected and coordinated cities and towns.

Within the IUDF's Intermediate City Municipality (ICM) programme, which targets 39 municipalities, support is provided for the municipalities in the middle size and density range of the continuum. The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs. Stellenbosch Municipality again achieved 100% IUDG expenditure (an allocation of R46 906 000 for the 2020/21 financial year).

### 3.13.2 Asset Management and Systems

Maximising municipal infrastructure management supports the current Strategic Focus Areas as well. Foremost is in Strategic Focus Area 5: Good Governance and Compliance. As the 13th largest economy nationally, the greater Stellenbosch area and municipality is a significant seat of power and deliverer of services. Deciding what to do, when, where, and for whose benefit is, is the difficult task that infrastructure asset management addresses. Enhanced infrastructure capabilities also augment the achievement of the other four Strategic Focus Areas, i.e. 1: Valley of Possibility, 2: Green and Sustainable Valley, 3: Safe Valley and 4: Dignified Living.

A sound financial basis is central to implementing any strategy. The greater Stellenbosch area is no exception. In order to deliver on the needs of its citizens, the municipality is required to manage revenue streams sustainably. It also needs to ensure that funds available are utilised for identified projects that have been correctly prioritised, and that value for money is achieved. The range of services to be provided is vast in scope, and citizens and enterprises' needs vary significantly. Given the depth of need in many communities and limited resources, tough choices have to be made. An Enterprise Asset Management System will deliver the information that will aid this type of decision making.

As such, Stellenbosch Municipality is positioning itself to adopt an Enterprise Asset Management System, i.e. Cityworks which is built exclusively on Esri's ArcGIS technology. The Cityworks web GIS-centric platform can help to streamline the care and maintenance of infrastructure assets. Using the ArcGIS geodatabase as the authoritative system of record, Cityworks can leverage the inherent power of GIS through spatial analysis of work activities and mobile field operations. Cityworks and ArcGIS together offer a system of record, a system of engagement, and a system of insight for asset management. Additionally, once asset data is verified and established as correct, Stellenbosch Municipality can begin to understand its infrastructure's health. Cityworks would assist the municipality in identifying and prioritising risk, preparing for emergency events, and gaining new operational insights.

This will only be possible through the result of improvements it has to make to its asset management practices. The municipality is building on its sound performance in financial asset management to establish, in particular, improved physical asset management (that focuses on infrastructure-based service delivery) and is in line with recognised good industry practice; the integration of these two domains. These AM improvement projects have been endorsed by the MM and Directors over the



medium term (i.e. 3-5 years) as was indicated in the Asset Management Maturity Assessment performed in the previous financial year.

Wayleave Management also falls under this section. The collective value of services infrastructure contained within the Public Road Reserve and the road itself amounts to a considerable value. This infrastructure needs to be maintained, periodically rehabilitated and replaced from time to time. Such activities can result in considerable delays, inconvenience, danger and additional costs to the road users and municipality itself if not well planned and coordinated. This activity is coordinated through the wayleave management function.

Unfortunately, most of the posts in this function remain vacant. This function is performed by staff seconded partially or entirely from within the department – regardless, 89% of applications received during the 2020/21 financial year were processed (compared with 62% of applications in 2019/20 financial year).

The monthly and annual applications are summarised in the table below, Wayleave Applications.

**Table 160: Wayleave Applications**

Activity	2020/21												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Wayleave Applications - Received	15	18	19	20	32	2	23	24	27	15	32	13	<b>240</b>
Wayleave Applications - Commented on	28	10	25	15	10	11	6	23	36	13	27	9	<b>213</b>
<b>% completion to date:</b>													<b>88.8%</b>

### 3.13.3 Development Services

The Manager: Development Services comments on behalf of the Directorate: Infrastructure Services on all land-use applications, which submitted to Council in terms of the Stellenbosch Land-Use Planning Bylaw of 2015. Land-use applications include land-use changes such as rezonings, subdivisions, consent uses, increase in bulk and departures and normally leads to further development of a property.

The approval of proposed land-use changes is evaluated in terms of the availability of bulk services. Hence, should Council be in a position to supply such services, an application can be supported. If not, then an application for a land-use change will not be supported by the Directorate: Infrastructure Services. Thus, any planned development will be brought under the attention of the Section: Development Services by Town Planning to determine if bulk services will be available and if not, by when the budget will allow for such bulk infrastructure to be implemented.

The Section: Development Services is also responsible to coordinate and approve the final handover of newly serviced stands through the approval of engineering services clearance certificates.





The figures for the different Land Use Applications for the 2020/21 financial year are outlined in the below.

**Table 161: Land-use Applications**

Activity	2020/21												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Building Plans- Received	74	56	100	95	75	52	15	73	26	38	49	89	742
Building Plans- Commented on by due date	52	34	53	41	50	28	5	44	23	11	39	51	431
Land-use Applications - Received	15	31	23	29	20	25	4	8	11	11	5	12	194
Land-use Applications - Commented on by due date	7	21	13	10	7	10	0	6	7	4	4	9	98
DCs received for completed developments	<b>Excluding VAT - R9.4m</b>												
<b>Total of aforementioned requests received</b>													<b>936</b>
<b>Total of aforementioned requests commented on</b>													<b>529</b>
<b>% completion by due date:</b>													<b>56.5 %</b>

Additionally, DCs are calculated by this section and set as a development condition for new developments. Social and economic development has a positive impact on the municipality's finances as it increases revenue from property rates, fees, service charges and tariffs by expanding the base of ratepayers. However, development associated with this economic growth impacts the demand for municipal infrastructure services as well as social infrastructure services such as clinics, schools and other public amenities. Therefore, infrastructure is needed to support sustainable social and economic development in Stellenbosch.

Development charges are a more targeted and more fair way of ensuring that the primary beneficiaries of infrastructure make an appropriate and fair contribution to that cost, without unduly burdening the municipality's ratepayers. Development Charges are thus an important form of capital contribution raised by the municipality to pay for infrastructure upgrades required in support of new developments. This section thus also performs a project management function by ensuring that developer-created infrastructure is completed according to the municipality's engineering standards and guidelines.

A summary of the annual DCs management in 2020/21:

- ‡ DCs Calculated: R45.3M;
- ‡ DCs received by the municipality: R9.4M;
- ‡ Assets created in lieu of DCs: R6.8M; and
- ‡ Total value created for the municipality in 2020/21: R16,2M.



## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.14 Town- and Spatial Planning

#### a) Stellenbosch and an appropriate approach to spatial development and management

The Municipal Spatial Development Framework (mSDF) is a core component of, and part of the Integrated Development Plan as stipulated in Section 26(e) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and Section 20(2) of the Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013). The spatial planning system in the Republic of South Africa consists of the following components:

- ‡ Spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government;
- ‡ Development principles, norms and standards that must guide spatial planning, land use management and land development;
- ‡ The management and facilitation of land use through the mechanisms of land use schemes, i.e. zoning scheme bylaws; and
- ‡ Procedures and processes for the preparation, submission and consideration of land development applications and related process.

Section 8 of SPLUMA stipulate that the norms and standards must, amongst others:

- ‡ Promote social inclusion, spatial equity, desirable settlement patterns, rural revitalisation, urban regeneration and sustainable development;
- ‡ Ensure that land development and land use management processes, including applications, procedures and timeframes are efficient and effective;
- ‡ Include: -
  - (i) A report on and on analysis of existing land use patterns;
  - (ii) A framework for desired land use patterns;
  - (iii) Existing and future land use plans, programmes and projects relative to key sectors of the economy; and
  - (iv) Mechanisms for identifying strategically located vacant or under-utilised land and for providing access to, and the use of land.

Based on the above it is clear that the Municipal SDF is not just mostly a technical document, but in fact the strategic spatial representation of the IDP, and also must determine a capital expenditure framework ("CEF") for the municipality's development programmes, depicted spatially. The Municipal SDF "as part of" and "a core component of" the IDP further "must include sectoral requirements, including budgets and resources for implementation", thereby guiding the municipal infrastructure and development budget. We present the critical underlying narrative here and argue that adhering to it, through numerous individual actions and decisions – across sectors of society – is at the core of managing development and land use in Stellenbosch better, at the heart of a better future for all.

*"Stellenbosch Municipality is a special place; all of it ... its various settlements, its nature areas, farms, education institutions, its innovative corporations, small businesses, its places to visit, its places to live, its festivals, its history ... its people. In terms of its space – activities in space, landscapes, urban places, streets, and buildings – Stellenbosch Municipality continue to impress and bring opportunity, joy, and contentment; in different ways, to visitors and residents alike. Many would love to live here, work here, or visit more often. Stellenbosch Municipality has been judged as a place of high opportunity.*



Numerous factors combine to a recognition that this place can contribute more to growing societal needs, in its region, and our country. If one lives here, the chances are that you can make a good livelihood. Stellenbosch Municipality is truly a place of opportunity.

Many who live within the municipal area do not have adequate shelter, or the opportunity to work. Many study here, but cannot enjoy university life to its full extent, because there is limited residential opportunity for students. Then again, many struggle in traffic every day, on congested roads, wasting time and money for fuel, even if privileged enough to own a private vehicle.

Stellenbosch Municipality's challenges increasingly impact on all, albeit in different ways. Citizens respond to challenges differently. Many owners of agricultural land have indicated a desire to develop their land for other, predominantly urban activities. These thoughts already involve a large land area, comparable to the size of Stellenbosch town. Others, tired of waiting for a housing opportunity here or elsewhere – and government support – invade land, staking a claim, the right to a place to live, on virgin land, even if the land is not suitable for development because of its agricultural and / or environmental value, is prone to risk, or allocated to someone else. Some, with the necessary material means, elect to close themselves off, to obtain a place to live in gated communities, secure from perceived threat to body and property.

The Stellenbosch Municipal Area grows, both naturally, and because more people are attracted here. Those drawn include the poor, middle- to higher income groups, and large corporations. Stellenbosch Municipality has a special quality of accommodating hope, good opportunities, and a better life; the perception is that your needs can be met faster, your children can get access to a school promptly, or, your journey to work will be less cumbersome.

In terms of how we manage development and space, we know what direction to take. We know that we should adopt a more precautionary approach to nature and agricultural land, we know that we should contain and compact settlements, we know that we should provide more choice in shelter and housing opportunity, and that we should focus on public and non-motorised transport.

This knowledge is also embedded in policy, from global conventions to national, provincial and local frameworks, including the Stellenbosch Municipal Integrated Development Plan that include the Stellenbosch Municipality Spatial Development Framework, 2019, the legal plan which directs the municipal budget and resource allocation. It requires new ways of thinking, acting, living and doing. Higher densities, leaving the car, more interaction between groups of society sharing public space, more partnership in unlocking development opportunity, and so on.

The potential of Klappmuts to accommodate enterprises, dependent on good intra- and inter-regional logistic networks is acknowledged. Landowners realise that overcoming the resource constraints, infrastructure constraints, and the cross-subsidisation required for more inclusive development – the extent of energy needed – necessitates joint work, joint planning, and implementation of a scale and nature not yet experienced in Stellenbosch. Corporations realise that they have broader responsibility – not only in contributing to good causes concerning nature, education, or the arts, but in actively constructing better living environments. We realise that we have to forge, establish and maintain active working partnerships to make our towns better. We also have the benefit of history. In times past, we have, as Stellenbosch Municipality, changed our destiny, did things for the better. Starting with an individual idea, a thought, often through an individual, great things were done. With such ideas and actions, the town established a university, saved historic buildings and places, launched cultural celebrations with broad reach, safeguarded unique nature areas, provided families with homes, begun corporations with global reach. When a fire destroyed



homes, they were rebuilt promptly with collective energy and purpose. When children needed schooling, and government could not provide, some established schools.

Often, these initiatives started outside of government, albeit assisted by the government. They were started by those who thought beyond current challenges, without necessarily being able to project outcomes over time in full. They just understood that one step might lead to another. Not all the technical detail was resolved, not everything understood in its entirety. They merely acted in terms of core principles. As matters unfolded and new challenges emerged, the principles guided them.

The Municipal Spatial Development Framework, 2019 recognises that the spatial decisions and actions of many make what settlements are. It asks us to understand that plans cannot do everything, predict everything. It asks all to consider action with a few core beliefs, principles, or concepts, geared towards the common good.

**b) Specifically, it asks us to consider seven principles:**

**1. First, maintain and grow the assets of Stellenbosch Municipality's natural environment and farming areas.**

Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature and for diversifying farm income in a manner which does not detract from the functionality and integrity of nature and farming areas and landscapes.

**2. Second, respect and grow our cultural heritage, the legacy of physical artefacts and intangible attributes of society inherited from past generations maintained in the present and preserved for the benefit of future generations.**

Cultural heritage underpins aspects of the economy and differentiates places. Culture is a dynamic construct; forever emerging in response to new challenges, new interactions and opportunity, and new interpretations. Spatially, we must organise Stellenbosch in a manner which also sets the stage for new expressions of culture.

**3. Third, within developable areas – areas not set aside for limited development owing to its natural or cultural significance – allow future opportunity to build on existing infrastructure investment, on the opportunity inherent in these systems when reconfigured, augmented or expanded.**

Infrastructure represents significant public investment over generations, not readily replicated over the short term. It represents substantial assets for enabling individual and communal development opportunity of different kinds. From a spatial perspective, movement systems are particularly significant. Elements of the movement system, and how they interconnect, have a fundamental impact on accessibility, and therefore economic and social opportunity. Specifically, important is places of intersection between movement systems – places which focus human energy, where movement flows merge – and where people on foot can readily engage with public transport.



#### **4. Fourth, clarify and respect the different roles and potentials of existing settlements.**

All settlements are not the same. Some are large, supported by significant economic and social infrastructure, offer a range of opportunity, and can accommodate growth and change. Others are small and the chance to provide for growth or change is minimal. Generally, the potential of settlements to help change and growth relates directly to their relationship with natural assets, cultural assets, and infrastructure. We must accommodate change and growth where existing assets will be impacted on the least or lend itself to generating new opportunity.

#### **5. Fifth, address human needs – for housing, infrastructure, and facilities – clearly in terms of the constraints and opportunity related to natural assets, cultural assets, infrastructure, and the role of settlements.**

We must meet human need in areas where the assets of nature will not be degraded, where cultural assets can be best respected and expanded, and where current infrastructure and settlement agglomeration offers the greatest opportunity. Generally, we can help human need in two ways. The first is through infill and redevelopment of existing settled areas. The second is through new green-field development. We need to focus on both while restricting the spatial footprint of settlements outside existing urban areas as far as possible.

#### **6. Sixth, pursue balanced communities. All settlements should be balanced.**

That means they should provide for all groups, and dependent on size, a range of services and opportunities for residents. It also says they should provide for walking and cycling, not only cars.

#### **7. Finally, focus energy on a few catalytic areas that offer extensive opportunity and address present risk.**

Planning cannot attempt to treat all areas equally. Some areas offer more opportunity for more people than others. We need to focus on the areas and actions where a significant number of people will benefit, where we will meet their needs. There is also a need to focus on areas of 'deep' need, notwithstanding location, where limited opportunity poses a risk to livelihoods. Some informal settlements and poorer areas may not be located to offer the best chance for inhabitants, yet services need to be provided and maintained here. However, significant new development should not occur in these places, exacerbating undesirable impacts or further limiting the opportunity for people to pursue sustainable livelihoods. Spatial plans are 'partial' frameworks for action. They deal with space. Command of space is not enough to develop or manage a settlement in the interest of all. Each spatial principle, each concept, requires parallel actions in other sectors, including how we form institutions for execution, how we transport people, how we fund things, where we focus resources, and so on. The spatial principles must help us to think through these implications, action by action, decision by decision."

#### **c) Future settlement along the Baden Powell Drive-Adam Tas-R304 corridor**

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

- ‡ The measures required to ensure that settlements provide for a range of housing types and income groups (in a balanced manner);
- ‡ Establishing regular public transport services between settlements, including services between



the expanded smaller settlements and Stellenbosch town; and

- ✦ Understanding to what extent settlements can provide local employment, in this way minimising the need for transport to other settlements.

#### **d) Other local planning initiatives**

Ideally, each of the settlements in SM should have a LSDF, applying the principles of the *mSDF* in more detail. The priority for LSDFs should be determined by the position and role of settlements in the SM settlement hierarchy, but should start with the Adam Tas Corridor Development Area and Klappmuts.

#### **e) Institutional Arrangements**

The Stellenbosch Municipality has limited staffing resources within the Directorate: Planning and Economic Development, which include the departments of Development Management (Land Use Management and Building Development Management); Development Planning (Spatial Planning, Economic Development and Tourism, Development Information ("GIS") and Heritage Resource Management) and Integrated Human Settlements (Housing Development, Informal Settlements and Housing Administration) SM have appointed two (2) Senior Managers in the position for Development Management and Development Planning, and the position of the Senior Manager: Integrated Human Settlements is an unfunded post and remains vacant. Work occurs within the framework set by annually approved Service Delivery and Budget Implementation Plans (aligned with the IDP), decision-making processes and procedures set by Council, and a suite of legislation and regulations guiding spatial planning, land use management, and environmental management (including SPLUMA, LUPA, and the National Environmental Management Act).

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

- ✦ The extent to which the main argument and strategies of the *mSDF* are incorporated into annual reports, annual IDP reviews, future municipal IDPs, and so on;
- ✦ The annual review of the *mSDF* as part of the IDP review process;
- ✦ The extent to which the main argument and strategies of the *mSDF* inform sector planning and resource allocation;
- ✦ The extent to which the main argument and strategies of the *mSDF* inform land use management decision-making;
- ✦ Alignment with and progress in implementing the municipality's Human Settlement Plan and Comprehensive Integrated Transport Plan; and
- ✦ The mutual responsiveness of the *mSDF* and national, provincial and regional plans, programmes and actions (including the extent to which *mSDF* implementation can benefit from national and provincial programmes and funding). Over and above institutional arrangements in place, it appears that two aspects require specific focus in support of the *mSDF*.

#### **f) Inter-municipal planning**

The first relates to inter-municipal planning. As indicated elsewhere in the *mSDF*, SM (and other adjoining municipalities) appears to experience increasing challenges related to development pressure in Cape Town. This pressure is of different kinds. The first is pressure on the agricultural edges of Stellenbosch Municipality through residential expansion within Cape Town. The second is migration to SM (whether in the form of corporate decentralisation, or both higher and lower income home seekers), leading to pressure on available resources, service capacity, and land within and around the settlements of SM. While municipal planners do liaise on matters of common concern, there





appears to be a need for greater high-level agreement on spatial planning for “both sides” of municipal boundaries. The spatial implications of pressure related to migration to SM could be managed locally, should there be agreement to redevelop existing settlement footprints rather than enabling further greenfields development (as a general rule).

However, the municipality’s increased resource needs to accommodate new growth – a non-spatial issue – should be acknowledged and addressed.

#### **g) Private sector joint planning**

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

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

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

#### **h) Land Use Management**

Continually ensure timeous consideration of land-use applications to streamline development processes. Municipality to strengthen integrated development planning, spatial planning and economic planning. The Department: Development Management has made significant strides in addressing and reducing the backlog i.r.o. the processing of land use applications. The number of land use applications classified as backlog applications has been reduced significantly, which in turn has the resultant impact of creating economic development opportunities within the Stellenbosch Municipality.



The table below indicates the capital expenditure for planning and development services as at 30 June 2021.

**Table 162: Capital Expenditure as at 30 June 2021: Planning and Development**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Furniture, Tools and Equipment	163 000	42 302	-23.67%

Planning and Development have spent, **25.95%** of the capital budget for the financial year.

The capital expenditure referred to in the table above refers to the capital expenditure of the Land Use Management Section. The funds were to be used for the purchasing of information technology equipment (laptops), but due to the COVID-19 pandemic, the municipality experienced delays in the deliveries of the ordered equipment. Hence, the underspending in the 2020/21 financial year.

The table below indicates the total number of employees in the Department: Development Management:

**Table 163: Total number of employees in the Department: Development Management**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	3	3	0	0%
14 – 17	19	14	5	35.7%
9 – 13	30	18	12	40%
4 – 8	14	9	5	35%
3 – 0	0	0	0	0%
<b>Total</b>	<b>66</b>	<b>44</b>	<b>22</b>	<b>33.3%</b>

### 3.15 Local Economic Development (LED)

The table below indicates the highlights within the Section: LED and Tourism.

**Table 164: LED Achievements**

Achievement / Highlight	Description	Financial years		
		2018/19	2019/20	2020/21
Business Interventions	Business registrations	37	37	29
	Municipal Database Registrations	27	n/a	181
	Advice to walk-ins	1 795	n/a	334
	Workshops	12	15	1
	Business Licences	13	2	22
Mentorship	No mentorship activities were completed for the first two quarters of the financial year, as it was planned for the latter part of the financial year, however, this could not happen because of the pandemic and lockdown regulation that was in place.	n/a	n/a	0
Tendering Process Training	This was planned for the third quarter of the financial year; however, this could not take place due to the pandemic.	n/a	n/a	0



Achievement / Highlight	Description	Financial years		
		2018/19	2019/20	2020/21
Informal Trading	The Section LED and Tourism has implemented various informal trading sites that will be completed in the new financial year including Cloeteville, Kayamandi, Klapmuts and a process to advertise for the sites to be occupied will be followed. The Informal trading by-law is in the process of being drafted and will be circulated for public comment in the new financial year.	n/a	n/a	n/a
Enterprise Development and Support	Training for Stellenbosch-based entrepreneurs has been hampered because of the pandemic however, a virtual meeting was held with various sectors of the economy including tourism and agriculture to ascertain the impact of the pandemic on these sectors. The municipality partnered with Ranyaka and Stellenbosch Network and provided three (3) SMME training workshops during the 4 <sup>th</sup> quarter of the financial year. Assistance was provided to SMME with PPE to ensure compliance with health protocols during the pandemic. The Unit has been very active with the processing of informal trading permits during the lockdown to ensure that these micro-businesses could trade.	n/a	n/a	3
Vacant Agricultural Property	The two (2) vacant land that was advertised during November / December 2020 is currently being evaluated in line with the Policy on the Management of Municipal Agricultural Land. The Municipal Council during July 2021 approved the re-establishment of the Operational Committee and will assist with the evaluation of the applications received to provide recommendations to the Council for allocation of the land parcels.	n/a	n/a	2

### 3.15.1 Economic Development and Tourism Challenges

The table below gives a brief description of all the challenges within the Section: Economic Development and Tourism during 2020/21.

**Table 165: LED Challenges**

Description	Actions to address
Human Resources are insufficient to drive an effective economic development and tourism programme.	The current organogram for the Directorate: Planning and Economic Development remains a huge challenge, coupled with the high vacancy rate, especially within the Section: Economic Development and Tourism. This high vacancy rate makes it extremely challenging for the Section to perform its function to create and coordinate the creation of an enabling environment within the economy of the Stellenbosch Municipality.
Slow processing of land use applications impacts negatively on new investments and economic growth in the municipal area.	Appointment of the Senior Manager: Development Management has resulted in a significant reduction of the number of land use applications classified as backlog applications. The current pressure for development within the municipal area has, however, even with the pandemic not significantly slowed down, and has resulted in a further increase in development applications and building plan approvals, therefore interventions may be required in dealing with the high influx of such development applications and processes.
Implementation of Infrastructure Projects	The LED: Unit is currently partnering with the Project Management Unit of the municipality to implement the Kayamandi Informal Trading Site. The Section will



Description	Actions to address
	further not implement any further infrastructure projects as this is not the constitutional mandate of the section.
Current entrepreneurship development initiatives show minimal or minor impact on new venture creation.	Establish partnerships with the private sector to ensure uptake of new entrants into the mainstream of the economy. The municipality's procurement must also be used to ensure local businesses are given opportunities to partner with big businesses to nurture and grow new businesses.

### 3.15.2 EPWP Job Creation 2020/21

The Expanded Public Works Programme (EPWP) could not meet the expected target of 1300 as planned for the year 2020/21 due to the COVID-19 pandemic. This caused significant delays in several projects and to some instances failure to start projects. The table below illustrates the job creation through the EPWP for the 2020/21 financial year.

**Table 166: Job Creation through EPWP\* Projects**

EPWP Projects	Number of jobs created	
<b>External EPWP Grant Projects</b>		
IG: LED	28	
IG: Ward Office Cleaners	21	
IG Cleaning of Stormwater	12	
IG: School Safety	11	
IG: Community Development	5	
IG: Jan Marais	6	
IG: Tittle Deeds	12	
IG: Disaster Field Workers	6	
IG: Fire and Disaster	13	
IG: Jonkershoek Picnic Site	4	
IG: Sport Clerk:	1	
IG: Cleaning Warriors	4	
IG: Parks Wardens Stellenbosch	30	
Wheelie Bins	1	
Cleaning of Libraries	2	
IG: Integrated River	15	
IG: Mountain Trails	14	
<b>Total Projects</b>	<b>Total Jobs</b>	<b>185</b>
<b>Municipal Funded Projects</b>		
Municipal Stock Take	6	
Integrated Fire	14	
Municipal Store	2	
Kayamandi Backyard Survey	13	
Biodiversity Veld Rehabilitation	12	
Klapmuts Backyard Survey	14	
Klapmuts Taxi Rank	18	
Rectification of 161 Houses in Cloeteville	14	



EPWP Projects	Number of jobs created
Environmental Clerk	1
Municipal Asset Stock	6
Alien Species WCO24 (Cemeteries)	6
Urban Forestry	24
IG: Parks and Franschhoek Wardens	18
Forest Guards	26
Economic Tourism Cleaners	4
Area Cleaning	867
Ornamental Horticulture	27
Rental Stock Maintenance	13
Inkanini Electrical	36
<b>Total Projects</b>	<b>185</b>
<b>Total Jobs</b>	<b>1 212</b>

Table 167: Jobs created per area

Jobs created per area					
Stellenbosch and Surrounds	Kayamandi	Franschhoek and surrounds	Dwarsriver Valley	Klapmuts	Rural areas
405	547	111	41	74	34

The table below indicates the total number of employees in the Section: LED and Tourism.

Table 168: Total number of employees in the Section: LED and Tourism

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0
14 – 17	1	1	0	100%
9 – 13	7	1	6	85.7
4 – 8	2	1	1	50%
3 – 0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>3</b>	<b>7</b>	<b>70%</b>

### 3.15.3 Tourism

#### a) Aim and function of Tourism Section:

- ‡ Contextualise the strategic goals of tourism promotion and development funding;
- ‡ Regularise the operational functioning of external bodies appointed or supported by the municipality in its constitutional mandate toward both tourism and economic development;
- ‡ Ensure coordination of the activities of the funded entities;
- ‡ Ensure efficient oversight of funding and outcomes;
- ‡ Acknowledge and leverage private sector and independent initiatives;
- ‡ Develop sustainable tourism events and brands;
- ‡ Enable sponsorship opportunities for commercialisation of events, brands and other opportunities;
- ‡ Smooth cyclical tourism numbers by establishing developing and implementing off-peak tourism products and initiatives;



- ⌵ Develop and package opportunities and venues for business tourism;
- ⌵ Enable market participation for local business;
- ⌵ Enable training, mentorship and employment opportunities for local citizens; and
- ⌵ Quantify return on investment into events and funded entities.

#### b) Highlights:

- ⌵ The impact the Support Stellenbosch Campaign had on keeping the tourism sector afloat during the COVID-19 pandemic, which primarily focuses on domestic tourism and ensuring the patrons visit Stellenbosch was hugely successful in comparison to other tourist destinations within the Cape Winelands District;
- ⌵ Visit Stellenbosch partnered with the municipality to improve the tourism experiences and attributes within the Dwarsrivier Valley, which involved engagement with the major tourism and events stakeholders within the Dwarsrivier; and
- ⌵ A memorandum of agreement was signed with Visit Stellenbosch and Franschhoek Wine Valley Tourism based on the policy to for funding of organisation rendering a municipal function with the condition to integrate the sector and ensure new entrance into this sector are supported and developed.

#### Challenges: Tourism

- ⌵ The impact of COVID-19 on the tourism industry has had a severe negative impact on the sector, especially as international travelling was to a large extent prohibited since the start of the lockdown on 27 March 2020.

The table below indicates the capital expenditure for the Led and Tourism section as at 30 June 2021 .

**Table 169: Capital Expenditure as at 30 June 2021: LED and Tourism**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Establishment of Informal Trading Sites: Kayamandi	4 287 007	-	-100%
Establishment of Informal Trading Sites: Klapmuts	274 614	249 041	-9.31%
Establishment of Informal Trading Sites: Groendal	1 080 422	1 253 616	-16.03%
Establishment of informal trading markets Cloetesville	507 000	505 709	-0.25%
Furniture tools and equipment	352 000	287 437	-3.75%
<i>Only the 5 largest capital projects are listed</i>			

Local Economic Development and Tourism have spent, **34.72%** of the capital budget for the financial year.

### 3.15.4 Heritage and Resource Management

The Section: Heritage Resources Management is mandated to enable, facilitate and manage cultural heritage development within the Stellenbosch municipal area through the formulation and implementation of long-term cultural heritage plans, strategies, policies and guidelines, which is appropriately integrated with the applicable sectoral plans of the municipality and aligned with the requirements of the National Heritage Resources Act, Act 25 of 1999.





Part of this work was to update the Stellenbosch Municipality Heritage Inventory, which was done in partnership with the Stellenbosch Heritage Foundation. The municipality intends to further expand on this partnership to ensure that the heritage inventory is continually updated.

The Section has also undertaken a process to review and amend the Stellenbosch Municipality Signage, Advertising and Poster Bylaw with the Directorate: Engineering Services. This bylaw will be adopted and promulgated during the 2021/22 financial year.

### **3.15.5 Development Information**

The Section is responsible for managing, coordinating and controlling the professional and technical processes associated with Geographic Information Systems (GIS) in respect of the municipality, Management of Information Systems (MIS) through research and evaluation of best practices and cost-effective approaches and provides guidance and advice on the functionalities to internal departments to ensure that broader goals and service delivery objectives are accomplished and quality and professional standards maintained in accordance with agreed timeframes, budgets and appropriate legislation.

The Section has assisted the Directorate: Planning and Economic Development with the development of the electronic and online submission of building plan- and land use applications. Through this process, the Section have developed the Building Plan Application Management System ("BPAMS") and the Town Planning Application Management System ("TPAMS"). These systems will provide residents and potential developers to submit their development applications online, and also to monitor the progress of their respective applications.

Currently, BPAMS is fully operational and will be launched with TPAMS during the next financial year.



## COMPONENT D : COMMUNITY AND SOCIAL SERVICES

### 3.16 Libraries

Libraries are facing literacy challenges in the 21st century and even more critical challenges with the current global COVID-19 pandemic. Public libraries have always been seen as beacons of hope, courage, pillars of education, and gathering places for their communities. Over the last two decades, there has been a rapid-fire pace at which technological and societal change has occurred. This has caused many people to question the relevance of and need for libraries. The Section: Libraries, therefore, finds itself continuously assessing the needs of its communities to develop relevant services and programs to meet these needs. For libraries to make a cultural shift and become more purposeful, this report includes the data gathered for decision making and strategic planning, all in an effort to measure library impact on the communities it serves.

Stellenbosch Municipality Libraries Section comprises eight public libraries and two school / public libraries.

**Table 170: Total number of libraries**

Item	Description	Total number
Libraries in the WCO24 Area	<b>Public Libraries:</b> † Kayamandi, Cloeteville, Ida's Valley, Jamestown, Stellenbosch, Pniël, Groendal and Franschhoek	8
	† School / Public Libraries † Koelenhof and Klapmuts	2
Library staff (Permanent)	Library Manager	1
	Senior Librarians	7
	Senior Library Assistant	4
	Library Assistants	22
	Library Aid / Cleaner	8
	IT Cadet	1
	Admin Assistant	1
Vacancies (including Conditional Grant Funded vacancies)	Book Shelver	1
	Senior Librarians	4
	Senior Library Assistant	3
	Library Assistants	13
	Library Aid / Cleaner	3
	IT Cadet	1
Admin Assistant	1	

The Stellenbosch libraries were closed to the public between March – October 2020 due to the COVID-19 pandemic. Although library buildings were physically closed to the public, staff continued to provide limited services to the public from August 2020. These services included photocopy facilities, "curbside" and drop-off services for circulation of physical materials, telephonic requests and renewals.

Library halls were and still continue to be used as quarantine rooms for returned library items. All outreach and marketing activities were suspended. The number of patrons allowed into the building is limited to fifty per cent of its capacity.

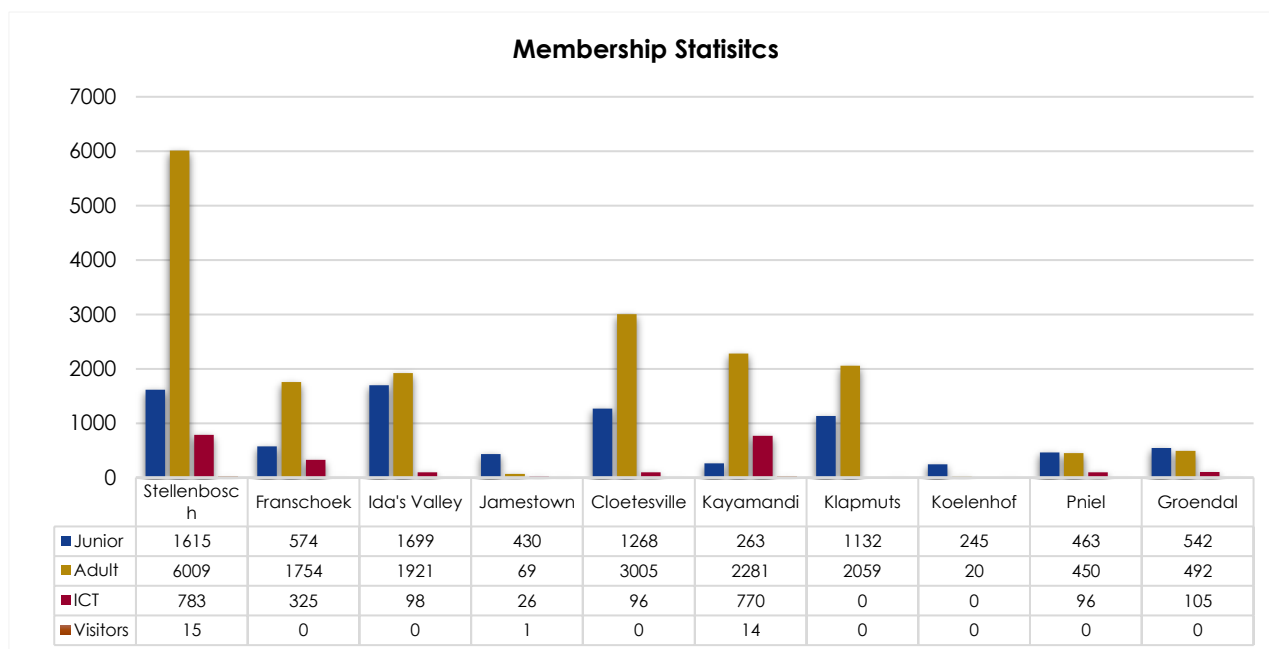


During the COVID-19 lockdown period, the libraries started the kerbside service for patrons in August 2020. To further assist patrons, Wi-Fi Internet access outside the library buildings was made available to users during the COVID-19 pandemic who had limited access to library service. The number of people that visited the library grounds and car-parks to access research and study materials, health and recreational information or just to chat to family and friends highlighted the need for upgrading the libraries infrastructure.

A number of 13 weeks that, due to the COVID-19 pandemic the libraries were physically closed and the public could not enter when it otherwise would have been open. Due to the hard lockdown regulations, a total number of 5 220 hours were used to open libraries to the public for the year under review. The unit implemented an operational schedule of 17 weeks and has limited public occupancy practices for in-person services at the library in response to the COVID-19 pandemic.

The graph below illustrates the membership statistics for the year under review.

**Figure 39: Libraries membership statistics**



**a) Statistics**

**Table 171: Library services**

Type of service	2018/19	2019/20	2020/21
<b>Libraries</b>			
Number of libraries	9	11	10
Library members	142 616	26 293	28 620
Books circulated	323 200	192 503	53 025
Exhibitions held: Adults	312	304	225
Exhibitions held: Children	316	232	160
Internet access points	32	36	20
Internet sessions granted to library users	53 013	17 818	5406
Children's programmes	243	447	25
Number of children attending programmes	4 512	11 121	458



Type of service	2018/19	2019/20	2020/21
<b>Libraries</b>			
Visits by school groups	254	47	18
Book group meetings for adults – old age homes	102	128	0
Primary and Secondary Book Education sessions	975	25	7
Patrons visits @ Library	398 200	271 621	56 548
Library Hall usage	356	545	48
Total number of Project and Pamphlet files developed	N/A	696	170
Total number of books reviewed	N/A	214	209
In-House usage	N/A	77 783	1 868
Book group meetings for adults – old age homes	N/A	128	0
Primary and Secondary Book Education sessions	N/A	25	0

## b) Libraries partnerships

The table below indicates all the libraries and its partnerships within the Stellenbosch area.

**Table 172: Libraries partnerships**

<b>Cloetesville</b>		
Little Builders	Nora Tyers Crèche	Support creche with storytime sessions and literacy activities.
<b>Pniël</b>		
Section: Community Development	Stellenbosch Municipality	The partnership involved hosting community outreach activities together. The target group was adults and the elderly. Held a Mental Health wellness day in March 2021 to highlight the effect of COVID-19 on mental health. The library assisted Community Development with identifying speakers for the event as well as interested community members. The library provided the venue and the Section: Community Development created the programme, provided catering and gifts.
<b>Ida's Valley</b>		
E'Bosch Heritage Project	Existing partnership	New partnerships could not be formed due to the COVID-19 pandemic. Libraries were closed for most of 2020/21 due to national Lockdown Levels.
<b>Groendal</b>		
Mphozisi Qalekiso Arts Foundation	New Partnership	Worked together to celebrate Africa Day in Groendal.
<b>Kayamandi</b>		
Lokxion Foundation	New Partnership	Partnership to encourage youth to read and write poetry.
<b>Stellenbosch / Jamestown / Franschhoek / Klapmuts / Koelenhof / Kayamandi</b>		
Due to the COVID-19 Pandemic and the limited services the Section: Libraries offered patrons, there were no new partnerships formed for the 2020/21 year. Partnerships with the creches and schools were also suspended.		



### c) Challenges facing Libraries

Budget cuts for public libraries are making it harder to keep technology updated, provide great resources, fund new projects and even keep the library doors open.

It is evident that more people are turning to digital resources like eBooks, podcasts and online databases for their information however this doesn't mean that libraries are becoming obsolete. Instead, the municipality is taking advantage of this to invest in digital resources and give a wide variety of people access to them.

Unfortunately, many people still see Libraries as a place to simply spend a day curled up with a good book. The biggest challenge facing libraries is that with diminishing funding and the rapid advancement of technology libraries are finding it difficult to shake off their analogue image in a move towards a digital world. The Section: Libraries has taken steps to bridge this gap by opening up a market space marketing it to library patrons, and introducing an eBook service.

Librarians have an incredible opportunity to be the catalysts of change within their communities. Stellenbosch libraries have been offering career fairs and IT skills workshops to the everyday act of promoting literacy and numeracy skills, housebound services to the elderly and sick persons in the communities. Stellenbosch libraries are all about making an impact on its communities. COVID-19 presents libraries with both a challenge and an opportunity to reconnect with patrons in thoughtful and innovative ways.

However, with community needs for change and the introduction of digital services the municipality is faced with the challenge of qualified and skilled staff. Libraries are highly under-resourced in terms of qualified personnel, physical and digital resources which ultimately results in low patronage of library facilities.

As lockdowns are gradually lifted, libraries are looking to reconfigure the contactless circulation services provided during the lockdown going forward. Many of the "new services" over this period will most likely become a part of libraries regular services. Others services may need to be removed, re-packaged or re-adjusted. Libraries need to be digitally agile during this period in order to remain connected with existing patrons while also expanding digital services to attract a new community of COVID-19 and lockdown-affected patrons requiring online services and information. Digital and non-print technologies will ensure patron engagement throughout lockdown and into the future. With 4IR imminent, libraries are the places where communities are looking for information to help them transition from analogue to a new and exciting digital world.

The table below indicates the capital expenditure for the Section: Library Services as at 30 June 2021.

**Table 173: Capital Expenditure as at 30 June 2021: Library Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Libraries: CCTV	350 000	318 333	-9.05%
Library Books	146 000	41 349	-71.68%
Franschhoek: Furniture, Tools and Equipment	101 124	89 485	-11.51%

Libraries Services have spent, **63.08%** of the capital budget for the financial year.



The table below indicates the total number of employees in the Section: Library Services.

**Table 174: Total number of employees in the Section: Library Services**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	100%
9 – 13	17	11	6	35.2%
4 – 8	26	16	10	38.4%
3 – 0	0	0	0	0%
<b>Total</b>	<b>44</b>	<b>28</b>	<b>16</b>	<b>36.3%</b>

### 3.17 Cemeteries

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in the greater Stellenbosch. Jamestown, Pniël and Groendal have reached their capacity, whilst Wemmershoek and Franschhoek South and North are fully operational. Onder-Papegaaiberg Cemetery is also to capacity [only reserved graves available]. A new cemetery in Kylemore is currently being established.

Consultants were appointed (3-year project) during 2016 to assist Stellenbosch Municipality with the identification and planning of two regional cemetery sites to address the critical need for burial space within the municipality. This project is at an advanced stage of acquiring the required environmental-, water and land use approvals.

The objective of the Section: Cemeteries is to provide adequate burial space and ensure a dignified burial service. A Notice of Intent to Develop has been lodged with the Department of Environmental Affairs and Development Planning during October 2017 with the pre-application public participation process to commence December 2017 / January 2018.

#### Challenges:

- ⚡ the shortage of burial space;
- ⚡ to convert burial records to electronic soft copies (in progress as per the five-year plan); and
- ⚡ to promote alternative burial methods such as cremations amongst various religious groups.

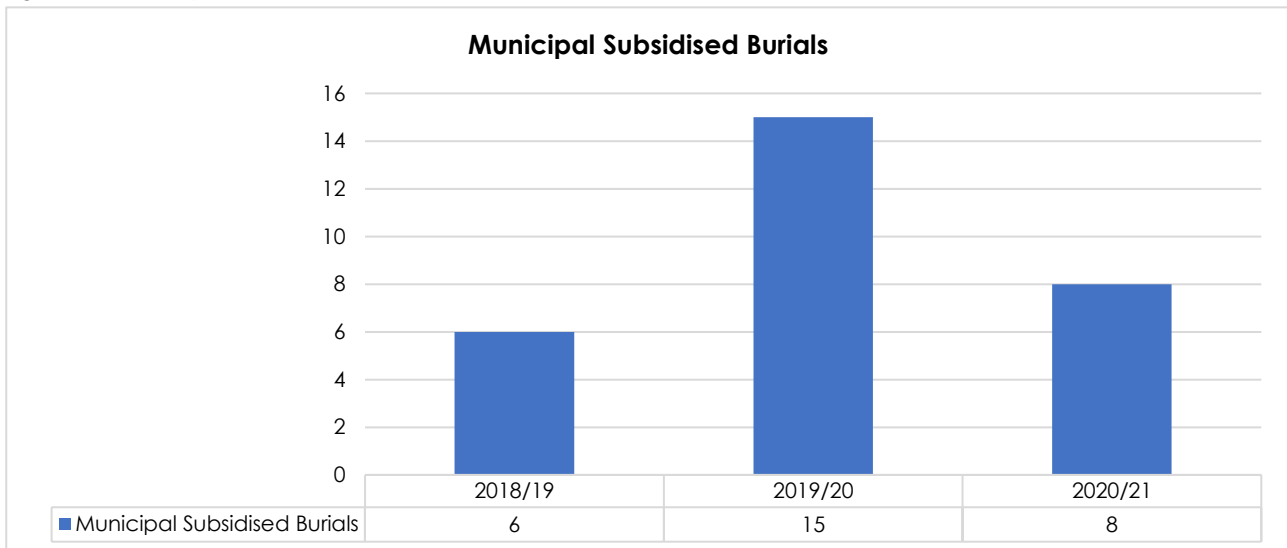




### 3.17.1 Service Statistics – Cemeteries

The graph below indicates the service statistics from 2018/19 – 2020/21 financial years.

**Figure 40: Municipal Subsidised burials**



The municipality assist families with burials where such families are struggling financially. Funds are raised through the mayoral fund. No municipal funds are used for this initiative.

### 3.17.2 Income – Cemeteries

The table below indicates the income generated from the financial years of 2018/19 – 2020/21.

**Table 175: Cemeteries Income**

Gravesite locations	2018/19		2019/20		2020/21	
	Number of Burials	Income	Number of Burials	Income	Number of Burials	Income
Onder-Papegaaiberg	24	R50 389	103	R87 791	35	R25 033.80
Jamestown	356	R900 294	478	R1 321 781	396	R937642.21
Pniël	11	R7 855	17	R13 676	5	R9740.42
Wemmershoek	9	R7 650	26	R27 219	9	R8 341.70
Franschhoek North Groendal	38	R40 710	39	R11 052	18	R4 056.18
Franschhoek South	54	R45 580	140	R80 172	30	R53 305.60



The table below indicates the capital expenditure for the Cemetery and Parks Services Section as at 30 June 2021.

**Table 176: Capital Expenditure as at 30 June 2021: Cemetery and Parks Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Purchase of Specialised Vehicles	2 132 998	2 101 305	-1.49%
Integrated and Spray Parks	2 100 000	1 923 752	-8.39%
Upgrading of Parks	1 112 104	935 754	-15.86%
Extension of Cemetery Infrastructure	762 999	619 044	-18.87%
Horticulture Furniture, Tools and Equipment	198 900	118 629	-40.36%

Cemeteries and Parks have spent, **89.63%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Cemeteries.

**Table 177: Total number of employees in the Section: Cemeteries**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	2	1	1	50%
4 – 8	8	4	4	50%
3 – 0	10	10	0	0%
<b>Total</b>	<b>21</b>	<b>16</b>	<b>5</b>	<b>23.8%</b>

### 3.18 Child Care; Aged Care; Social Programmes– Community Development

The Section: Community Development acknowledge the impact that COVID-19 had on the most vulnerable within communities. All designated groups that the municipality served were impacted directly and indirectly as a result of the virus. The impacts vary from being sick, losing family members, losing income and security to losing valuable time in school and other forms of education. The physical impact of violence against women and children became more prevalent with the gap between the poor and those with better means in life has widened.

**Table 178: Service Statistics – Child Care, Aged Care, Social Programmes**

Focus area	Description	Ward	Activity
Early Childhood Development Services / Children	↓ Capacity Building of ECD Practitioners;	18	COVID-19: Capacity Building and Starter Pack Distribution.
	↓ Initiatives in awareness programmes (ECD children);	All	Workplace Readiness and PPE compliance programme at ECD facilities.
	↓ ECD Registration Compliance;	All	Capacity Building and access to information related to ECD registration in collaboration with DSD, CWDM, Municipal Planning and Fire services and TEEC.
	↓ Strengthening and Establishing ECD Forums;	12-17	Holiday programme.
	↓ Transversal committees / Adhoc committees;		
	↓ Grant in Aid to ECDs;		



Focus area	Description	Ward	Activity
	COVID-19 Awareness and PPE support; and Support to access the Stimulus Grant.	12-15	Foster Children and Parent Programme.
		2-4 12,18 and 19	Back to School programme.
		All	Assist with the application process for the ECD Stimulus Funding Applications.
		1,2,12,13,14 and 15	ECD Disaster Management Training.
		1-5 11-18	Core Curriculum training through the Indaba Institute reaching 28 ECD practitioners.
		1-3 and 12-15	Disaster Management workshop was conducted with 33 ECD practitioners from the Franschhoek and Kayamandi ECD forums.
		12-15	SAECD Congress Workshop.
		All	Assistance with the ECD Stimulus Funding Applications.
		All	GIS mapping of 131 ECD status.
		1-6 12-16 18 and 21	Child Protection Week was celebrated in partnership with DSD, Stellcare, Elru, Cotlands, Working on Fire, SAPS and Internal municipal departments.
		16-17	A substance abuse awareness and prevention programme to encourage positive role models was conducted in Cloetesville with 35 boys.
		4-5, 16-17, 12-15	Foster Care capacity building workshops were conducted with 70 foster care parents.
		18	World Foster Day was celebrated in Klappmuts with a focus to strengthen organisations working with foster children and parents.
		Persons with Disabilities	Awareness programmes Universal Access Grant in Aid Donations
1-2, 16-17, 12-15	3 x Wellness programme in partnership with US, Changeability and Good Hope Psychological Services.		
All	Child Protection for persons with disability. Review Universal Access Policy.		
Older Persons	COVID-19 awareness and prevention Services to Elderly persons were severely compromised by the COVID-19 pandemic. As the most vulnerable group of citizens all unnecessary events were postponed or cancelled. The services	1-3, 5-6, 16-17, 20	Elderly Group Capacity Building on financial reporting by clubs and distribution of sanitising equipment.
		12-15, 20	Will writing programme.
		1-6, 12-17, 20	Vaccination registration awareness and assistance.
		All	EVDS Registration: Assisted with the registration at Old Age Homes, Elderly Citizen Community Clubs, Door 2 Door and at Vaccination Sites.



Focus area	Description	Ward	Activity
	that were delivered focused on COVID-19 awareness, prevention and vaccination. Attention was also paid to the impact of mental health on the elderly resulting from social isolation.	All	Distribution of awareness information and PPE to Old Age Homes and Community Clubs relating to COVID-19.
		20	Access to information re funeral services, the writing of wills and social support.
Gender	Special Events and Awareness programmes	12-16	Help a Girl Child programme with a GBV focus reaching 230 children in Kayamandi and 350 children from Pieter Langeveldt Primary
		13-15	Women Health and Wellness.
		16	GBV Awareness and Education.
		4	FAS Education for parents.
		12-15	Diabetic Group Wellness Day.
		All	16 Days of Activism launch and community programmes.
		12-15	Widow Empowerment Programme.
		18	Single Parent Workshop.
		All	World Aids Day was celebrated with @heart.
		12-15	SALGA Mandela Day to celebrate women.
		1-2 12-15:	Widow Empowerment session focussing on the effects of COVID-19 on families and their survival.
		21	Jamestown women empowerment session discussed the biological onslaught on women that accompanied COVID-19.
		3-4	Mental Health and Wellness in Pniël reaching 55 women.
		18	50 Fathers engaged in Klappmuts around the concept of fatherhood and the impact positive fatherhood had on children.
		12-15	Kayamandi young mothers were invited to a discussion on wellness and what it means to finances, choices, health and living with purpose.
All	<b>116 Days of Activism Launch and projects speaking to</b> ‡ A launch of the campaign was hosted by the Executive Mayor.		
12-19	Thematic discussions on GBV, abuse, selfcare and finding help was conducted for communities of De Novo, Klappmuts, Cloetesville and Kayamandi in partnership with SAPS and local NGOs.		



Focus area	Description	Ward	Activity
Youth	Youth Empowerment programmes Youth Capacity Building Transversal committees / Adhoc programmes Grant in aid Donations	All	<p>‡ Accredited skills training as part of Mayoral Youth Skills Development Programme The Mayoral Youth Skills Development programme originated from the high unemployment rate among local youth and the need for access to skills development. Successful applicants received free access to an accredited skill development programme after undergoing a recruitment process. As part of the recruitment and selection process, they were introduced to the different industries. All courses included a practical placements component along with a job preparedness programme focussing on life-skills. The success of the practical placement was challenged due to the struggles experienced in the hospitality industry;</p> <p>‡ 26 Youth trained in Basic Plumbing Skills;</p> <p>‡ 28 youth trained in Five Star Table Attendance;</p> <p>‡ 13 youth attended the General Building Maintenance training;</p> <p>‡ 24 youth participate in the Assistant Chef training; and</p> <p>‡ 20 youth participated in the learner license programme.</p>
		1-2	Fire Awareness Training.
		1,2,4,20	Job readiness training reaching 159 youth.
		12,15 and 18	Life skills session and introduction to NYDA services.
		1-2	Day of Reconciliation reaching 33 youth.
		All	CV Writing and Interviewing skills training.
		12-15	Department of Labour recruitment drive for job opportunities.
		18	Entrepreneurship workshop (44 youth).
		12,16	Life skills training.
		21	<p>‡ Youth Day was celebrated in Jamestown in partnership with Caleb reaching 40 youth;</p> <p>‡ The department worked towards the establishment of a youth forum. The final establishment was postponed until after the local elections;</p> <p>‡ Fire awareness training in Franschhoek was conducted with 23 youth.</p>
Social distress	Provision of basic needs to persons adversely affected by disaster incidences and the Temporary Homeless Shelter.	All (responded on enquiries)	<p>71 incidences were responded to and the following resources were distributed:</p> <p>‡ Matresses: 337;</p> <p>‡ Blankets: 497;</p> <p>‡ Food Parcels: 155;</p> <p>‡ Vanity Packs: 458; and</p> <p>‡ Meals: 17 124.</p>



Focus area	Description	Ward	Activity
Grant in aid	Donations to community organisations serving among others: youth, gender, ECDs, Old Age Homes, Health Organisations and Sport Clubs.	All (responded on enquiries)	<p><b>Capacity Building</b></p> <ul style="list-style-type: none"> <li>‡ Three compulsory workshops on the application process and policy were concluded. The workshops were attended by 162 prospective applicants.</li> </ul> <p><b>Donations</b></p> <ul style="list-style-type: none"> <li>‡ 126 applications were received.</li> </ul>
People on the street	Development, Awareness Raising through collaboration and Services	All	<p><b>Give Responsibly</b></p> <p>A campaign to stop the cash economy on the street, give in a dignified way to persons on the street who need access to social services and a warm bed, shower facilities and access to social work services.</p> <ul style="list-style-type: none"> <li>‡ The Cheese App (an electronic coupon) has been developed to assist with taking cash off the streets. This means that a resident can now assist some homeless persons without being in the vicinity of a retail partner selling coupons;</li> <li>‡ Currently, the municipality has 15 local businesses supporting the campaign through the sale of coupons; and</li> <li>‡ A total of 2 542 coupons were sold and 2 275 redeemed as part of the programme. A total of 238 app sales and 216 app redemption was done during the year under review.</li> <li>‡ Five marketing videos are used on different platforms to educate the public on the campaign.</li> <li>‡ Animal Welfare Stellenbosch – Walk a Dog in exchange for a coupon. The project started towards the end of the financial year with almost 100 persons benefitting. One person gained full-time employment through the project and one was temporarily employed as a driver.</li> </ul> <p><b>Restorative Justice (ALL WARDS)</b></p> <p>A programme in collaboration with Community Safety to assist with the implementation of Street Bylaws that would not only provide a form of paying back for transgressions through manual labour, but also act as a referral system for social services. The following social partners have joined the programme:</p> <ul style="list-style-type: none"> <li>‡ Stellenbosch Night Shelter;</li> <li>‡ ACVV Stellenbosch; and</li> <li>‡ ABBA Substance Abuse.</li> </ul> <p><b>Temporary Safe Space for Homeless Persons (ALL WARDS)</b></p> <p>With the start of lockdown, the municipality established and managed a temporary shelter for homeless persons first at Klapmuts Sport Grounds and then at Van der Stel. The shelter provided the following services and closed on 12 October 2020 after 6,5 months of service delivery.</p>





Focus area	Description	Ward	Activity
			<ul style="list-style-type: none"> <li>⌵ Regular referrals and transport to health services;</li> <li>⌵ Ablution Facilities;</li> <li>⌵ Opportunities to wash their clothes;</li> <li>⌵ Bedding and blankets; and</li> <li>⌵ Daily meals.</li> </ul>
		4, 7-10 and 18	Mask-Up Project

The table below indicates the number Grant in Aid applications recommended and approved:

**Table 179: Number of Grant in Aid applications recommended and approved**

Sub Category	Applications Recommended and Approved	Recommended Amount R
Social Development General	6	237 500
ECD	36	1 320 000
Disability	4	142 782,66
Elderly	4	152 000
Youth	8	302 687,57
Substance Abuse	2	80 000
Gender	1	40 000
Food Security	1	40 000
People Living on the Street	1	1 473 230,14
Skills Development	2	80 000
Health	2	80 000
Environment	1	40 000
Sport Clubs	18	675 979,10
Art and Culture	4	160 000
<b>Total</b>	<b>90</b>	<b>4 941 179,47</b>



## COMPONENT E: ENVIRONMENTAL PROTECTION

### 3.19 Pollution Control, Bio-Diversity, Beautification, Open Spaces and Parks

Stellenbosch Municipality is continuously developing its capacity to protect the environment within its boundaries and to strive towards a municipality and communities that recognise the vital importance of their rich natural capital and manage these in a manner that ensures sustainability and fulfils the needs of all concerned. To this effect, Stellenbosch Municipality has developed the Stellenbosch Environmental Management Framework, administered by the Department: Community Services.

Stellenbosch Municipality is in the process of compiling dedicated Environmental Management Plans (EMPs) for all its declared nature reserves and nature areas. Papegaaiberg Nature Reserve has an approved EMP, currently under review along with Jan Marais Park's EMP. The Paradyskloof Nature Area was accepted by Council during its May 2019 meeting and a draft EMP for Mont Rochelle Nature Reserve has been completed and advertised for public input. A first draft EMP is currently being drafted for the Ida's Valley Dam- / Botmaskop area. Stellenbosch Municipality has also completed an Invasive Alien Plant Management Plan, as required in terms of the National Environmental Management: Biodiversity Act (10 of 2004) and an Integrated Fire Management Plan to assist in the management of large vacant nature areas under the management of Council.

An Air Quality Control By-Law, as well as a Noise Control Policy, has been developed and adopted by Council. The latter is implemented by a dedicated Air Quality / Noise Control Officer appointed within the Department: Community Services.

Stellenbosch Municipality works closely with the Department of Environmental Affairs and Development Planning in reporting on illegal activities, as well as administering the rehabilitation action of Section 30 (National Environmental Management Act, 107 of 1998) Emergency Incidents.

#### Re: Air Quality- / noise complaints received and dealt with:

Air quality- and noise complaints are captured on a central database and dealt with within the required timeframes. The following statistics included both air quality-related matters and noise complaints. All noise complaints are investigated in terms of The Western Cape Noise Control Regulations PN200/2013.

**Table 180: Air Quality Complaints 2018**

2018 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Fumes	2	2	3	3
Smoke	2	0	3	2
Dust	3	4	3	3
Burning of waste / tyres	0	0	0	0
Farm land burning	0	0	0	0
Crop spraying	0	0	0	0
Offensive odors	0	2	3	2
Unlicensed facilities	0	0	0	0
Noise	34	45	47	40
Other	1	0	0	0
<b>Total</b>	<b>42</b>	<b>53</b>	<b>59</b>	<b>50</b>

**Table 181: Air Quality Complaints 2019**

2019 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Fumes	3	4	2	4
Smoke	2	3	4	4
Dust	5	4	3	5
Burning of waste / tyres	0	0	0	2
Farm land burning	2	2	3	3
Crop spraying	0	0	0	2
Offensive odors	2	2	3	3
Unlicensed facilities	0	0	0	0
Noise	40	45	48	45
Other	2	0	0	1
<b>Total</b>	<b>56</b>	<b>60</b>	<b>59</b>	<b>63</b>

**Table 182: Air Quality Complaints 2020**

2020 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Fumes	16	2	6	7
Smoke	2	2	0	3
Dust	3	2	3	6
Burning of waste / tyres	0	1	1	1
Farm land burning	0	0	2	1
Crop spraying	1	0	2	1
Offensive odors	7	0	2	4
Unlicensed facilities	0	0	0	0
Noise	64	23	44	53
Other	0	0	0	0
<b>Total</b>	<b>93</b>	<b>30</b>	<b>60</b>	<b>76</b>

**Table 183: Air Quality Complaints 2021**

2021 Complaints	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Fumes	15	15	7 (July. 21 only)	29
Smoke	5	3	0 (July. 21 only)	5
Dust	4	3	0 (July. 21 only)	6
Burning of waste / tyres	2	0	0 (July. 21 only)	2
Farm land burning	3	0	0 (July. 21 only)	0
Crop spraying	6	2	2 (July. 21 only)	0
Offensive odors	5	0	1 (July. 21 only)	3
Unlicensed facilities	0	0	0 (July. 21 only)	0
Noise	35	31	6 (July. 21 only)	41
Other	2	0	0 (July. 21 only)	0
<b>Total</b>	<b>77</b>	<b>54</b>	<b>16 (July. 21 only)</b>	<b>86</b>

‡ Total noise complaints for 2018 = **166**

‡ Total noise complaints for 2019 = **178**

‡ Total noise complaints for 2020 = **184**

‡ Total noise complaints for 2021 = **72**

- **Note: (the total of noise complaints represents the amount of noise complaints for the 1<sup>st</sup> and 2<sup>nd</sup> quarter and for July 21 only.)**



### 3.19.1 Environmental Implementation

**Table 184: Visitors Statistics – Environmental Implementation**

Visitors Statistics: Nature Reserves		
Type of service	2019/20	2020/21
Paradyskloof Nature Area	5 468	2531
Jan Marais Nature Reserve	2 990	886
Eco Centre Visits – Training, Group Visits / Schools	1 419	50
Mont Rochelle Nature Reserve	3 836	N/A
Ida's Valley Protected Area	2 617	1587
Onder-Papegaaiberg Area	501	N/A

**Table 185: EPWP Statistics – Environmental Management**

EPWP Statistics		
Type of service	2019/20	2020/21
Forest Guards	15	23
Fire Management	11	10
Mountain Trails	6	9
Jan Marias Nature Reserve	7	5
Integrated River	16	11
Biodiversity Veld Rehabilitation	12	12
Environmental Clerk	0	1
Urban Forestry Cleaning and Greening Project	11	24

### 3.19.2 Urban Forestry

The aim of the Urban Forestry Sub-section is to facilitate the planting, protection, blanking, maintenance and long-term management of all trees located on the municipal property through tree management (arboricultural) practices, thus promoting a sustainable development approach. This approach is geared towards making WC024 the greenest municipality in South Africa through Urban Forestry practices which guides investors towards future sustainable development.

**Table 186: Management of trees in WC024 – Urban Forestry**

Type of service	2019/20	2020/21
Management Trees in WC024		
Tree planting programme	60	7
Pruning of trees	129	1 300
Felling of trees	16	51
Stump grinding of trees	5	67
Spraying of oak trees	3	500
Root barrier management	6	5
Wayleaves	65	150



## COMPONENT F: SECURITY AND SAFETY

### 3.20 Law Enforcement

The primary role of Law Enforcement is by-law enforcement and the protection of municipal assets and staff. The function includes the monitoring and prevention of municipal land- invasion of which the responsibility is shared between Community and Protection Services and the Section: Informal Settlements.

A 24/7 control room is in place as well as the monitoring of crime hot areas through CCTV cameras. Licence Plate Recognition Cameras (LPR) have been installed at all entrances / exits to Stellenbosch and Franschhoek towns with several LPR cameras installed on minor roads which are used on a regular basis by thoroughfare traffic to avoid the congested areas during peak times. This has proven to be very successful in the combatting of crime and crime prevention initiatives.

#### Highlights:

- ✚ Weekly operational planning with key stakeholders (SAPS and other safety partners);
- ✚ Revamp of control room underway for an improved and more efficient service; and
- ✚ In the process of procuring a multi-purpose armoured vehicle to effectively deal with land invasion.

#### Challenges:

- ✚ To render a 24/7 Law Enforcement patrol service;
- ✚ Increase and maintain surveillance of key places;
- ✚ Prevent land invasions;
- ✚ Insufficient staff to fulfil operational requirements; and
- ✚ Insufficient office space to accommodate departmental staff.

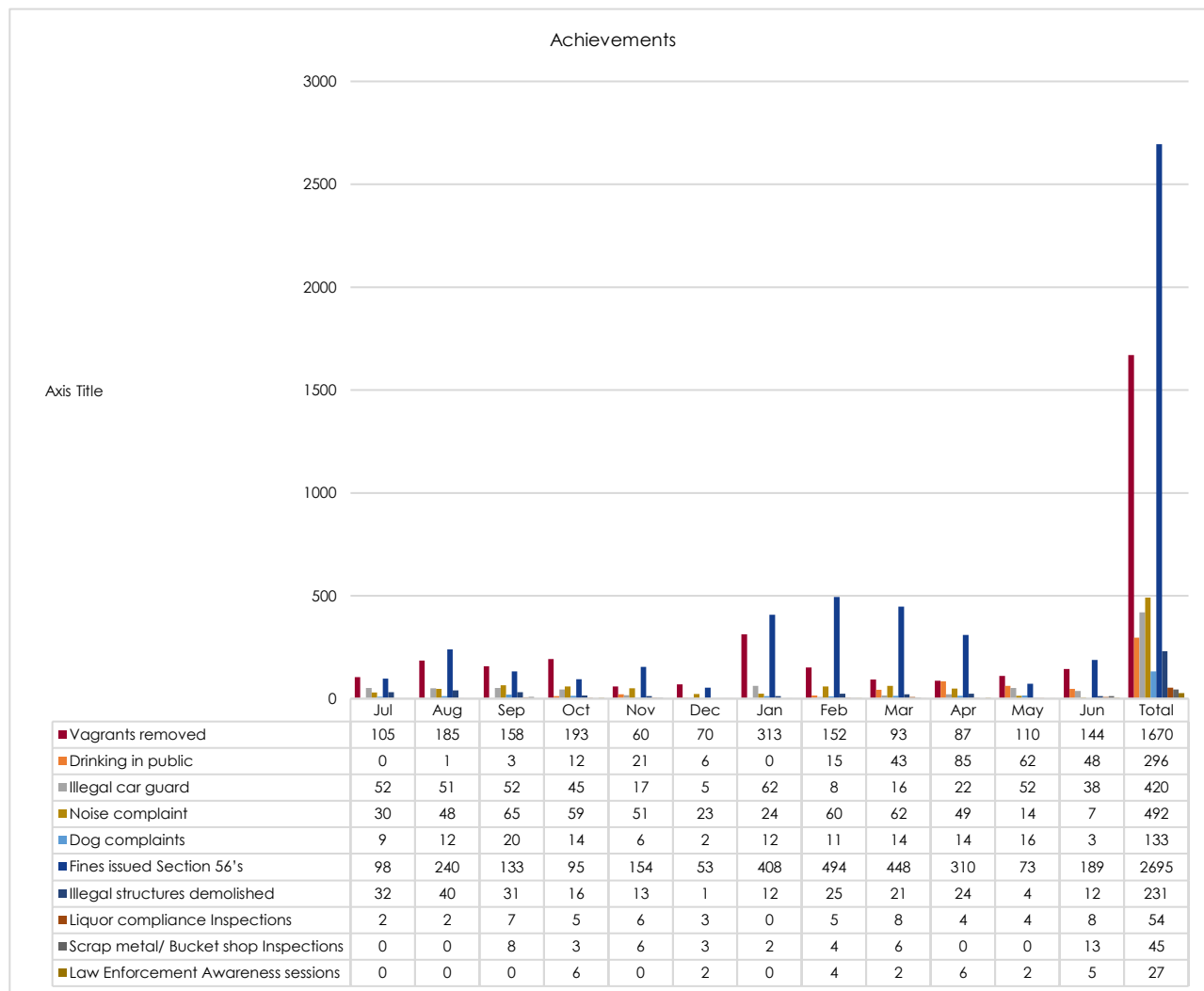
Law Enforcement attended to the following from 01/07/2020 – 30/06/2021:

**Table 187: Law Enforcement highlights**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Vagrants removed	105	185	158	193	60	70	313	152	93	87	110	144	1 670
Drinking in public	0	1	3	12	21	6	0	15	43	85	62	48	296
Illegal car guard	52	51	52	45	17	5	62	8	16	22	52	38	420
Noise complaint	30	48	65	59	51	23	24	60	62	49	14	7	492
Dog complaints	9	12	20	14	6	2	12	11	14	14	16	3	133
Fines issued Section 56's	98	240	133	95	154	53	408	494	448	310	73	189	2 695
Illegal structures demolished	32	40	31	16	13	1	12	25	21	24	4	12	231
Liquor compliance Inspections	2	2	7	5	6	3	0	5	8	4	4	8	54
Scrap metal / Bucket shop Inspections	0	0	8	3	6	3	2	4	6	0	0	13	45
Law Enforcement Awareness sessions	0	0	0	6	0	2	0	4	2	6	2	5	27



Figure 41: Law Enforcement Statistics



### 3.20.1 Traffic Law Enforcement

Traffic Services is performing its functions as guided by the National Road Safety Strategy with its main objectives being to achieve traffic safety on municipal roads including the functions as defined in the municipality's Integrated Development Plan.

The National Road Safety Strategy provides all-year-round road safety initiatives. The municipality has increased its enforcement strategy in collaboration with stakeholders and affected parties. Operations like Automatic Number-plate Recognition operations are conducted to improve compliance with and payment of traffic fines.

On-going objectives are to improve road user behaviour; reduce the incidence of traffic offences; including speeding; drunk-driving and driving under the influence of narcotics; dangerous overtaking; the removal of unfit road users from traffic; roadworthiness of vehicles; public transport compliance with regard to vehicles and drivers; provide sufficient and coordinated regulation of traffic on strategic roads; pedestrian education and compliance, eradication of corruption; administrative compliance and overall improvement of enforcement systems.

The outbreak of COVID-19 during March 2020 caused the whole country to go into lockdown from





23 March 2020, which affected normal operations negatively. However, although the COVID-19 outbreak negatively affected operational plans the section managed to record a marginal positive achievement on Traffic Law Enforcement and Traffic Administration is observed during this financial year. This achievement is a result of additional hours and Saturdays' operation at the Admin Section and a new approach to the Law Enforcement strategies.

### 3.20.2 Highlights and challenges for Traffic Law Enforcement

The new approach in terms of Traffic Law Enforcement strategies has managed to yield good results; for example, in this financial year, the total number of roadblocks held increased from **267** that was recorded in the previous year to **1 085** during the year under review. An increase in terms of **Awareness Initiatives on public Safety is observed in this period under review a total number of 110 as compared to 75 recorded in the previous financial year.**

Motor Vehicle accidents: There is a marginal improvement observed in other focus areas. During this period the total of accidents with serious injuries recorded is 48 as compared to 60 in the previous financial year. Accidents with slight injuries, a marginal improvement was observed during the financial year under review. A total of 276 was recorded as compared to 306 recorded in the previous financial year.

Pedestrian accidents: a marginal improvement was observed in the previous financial year whereby a total of 8 fatal accidents were recorded, and this period under review a total of 4 were recorded. Pedestrian accidents with serious injuries recorded was a total of 14 as compared to 42 that was recorded in the previous financial year. Pedestrians with slight injuries recorded was a total of 60 compared to 110 recorded in the previous financial year.

During the same period under review, the total number of dockets opened for reckless and negligent records were 14 as compared to 21 recorded in the previous financial year.

A total number of 8 504 defect offences were recorded as compared to 3 663 recorded in the previous financial year.

The total number of roadblocks which includes stops and checks done for 2020/21 equated to 1 085. During COVID-19 lockdown periods, the stop and check operations were increased for compliance purposes.

Awareness initiatives on Public Safety were done for the period equated to 110 sessions.

The total number of speed offences recorded was 318 431 as compared to 284 029 recorded in the previous financial year. A total of 17 423 moving violations was recorded as compared to 16 993 recorded in the previous financial year.

#### a) Traffic Administration- Highlights

- ‡ As a result of additional operational hours and extended services, the municipality managed to record positive results during the period under review. The Drivers Licence Testing Centre (DLTC) total number of appointments conducted for learners' licenses was 4 057 as compared to 3 407 recorded in the previous financial year.
- ‡ The total number of Vehicle Licences processed during the period under review was 79 391 as compared to 69 338 recorded in the previous financial year.



- ‡ A total number of 11 823 registration only transactions were processed as compared to 11 481 recorded in the previous financial year.
- ‡ A total of 1 195 duplicate registration transactions were recorded during the period under review as compared to 1 150 reported previously.

#### b) Challenges:

- ‡ Inadequate Human Resources – Limited Staff;
- ‡ The capacity of the DLTC – restricted the municipality to perform limited tests;
- ‡ Vehicle Testing Station Infrastructure challenges and manpower; and
- ‡ Compliance Requirements: DLTCs and Vehicle Testing Stations (VTS) is supposed to have appointed Management Representatives appointed- up to date we are not in compliance with the requirement.

It is observed that Stellenbosch is fast growing to be a choice of employment and business hub, however, the municipality's resources do not enable it to be on par with such development. This limitation may project a negative reflection on the municipality's core function.

It is also observed that due to the lockdown regulations, most of the people had to work from home and students had to study online. Consequently, traffic volumes reduced on roads and have contributed to the reduction of accident statistics on roads.

#### c) Service Statistics – Traffic Services

**Table 188: Service Data for Traffic Services**

Details	2016/17	2017/18	2018/19	2019/20	2020/21
Number of Traffic Officers in the field on an average day	21	21	30	27	25
Number of Traffic Officers on duty on an average day	28	28	30	30	19
Motor vehicle licenses processed	153 119	80 472	77 374	69 338	88 004
Learner driver licenses processed	5 200	4 560	8 677	3 273	3 538
R-value of fines collected	28 652 120	23 773 325	26 557 540	23 138 195	18 360 490
Roadblocks held	25	156	205	267	1 085
Special functions – escorts	144	157	170	42	63
Awareness initiatives on public safety	120	211	104	75	110

**Table 189: Additional Service Data of Traffic Services**

Description	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Accidents</b>					
Fatal	21	11	33	15	16
Serious injuries	76	66	71	60	48
Slight injuries	517	330	428	306	276
No injuries	2 551	3 145	2 979	2 450	1 749
Reckless / careless: case dockets	48	52	24	21	14
Culpable homicide: case dockets	17	18	18	9	10
Pedestrians: fatal	10	06	11	8	4
Pedestrians: serious injuries	29	34	21	42	14



Description	2016/17	2017/18	2018/19	2019/20	2020/21
Pedestrians: slight injuries	106	68	98	110	60
<b>Learner's licences</b>					
Appointments	5 200	4 560	4 915	3 464	4 057
Applications passed	2 958	2 829	2 829	2201	2 360
Duplicate request	112	136	110	96	131
Applicants tested	4 462	4 146	4 025	3 223	3 407
Applicants failed	1 890	1 601	1 465	1 072	1 081
Applicant absent	644	335	414	386	339
<b>Driver's licences</b>					
Appointments	2 382	2 323	1 739	1 442	2 853
Conversions	9 018	9 492	9 172	7 521	7 185
Applicants tested	1 615	1 640	1 348	1 276	2 215
Driving licenses issued (temp)	4 492	4 692	5 070	3 604	2 948
Applicants passed	824	729	594	564	1 078
Applicants failed	988	1 090	823	711	1 137
Applicants absent	374	284	264	340	306
Applications instructors	6	10	9	4	6
Issued instructors	5	6	10	4	9
Application / issued PRDP	1 686	1 697	1 720	1 428	1 417
<b>Testing centre: roadworthy certificates</b>					
Motor vehicles	637	762	210	0	43
Light delivery vehicles	124	128	45	0	16
Heavy delivery vehicles (trucks)	78	45	22	0	3
Trailers	77	44	40	21	6
Taxis	65	41	18	0	3
Busses	10	17	0	0	0
Motorbikes	90	53	78	31	23
<b>Motor vehicle registration</b>					
Duplicate registrations cert.	1478	1639	1 557	1 150	1 195
Registration only	14 591	14 432	14 457	11 481	11 823
Licence fees (12%) (renew)	83 219	80 472	77 374	69 338	79 371
Temporary permits	236	212	220	194	263
Special permits	380	436	324	284	200
Specific registration number	702	711	581	488	571
RTMC	51 083	52 391	52 857	45 939	51 671
<b>Traffic offences</b>					
Vehicle defective / faulty	834	1 094	1 999	3663	8504
Moving violations	19 994	14 661	1 369	16 993	17 423
Parking offences / violations / mobile	7 055	23 968	25 715	16 254	14 139
Speed camera / mobile / fixed and robot traffic - TMT	233 711	573 339	251 378	284 029	318 431



The tables below indicate the capital expenditure for Law Enforcement and Traffic Services as at 30 June 2021:

**Table 190: Capital Expenditure as at 30 June 2021: Law Enforcement**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Install and Upgrade CCTV / LPR Cameras in WC024	3 860 000	2 530 775	-34.44%
Install Computerised Access Security Systems and CCTV Cameras at Municipal Buildings	1 200 000	974 203	-18.82%
Law Enforcement: Vehicle Fleet	1 160 000	975 260	-15.93%
Neighbourhood Watch Safety equipment	505 245	419 216	-17.03%
Law Enforcement Tools and Equipment	300 000	299 425	-0.19%
<i>Only the 5 largest capital projects are listed</i>			

Law Enforcement have spent, **74.61%** of the capital budget for the financial year.

**Table 191: Capital Expenditure as at 30 June 2021: Traffic Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Replacement of Patrol Vehicles	1 350 000	1 147 890	-14.97%
Furniture, Tools and Equipment	200 000	131 829	-34.09%
Mobile Radios	170 000	169 422	-0.34%

Traffic Services have spent, **84.25%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Traffic Law Enforcement.

**Table 192: Total number of employees in the Section: Traffic Law Enforcement**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	6	3	3	50%
9 – 13	137	75	62	45.5%
4 – 8	81	53	28	34.5%
3 – 0	2	0	2	100%
<b>Total</b>	<b>227</b>	<b>132</b>	<b>95</b>	<b>41.8%</b>

### 3.21 Fire and Disaster Management

The Fire Brigade Service Act, Act 99 of 1987 regulates fire services in South Africa. The functions of the Fire Brigade Services include the prevention and suppression of fires to protect life and property, provision of rescue services, emergency medical care and other functions associated with the fire services. The Act grants extraordinary powers to the Chief Fire Officer to enable him to execute his responsibilities.

The impact of disasters has been part of human history since people first walked on this planet. Disasters have influenced, shaped and modified human behaviour and the way they live and respond to the environment. Despite governments spending billions of dollars on disaster risk



reduction programmes, disasters still result in enormous tangible and intangible losses. Disaster risk is intimately connected to human development. Disasters can put this development at risk while, at the same time, development choices made by people, communities and nations can generate new risks. This, however, is not inevitable, as human development can also contribute to a reduction in disaster risk.

#### a) Highlights:

- ‡ Commencement of the upgrading of the Stellenbosch fire station;
- ‡ New major fire / rescue pumper with CAFS system;
- ‡ Firekilla disposable fire extinguishers procured for the informal settlements;
- ‡ Continuation of the smoke alarm project
- ‡ New battery-operated Jaws of Life; and
- ‡ Two all-terrain double cab response vehicles.



#### b) Challenges:

- ‡ Rapid expansion / density of informal settlements.

#### c) Service Statistics – Fire and Disaster Management

Table 193: Service Data for Fire and Disaster Management

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Total fires attended in the year	817	794	647	1 011	1 043	947	944
Total of other incidents attended in the year	1 953	555	1 952	1 655	1 511	1 740	3416
Average turnout time - urban areas (minutes)	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Average turnout time - rural areas (minutes)	22.75	22.75	22.75	20.5	20	15	15
Fire fighters in post at year end	43	56	52	57	57	58	61
Total fire appliances at year end	11	9	10	11	13	15	17
Average number of appliances off the road during the year	2	2	3	2	2	2	2
Total operational callouts	2 770	1 349	2 704	2 666	2 556	2 687	4 360
Immediate relief to victims	552	1 021	831	849	437	573	555
Emergency flood kits	116	411	300	184	118	372	37
Emergency housing kits	299	341	277	190	149	262	156
Meals (food parcels)	215	349	327	180	158	138	155
Blankets	297	699	315	526	473	479	497



The table below indicates the capital expenditure for the Section: Fire and Disaster Management as at 30 June 2021.

**Table 194: Capital Expenditure as at 30 June 2021: Fire and Disaster Management Services**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Major Fire Pumper*	4 491 570	4 491 570	0%
Upgrading of Stellenbosch Fire Station	4 476 209	944 939	-78.89%
Vehicle Fleet	1 182 47	1 359 844	-15%
Rescue equipment	590 780	554 119	-6.21%
Vehicle Fleet	410 573	385 618	-6.08%
<i>Only the 5 largest capital projects are listed</i>			

\*Note: The finalisation of the Major Fire Pumper was delayed due to challenges with the service provider. The project will be completed during the 2021/22 financial year after interventions were implemented by the municipality.

Fire and Disaster Management have spent, **69.37%** of the capital budget for the financial year.

The table below indicates the number of employees in the Section: Fire and Disaster Management.

**Table 195: Total number of employees in the Section: Fire and Disaster Management**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	5	5	0	0%
9 – 13	46	42	3	6.52%
4 – 8	38	25	13	34.2%
3 – 0	0	0	0	0%
<b>Total</b>	<b>90</b>	<b>73</b>	<b>17</b>	<b>18.8%</b>





## COMPONENT G: SPORT AND RECREATION

### 3.22 Holiday resorts and camp sites

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site, the Jonkershoek Picnic Site. This site is situated in the Jonkershoek Valley on the banks of the Eerste River. The picnic site attracts up to 15 840 visitors per annum due to its natural beauty and tranquillity set at the foothills of the Jonkershoek mountains and provides outdoor leisure for visitors, catering for braai and picnics along the river course.

#### 3.22.1 Sports facilities and Swimming Pools

**Table 196: Service Statistics – Holiday Resorts and Campsites**

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Number of resorts</b>	1	1	1	1	1	1	1
<b>% Occupation for the year for Jonkershoek picnic site (open from 1 September to 30 April)</b>	PAX: 17 248 CARS: 5 234 Income: R462 790	PAX:16 256 CARS:4687 Income: R459 197	PAX:15840 CARS:3372 Income: R448 701	PAX:13636 CARS:2434 Income: R403 579.74	PAX:20690 CARS:5246 Income: R648 115	PAX:12993 CARS:2063 Income: R462 832.73	PAX:0 CARS:0 Income: R0

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen (17) sports grounds in its municipal area. These grounds are surrounded by the scenic beauty of the Stellenbosch Mountains. Ten (10) are located in the urban areas and seven in the rural areas.

It is the municipality's goal to create active, healthy communities and to provide a sporting hub for all its residents and visitors by offering a wide range of well-maintained and well-managed sporting facilities.

Stellenbosch Municipality manages and maintains one swimming pool in the greater Stellenbosch area. The swimming pool is situated in Cloetesville and can accommodate two hundred and seventy-five (275) people at any time per day. The existing facility can host swimming galas and aims to further sports development and recreation.

#### 3.22.2 Service Statistics Sport - Grounds and Swimming Pools

**Table 197: Service Statistics Sport Grounds and Swimming Pool**

Type of service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Number of sport grounds / fields</b>	17	17	17	17	17	17	17
<b>Number of swimming pools</b>	1	1	1	1	1	1	1
<b>Number of stadiums</b>	10	10	10	10	10	10	10



The table below indicates the capital expenditure for Sport – Grounds and Swimming Pools section as at 20 June 2021.

**Table 198: Capital Expenditure: Sports Grounds and Swimming Pools**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrading of swimming pool	2 958 879	1 416 779	-52.12%
Skateboard Park	1 516 282	437 784	-71.13%
Fencing: Sport Grounds (WC024)	1 195 797	1 174 491	-1.78%
Upgrading of Tennis Courts: Ida's Valley and Cloetesville	861 133	566 842	-2.04%
Vehicle Fleet	578 653	215 974	-74.92%
Only the 5 largest capital projects are listed			

Sport Grounds and Swimming Pools have spent, **57.99%** of the capital budget for the financial year.

The table below indicates the total number of employees in the Section: Sport – Grounds and Swimming Pools.

**Table 199: Total Employees Section: Sport - Grounds and Swimming Pools**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	1	1	0	0%
9 – 13	10	6	4	40%
4 – 8	27	20	7	10.3%
3 – 0	11	8	3	27.27%
<b>Total</b>	<b>49</b>	<b>35</b>	<b>14</b>	<b>28.5%</b>

### 3.23 Community Halls and Facilities

Stellenbosch is the proud owner of two top-class town halls and nine community facilities that cater for residents and national and international visitors.

The facilities are available throughout the year (365 days per annum) and can be booked for events such as meetings, weddings, training sessions, conferences and community and social events.

**Table 200: Total functions: Community Halls and Facilities**

Type of service	2019/20	2020/21
<b>Total functions at municipal halls</b>		
Stellenbosch Town Hall	65	0
Klapmuts Centre	59	28
Eikestad Hall	142	17
Wemmershoek Hall	31	7
La Motte Community Hall	12	14
Franschhoek Town Hall	11	1
Groendal Community Hall	76	18
Kylemore Community Hall	20	19



Type of service	2019/20	2020/21
Pniël Banquet Hall	44	15

The table below indicates the total revenue for Community Halls and Facilities.

**Table 201: Total Revenue / Income: Community Halls and Facilities**

Type of service	2019/20	2020/21
Stellenbosch Town Hall	R1 047 814.66	R0
Klapmuts Centre	R47 356	R23 475.60
Eikestad Hall	R93 475	R9 407.60
Wemmershoek Hall	R35 526	R3 662.63
La Motte Community Hall	R23 731	R7 068.61
Franschhoek Town Hall	R66 260.90	R9 403
Groendal Community Hall	R61 394.10	R13 488.50
Kylemore Community Hall	R11 260.70	R10 855.72
Pniël Banquet Hall	R36 706.20	R8 522.12

The table below indicates the total number of employees in the Section: Community Halls and Facilities as at 30 June 2021.

**Table 202: Total Employees- Section: Community Halls and Facilities**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	0	0	0	0%
9 – 13	4	2	2	50%
4 – 8	2	1	1	50%
3 – 0	18	11	7	38.8%
<b>Total</b>	<b>24</b>	<b>14</b>	<b>10</b>	<b>41.6%</b>



## COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services and property services.

### 3.24 Financial Services

#### 3.24.1 Service statistics

Table 203: Financial service statistics

Details of the types of account raised and recovered	2020/21		
	Billed in Year	Actual for accounts billed in year	Proportion of value of accounts billed that were collected
	R		%
Property Rates	387 056 675	384 149 816	99.25
Electricity	632 401 484	627 907 196	99.29
Water	134 425 799	133 099 001	99.01
Sanitation	92 638 767	93 529 987	100.96
Refuse	73 150 291	70 026 317	95.73

### 3.25 Human Resources Services

Stellenbosch Municipality views the Human Resources Management component as the governance of the organisation's employees. More commonly, human resources per se refer to the people or human capital appointed or employed by the organisation whose skills are used to reduce risk and maximise return on investment. The vision of the Department: Human Resources Management is undoubtedly to build partnerships with management at all levels of the organisation, to create a culture or working environment where employees are valued or appreciated and to ensure a diverse, qualified, healthy and highly motivated workforce focused on achieving the critical outcomes, through the development and administration of cost-effective and results-oriented human resources. Accordingly, the mission of the Department: Human Resources Management is to address and achieve the goals and challenges of Stellenbosch Municipality by providing services that promote a work environment that is characterised by fair treatment of staff, open communications, personal accountability, trust and mutual respect. The municipality will seek and provide solutions to workplace issues that support and optimise the operating principles of the organisation.

The Department: Human Resources Management objectives for Stellenbosch Municipality include but are not limited to:

- ✚ Helping the organisation achieve its goals;
- ✚ Ensuring effective utilisation and maximum development of human resources;
- ✚ Ensuring respect for human beings;
- ✚ Identifying and satisfying the needs of individuals;
- ✚ Ensuring reconciliation of individual goals with those of the organisation;
- ✚ Achieving and maintaining high morale among employees;
- ✚ Providing the organisation with well-trained and well-motivated employees;



- ‡ Increasing employees job satisfaction and self-actualisation;
- ‡ Developing and maintaining the quality of work-life;
- ‡ Being ethically and socially responsive to the needs of the community;
- ‡ Developing the overall personality of each employee in its multidimensional aspect;
- ‡ Enhancing employee's capabilities to perform the present job; and
- ‡ Ensuring service excellence for the broader Stellenbosch community.

The Human Resources services include:

- ‡ Strategic Human Resources Management;
- ‡ Labour Relations;
- ‡ Recruitment and Selection;
- ‡ Training and Development;
- ‡ Employee Assistance;
- ‡ Occupational Health and Safety;
- ‡ Employment Equity; and
- ‡ All Human Resources Administration.

Each director, manager, departmental head, superintendent, assistant superintendent and foreman are responsible for setting objectives, delegating responsibilities and tasks, motivating staff, disciplining staff, developing skills and career paths, measuring performance and generally guiding their staff. In these endeavours, management and line management are assisted by the Department: Human Resources Management, who provides policies, guidelines, support, systems and specialised inputs.

The main focus priorities for HR Services in 2020/21 were:

- ‡ Implementation of the biometric time and attendance system. The system was implemented in November 2018 and most workplaces have a finger device installed where employees log in. The system worked and accurate records of movement and attendance could be monitored. However, due to the COVID-19 pandemic, the system was disabled in March 2020 until further notice. Other options in terms of alternative registering methods are currently under investigation and consideration; and
- ‡ Implementation of COVID-19 related regulations, monitoring and reporting thereof.

The following activities were done in terms of the policy during 2020/21:

- ‡ Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 plus – 01 August 2019.
- ‡ Implementation of the TASK Job Evaluation System:

The policy was adopted and concluded and currently, job descriptions are forwarded for evaluation to the CWJEU.

The highlights for the Department: Human Resources Management in 2020/21 are the following:

- ‡ 230 employees were trained;
- ‡ 1st online / virtual training for the Directorate: Financial Services;
- ‡ 14 employees sent for Municipal Minimum Competency Level Training;
- ‡ During 2020/21 only 5 out of 19 SALGBC arbitrations were ruled against the municipality;



- ✦ OHS Training was provided to 55 Health and Safety Representatives, 23 First Aider Training and 13 Fire Warden;
- ✦ 6 directorate specific recruitment email addresses for emailed job applications were created;
- ✦ Virtual shortlisting discussions were conducted via MS Teams;
- ✦ Virtual interviews and assessments were conducted via MS Teams; and
- ✦ Virtual induction sessions were conducted via Zoom and MS Teams.

The challenges for the Department: Human Resources Management in 2020/21 were the following:

- ✦ Shortage of conducive training venues;
- ✦ The provision of staff wellness services to the employees of Stellenbosch Municipality; and
- ✦ Suitably qualified / trained Chairpersons and Initiators within the Stellenbosch Municipality.

The following was submitted within the 2020/21 year and is under consideration at the LLF:

- ✦ Measures to recover arrear monies from employees;
- ✦ TASK Evaluation policy; and
- ✦ Employee Parking Policy.

The table below indicates the total number of employees in the Department: Human Resources Management:

**Table 204: Total number of employees in the Department: Human Resources Management**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	3	2	1	33.30%
9 – 13	14	11	3	21.40%
4 – 8	4	2	2	50%
3 – 0	0	0	0	0%
<b>Total</b>	<b>22</b>	<b>16</b>	<b>6</b>	<b>27.30%</b>

### 3.26 Information and Communication Technology (ICT) Services

The Department: ICT committed its time in the 2020/21 financial year to purchase and replace computer software and hardware to improve the efficiency of the various municipal business units.

#### a) Highlights:

- ✦ The Firewall Project was completed by installing two additional firewalls. This was installed at the Teraco DR Site and acts as backup firewalls for the Production site. The sites are synchronised, and failover will occur in the case that the Production site firewalls go down or lose connection;
- ✦ The Stellenbosch Municipality's Data Storage for ICT systems was further enhanced by procuring an additional Tintri VMstore T850 hybrid-flash solution. Tintri's VMware storage speeds performance 6x to save the municipality time and packs storage 10x more densely to save money;
- ✦ Telephony Voice Services was successfully upgraded from PRI to SIP and continued the service agreement from BCX/Telkom to further enhance the municipality's service to the public. This procurement included redundancy by way of making available a redundant service at the



- Section: Traffic Services that can provide a service in the event the main building's service fails;
- ‡ High site wireless hardware links were procured and delivered during this time with the plan to upgrade the municipal network to the outer lying areas under the WC024 area. A rates tender for WAN Infrastructure was approved to assist in shortening the municipality's turnaround time in commissioning new sites and improving current location services;
  - ‡ The network support encompasses both the ICT and camera infrastructure by way of expanding the Avalon contract services to cover this critical service. The SLA was further been expanded to include labour support for network cabling as well as hardware support for the commissioning of new camera locations. This has reduced the cost of this service as the ICT network has been able to incorporate the camera infrastructure. This has, in turn, saved the municipality and the public money in providing this critical service;
  - ‡ The newly commissioned Server Room received additional server storage hardware to accommodate for the other law enforcement and traffic services moving into the server room. This included flexible high-speed storage which is easily shared as and when required. Additional storage cabinets (x2) were further procured to accommodate for future growth in this space. Newly acquired backup infrastructure has been installed in the new server room to provide the municipality with a further recovery point to mitigate the constant cyber threats;
  - ‡ The Department: ICT spent a large amount of its effort on once again reducing costs by way of procuring printers via the National Treasury RT3-2018 contract. As a result of this contract, the municipality reduced its printer footprint and begin to centrally manage usage across printers. The many office printers were replaced with shared departmental printers further assisting in reducing costs;
  - ‡ The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure the sustainability of the ICT services was also completed;
  - ‡ Microsoft System Center Configuration Manager (SCCM) was deployed to assist with Microsoft 365 upgrade;
  - ‡ ICT embarked on a Microsoft Office 365 and Windows 10 migration which is a project that should be completed by the 31 December 2021;
  - ‡ All existing ICT Policies were reviewed, and new ICT Policies were developed and approved by the ICT Steering Committee;
  - ‡ The Disaster Recovery and Colocation Services project including WAN and Internet Services was successfully implemented by First Technology and will remain in place till 30 June 2022. The DR site is at TERACO in Claremont and meets all the AG requirements;
  - ‡ The municipality is currently implementing a cyber-security solution called F-Secure which will give the municipality better protection and is the best Anti-Malware, best Ransomware defence security to protect from ransomware and prevent data encryption;
  - ‡ Assisting the Infrastructure Services with the Cityworks implementation – Asset Management. The Cityworks web GIS-centric platform can help to streamline the care and maintenance of infrastructure assets. Using the ArcGIS geodatabase as the authoritative system of record, Cityworks has the potential to leverage the inherent power of GIS through spatial analysis of work activities and mobile field operations. Cityworks and ArcGIS together offer a system of record, a system of engagement, and a system of insight for asset management;
  - ‡ 4 Quarterly GIS Forum meetings took place during the financial year 2020/21;
  - ‡ 4 Quarterly ICT Steering Committee meetings took place during the financial year 2020/21;
  - ‡ The Department: ICT implemented a mobile application to assist with the IDP public participation meeting especially the budget presentation and ward priorities; and
  - ‡ ICT also implemented MS Teams to ensure that majority of Council Meetings are conducted on a virtual platform to limit the spread of the COVID-19 virus.





### 3.26.1 Service Statistics – Information and Communication Technology (ICT)

**Table 205: Service Statistics – ICT**

Details	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	%						
Ensure the availability of the network to ensure effective ICT systems for municipal processes	98	98	99.9	99.9	99	99	99
Provide ICT support to all municipal departments by attending to requests within 4 working days	97	98	98	98	98	98	98
Connecting all municipal sites to the ICT network	100	100	100	100	100	100	100

The table below indicates the capital expenditure for ICT services as at 30 June 2021.

**Table 206: Capital expenditure - ICT services as at 30 June 2021**

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrade and Expansion of IT Infrastructure Platforms	6 351 050	6 263 310	-1.38%
Purchase and Replacement of Computer / software and Peripheral devices	1 953 956	1 453 466	-25.61%
Public WI-FI Network	548 950	544 409	-0.83%

ICT have spent, **93.31%** of the capital budget for the financial year.

The table below indicates the number of employees in the Department: ICT.

**Table 207: Total number of employees in the Department: ICT**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	5	4	1	20%
9 – 13	9	5	4	44%
4 – 8	0	0	0	0%
3 – 0	0	0	0	0%
<b>Total</b>	<b>15</b>	<b>10</b>	<b>5</b>	<b>33.3%</b>



### 3.27 Legal Services

The Section: Legal Services in conjunction with user departments ensures and manages the implementation, monitoring, evaluation and reporting on key service delivery objectives with respect to Legal Services.

**a) The main objectives are the following:**

- ⌵ Advise and manage litigations instituted by the municipality and against it;
- ⌵ Provide legal advice, opinions and input on policies, contracts, agreements, memorandums, legislation, by-laws and authorities;
- ⌵ Advising Council on items submitted to meetings;
- ⌵ Ensuring by-laws are promulgated after consultation with user departments and approval by Council; and
- ⌵ Attend to new legislation and proclamations for comment as and when required.

**b) Challenges:**

- ⌵ To deal with urgent requests for legal input to Portfolio and Council Committees;
- ⌵ Lack of skilled administrative support to chief legal advisor; and
- ⌵ Availability of well-maintained legal library and reference resources.

The table below indicates the total number of employees in the Section: Legal Services.

**Table 208: Total number of employees in the Section: Legal Services**

Job Level	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	1	1	0	0%
14 – 17	0	0	0	0%
9 – 13	0	0	0	0%
4 – 8	1	0	1	100%
3 – 0	0	0	0	0%
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>50%</b>

### 3.28 Municipal Court – Additional Court - Stellenbosch

The Municipal Court is responsible for the following prosecutions:

- ⌵ Traffic by-laws;
- ⌵ Provincial Traffic by-laws;
- ⌵ SAPS by-laws;
- ⌵ Law Enforcement by-laws;
- ⌵ Fire by-laws;
- ⌵ Building and Land Use Regulations, and all other By- Law contraventions;
- ⌵ Electrical By-laws; and
- ⌵ Noise pollution.



### a) Mission Statement of the Municipal Court

Our aim is to: -

- ‡ promote justice and service delivery;
- ‡ enhance revenue to invest in the community;
- ‡ “let Justice be seen to be done”; and
- ‡ minimise crime and have a safer Stellenbosch.

#### The Municipal Court was established to:

- ‡ Support and secure good governance;
- ‡ Ease the burden on regular courts;
- ‡ Increase the speed of services;
- ‡ Allow for more successful prosecutions by applying specialist knowledge;
- ‡ Improve communications between the by-law prosecutors and enforcers;
- ‡ Support by-law enforcement;
- ‡ Ensure a user-friendly court; and
- ‡ Keeps members of the public who committed a minor crime (such as a traffic offence) away from hardened criminals.

Our revenue for the past financial year amounted to a healthy R3 957 980 with 13 859 cases on the court role.

The municipality is also looking into having an Ad Hoc Court in Franschhoek / Klapmuts in the near future. This could be another boost for the Municipal Court service to the community. Prosecuting some of the cases in the Paarl Magistrate’s Court is also currently being considered.

The introduction of the Additional Municipal Court has definitely been an essential, strategic implementation that will benefit the whole community of Stellenbosch.

### 3.28.1 Statistical Report – Case Load

Table 209: Statistical Report Case load

Months:	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
<b>Cases on the role</b>	656	1 255	1 096	1 096	1 297	823	1 693	577	457	21	894	1 058
<b>Withdrawn</b>	6	0	0	10	4	1	6	8	2	0	0	38
<b>Struck off the role</b>	30	48	69	31	33	63	68	11	21	0	2	0
<b>Warrants authorised</b>	576	1 110	965	986	1 197	748	1 589	547	410	0	885	991
<b>Deferment</b>	0	14	7	4	29	0	0	0	0	0	0	0
<b>Payments</b>	40	73	53	65	34	10	5	2	20	0	4	1
<b>Postponed</b>	4	5	0	0	0	1	25	9	4	21	3	28
<b>Mediations</b>	0	5	2	0	0	0	0	0	0	0	0	0



### 3.28.2 Financial Report

**Table 210: Financial Report of the Municipal Court**

	Traffic Fines	SAPS Fines	Law Enforcement Fines	Contempt of Court Fines	Provincial Fines	Electricity	Building	Total Amount
<b>Jul</b>	R372 110	R0	R0	R0	R800	R7 500	R0	R38 0410
<b>Aug</b>	R291 070	R0	R0	R30 600	R300	R7 500	R0	R329 470
<b>Sep</b>	R393 880	R200	R250	R54 600	R0	R0	R5 000	R453 930
<b>Oct</b>	R385 430	R0	R0	R67 800	R0	R0	R1 500	R454 730
<b>Nov</b>	R312 320	R250	R0	R57 900	R1 000	R5 000	R12 000	R388 470
<b>Dec</b>	R251 780	R500	R0	R46 200	R0	R4 000	R3 500	R305 980
<b>Jan</b>	R395 470	R0	R0	R60 000	R0	R0	R0	R455 470
<b>Feb</b>	R387 130	R500	R0	R53 500	R0	R2 500	R3 500	R447 130
<b>Mar</b>	R445 560	R0	R2 600	R50 400	R250	R0	R12 500	R511 310
<b>Apr</b>	R32 740	R2 100	R0	R1 500	R0	R2 500	R0	R38 840
<b>May</b>	R20 300	R5 100	R4 500	R300	R0	R0	R4 000	R34 200
<b>June</b>	R73 430	R3 700	R1 600	R5 700	R0	R2 000	R0	R86 430

The table below indicates the total number of employees in the Section: Municipal Court.

**Table 211: Total number of employees in the Section: Municipal Court**

Job Level	Posts	Employees	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
	Number			
18 – 22	0	0	0	0%
14 – 17	2	1	1	50%
9 – 13	1	1	0	0%
4 – 8	3	2	1	33%
3 – 0	0	0	0	0%
<b>Total</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>33.3%</b>



## COMPONENT H: ORGANISATIONAL PERFORMANCE SCORECARD

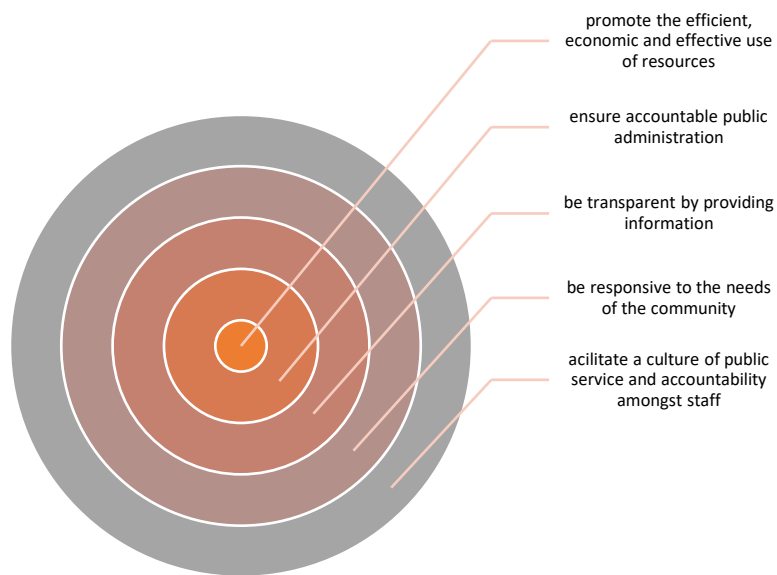
### 3.29 Performance Management

Performance management is a process that measures the implementation of the organisation's strategy as captured within the Integrated Development Plan (IDP). It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At a local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with strategic goals as set by the organisation.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management. The idea of an accountable government is important to meet the needs of Stellenbosch. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others:

**Figure 42: Performance management principles**



The MSA requires municipalities to establish a performance management system. Further, the MSA and the MFMA require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players". Performance management is not only relevant to the organisation as a whole, but also to the



individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, the Budget and the SDBIP.

### 3.29.1 Legislative requirements

In terms of section 46(1)(a) of the MSA, a municipality must prepare a performance report for each financial year that reflects the municipality's and any service provider's performance during the financial year. The report must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year, and measures that were or are to be taken to improve performance.

### 3.29.2 Organisational performance

Strategic performance assessment indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for their implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously where required.

This report highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of Section 43 of the MSA.

The Performance Management Policy 2020/21 was reviewed and submitted to Council for approval on 27 July 2020.

### 3.29.3 Governance framework for the IDP, Budget and Performance Management

The draft review of the 4th Generation IDP was tabled in March 2021 and was advertised for public comment thereafter. Stellenbosch Municipal Council adopted the reviewed Fourth Generation IDP (2017/18 – 2021/22) together with the 2020/21 MTREF Budget on 23 June 2020.

The IDP is the principal planning instrument that guides and informs the municipal budget. The MSA requires each municipality in South Africa to prepare such a strategic plan to guide all development and management within the municipal area. The IDP sets out the development priorities of Stellenbosch Municipality over the next five years. The IDP must guide and determine municipal planning and project implementation. The 2019/20 budget was based on the IDP and other spheres of government and service providers.

The IDP for the period July 2017 to June 2022 gives expression to the political mandate that was received from residents in the August 2016 local government election. The MSA requires municipalities to consult with their residents and the broader institutions, which elicited a positive reaction and involvement from the public.

The IDP is a strategic tool that guides all the activities of local government in consultation with residents and stakeholders. In keeping with the more evolved and strategic approach to this IDP, the implementation plan focuses on only the key strategic programmes, projects and initiatives that will support the achievement of the priorities during the five-year term of office. Its focus is on



development in the broader sense and it is a structured plan that informs budget priorities, decision making and the allocation of resources.

The focus of the IDP is varied and includes the provision of basic municipal services, measures for building and transforming municipal capacity, measures to assist in expanded livelihood opportunities for citizens, enterprise development, building dignified and safe living environments, and, crucially, exploring new ways of working and living together. It directs and is informed by different aspects of the municipality's work, including how the municipality is structured politically and administratively, the municipal budget, the sector plans and service delivery and budget implementation plans of different municipal services, and how the municipality manages its performance.

The three-year budget sets out the revenue-raising and expenditure plan of the municipality for approval by the Council in accordance with the MFMA. The allocation of funds needs to be aligned with the priorities in the IDP.

The IDP must be reflected in the performance agreements of the relevant staff and through the budget, in the service delivery and budget implementation plan (SDBIP). The key performance management instrument of the municipality is the SDBIP. Linked to the IDP, the SDBIP forms the basis of the performance contracts of directors and quarterly, mid-year and annual performance reviews of senior management, directorates and the municipality.

### 3.29.4 Service Delivery and Budget Implementation Plan

The organisational performance is evaluated using a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based on the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the municipality are implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview of the achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top-Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents (IDP, Budget and Performance Agreements).

The organisational performance is evaluated by means of a Municipal Scorecard (TL SDBIP) at an organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators on how, where and when the strategies, objectives and normal business processes of the municipality are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A 1, GenN 393 in GG32141 of 2009 and prescribes that the:

- ‡ IDP and budget must be aligned;
- ‡ budget must address the strategic priorities;





- ‡ SDBIP should indicate what the municipality is going to do during the next 12 months; and
- ‡ SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

### 3.29.5 The municipal scorecard (Top Layer SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council / senior management and provides an overall picture of the performance of the municipality as a whole, reflecting performance in its strategic priorities for the 2020/21 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal

Components of the Top-Layer SDBIP include:

One-year detailed plan with the following components:

- ‡ Monthly projections of revenue to be collected from each source;
- ‡ Monthly projections of expenditure (operating and capital) and revenue for each vote;
- ‡ Quarterly projections of service delivery targets and performance indicators for each vote;
- ‡ Ward information for expenditure and service delivery; and
- ‡ Detailed capital works plan broken down by ward over three years.

Top-Layer KPIs were prepared based on the following:

- ‡ Key performance indicators (KPIs) for the programmes / activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- ‡ KPIs identified during the IDP and KPIs that need to be reported to key municipal stakeholders; and
- ‡ KPIs to address the required national minimum reporting requirements.

### 3.29.6 Amendment of the Top Layer SDBIP

The TL SDBIP 2020/21 was reviewed once during the financial year under review and submitted to Council for approval on 23 June 2020 and revised 27 June 2021.

The municipality utilises an electronic web-based, real-time performance-based system on which KPI owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- ‡ The actual result in terms of the target set;
- ‡ A performance comment; and
- ‡ Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.



### 3.29.7 Monitoring of the Service Delivery and Budget Implementation Plan

Municipal performance is measured as follows:

- a) **Mid-year assessment and submission of the mid-year report to the Mayor in terms of section 72(1)(a).** In terms of section 72(1(a) of the MFMA, the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury. Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.
- b) **Quarterly assessment i.t.o. section 52(d) of the MFMA** to assess the performance of the municipality during the first half of the financial year.

The Executive Mayor, who must provide general political guidance over the fiscal and financial affairs of the municipality, is required by Section 52(d) of the MFMA to submit a report on the implementation of the budget and the financial state of affairs of the municipality, to the Council within 30 days after the end of each quarter.

The actual performance was audited by the Department: Internal Audit (IA) and the results of their findings were submitted to the Audit and Performance Audit Committee (APAC).

- ‡ Quarter 1 (July to September);
- ‡ Quarter 2 (October to December);
- ‡ Quarter 3 (January to March); and
- ‡ Quarter 4 (April to June).

#### Other Municipal Personnel

The municipality has implemented individual performance management of employees on the three highest levels of management.

#### Municipal Manager and Managers directly accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance-based agreements with the Municipal Manager and managers directly reporting to the Municipal Manager i.t.o. section 56. Performance agreements must be reviewed annually and are published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

The revised (latest) performance plans for the Municipal Manager and section 56 appointments for the 2020/21 financial year were signed on 27 June 2021 as prescribed. They include performance agreements for the:

- ‡ Municipal Manager;
- ‡ Chief Financial Officer;
- ‡ Director: Corporate Services;
- ‡ Director: Planning and Local Economic Development;
- ‡ Director: Community and Protection Services; and
- ‡ Director: Infrastructure Services.

**Table 212: Performance management governance**

	Performance Management Policy	All MSA s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Performance Reporting to Council
In place?	√	√	√	√	√	√

In the paragraphs below, the performance achieved is illustrated against the Top-Layer SDBIP according to the IDP strategic objectives. The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPIs) of the SDBIP is measured:

**Table 213: Performance Assessment Criteria**

Color	Category	Explanation
	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%
	KPI Met	Actual vs. target 100% achieved
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
	KPI Extremely Well Met	Actual vs. target more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidates service delivery targets set by Council / Senior Management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.

### 3.29.8 Overall Performance per Municipal Strategic Focus Area

**Table 214: Overall Performance per Municipal Strategic Focus Area**

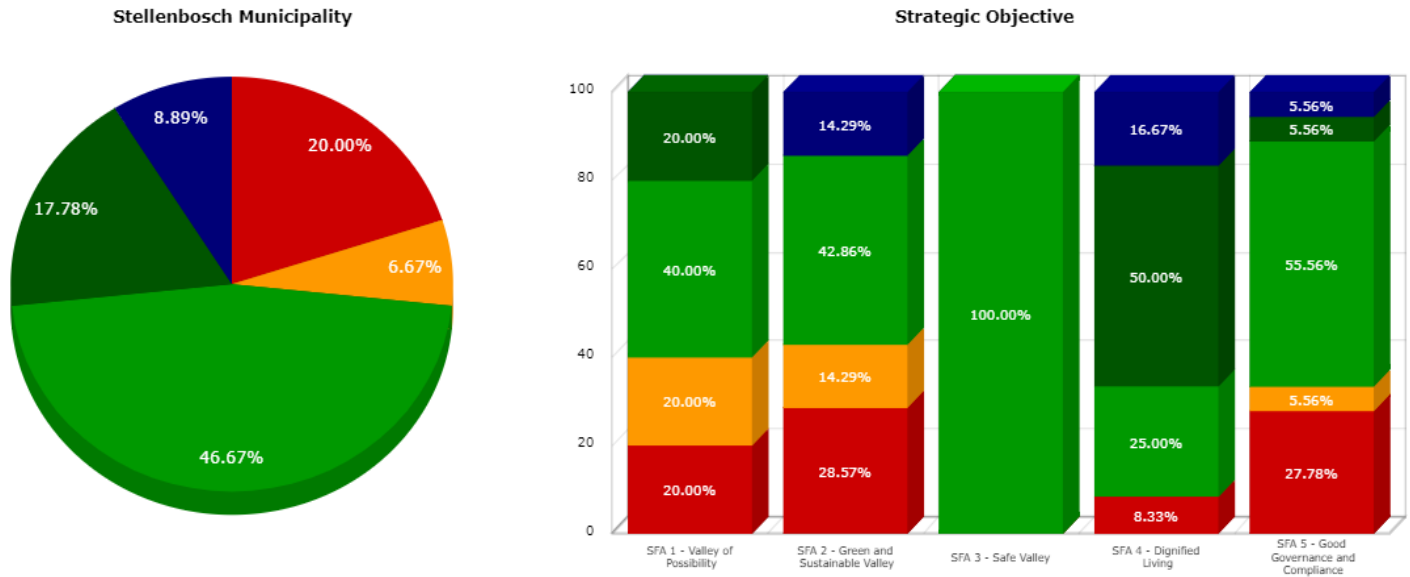
Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	-	-	-	-	-	-
KPI Not Met	9 (20%)	1 (20%)	2 (28.57%)	-	1 (8.33%)	5 (27.78%)
KPI Almost Met	3 (6.67%)	1 (20%)	1 (14.29%)	-	-	1 (5.56%)
KPI Met	21 (46.67%)	2 (40%)	3 (42.86%)	3 (100%)	3 (25%)	10 (55.56%)
KPI Well Met	8 (17.78%)	1 (20%)	-	-	6 (50%)	1 (5.56%)
KPI Extremely Well Met	4 (8.89%)	-	1 (14.29%)	-	2 (16.67%)	1 (5.56%)
<b>Total:</b>	<b>45</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>12</b>	<b>18</b>
	100%	11.11%	15.56%	6.67%	26.67%	40%

The following graph and table illustrate the municipality's overall performance per Municipal Strategic Focus Area (SFA). The Annual Performance Report 2020/21 was submitted to the Stellenbosch Municipal Council as well the Auditor General in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2).



This tables below give a clear indication which was reported to Council on the municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

**Figure 43: Overall Performance per Municipal Strategic Focus Area**





# CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

## 4.1 Introduction to the Municipal Workforce

Stellenbosch Municipality, as of 30 June 2021, employed 1 142 officials (excl. Councillors and excluding non-permanent positions), who individually and collectively contribute to the achievement of the municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

## 4.2 Employment Equity

The Employment Equity Act (1998), Chapter 3, section 15 (1), states that affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to the "number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan" The following table provides clarity on the employment equity status as at 30 September 2020.

**Table 215: EE Targets / Actual by Racial Classification**

Financial Year	African			Coloured			Indian			White		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2018/19	334	372	111.4%	497	651	131%	23	4	17%	75	94	125.3%
2019/20	334	383	111.4%	497	680	137%	23	4	17%	75	96	128%
2020/21	334	395	118.3%	497	660	132.8%	23	4	17%	75	83	110.67%

**Table 216: Targets / Actual by Gender Classification**

Financial Year	Male			Female			Disability		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2018/19	681	750	110.1%	670	371	55.3%	10	10	100%
2019/20	681	760	111.6%	670	398	59.4%	10	10	100%
2020/21	681	737	108.22%	670	405	60.45%	10	10	100%



### 4.3 Occupational Categories - Race

The table below categorises the number of employees by race within the occupational levels.

**Table 217: Occupational Categories – Race**

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management and Councillors	4	15	0	7	5	11	0	7	<b>49</b>
Senior management	2	11	0	7	1	3	0	0	<b>24</b>
Professionally qualified and experienced specialists and mid-management	5	25	2	9	12	16	1	10	<b>80</b>
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	49	130	1	26	56	101	0	19	<b>382</b>
Semi-skilled and discretionary decision making	91	165	0	6	49	87	0	4	<b>402</b>
Unskilled and defined decision making	108	96	0	0	22	22	0	0	<b>248</b>
<b>Total permanent</b>	<b>259</b>	<b>442</b>	<b>3</b>	<b>55</b>	<b>145</b>	<b>240</b>	<b>1</b>	<b>40</b>	<b>1 185</b>
Non- permanent employees (incl. EPWP, Conditional Grants, Provincial Grants)	6	15	0	3	10	20	0	3	<b>57</b>
<b>Grand total</b>	<b>265</b>	<b>457</b>	<b>3</b>	<b>58</b>	<b>155</b>	<b>260</b>	<b>2</b>	<b>43</b>	<b>1 242</b>

### 4.4 Directorates by Race

The following table categorises the number of employees by race within the different Directorates:

**Table 218: Directorates by Race**

Directorate	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Mayor	4	12	0	6	5	10	0	6	<b>43</b>
Office of the Municipal Manager	0	2	0	1	4	7	0	2	<b>16</b>
Financial Services	9	34	1	2	21	50	0	5	<b>122</b>
Planning and Economic Development	6	25	0	5	16	22	0	7	<b>81</b>
Corporate Services	8	25	1	2	13	22	0	5	<b>76</b>
Community and Protection Services	81	131	1	23	60	96	1	11	<b>404</b>
Infrastructure Services	138	227	0	15	26	33	0	4	<b>443</b>
<b>Total permanent</b>	<b>246</b>	<b>456</b>	<b>3</b>	<b>54</b>	<b>145</b>	<b>240</b>	<b>1</b>	<b>40</b>	<b>1 185</b>
Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants)	6	15	0	3	10	20	0	3	<b>57</b>
<b>Grand total</b>	<b>252</b>	<b>471</b>	<b>3</b>	<b>57</b>	<b>155</b>	<b>260</b>	<b>1</b>	<b>43</b>	<b>1 242</b>

### 4.5 Vacancy Rate

The approved organogram for the municipality had **1 120** (funded) posts based on the 2017/18 financial year. On 01 July 2018 the approved organogram of 25th October 2017 was implemented which brought about a total post compliment of 1 873 posts and was further reviewed and revised with another 123 posts which made the total post compliment 1 996 posts on 27 February 2019. The actual positions filled in the 2020/21 financial year are indicated in the tables below by post level and by functional level. A total of 854 posts were vacant at the end of 2020/21, resulting in a vacancy rate of **42,78%**. Below is a table that indicates the vacancies within the municipality:

**Table 219: Vacancy rate per post and functional level**

Per Post Level		
Post level	Filled	Vacant
Top Management (MM and MSA section 57 Managers)	6	0
Senior Management	24	4
Middle management	80	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	382	255
Semi-skilled	402	334
Unskilled and defined decision making	248	240
<b>Total</b>	<b>(Excluding Councillors) 1 142</b>	<b>854</b>
Per Functional Level		
Functional area	Filled	Vacant
Office of the Mayor	43	0
Office of the Municipal Manager	16	9
Financial Services	122	55
Planning and Economic Development	81	52
Corporate	76	82
Community and Protection Services	404	214
Infrastructure Services	443	442
<b>Total</b>	<b>(Including Councillors) 1 185</b>	<b>854</b>

## 4.6 Turnover rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory / organisational knowledge. Below is a table that shows the turnover rate in the municipality.

The table below indicates the turn-over rate over the last five years.

**Table 220: Turn-over Rate**

Financial year	Total no appointments at the end of each Financial Year	New appointments	Number of terminations during the year	Turn-over Rate
2018/19	1 121	55	39	3.47%
2019/20	1 158	60	51	4.40%
2020/21	1 142	48	61	5.34%

## 4.7 Managing the Municipal Workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury / disease and can be costly to a municipality. An occupational injury will influence the loss of man-hours and therefore financial and productivity performance.





The injury rate shows an increase for the 2020/21 financial year from 92 employees in 2019/20 to 121 employees in the 2020/21 financial year. The table below indicates the total number of injuries within the different directorates.

**Table 221: Injuries per Directorate**

Directorates	2016/17	2017/18	2018/19	2019/20	2020/21
Office of the Municipal Manager	1	1	0	0	0
Financial Services	3	0	0	2	4
Planning and Economic Development Services	0	3	3	2	10
Corporate Services	1	1	1	7	9
Community and Protection Services	54	73	49	36	21
Infrastructure Services	64	42	32	42	77
<b>Total</b>	<b>130</b>	<b>125</b>	<b>86</b>	<b>92</b>	<b>121</b>

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

## 4.8 Sick Leave

The number of days' sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2020/21 financial year shows an increase of 4 300.52 working days when comparing it to the 2020/21 financial year.

The table below indicates the total number of sick leave days taken within the different directorates.

**Table 222: Table 185: Sick Leave as at 30 June**

Directorate	2018/19	2019/20	2020/21	2020/21 (%)
Office of the Municipal Manager	89	83.5	150	35.16
Financial Services	692	679	1351	41.52
Planning and Economic Development	393	425	671	31.06
Corporate Services	493	593.87	806.08	38.26
Community and Protection Services	2 958	1803.19	3598	33.40
Infrastructure Services	2 765	2646	3955	33.48
<b>Total</b>	<b>7 754</b>	<b>6 230.56</b>	<b>10 531.08</b>	<b>34.49</b>

## 4.9 Human Resources Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.



The table below shows the status of the Human Resources policies and plans:

**Table 223: Approved Policies for the year under review**

Name of policy	Date approved / revised
Employee Parking Policy	28 October 2020
Consequence Management Policy	26 May 2021

**Table 224: Policies still to be developed**

Policies still to be developed	
Name of policy	Proposed date of approval
Measures to Recover Arrear Monies from Employees owing on their municipal accounts to Stellenbosch Municipality for a period of 90 days plus.	1 August 2019 (this policy was delegated for approval by the Municipal Manager)
HIV / AIDS Policy (Review).	30 June 2021 or in the 2021/22 financial year
New Recruitment and Selection Policy.	30 June 2021 or in the 2021/22 financial year

The Department: Human Resources Management submits policies to the Local Labour Forum on a regularly for review purposes.

## 4.10 Capacity building of the Municipal Workforce

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

## 4.11 Skills Matrix

The table below indicates the number of employees that received training in the year under review.

**Table 225: number of employees that received training**

Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
MM and S57	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	3	7
	Male	4	9
Professionals	Female	4	8
	Male	2	7
Associate professionals and Technicians	Female	13	20
	Male	72	44
Community and Personal Services	Female	0	0
	Male	0	0
Clerks	Female	30	32
	Male	11	11
Service and sales workers	Female	17	14
	Male	38	28
Plant and machine operators and assemblers	Female	0	0
	Male	16	11
Elementary occupations	Female	18	13
	Male	137	130



Management level	Gender	Number of employees identified for training at start of the year	Number of employees that received training
Sub-total	Female	85	94
	Male	280	240
Total		365	334

## 4.12 Skills Development – Training Provided and Budget allocation

The Skills Development Act, 1998 (Act No. 97 of 1998) and the MSA, require that employers supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration, the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below indicates that a total amount of **R 3 300 217** was spent on the workplace skills plan. This represents **0.62%** when compared to the total salary budget of the municipality in the 2020/21 financial year.

Municipalities are required, in terms of the Skills Development Act, to spend at least 1% of its salary budget on its workplace skills plan.

**Table 226: Budget allocated and spent for skills development**

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R	R	R	
2020/21	R 532 497 021	R 532 497 021	R 3 300 217	0.62%

## 4.13 Managing the Municipal Workforce Expenditure

### 4.13.1 Personnel Expenditure

The percentage of personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well below the national norm of between 35 to 40%.

**Table 227: Personnel Expenditure as % of Total Operating Expenditure**

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R	R	%
2017/18	407 801	1 307 335	31%
2018/19	444 711	1 508 629	29%
2019/20	481 583	1 661 441	29%
2020/21	544 391	1 809 977	30%



Below is a summary of Councillor and staff benefits for the year under review.

**Table 228: Councillor and staff benefits**

Financial year	2019/20	2020/21	2020/21	2020/21
Description	Actual	Original Budget	Adjusted Budget	Actual
R'000				
<b>Councillors (Political Office Bearers Plus Other)</b>				
Salary	12 139	13 710	13 710	12 149
Pension Contributions	551	848	848	535
Medical Aid Contributions	232	92	92	246
Motor Vehicle Allowance	4 338	4 947	4 947	4 356
Cell Phone and Other Allowances	1 909	1 536	1 536	1 906
<b>Sub-Total - Councillors</b>	<b>19 121</b>	<b>21 133</b>	<b>21 133</b>	<b>19 192</b>
<b>% Increase / (Decrease) on Actual</b>	<b>4,64%</b>	<b>10,52%</b>	<b>10,52%</b>	<b>0,37%</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	322 143	339 270	317 662	338 573
Pension and UIF Contributions	48 754	61 260	61 260	54 029
Medical Aid Contributions	23 337	27 962	27 962	25 058
Overtime	37 414	55 059	48 455	40 596
Performance Bonus	710	300	300	1 190
Motor Vehicle Allowance	10 048	15 586	11 623	9 995
Cellphone Allowance	1 631	1 143	1 143	1 883
Housing Allowances	2 916	3 165	3 165	2 773
Other benefits and allowances	25 025	42 250	27 483	47 353
Payments in lieu of leave		2 246	2 246	-
<b>Other Municipal staff</b>				
Long service awards	4 109	72	72	3 904
Post-retirement benefit obligations	5448	31 126	31 126	18 257
<b>Sub-Total - Other Municipal Staff</b>	<b>481 535</b>	<b>579 439</b>	<b>532 497</b>	<b>543 611</b>
<b>% Increase / (Decrease)</b>	<b>8,29%</b>	<b>20,33%</b>	<b>20,32%</b>	<b>12,89%</b>
<b>Total municipality</b>	<b>500 656</b>	<b>600 572</b>	<b>553 630</b>	<b>562 803</b>
<b>% Increase / (Decrease)</b>	<b>8,16%</b>	<b>19,96%</b>	<b>19,95%</b>	<b>12,41%</b>



## CHAPTER 5: FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

#### 5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2020/21 financial year.

**Table 229: Financial Performance**

Description	2019/20	2020/21		2020/21 Variance		
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>Financial Performance</b>						
Property rates	360 089	392 239	399 239	387 057	-1.32	-3.05
Service charges	880 126	1 072 778	1 009 778	932 616	-13.07	-7.64
Investment revenue	40 472	37 870	22 870	19 515	-48.47	-14.67
Transfers recognised - operational	160 652	178 547	207 289	194 790	9.10	-6.03
Other own revenue	166 608	218 297	195 097	188 197	-17.71	-7.92
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>1 607 947</b>	<b>1 899 731</b>	<b>1 834 273</b>	<b>1 722 175</b>	<b>-9.80</b>	<b>-6.58</b>
Employee costs	481 535	579 439	532 497	543 611	-6.05	2.23
Remuneration of councillors	19 169	21 133	21 133	19 192	-12.88	-12.88
Depreciation and asset impairment	190 367	205 628	200 779	192 216	-7.70	-5.47
Finance charges	56 004	39 349	31 649	54 475	38.44	72.12
Materials and bulk purchases	445 621	523 902	496 686	453 758	-13.39	-8.64
Transfers and grants	10 855	10 069	11 073	11 010	9.35	-0.57
Other expenditure	450 982	507 944	537 075	538 130	5.94	0.20
<b>Total Expenditure</b>	<b>1 654 533</b>	<b>1 887 464</b>	<b>1 830 891</b>	<b>1 812 392</b>	<b>-4.11</b>	<b>-1.14</b>
<b>Surplus / (Deficit)</b>	<b>-46 586</b>	<b>12 267</b>	<b>3 382</b>	<b>-90 217</b>	<b>-885.53</b>	<b>-2 949.23</b>
Transfers recognised - capital	124 374	113 429	84 282	69 847	-38.42	-17.13
Contributions recognised - capital and contributed assets	10 275	11 697	11 697	13 658	0	0
<b>Surplus / (Deficit) after capital transfers and contributions</b>	<b>88 063</b>	<b>137 393</b>	<b>99 361</b>	<b>-6 712</b>	<b>-109.36</b>	<b>-114.67</b>
<b>Capital expenditure and funds sources</b>						
Capital expenditure						
Transfers recognised - capital	124 374	145 341	84 282	69 847	-52	-17.23
Public contributions and donations	-	-	-	141	0	0
Borrowing	33 365	102 780	120 000	97 649	-4.99	-18.63
Internally generated funds	248 192	127 630	249 598	225 334	76.60	-9.70
<b>Total sources of capital funds</b>	<b>405 931</b>	<b>375 751</b>	<b>453 880</b>	<b>392 971</b>	<b>4.57</b>	<b>-13.43</b>
Financial position						
Total current assets	710 439	1 124 779	698 237	632 405	-43.78	-9.43
Total non-current assets	5 674 413	6 147 669	6 230 648	5 886 152	-4.21	-5.49
Total current liabilities	390 300	435 060	386 000	425 141	-0.31	12.36



Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Total non-current liabilities	571 099	849 515	849 515	676 674	-20.35	-20.35
Community wealth / equity	5 423 453	5 594 007	5 594 007	5 416 741	-3.28	-3.28
<b>Cash flows</b>						
Net cash from (used) operating	281 952	1 080 460	1 121 236	222 756	-78.59	-79.37
Net cash from (used) investing	-314 371	-407 662	-453 880	-298 096	-24.79	-32.45
Net cash from (used) financing	-25 870	0	0	76 027	100	100
<b>Cash / cash equivalents at the year end</b>	<b>111 202</b>	<b>307 604</b>	<b>302 161</b>	<b>111 889</b>	<b>-63.62</b>	<b>-62.97</b>
<b>Cash backing / surplus reconciliation</b>						
Cash and investments available	111 202	408 829	329 656	111 889	-72.63	-66.06
Application of cash and investments	5 422 282	481 224	597 516	5 441 471	1 033.21	812.66
Balance - surplus (shortfall)	-5 311 080	-72 395	-267 860	-5 311 080	7 236.25	1 882.78
<b>Asset management</b>						
Asset register summary (WDV)	5 669 262	6 143 793	6 226 771	5 879 460	-4.26	-5.54
Depreciation	190 367	205 628	200 779	192 216	-7.70	-5.47
Renewal of Existing Assets	17 171	34 100	27 041	29 798	-12.62	-10.20
Repairs and Maintenance	58 292	90 823	83 803	83 550	-8.01	-0.30
<b>Free Services</b>						
Cost of Free Basic Services provided	92 406	-38 706	-38 706	-	-100	-100
Revenue cost of free services provided	-	18 625	18 625	-	-100	-100
<b>Households below minimum service level</b>						
Water:	1	1	1	1	0	0
Sanitation / sewerage:	1	1	1	1	0	0
Energy:	2	2	2	2	0	0
Refuse:	4	4	4	4	0	0
Variances are calculated by dividing the difference between actual and original / adjustments budget by the actual. This table is aligned.						

The table below shows a summary of performance against budgets.

**Table 230: Performance against Budgets**

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2016/17	1 490 495	1 534 354	43 859	2.94%	1 450 845	1 316 387	134 458	9.27%
2017/18	1 778 647	1 609 729	-168 918	-9.50%	1 575 255	1 363 953	211 302	13.41%
2018/19	1 738 394	1 629 667	-108 727	-6.25%	1 719 105	1 508 629	210 476	12.24%
2019/20	1 834 539	1 742 596	-91 943	-5.01%	1 778 284	1 661 441	116 843	6.57%
2020/21	1 930 252	1 805 680	-124 572	-6.45%	1 830 891	1 812 392	18 499	1.01%



## 5.2 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote.

**Table 231: Revenue collection performance by vote**

Vote Description	2019/20			2020/21 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000			%		
Municipal Manager	-	-	328	147 535	0	-15.36
Planning and Development	25 044	81 766	30 799	5 271	-73.21	-28.87
Infrastructure Services	143 842	192 985	172 752	481 200	-23.59	-14.64
Community and Protection Services	1 072 412	1 246 149	1 228 147	1 143 877	-9.34	-8.02
Corporate Services	51 062	4 303	5 492	277	43.77	12.64
Financial Services	450 236	487 960	490 895	27 519	0.74	0.14
<b>Total Revenue by Vote</b>	<b>1 742 596</b>	<b>2 013 160</b>	<b>1 928 413</b>	<b>1 805 680</b>	<b>-10.73</b>	<b>-6.81</b>

## 5.3 Revenue Collection by Source

The table below indicates the Revenue collection performance by source for the 2020/21 financial year.

**Table 232: Revenue Collection by Source**

Description	2019/20		2020/21		2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Property rates	360 089	392 239	399 239	387 057	-1.32	-3.05
Service Charges	880 126	1 072 778	1 009 778	932 616	-13.07	-7.64
Rentals of facilities and equipment	13 601	16 292	10 592	14 714	-9.69	38.91
Interest earned - external investments	40 472	37 870	22 870	19 515	-48.47	-14.67
Interest earned - outstanding debtors	8 776	13 281	13 281	8 114	-24.07	-24.07
Dividends received	0	0	0	0	0	0
Fines	99 993	140 881	130 881	108 908	-22.70	-16.79
Licences and permits	4 413	5 503	5 503	5 216	-5.21	-5.21
Agency services	3 976	2 931	2 931	4 833	64.90	64.90
Transfers recognised - operational	160 652	178 547	207 289	194 790	9.10	-6.03
Transfers recognised - capital	124 374	113 429	84 282	69 988	-38.30	-16.96
Other revenue	45 380	39 408	43 605	50 493	23.13	11.28
Gains on disposal of PPE	742	0	0	9 436	100	100
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 742 594</b>	<b>2 013 160</b>	<b>1 930 252</b>	<b>1 805 680</b>	<b>-10.73</b>	<b>-6.90</b>





## 5.4 Operational Services Performance

The table below indicates the operational services performance for the 2020/21 financial year.

**Table 233: Operational Services Performance: Expenditure**

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
<b>Operating Cost</b>						
Water	131 579	148 086	127 662	131 801	12.36	-3.14
Wastewater (Sanitation)	124 338	124 565	120 707	138 141	-9.83	-12.62
Electricity	514 263	533 650	521 209	522 700	2.09	-0.29
Waste Management	120 997	105 990	119 548	118 389	-10.47	0.98
Housing	26 101	41 661	42 636	33 977	22.62	25.49
<b>Component A: sub-total</b>	<b>917 279</b>	<b>953 951</b>	<b>931 762</b>	<b>945 008</b>	<b>0.95</b>	<b>-1.40</b>
Roads and Stormwater	102 443	156 454	152 580	114 333	36.84	33.45
<b>Component B: sub-total</b>	<b>102 443</b>	<b>156 454</b>	<b>152 580</b>	<b>114 333</b>	<b>36.84</b>	<b>33.45</b>
Town Planning and Spatial Planning	19 789	18 507	17 152	26 708	-30.70	-35.78
Local Economic Development	10 574	13 060	12 500	10 175	28.36	22.85
<b>Component C: sub-total</b>	<b>30 363</b>	<b>31 568</b>	<b>29 651</b>	<b>36 883</b>	<b>-14.41</b>	<b>-19.61</b>
Libraries	14 787	18 277	18 563	13 118	39.33	41.51
Cemeteries	5 333	6 206	5 899	6 254	-0.77	-5.66
Community development	13 567	5 371	9 792	11 238	-52.20	-12.87
<b>Component D: sub-total</b>	<b>33 686</b>	<b>29 854</b>	<b>34 254</b>	<b>30 610</b>	<b>-2.47</b>	<b>11.91</b>
Environmental Protection	-	-	-	-	0	0
<b>Component E: sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Traffic services	195 854	199 815	198 221	233 793	-14.53	-15.22
Fire Services and Disaster Management	44 278	46 229	46 404	46 237	0.14	0.36
<b>Component F: sub-total</b>	<b>240 132</b>	<b>246 115</b>	<b>244 624</b>	<b>280 030</b>	<b>-12.11</b>	<b>-12.64</b>
Holiday Resorts and Campsites	280	299	303	434	-31.05	-30.28
Sport grounds, parks, swimming pools	52 198	74 363	74 737	67 474	10.21	10.76
Community Halls, Facilities and Thusong Centres	4 229	1 007	707	3 579	-71.85	-80.23
<b>Component G: sub-total</b>	<b>56 707</b>	<b>75 669</b>	<b>75 747</b>	<b>71 487</b>	<b>5.85</b>	<b>5.96</b>
Office of the MM	24 568	32 351	29 279	25 318	27.78	15.64
Financial Services	59 125	110 584	91 859	110 661	-0.07	-16.99
Administration	70 110	105 304	96 149	74 623	41.12	28.85
Property and contract management	31 590	38 972	39 498	36 441	6.94	8.39



Description	2019/20	2020/21			2020/21 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
HR	33 799	48 398	37 084	18 734	158.35	97.95
IT	32 535	30 071	40 571	41 251	-27.10	-1.65
Internal Audit	11 384	14 001	14 001	11 389	22.93	22.93
Legal Services	10 816	14 173	13 873	13 210	7.29	5.02
<b>Component H: sub-total</b>	<b>273 925</b>	<b>393 853</b>	<b>362 312</b>	<b>331 626</b>	<b>18.76</b>	<b>9.25</b>
<b>Total Expenditure</b>	<b>1 654 534</b>	<b>1 887 463</b>	<b>1 830 931</b>	<b>1 809 977</b>	<b>4.28</b>	<b>1.16</b>

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

## 5.5 Financial Performance Per Municipal Function

The tables below indicate the financial performance per municipal function as at 30 June 2021.

### 5.5.1 Water Services

**Table 234: Financial Performance: Water Services**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(197 989)	(188 304)	(169 869)	(155 113)	-21.40
<b>Expenditure:</b>					
Employees	30 116	34 584	32 676	30 923	-11.84
Repairs and Maintenance	3 929	15 177	13 703	6 226	-143.76
Other	97 534	98 325	81 282	94 653	-3.88
<b>Total Operational Expenditure</b>	<b>131 579</b>	<b>148 086</b>	<b>127 662</b>	<b>131 801</b>	<b>-12.36</b>
<b>Net Operational (Service)</b>	<b>(66 409)</b>	<b>(40 218)</b>	<b>(42 207)</b>	<b>(23 311)</b>	<b>-72.52</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.2 Sanitation Services

**Table 235: Financial Performance: Sanitation Services**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(114 242)	(150 123)	(143 576)	(126 641)	-18.54
<b>Expenditure:</b>					
Employees	43 378	51 131	45 631	44 390	-15.19
Repairs and Maintenance	2 453	25 347	32 957	19 852	-27.68
Other	78 508	48 087	42 119	73 899	34.93
<b>Total Operational Expenditure</b>	124 338	<b>124 565</b>	<b>120 707</b>	<b>138 141</b>	<b>9.83</b>
<b>Net Operational (Service)</b>	<b>10 096</b>	<b>(25 558)</b>	<b>(22 869)</b>	<b>11 500</b>	<b>322.25</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.3 Electricity Services

**Table 236: Financial Performance: Electricity Services**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(593 017)	(741 044)	(711 261)	(671 545)	-10.35
<b>Expenditure:</b>					
Employees	31 467	21 082	17 682	31 428	32.92
Repairs and Maintenance	7 851	11 072	10 939	9 969	-11.07
Other	474 945	501 495	492 588	481 304	-4.20
<b>Total Operational Expenditure</b>	514 263	<b>533 650</b>	<b>521 209</b>	<b>522 700</b>	<b>-2.09</b>
<b>Net Operational (Service)</b>	<b>(78 754)</b>	<b>(207 395)</b>	<b>(190 052)</b>	<b>(148 845)</b>	<b>-39.34</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.4 Waste Management Services (Refuse collections, Waste disposal and Recycling)

**Table 237: Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(89 912)	(108 265)	(111 497)	(108 186)	-0.07
<b>Expenditure:</b>					
Employees	32 142	28 958	38 654	31 138	7
Repairs and Maintenance	2 381	3 368	6 291	2 155	-56.32
Other	86 474	73 644	74 604	85 096	13.43
<b>Total Operational Expenditure</b>	<b>120 997</b>	<b>105 990</b>	<b>119 548</b>	<b>118 389</b>	<b>10.47</b>
<b>Net Operational (Service)</b>	<b>31 086</b>	<b>(2 275)</b>	<b>8 051</b>	<b>10 204</b>	<b>122.30</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.5 Housing Development

**Table 238: Financial Performance: Housing Personnel Expenditure**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(14 218)	(20 448)	(9 414)	(7 633)	-167.91
<b>Expenditure:</b>					
Employees	19 102	26 560	26 382	20 771	-27.87
Repairs and Maintenance	144	627	1 392	700	10.48
Other	6 855	14 474	14 862	12 505	-15.75
<b>Total Operational Expenditure</b>	<b>26 101</b>	<b>41 661</b>	<b>42 636</b>	<b>33 977</b>	<b>-22.62</b>
<b>Net Operational (Service)</b>	<b>11 883</b>	<b>21 213</b>	<b>33 222</b>	<b>26 344</b>	<b>19.48</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.6 Roads and Stormwater

Table 239: Financial Performance: Roads and Stormwater

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(3 823)	(495)	(495)	(4 726)	89.52
<b>Expenditure:</b>					
Employees	29 877	28 462	24 957	33 269	14.45
Repairs and Maintenance	20 367	13 489	14 528	19 794	31.86
Other	52 199	114 503	113 094	61 270	-86.88
<b>Total Operational Expenditure</b>	<b>102 443</b>	<b>156 454</b>	<b>152 580</b>	<b>114 333</b>	<b>-36.84</b>
<b>Net Operational (Service)</b>	<b>98 619</b>	<b>155 958</b>	<b>152 084</b>	<b>109 607</b>	<b>-42.29</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.7 Town and Spatial Planning

Table 240: Financial Performance: Town Planning and Spatial planning

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(77)	(27)	(27)	(35)	21.33
<b>Expenditure:</b>					
Employees	18 296	16 729	15 999	25 242	33.73
Repairs and Maintenance	-	-	-	3	0
Other	1 494	1 779	1 153	1 463	-21.61
<b>Total Operational Expenditure</b>	<b>19 789</b>	<b>18 507</b>	<b>17 152</b>	<b>26 708</b>	<b>30.70</b>
<b>Net Operational (Service)</b>	<b>19 712</b>	<b>18 480</b>	<b>17 125</b>	<b>26 673</b>	<b>30.72</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.8 Local Economic Development (LED)

Table 241: Financial Performance: LED

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 435)	(2 838)	(1 689)	(1 439)	-97.19
<b>Expenditure:</b>					
Employees	4 882	5 475	5 275	3 980	-37.58
Repairs and Maintenance	0	-	-	-	-
Other	5 692	7 585	7 224	6 195	-22.43
<b>Total Operational Expenditure</b>	<b>10 574</b>	<b>13 060</b>	<b>12 500</b>	<b>10 175</b>	<b>-28.36</b>
<b>Net Operational (Service)</b>	<b>9 139</b>	<b>10 223</b>	<b>10 810</b>	<b>8 736</b>	<b>-17.02</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.9 Libraries

Table 242: Financial Performance: Libraries

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(12 574)	(13 197)	(13 142)	(10 761)	-22.65
<b>Expenditure:</b>					
Employees	12 829	16 070	16 081	11 398	-40.99
Repairs and Maintenance	7	145	147	23	-528.66
Other	1 950	2 062	2 335	1 696	-21.56
<b>Total Operational Expenditure</b>	<b>14 787</b>	<b>18 277</b>	<b>18 563</b>	<b>13 118</b>	<b>-39.33</b>
<b>Net Operational (Service)</b>	<b>2 212</b>	<b>5 079</b>	<b>5 420</b>	<b>2 357</b>	<b>-115.48</b>

Variances are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.10 Community Development

**Table 243: Financial Performance: Community Development**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 985)	(56)	(393)	(188)	70.16
<b>Expenditure:</b>					
Employees	4 076	700	700	3 815	81.65
Repairs and Maintenance	5	32	32	7	-373.75
Other	9 486	4 639	9 060	7 416	37.45
<b>Total Operational Expenditure</b>	<b>13 567</b>	<b>5 371</b>	<b>9 792</b>	<b>11 238</b>	<b>52.20</b>
<b>Net Operational (Service)</b>	<b>11 581</b>	<b>5 315</b>	<b>9 399</b>	<b>11 050</b>	<b>51.90</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

## 5.5.11 Cemeteries

**Table 244: Financial Performance: Cemeteries**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 246)	(3 585)	(3 145)	(1 016)	-252.94
<b>Expenditure:</b>					
Employees	3 166	2 986	2 680	3 305	9.65
Repairs and Maintenance	1 407	1 324	2 493	2 000	33.81
Other	760	1 896	727	949	-99.81
<b>Total Operational Expenditure</b>	<b>5 333</b>	<b>6 206</b>	<b>5 899</b>	<b>6 254</b>	<b>0.77</b>
<b>Net Operational (Service)</b>	<b>4 087</b>	<b>2 620</b>	<b>2 755</b>	<b>5 238</b>	<b>49.97</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					





## 5.5.12 Traffic Services and Law Enforcement

Table 245: Financial Performance: Traffic Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(120 391)	(166 761)	(151 135)	(128 709)	-29.56
<b>Expenditure:</b>					
Employees	61 347	58 926	58 579	69 553	15.28
Repairs and Maintenance	1 208	11 648	3 028	1 922	-506.18
Other	133 299	129 241	136 614	162 319	20.38
<b>Total Operational Expenditure</b>	<b>195 854</b>	<b>199 815</b>	<b>198 221</b>	<b>233 793</b>	<b>14.53</b>
<b>Net Operational (Service)</b>	<b>75 463</b>	<b>33 054</b>	<b>47 085</b>	<b>105 084</b>	<b>68.54</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

## 5.5.13 Fire Services and Disaster Management

Table 246: Financial Performance: Fire Services and Disaster Management Personnel Expenditure

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(672)	(296)	(851)	(756)	60.84
<b>Expenditure:</b>					
Employees	36 721	38 136	37 941	39 583	3.65
Repairs and Maintenance	1 090	1 212	1 210	905	-33.86
Other	6 467	6 952	7 253	5 749	-20.92
<b>Total Operational Expenditure</b>	<b>44 278</b>	<b>46 299</b>	<b>46 404</b>	<b>46 237</b>	<b>-0.14</b>
<b>Net Operational (Service)</b>	<b>43 606</b>	<b>46 003</b>	<b>45 553</b>	<b>45 481</b>	<b>-1.15</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



### 5.5.14 Holiday Resorts and Campsites

**Table 247: Financial Performance: Holiday Resorts and Campsites**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(398)	(585)	(585)	(3)	-18 864.60
<b>Expenditure:</b>					
Employees	237	130	63	251	48.23
Repairs and Maintenance	4	105	175	142	0
Other	39	64	64	41	-56.76
<b>Total Operational Expenditure</b>	<b>280</b>	<b>299</b>	<b>303</b>	<b>434</b>	<b>31.05</b>
<b>Net Operational (Service)</b>	<b>(118)</b>	<b>(286)</b>	<b>(283)</b>	<b>431</b>	<b>166.36</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

### 5.5.15 Sport grounds, Parks and Swimming Pools

**Table 248: Financial Performance: Sport Grounds, Parks and Swimming Pools**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1543)	(1 461)	(1 990)	(3 088)	52.70
<b>Expenditure:</b>					
Employees	38 089	37 632	37 627	42 291	11.02
Repairs and Maintenance	11 712	9 537	7 490	10 700	10.87
Other	2 396	27 193	29 620	14 482	-87.77
<b>Total Operational Expenditure</b>	<b>52 198</b>	<b>74 363</b>	<b>74 737</b>	<b>67 474</b>	<b>-10.21</b>
<b>Net Operational (Service)</b>	<b>50 655</b>	<b>72 902</b>	<b>72 747</b>	<b>64 386</b>	<b>-13.23</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



## 5.5.16 Community Halls and Thusong Centres

Table 249: Financial Performance: Community Halls and Thusong Centres

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(3 599)	(3 041)	(3 041)	(5 550)	45.2
<b>Expenditure:</b>					
Employees	3 046	300	-	2 962	89.87
Repairs and Maintenance	162	130	130	17	-682.46
Other	1 022	577	577	600	3.75
<b>Total Operational Expenditure</b>	<b>4 229</b>	<b>1007</b>	<b>707</b>	<b>3 579</b>	<b>71.85</b>
<b>Net Operational (Service)</b>	<b>630</b>	<b>(2 034)</b>	<b>(2 334)</b>	<b>(1 971)</b>	<b>-3.19</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

## 5.5.17 Office of the Municipal Manager

Table 250: Financial Performance: Office of the Municipal Manager

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	-	-	(328)	(277)	-100
<b>Expenditure:</b>					
Employees	18 525	22 493	18 793	18 004	-24.93
Repairs and Maintenance	8	59	59	17	-255.19
Other	6 035	9 799	10 426	7 297	-34.28
<b>Total Operational Expenditure</b>	<b>24 568</b>	<b>32 351</b>	<b>29 279</b>	<b>25 318</b>	<b>27.78</b>
<b>Net Operational (Service)</b>	<b>24 568</b>	<b>32 351</b>	<b>28 951</b>	<b>25 040</b>	<b>-29.19</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



## 5.5.18 Human Resource Services

**Table 251: Financial Performance: Human Resource Services**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 324)	(238)	(1 110)	(1 286)	81.49
<b>Expenditure:</b>					
Employees	13 538	40 350	28 400	14 095	-186.27
Repairs and Maintenance	-	48	48	-	-100
Other	20 261	7 999	8 636	4 639	-72.45
<b>Total Operational Expenditure</b>	<b>33 799</b>	<b>48 398</b>	<b>37 084</b>	<b>18 734</b>	<b>-158.35</b>
<b>Net Operational (Service)</b>	<b>32 474</b>	<b>48 160</b>	<b>35 974</b>	<b>17 488</b>	<b>-176.03</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

## 5.5.19 Information and Communication Technology (ICT) Services

**Table 252: Financial Performance: Information and Communication Technology (ICT) Services**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	0	0	0	0
<b>Expenditure:</b>					
Employees	8 384	7 987	7 987	8 183	2.40
Repairs and Maintenance	215	540	540	548	-1.55
Other	23 936	21 544	32 044	32 520	33.75
<b>Total Operational Expenditure</b>	<b>32 535</b>	<b>30 071</b>	<b>40 571</b>	<b>41 251</b>	<b>27.10</b>
<b>Net Operational (Service)</b>	<b>32 535</b>	<b>30 071</b>	<b>40 571</b>	<b>41 215</b>	<b>27.10</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



## 5.5.20 Legal Services

Table 253: Financial Performance: Legal Services

Description	2019/20		2020/21		
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(1)	(1)	(1)	(2)	43.30
<b>Expenditure:</b>					
Employees	4 636	5 980	5 680	4 714	-26.87
Repairs and Maintenance	-	-	29	-	0
Other	6 180	8 193	8 193	8 497	3.58
<b>Total Operational Expenditure</b>	<b>10 816</b>	<b>14 173</b>	<b>13 873</b>	<b>13 210</b>	<b>-7.29</b>
<b>Net Operational (Service)</b>	<b>10 816</b>	<b>14 171</b>	<b>13 871</b>	<b>13 871</b>	<b>-7.29</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.

## 5.5.21 Property Management

Table 254: Financial Performance: Property and Contract Management

Description	2019/20		2020/21		
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(3 143)	(3 334)	(3 334)	(3 422)	2.57
<b>Expenditure:</b>					
Employees	8 159	7 602	7 428	7 815	2.73
Repairs and Maintenance	5 233	7 405	8 105	7 808	5.16
Other	18 197	23 964	23 964	20 818	-15.11
<b>Total Operational Expenditure</b>	<b>31 590</b>	<b>38 972</b>	<b>39 498</b>	<b>36 441</b>	<b>-6.94</b>
<b>Net Operational (Service)</b>	<b>28 446</b>	<b>35 638</b>	<b>36 164</b>	<b>33 020</b>	<b>-7.93</b>

Variations are calculated by dividing the difference between the actual and original budget by the actual.



## 5.5.22 Financial Services

Table 255: Financial Performance: Financial Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(450 236)	(487 960)	(490 844)	(481 200)	-1.40
<b>Expenditure:</b>					
Employees	30 219	75 834	55 134	64 602	-17.39
Repairs and Maintenance	53	155	153	670	76.92
Other	28 853	34 595	36 571	45 389	23.78
<b>Total Operational Expenditure</b>	<b>59 125</b>	<b>110 584</b>	<b>91 859</b>	<b>110 611</b>	<b>0.07</b>
<b>Net Operational (Service)</b>	<b>(391 112)</b>	<b>(377 376)</b>	<b>(398 986)</b>	<b>(370 539)</b>	<b>-1.85</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

## 5.5.23 Internal Audit

Table 256: Financial Performance: Financial Services

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	0	0	0	0	0
<b>Expenditure:</b>					
Employees	4 548	5 975	5 975	4 942	-20.91
Repairs and Maintenance	0	0	0	0	0
Other	6 835	8 025	8 025	6 477	-24.48
<b>Total Operational Expenditure</b>	<b>11 384</b>	<b>14 001</b>	<b>14 001</b>	<b>11 389</b>	<b>-22.93</b>
<b>Net Operational (Service)</b>	<b>11 384</b>	<b>14 001</b>	<b>14 000</b>	<b>11 389</b>	<b>-22.93</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					



## 5.5.24 Administration

**Table 257: Financial Performance: Administration**

Description	2019/20	2020/21			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(6 395)	(7 671)	(16 544)	(15 699)	51.14
<b>Expenditure:</b>					
Employees	24 801	45 357	42 173	27 736	-63.53
Repairs and Maintenance	64	335	397	93	-261.45
Other	45 245	59 612	53 578	46 793	-27.39
<b>Total Operational Expenditure</b>	70 110	105 304	96 149	74 623	-41.12
<b>Net Operational (Service)</b>	<b>63 715</b>	<b>97 633</b>	<b>79 605</b>	<b>58 923</b>	<b>-65.70</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					





## 5.6 Grants

### 5.6.1 Grant Performance

The municipality had a total amount of **R 172 million** for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2019/20 financial year. The performance in the spending of these grants is summarised as follows:

**Table 258: Grant Performance**

Description	2019/20	2020/21			2020/21 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
<b>National Government:</b>	<b>143 254</b>	<b>156 315</b>	<b>178 568</b>	<b>178 568</b>	<b>-14.24%</b>	<b>100</b>
Equitable Share	136 177	149 804	170 632	170 632	-13.90	0
Financial Management Grant	1 550	1 550	1 550	1 550	0	0
EPWP	5 227	4 961	4 961	4 961	0	0
Natural Resources Management Grant	91	0	0	0	0	0
Integrated Urban Development Grant	0	0	1 425	1 425	0	0
Municipal Disaster Management Grant	209	0	0	0	0	0
<b>Provincial Government:</b>	<b>16 559</b>	<b>21 791</b>	<b>23 947</b>	<b>11 850</b>	<b>45.62</b>	<b>50.52</b>
Community Development Workers Operational Support Grant	19	56	93	93	0	0
Library Services: Conditional Grant	12 454	13 077	13 022	10 720	18.02	17.68
WC Financial Management Support Grant	255	-	-	-	0	0
Local Government Support Grant	900	-	-	-	0	0
Municipal Accreditation and Capacity Building Grant	168	238	238	-	100	100
Financial Management Capacity Building Grant	380	400	660	495	-23.75	25
LG Graduate Internship Grant	66	-	74	74	0	0
Human Settlements Development Grant	0	7 570	7 570	0	100	100
Maintenance and Construction of Transport Infrastructure	384	450	450	-	100	0
Title Deeds Restoration Grant	1 933	0	1 840	468	100	1
<b>District Municipality:</b>	<b>472</b>	<b>440</b>	<b>2 571</b>	<b>2 424</b>	<b>0</b>	<b>5.72</b>
Cape Winelands District (COVID-19) Grant	472	0	2 031	1 884	-100	0
Safety Initiative Implementation-whole of society approach (WOSA)	<b>0</b>	<b>440</b>	<b>440</b>	<b>440</b>	<b>0</b>	<b>0</b>
Cape Winelands District Tourism grant	<b>0</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>-100</b>	<b>0</b>
<b>Other Grant Providers:</b>	<b>367</b>	<b>0</b>	<b>2 204</b>	<b>1 948</b>	<b>0</b>	<b>11.62</b>
LG SETA Discretionary	63	0	376	139	0	63.03
Taipei donation COVID-19 Donation	132	0	0	0	0	100
DBSA Grant	172	0	1 828	1 809	0	1.04
<b>Total Operating Transfers and Grants</b>	<b>160 652</b>	<b>178 546</b>	<b>207 290</b>	<b>194 790</b>	<b>-9.10</b>	<b>6.03</b>



## 5.6.2 Level of Reliance on Grants and Subsidies

**Table 259: Reliance on Grants**

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2016/17	227 752	1 534 354	14.84
2017/18	211 190	1 609 728	13.12
2018/19	233 433	1 541 685	15.14
2019/20	285 026	1 742 596	16.36
2020/21	264 637	1 805 680	14.66

Developers contributions have been excluded from the grant item to express only allocations and not policy related revenue which NT allocates to capital revenue. It would distort the reliance on grant calculation if excluded from the above ratio.

## 5.7 Asset Management

Asset management is practised within the organisation based on a comprehensive Asset Management Policy. The Asset Management Policy provides direction for the management, accounting and control of property, plant and equipment (assets) owned or controlled by the municipality to ensure the following:

- ‡ Implementation of the approved Asset Management Policy as required in terms of section 63 of MFMA;
- ‡ Verify assets in possession of the Council annually, during the course of the financial year;
- ‡ Keep a complete and balanced record of all assets in possession of the Council;
- ‡ Report in writing all asset losses, where applicable, to Council; and
- ‡ Those assets are valued and accounted for in accordance with a statement of GRAP.

## 5.8 Repairs and Maintenance

**Table 260: Repairs and Maintenance Expenditure**

Description	2019/20	2020/21		2020/21 Variance	
	Actual	Original Budget	Adjustment Budget	Budget variance	
	R'000				%
Repairs and Maintenance Expenditure	58 292	90 823	83 803	83 550	0.30



## 5.9 Financial Ratios Based on Key Performance Indicators

**Table 261: Liquidity Ratio**

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Current Ratio	Current assets / current liabilities	2.18	2.02	2.09	1.82	1.46
Current Ratio adjusted for aged debtors	Current assets - debtors > 90 days / current liabilities	2.18	1.38	1.39	1.01	0.69
Liquidity Ratio	Monetary Assets / Current Liabilities	1.51	1.92	1.98	1.66	1.34

## 5.10 IDP Regulation Financial Viability Indicators

**Table 262: IDP Regulation Financial Viability of Indicators**

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Cost Coverage	(Available cash + investments) / monthly fixed operational expenditure	5.71	4.59	4.70	2.21	1.83
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors / annual revenue received for services	10.22%	18.09%	28.05%	22.02%	21.64%
Debt Coverage	(Total operating revenue - operating grants) / debt service payments due within financial year)	47.16	46.81	43.81	-0.64	29.14

## 5.11 Borrowing Management

**Table 263: Borrowing Management**

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Capital Charges to Operating Expenditure	Interest and Principal Paid / Operating Expenditure	1.21%	2.31%	2.09%	3.44%	3.04%

## 5.12 Employee Costs

**Table 264: Employee Costs**

Description	Basis of calculation	2016/17	2017/18	2018/19	2019/20	2020/21
Employee costs	Employee costs / (total revenue - capital revenue)	26.84	28.80%	29.09%	29.99%	31.77%



## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.13 Capital Expenditure

#### 5.13.1 Capital Expenditure by Assets Programme

Table 265: Capital Expenditure by asset programme

Description	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
<b>Capital Expenditure by Asset Class</b>			
<b>Infrastructure</b>	<b>258 740</b>	<b>242 088</b>	<b>273 925</b>
Roads Infrastructure	69 130	83 348	62 933
Roads	41 030	48 047	58 722
Road Structures	21 050	30 608	
Road Furniture	3 050	2 197	3 784
Stormwater Infrastructure	4 000	2 496	427
Stormwater Conveyance	-	-	-
<b>Electrical Infrastructure</b>	<b>41 850</b>	<b>44 120</b>	<b>40 548</b>
Power Plants	-	-	-
HV Substations	600	600	-
MV Switching Stations	0	0	-
MV Networks	26 150	32 000	35 160
MV Substations	1 500	1 500	
LV Networks	7 200	6 618	2 277
Capital Spares	6 400	3 400	3 111
<b>Water Supply Infrastructure</b>	<b>69 305</b>	<b>55 639</b>	<b>51 833</b>
Dams and Weirs	-	-	-
Boreholes	-	-	-
Reservoirs	12 000	19 710	6 452
Water Treatment Works	4 900	6 634	22 817
Bulk Mains	22 080	16 251	13 829
Distribution	27 825	10 543	8 735
Capital Spares	2 500	2 500	
<b>Sanitation Infrastructure</b>	<b>69 355</b>	<b>46 234</b>	<b>108 550</b>
Pump Station	1 000	0	-
Reticulation	13 000	2 200	108 550
Wastewater Treatment Works	17 355	7 836	0
Outfall Sewers	37 000	35 398	-
Toilet Facilities	1 000	800	-
Capital Spares	-	-	-
<b>Solid Waste Infrastructure</b>	<b>7 500</b>	<b>12 436</b>	<b>10 044</b>
Landfill Sites	4 000	10 179	1 833
Waste Transfer Stations	2 000	1 067	8 211
Waste Drop-off Points	500	500	0
Waste Separation Facilities	500	190	-
Capital Spares	500	500	-
<b>Information and Communication Infrastructure</b>	<b>1 600</b>	<b>310</b>	<b>17</b>



Description	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Data Centres	1 550	144	-
Capital Spares	50	166	17
<b>Community Assets</b>	<b>21 200</b>	<b>34 867</b>	<b>8 775</b>
<b>Community Facilities</b>	<b>9 150</b>	<b>19 886</b>	<b>8 775</b>
Halls	5 150	6 357	4 551
Centres	0	0	-
Fire / Ambulance Stations	500	2 881	0
Testing Stations	0	0	-
Theatres	0	900	-
Libraries	700	647	2 105
Cemeteries / Crematoria	1 500	843	0
Police	0	0	-
Public Open Space	1 150	1 862	111
Nature Reserves	0	50	-
Public Ablution Facilities	0	70	-
Stalls	0	6 126	2 008
Taxi Ranks / Bus Terminals	0	0	-
Capital Spares	150	150	0
<b>Sport and Recreation Facilities</b>	<b>12 050</b>	<b>5 972</b>	<b>0</b>
Outdoor Facilities	12 050	5 972	0
<b>Heritage assets</b>			
<b>Heritage assets</b>	<b>1 000</b>	<b>1 197</b>	<b>0</b>
Historic Buildings	1 000	263	0
Conservation Areas	0	934	0
<b>Investment properties</b>	<b>17 500</b>	<b>17 531</b>	<b>0</b>
Revenue Generating	0	0	0
Improved Property	4 300	7 462	0
Unimproved Property	0	0	0
Non-revenue Generating	13 200	10 069	0
Improved Property	0	0	0
Unimproved Property	0	0	0
<b>Other assets</b>	<b>44 350</b>	<b>68 585</b>	<b>67 718</b>
Operational Buildings	-	-	-
Municipal Offices	2 000	5 120	-
Yards	0	0	-
Stores	0	0	-
Training Centres	42 350	58 984	67 718
Manufacturing Plant	-	-	-
Depots		4 481	-
Capital Spares	-	-	
Housing	11 759	55 793	0
Social Housing	11 759	55 793	0
<b>Biological or Cultivated Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
Biological or Cultivated Assets	0	0	0



Description	2020/21		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
<b>Intangible Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
Licences and Rights	0	0	-
Computer Software and Applications	0	0	0
<b>Computer Equipment</b>	<b>4 700</b>	<b>7 300</b>	<b>9 833</b>
Computer Equipment	4 700	7 300	9 833
<b>Furniture and Office Equipment</b>	<b>3 167</b>	<b>4 221</b>	<b>5 699</b>
Furniture and Office Equipment	3 167	4 221	5 699
<b>Machinery and Equipment</b>	<b>6 110</b>	<b>14 471</b>	<b>5 884</b>
Machinery and Equipment	6 110	14 471	5 914
<b>Transport Assets</b>	<b>7 225</b>	<b>16 836</b>	<b>20 240</b>
Transport Assets	7 225	16 836	20 240
<b>Land</b>	<b>-</b>	<b>-</b>	<b>867</b>
Land	-	-	867
<b>Zoo's, Marine and Non-biological Animals</b>	<b>-</b>	<b>-</b>	<b>0</b>
Zoo's, Marine and Non-biological Animals	-	-	0
<b>Total Capital Expenditure</b>	<b>375 751</b>	<b>453 880</b>	<b>392 392 971</b>



## 5.13.2 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2020/21 financial year.

**Table 266: Capital Expenditure by Funding Source**

Details	2020/21			
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance
	R'000			%
Source of finance				
External Loans	102 780	120 000	97 649	-18.63
Public Contributions and Donations	-	-	141	-
Grants and Subsidies	145 341	84 282	69 760	-17.23
Other	127 630	249 598	225 421	-9.70
<b>Total</b>	<b>375 751</b>	<b>453 880</b>	<b>392 971</b>	<b>-13.43</b>
External Loans	27.35	26.44	24.85	-6.1
Public Contributions and Donations	0	0	0.04	-
Grants and Subsidies	38.68	18.57	17.75	-4.39
Own Funding	33.97	54.99	57.36	4.31
Water and Sanitation	194 400	167 973	159 549	-5.02
Electricity	35 090	46 493	40 548	-12.79
Housing	50	1 350	0	-100
Roads and Stormwater	80 120	82 303	427	-99.48
Other	66 091	155 761	192 447	23.53
<b>Total</b>	<b>375 751</b>	<b>453 880</b>	<b>392 971</b>	<b>-13.43</b>
Water and Sanitation	51.74	37.01	40.60	9.72
Electricity	9.34	10.24	10.32	0.74
Housing	0.01	0.30	0	-100
Roads and Stormwater	21.32	18.13	0.11	-99.40
Other	17.59	34.32	48.97	42.69





### 5.13.3 Capital Spending On 5 Largest Projects

Projects with the highest capital expenditure in 2020/21.

**Table 267: Capital Expenditure on the 5 Largest Projects**

Name of Project	2020/21			Variance 2020/21	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
				%	
Upgrade of WWTW: Pniël and Decommissioning of Franschoek	-	62 962 319	75 649 730	-	20.15%
Purchasing of land	-	46 960 585	46 224 000	-	-1.57%
Bulk Sewer Outfall: Jamestown	-	29 499 970	22 367 831	-	-24.18%
Adhoc Reconstruction of Roads (WC024)	-	15 755 412	15 519 995	-	-1.49%
General Systems Improvements - Stellenbosch	-	14 795 082	12 132 548	-	-18%

### 5.13.4 Basic Services and infrastructure backlogs - Overview

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provisions will be made accordingly.

The service level below minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside the dwelling.

In terms of the definition for backlogs for the minimum standard water supply, Stellenbosch Municipality has zero (0) backlogs. Major backlogs exist in terms of dilapidated infrastructure and the bulk services to provide for future development and the current provision of water and sanitation.



## 5.13.5 Integrated Urban Development Grant (IUDG)

**Table 268: Integrated Urban Development Grant (IUDG)**

Details	Budget	Adjustment Budget	Actual	Variance Budgets
	R'000			%
Local Economic Development Hub Jamestown	1 500	-	-	-
Transfer Station: Stellenbosch Planning and Design	2 000	-	-	-
Bulk Sewer Outfall: Jamestown	5 535	5 035	5 035	-
Upgrade of WWTW: Klapmuts	1 655	-	-	-
Upgrade of WWTW: Pniël and Decommissioning of Franschoek	20 000	16 732	16 732	-
Bulk Water Supply Pipeline and Reservoir - Jamestown	1 000	769	769	-
Dwarsriver Bulk Supply Augmentation and Network Upgrades	1 000	-	-	-
Northern Extension Bulk Services	1 300	96	96	-
Adhoc Reconstruction of Roads (WC024)	-	12 156	12 156	-
Jamestown South Transport Network	1 000	995	995	-
Re-design of Bergzicht Public Transport Facility	1 000	-	-	-
Taxi Rank: Franschoek	1 500	2 500	2 500	-
Taxi Rank: Kayamandi	1 500	3 086	3 086	-
Taxi Rank: Klapmuts	1 500	3 197	3 197	-
Upgrading of swimming pool	-	916	916	-
Upgrade of Sport Facilities	7 000	-	-	-
Business and Advisory: Business and Financial Management	-	1 425	1 425	-



## 5.14 Cash Flow

Table 269: Cash flow

Description	2019/20	2020/21		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
R'000				
<b>Cash Flow from Operating Activities</b>				
<b>Receipts</b>				
Ratepayers and Other	1 342 975	1 516 802	893 935	1 349 991
Government Grants	240 161	291 976	224 321	270 470
Interest	40 472	50 621	2 979	19 515
<b>Payments</b>				
Employee Costs	-530 498	-549 308	-	-562 744
Suppliers	-780 008	-942 495	-	-826 243
Finance Costs	-31 150	-39 349	-	-28 233
<b>Net Cash from / (Used) Operating Activities</b>	<b>281 952</b>	<b>328 247</b>	<b>1 121 235</b>	<b>222 756</b>
<b>Cash Flow from Investing Activities</b>				
<b>Receipts</b>				
Proceeds on Disposal of PPE	0	0	0	10 185
Proceeds on Disposal of Biological Assets	33	0	0	51
Movement in Non-Current Receivables	0	0	0	0
<b>Payments</b>				
Purchase of PPE	-405 931	-375 750	-453 880	-392 782
Movement in Non-Current Receivables	0	0	0	0
Movement in Investments	91 526	0	0	84 451
<b>Net Cash from / (Used) Investing Activities</b>	<b>-314 372</b>	<b>-375 750</b>	<b>-453 880</b>	<b>-298 095</b>
<b>Cash Flow from Financing Activities</b>				
<b>Receipts</b>				
Proceeds from other Financial Liabilities		102 780	0	102 779
Increase in consumer deposits	0	0	0	0
<b>Payments</b>				
Repayment of Borrowing	-25 870	-26 311		-26 753
Prior period error	0	0	0	0
<b>Net Cash from / (Used) Financing Activities</b>	<b>-25 870</b>	<b>76 469</b>		<b>76 026</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>-58 290</b>	<b>-28 966</b>	<b>667 355</b>	<b>687</b>
<b>Cash / Cash Equivalents at the Year-Begin:</b>	<b>169 491</b>	<b>408 228</b>	<b>-365 194</b>	<b>111 201</b>
<b>Cash / Cash Equivalents at the Year-End:</b>	<b>111 201</b>	<b>437 194</b>	<b>302 161</b>	<b>111 888</b>



## 5.15 Gross Outstanding Debtors per Service

Table 270: Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Trading services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
(R'000)						
2018/19	39 149	207 104	46 069	27 274	204 212	523 808
2019/20	44 671	138 830	54 968	27 194	188 755	454 418
Difference	5 522	-68 274	8 899	-80	-15 457	-69 390
% growth year on year	14%	-33%	19%	0%	-8%	-13%
2020/21	47 578	144 651	57 200	27 656	192 635	469 720
Difference	2 907	5 281	2 232	462	3 880	15 302
% growth year on year	7%	4%	4%	2%	2%	3%

Note: Figures exclude provision for bad debt.

## 5.16 Debtors Age Analysis

Table 271: Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	Between 90-120 days	More than 120 days	Total
	(R'000)					
2018/19	184 334	18 591	16 417	12 897	291 570	523 809
2019/20	99 308	20 486	197 197	11 414	303 489	631 894
Difference	-85 026	1 895	180 780	-1483	11 919	108 085
% growth year on year	-46%	10%	1101%	-11%	4%	21%
2020/21	98 357	17 589	18 889	11 414	323 471	469 720
Difference	-951	-2 897	-178 308	0	19 982	-162 174
% growth year on year	-1%	-14%	-90%	0%	7%	-26%

Note: Figures exclude provision for bad debt.



## 5.17 Borrowing and Investments

The municipality's cash position is monitored daily and any cash not required immediately to meet cash flow requirements is invested monthly at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

## 5.18 Actual Borrowings

**Table 272: Actual Borrowings**

Instrument	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000				
Long-Term Loans	186 386	173 302	318 800	292 930	368 957

## 5.19 Municipal Investments

**Table 273: Municipal Investments**

Investment type	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000				
Deposits - Bank	575 418	505 618	398 164	306 637	222 187



## CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

### 3.1 Introduction

This chapter provides the details on the audit outcomes for the past two financial years with the correctives steps implemented.

### COMPONENT A: AUDITOR-GENERAL OPINION 2019/20

### 3.2 Auditor General Report 2019/20

Table 274: Auditor General Report 2019/20

2019/20	
<b>Audit Report Status:</b>	<b>Unqualified (Clean Audit)</b>
2019/20	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.	None
Material Impairments	
As disclosed in note 5 to the financial statements, the municipality provided for impairment of receivables from exchange transactions of R151,4 million (2018-19: R142,8 million).	None
As disclosed in note 6 to the financial statements, the municipality provided for impairment of receivables from non-exchange transactions of R153,4 million (2018-19: R167,5 million).	None
Material losses	
None	None
Material Non-Compliance	
The Auditor-General did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.	
Annual financial statements	
The Auditor-General audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 143, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.	None
In the opinion of the Auditor-General, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).	None



## COMPONENT B: AUDITOR-GENERAL OPINION 2020/21

At the time of compiling the Annual Report 2020/21, the audit for the 2020/21 financial year was not completed. The outcome of the audit will be reported after conclusion of the audit by the AGSA.

### 3.3 Auditor General Report 2020/21

**Table 275: Auditor General Report 2020/21**

2020/21	
<b>Audit Report Status:</b>	<b>Outstanding</b>
2020/21	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.	None
Material Impairments	
As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R167,1 million (2019-20: R151,4 million).	None
As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R173,2 million (2019-20: R153,4 million).	None
Material losses	
None	
Material Non-Compliance	
The Auditor-General did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.	
Annual financial statements	
The Auditor General have audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 134, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.	None
In the opinion of the Auditor-General, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).	None





## **ANNEXURE A: ANNUAL FINANCIAL STATEMENTS 2020/21**

Planning by	Reviewed	Performed by	Final review

**Client details**

Client name: Stellenbosch Municipality  
Year end: 30 June 2021

**Print details**

Printed by  
Date printed





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Stellenbosch Municipality  
Annual Financial Statements  
for the year ended 30 June 2021  
Auditor-General of South Africa



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**24 January 2022**

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## General Information

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### Legal form of entity

Stellenbosch municipality is a category B local authority established in terms of section 151 of the Constitution of the Republic of South Africa. The municipality is ordinarily resident in the republic of South Africa and is identified by the demarcation code W024.

### The principle activities of the municipality are to:

Provide democratic and accountable government to local communities;  
Ensure sustainable service delivery to communities;  
Promote social and economic development  
Promote a safe and healthy environment; and  
Encourage the involvement of communities and community organisations in the matters of local government.

### Mayoral committee

Executive Mayor  
Deputy Executive Mayor  
Speaker  
Executive Councillors

G van Deventer  
N Jindela  
W Petersen  
F Badenhorst  
P Crawley  
A Frazenburg  
E Groenewald  
X Mdemka  
S Peters  
M Pietersen (deceased)  
Q Smit  
J Fasser (01/02/2021)  
F Adams (resigned: 31/05/2021)  
F Bangani-Menziwa  
P Biscombe  
G Cele  
A Crombie  
Z Dalling  
R Du Toit  
A Florence  
J Fasser  
E Fredericks  
T Gosa  
J Hamilton  
A Hanekom  
D Hendrickse [deceased]  
J Hendricks  
L Horsband  
M Johnson  
D Joubert  
N Mananga-Gugushe  
C Manuel  
M Mc Ombring  
C Moses  
R Nalumango  
N Olayi  
M Oliphant  
C Davidse (01/02/2021)

### Councillors

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## General Information

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	W Pietersen S Schafer J Serdyn N Sinkinya P Sitshoti L Stander E Vermeulen
<b>Accounting Officer</b>	G Mettler
<b>Chief Finance Officer (CFO)</b>	K Carolus
<b>Senior Management</b>	A de Beer D Louw G Boshoff A Barnes
<b>Registered office</b>	Plein Street Stellenbosch 7600
<b>Business address</b>	Plein Street Stellenbosch 7600
<b>Postal address</b>	P O Box 17 Stellenbosch 7599
<b>Bankers</b>	ABSA NEDBANK
<b>Auditors</b>	Auditor-General of South Africa
<b>Legislation Governing the Municipality</b>	Division of Revenue Act (Act 1 of 2007) The Constitution of Republic of South Africa, 1996 The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Local Government Property Rates Act, 2004 (Act 6 of 2004) Municipal Fiscal Powers and Functions Act, 2007 (Act 12 of 2007) Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Index

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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### Abbreviations

GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Officer's Responsibilities and Approval

---

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 34 and 35 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The annual financial statements have been prepared on the going concern basis, is hereby approved.

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**Accounting Officer**  
**Geraldine Mettler**



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Financial Position as at 30 June 2021

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	111,896,629	111,201,845
Short term investments	4	222,186,762	306,637,342
Receivables from exchange transactions	5	153,119,571	115,860,178
Receivables from non-exchange transactions	6	57,455,962	71,484,038
Other receivables from exchange transactions	7	11,973,032	12,887,565
Inventories	8	53,315,177	64,074,316
VAT receivable	9	19,509,741	25,493,058
Long term receivables	15	2,948,181	2,800,967
		<b>632,405,055</b>	<b>710,439,309</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	10	5,452,746,752	5,239,958,743
Investment property	11	412,395,781	412,514,416
Intangible assets	12	7,222,189	9,694,174
Biological assets that form part of an agricultural activity	13	6,321,448	6,321,448
Heritage assets	14	774,002	774,002
Long term receivables	15	4,932,492	3,560,940
Other receivables from exchange transactions	7	1,758,898	1,589,255
		<b>5,886,151,562</b>	<b>5,674,412,978</b>
<b>Total Assets</b>		<b>6,518,556,617</b>	<b>6,384,852,287</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Consumer deposits	16	19,530,073	17,784,517
Employee benefit obligation	17	61,187,957	61,117,388
Operating lease liability	18	3,739,474	4,958,344
Borrowings	19	34,223,893	26,752,931
Payables from exchange transactions	21	291,764,513	270,824,235
Unspent conditional grants and receipts	22	14,695,527	8,862,622
		<b>425,141,437</b>	<b>390,300,037</b>
<b>Non-Current Liabilities</b>			
Borrowings	19	334,733,125	266,177,508
Employee benefit obligation	17	200,444,000	183,616,000
Provisions	20	141,497,317	121,305,978
		<b>676,674,442</b>	<b>571,099,486</b>
<b>Total Liabilities</b>		<b>1,101,815,879</b>	<b>961,399,523</b>
<b>Net Assets</b>		<b>5,416,740,738</b>	<b>5,423,452,764</b>
Accumulated surplus	23	5,416,740,738	5,423,452,764

\* See Note 61

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	24	932,616,341	880,125,828
Construction contracts	25	7,570,000	5,317,560
Rental of facilities and equipment	26	14,713,664	13,601,431
Interest earned - outstanding receivables	27	8,114,051	6,954,471
Agency services	28	4,833,132	3,976,481
Licences and permits	29	5,216,026	4,413,324
Other income	30	40,953,114	40,061,672
Investment revenue	31	19,515,361	40,472,002
Gain on disposal of assets and liabilities		9,385,448	-
Gain on biological assets and agricultural produce		50,747	33,133
Reversal of inventories losses		-	709,539
<b>Total revenue from exchange transactions</b>		<b>1,042,967,884</b>	<b>995,665,441</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	32	387,056,675	360,089,277
Property rates - interest earned	32	1,970,109	1,822,264
Donated Assets		140,541	-
<b>Transfer revenue</b>			
Government grants & subsidies	33	264,636,686	285,026,320
Fines, Penalties and Forfeits	34	108,908,055	99,992,810
<b>Total revenue from non-exchange transactions</b>		<b>762,712,066</b>	<b>746,930,671</b>
<b>Total revenue</b>		<b>1,805,679,950</b>	<b>1,742,596,112</b>
<b>Expenditure</b>			
Employee related costs	35	(543,610,551)	(481,534,864)
Remuneration of councillors	36	(19,191,670)	(19,169,229)
Contribution to/from provision	38	(6,874,912)	(8,828,974)
Depreciation and amortisation	39	(192,215,913)	(190,367,257)
Impairments loss	10	-	(72,977)
Finance costs	40	(54,474,647)	(56,003,899)
Lease rentals on operating lease	41	(14,880,942)	(11,837,555)
Bad debt written off	42	(108,781,924)	(123,186,856)
Contribution to allowance for doubtful debt	43	(33,985,791)	6,513,822
Bulk purchases	44	(453,758,154)	(445,620,997)
Contracted services	45	(227,703,607)	(183,452,999)
Transfers and Subsidies	46	(11,009,540)	(10,854,823)
Cost of housing sold		(1,925,000)	(700,000)
Fair value adjustments	48	(922,034)	(634,971)
Inventories losses/write-downs		(18,583)	-
General Expenses	47	(143,038,678)	(128,781,895)
<b>Total expenditure</b>		<b>(1,812,391,946)</b>	<b>(1,654,533,474)</b>
<b>(Deficit) surplus for the year</b>		<b>(6,711,996)</b>	<b>88,062,638</b>

\* See Note 61

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	5,347,025,580	5,347,025,580
Adjustments		
Correction of errors	(11,635,454)	(11,635,454)
<b>Balance at 01 July 2019 as restated*</b>	<b>5,335,390,126</b>	<b>5,335,390,126</b>
Changes in net assets		
Surplus for the year	88,062,638	88,062,638
Total changes	88,062,638	88,062,638
<b>Restated* Balance at 01 July 2020</b>	<b>5,423,452,734</b>	<b>5,423,452,734</b>
Changes in net assets		
Surplus for the year	(6,711,996)	(6,711,996)
Total changes	(6,711,996)	(6,711,996)
<b>Balance at 30 June 2021</b>	<b>5,416,740,738</b>	<b>5,416,740,738</b>
Note(s)	23	

\* See Note 61

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		1,349,990,768	1,342,975,143
Grants		270,469,591	240,160,862
Interest income		19,515,361	40,472,002
		<u>1,639,975,720</u>	<u>1,623,608,007</u>
<b>Payments</b>			
Employee costs		(562,743,652)	(530,497,864)
Suppliers		(826,242,505)	(780,008,093)
Finance costs		(28,233,434)	(31,149,574)
		<u>(1,417,219,591)</u>	<u>(1,341,655,531)</u>
<b>Net cash flows from operating activities</b>	49	<b><u>222,756,129</u></b>	<b><u>281,952,476</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(392,836,401)	(405,767,712)
Proceeds from sale of property, plant and equipment	10	10,184,705	-
Purchase of other intangible assets	12	54,295	(163,200)
Proceeds from sale of biological assets that form part of an agricultural activity	13	50,747	33,133
Proceeds from sale of short term investments		84,450,580	91,526,322
		<u>(298,096,074)</u>	<u>(314,371,457)</u>
<b>Cash flows from financing activities</b>			
Movement in other financial liabilities		76,026,579	(25,869,708)
<b>Net cash flows from financing activities</b>		<b><u>76,026,579</u></b>	<b><u>(25,869,708)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>686,634</b>	<b>(58,288,689)</b>
Cash and cash equivalents at the beginning of the year		111,201,845	169,490,533
<b>Cash and cash equivalents at the end of the year</b>	3	<b><u>111,888,479</u></b>	<b><u>111,201,844</u></b>

\* See Note 61

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	1,009,777,787	-	1,009,777,787	932,616,341	(77,161,446)	BD1
Construction contracts	-	-	-	7,570,000	7,570,000	
Rental of facilities and equipment	10,592,168	-	10,592,168	14,713,664	4,121,496	
Interest received (trading)	13,281,347	-	13,281,347	8,114,051	(5,167,296)	
Agency services	2,930,946	-	2,930,946	4,833,132	1,902,186	
Licences and permits	5,502,903	-	5,502,903	5,216,026	(286,877)	
Other income - (rollup)	31,908,262	-	31,908,262	40,953,114	9,044,852	BD4
Interest received - investment	22,870,453	-	22,870,453	19,515,361	(3,355,092)	
<b>Total revenue from exchange transactions</b>	<b>1,096,863,866</b>	<b>-</b>	<b>1,096,863,866</b>	<b>1,033,531,689</b>	<b>(63,332,177)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	399,239,042	-	399,239,042	387,056,675	(12,182,367)	
Property rates - interest earned	-	-	-	1,970,109	1,970,109	
Donated Assets	-	-	-	140,541	140,541	
<b>Transfer revenue</b>						
Transfers recognised - operational	207,289,000	-	207,289,000	194,789,868	(12,499,132)	BD2
Transfers recognised - capital	84,282,000	-	84,282,000	69,846,818	(14,435,182)	
Contributions recognised - capital and contributed assets	11,697,000	-	11,697,000	13,657,931	1,960,931	
Fines, Penalties and Forfeits	130,880,961	-	130,880,961	108,908,055	(21,972,906)	BD3
<b>Total revenue from non-exchange transactions</b>	<b>833,388,003</b>	<b>-</b>	<b>833,388,003</b>	<b>776,369,997</b>	<b>(57,018,006)</b>	
<b>Total revenue</b>	<b>1,930,251,869</b>	<b>-</b>	<b>1,930,251,869</b>	<b>1,809,901,686</b>	<b>(120,350,183)</b>	
<b>Expenditure</b>						
Employee related costs	(532,497,021)	-	(532,497,021)	(543,610,551)	(11,113,530)	
Remuneration of councillors	(21,132,587)	-	(21,132,587)	(19,191,670)	1,940,917	
Contribution to/from provision	-	-	-	(6,874,912)	(6,874,912)	
Depreciation and amortisation	(200,778,636)	-	(200,778,636)	(192,215,913)	8,562,723	
Finance costs	(31,648,891)	-	(31,648,891)	(54,474,647)	(22,825,756)	
Lease rentals on operating lease	-	-	-	(14,880,942)	(14,880,942)	
Debt Impairment	(74,007,187)	-	(74,007,187)	(108,781,924)	(34,774,737)	
Contribution to allowance for doubtful debt	-	-	-	(33,985,791)	(33,985,791)	
Bulk purchases	(451,195,922)	-	(451,195,922)	(453,758,154)	(2,562,232)	
Contracted Services	(262,000,391)	-	(262,000,391)	(227,703,607)	34,296,784	
Transfers and Subsidies	(11,072,999)	-	(11,072,999)	(11,009,540)	63,459	
Cost of housing sold	-	-	-	(1,925,000)	(1,925,000)	
General Expenses	(246,557,358)	-	(246,557,358)	(143,038,585)	103,518,773	BD4
<b>Total expenditure</b>	<b>(1,830,890,992)</b>	<b>-</b>	<b>(1,830,890,992)</b>	<b>(1,811,451,236)</b>	<b>19,439,756</b>	

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Operating deficit</b>	<b>99,360,877</b>	-	<b>99,360,877</b>	<b>(1,549,550)</b>	<b>(100,910,427)</b>	
Gain on disposal of assets and liabilities	-	-	-	9,385,448	<b>9,385,448</b>	
Fair value adjustments	-	-	-	(922,034)	<b>(922,034)</b>	
Gain on biological assets and agricultural produce	-	-	-	50,747	<b>50,747</b>	
Inventories losses/write-downs	-	-	-	(18,583)	<b>(18,583)</b>	BD18
	-	-	-	<b>8,495,578</b>	<b>8,495,578</b>	
<b>Surplus before taxation</b>	<b>99,360,877</b>	-	<b>99,360,877</b>	<b>6,946,028</b>	<b>(92,414,849)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>99,360,877</b>	-	<b>99,360,877</b>	<b>6,946,028</b>	<b>(92,414,849)</b>	

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	8,316,574	-	<b>8,316,574</b>	111,896,629	<b>103,580,055</b>	BD5
Short term investments	321,338,956	-	<b>321,338,956</b>	222,186,762	<b>(99,152,194)</b>	BD6
Receivables from exchange transactions	127,186,145	-	<b>127,186,145</b>	153,119,571	<b>25,933,426</b>	BD7
Receivables from non-exchange transactions	191,559,371	-	<b>191,559,371</b>	57,455,962	<b>(134,103,409)</b>	BD8
Other receivables from exchange transactions	-	-	-	11,973,032	<b>11,973,032</b>	
Inventories	49,835,500	-	<b>49,835,500</b>	53,315,177	<b>3,479,677</b>	
VAT receivable	-	-	-	19,509,741	<b>19,509,741</b>	
Long term receivables	-	-	-	2,948,181	<b>2,948,181</b>	
	<b>698,236,546</b>	-	<b>698,236,546</b>	<b>632,405,055</b>	<b>(65,831,491)</b>	
<b>Non-Current Assets</b>						
Property, plant and equipment	5,757,324,356	-	<b>5,757,324,356</b>	5,452,746,752	<b>(304,577,604)</b>	BD9
Investment property	453,411,843	-	<b>453,411,843</b>	412,395,781	<b>(41,016,062)</b>	
Intangible assets	6,898,160	-	<b>6,898,160</b>	7,222,189	<b>324,029</b>	
Biological assets that form part of an agricultural activity	6,321,448	-	<b>6,321,448</b>	6,321,448	-	
Heritage assets	-	-	-	774,002	<b>774,002</b>	
Long term receivables	3,876,000	-	<b>3,876,000</b>	4,932,492	<b>1,056,492</b>	
Other receivables from exchange transactions	2,815,368	-	<b>2,815,368</b>	1,758,898	<b>(1,056,470)</b>	
	<b>6,230,647,175</b>	-	<b>6,230,647,175</b>	<b>5,886,151,562</b>	<b>(344,495,613)</b>	
<b>Total Assets</b>	<b>6,928,883,721</b>	-	<b>6,928,883,721</b>	<b>6,518,556,617</b>	<b>(410,327,104)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Consumer deposits	14,274,109	-	<b>14,274,109</b>	19,530,073	<b>5,255,964</b>	
Employee benefit obligation	60,596,715	-	<b>60,596,715</b>	61,187,957	<b>591,242</b>	
Operating lease liability	-	-	-	3,739,474	<b>3,739,474</b>	
Borrowings	23,639,921	-	<b>23,639,921</b>	34,223,893	<b>10,583,972</b>	
Payables from exchange transactions	155,181,597	-	<b>155,181,597</b>	291,764,498	<b>136,582,901</b>	BD10
Unspent conditional grants and receipts	132,307,975	-	<b>132,307,975</b>	14,695,527	<b>(117,612,448)</b>	BD11
	<b>386,000,317</b>	-	<b>386,000,317</b>	<b>425,141,422</b>	<b>39,141,105</b>	
<b>Non-Current Liabilities</b>						
Borrowings	521,292,672	-	<b>521,292,672</b>	334,733,125	<b>(186,559,547)</b>	BD12
Employee benefit obligation	202,464,017	-	<b>202,464,017</b>	200,444,000	<b>(2,020,017)</b>	
Provisions	125,758,634	-	<b>125,758,634</b>	141,497,317	<b>15,738,683</b>	
	<b>849,515,323</b>	-	<b>849,515,323</b>	<b>676,674,442</b>	<b>(172,840,881)</b>	
<b>Total Liabilities</b>	<b>1,235,515,640</b>	-	<b>1,235,515,640</b>	<b>1,101,815,864</b>	<b>(133,699,776)</b>	
<b>Net Assets</b>	<b>5,693,368,081</b>	-	<b>5,693,368,081</b>	<b>5,416,740,753</b>	<b>(276,627,328)</b>	



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Accumulated surplus	-	-	-	5,416,740,753	<b>5,416,740,753</b>	BD13

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Sale of goods and services	893,935,235	-	<b>893,935,235</b>	1,342,975,144	<b>449,039,909</b>	CF1
Grants	224,321,284	-	<b>224,321,284</b>	240,160,863	<b>15,839,579</b>	
Interest income	2,978,999	-	<b>2,978,999</b>	19,515,361	<b>16,536,362</b>	
	<b>1,121,235,518</b>	-	<b>1,121,235,518</b>	<b>1,602,651,368</b>	<b>481,415,850</b>	
<b>Payments</b>						
Suppliers and employees	-	-	-	(530,497,862)	<b>(530,497,862)</b>	CF2
Transfers and grants	-	-	-	(779,976,893)	<b>(779,976,893)</b>	CF3
Finance costs	-	-	-	(28,233,434)	<b>(28,233,434)</b>	CF4
	-	-	-	<b>(1,338,708,189)</b>	<b>(1,338,708,189)</b>	
<b>Net cash flows from operating activities</b>	<b>1,121,235,518</b>	-	<b>1,121,235,518</b>	<b>263,943,179</b>	<b>(857,292,339)</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(453,880,009)	-	<b>(453,880,009)</b>	(392,836,401)	<b>61,043,608</b>	CF5
Proceeds from sale of biological assets that form part of an agricultural activity	-	-	-	50,747	<b>50,747</b>	
<b>Net cash flows from investing activities</b>	<b>(453,880,009)</b>	-	<b>(453,880,009)</b>	<b>(392,785,654)</b>	<b>61,094,355</b>	
<b>Cash flows from financing activities</b>						
Repayment on other financial liabilities	-	-	-	76,026,579	<b>76,026,579</b>	CF6
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>667,355,509</b>	-	<b>667,355,509</b>	<b>(52,815,896)</b>	<b>(720,171,405)</b>	
Cash and cash equivalents at the beginning of the year	-	-	-	111,201,845	<b>111,201,845</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>667,355,509</b>	-	<b>667,355,509</b>	<b>58,385,949</b>	<b>(608,969,560)</b>	

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

Figures in Rand	Note(s)	2021	2020
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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

#### 1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.2 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

#### 1.3 Internal reserves

##### Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

##### Self-insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.3 Internal reserves (continued)

#### Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

### 1.4 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

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

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

#### Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

#### Revenue recognition

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

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

#### Impairment of financial assets

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

#### Useful lives of property, plant and equipment and intangible assets

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

#### Employee benefit obligations

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

#### Impairment of non-financial assets

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

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

It is reasonably possible that the assumptions may change which may then impact our estimations and would require a material adjustment to the carrying value of tangible assets.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty (continued)

#### Value in use of cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

#### Value in use of non-cash generating assets

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that the impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

#### Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the surplus/deficit.

#### Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

#### Provisions

Provisions are raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

#### Effective interest rate

The municipality uses the best estimate of the costs at the reporting date with reference to the inflation rate.

#### Allowance for doubtful debts

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.5 Significant judgements and sources of estimation uncertainty (continued)

#### Impairment of statutory receivables

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

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

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

### 1.6 Biological assets that form part of an agricultural activity

The municipality recognises biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of biological assets that form part of an agricultural activity is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The municipality classifies biological assets as consumables which consist of timber in the form of pine trees. All biological assets are held for sale.

Item	Useful life
Trees in timber plantation - Consumable	indefinite

### 1.7 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Depreciation is calculated at the straight line method over a period of 30 yearst

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.7 Investment property (continued)

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	30-99 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 11).

### 1.8 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

#### Measurement

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.8 Property, plant and equipment (continued)

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

#### Incomplete construction work

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

#### Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

#### Depreciation

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

The useful lives of items of property, plant and equipment have been assessed as follows:

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Item	Depreciation method	Average useful life
Land	Straight-line	indefinite
Machinery and equipment	Straight-line	1-25
Furniture and office equipment	Straight-line	2-24
Transport assets	Straight-line	4-20
Computer equipment	Straight-line	5-23
Community assets	Straight-line	4-30
Other property, plant and equipment	Straight-line	6-99
Capital restoration asset	Straight-line	5-30
Electrical infrastructure	Straight-line	10-50
Water supply infrastructure	Straight-line	10-100
Solid waste infrastructure	Straight-line	10-30
Roads infrastructure	Straight-line	10-100

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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.8 Property, plant and equipment (continued)

Information and communication infrastructure	Straight-line	3-15
Waste water network	Straight-line	10-100
Stormwater infrastructure	Straight-line	10-50

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

### 1.9 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.9 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are initially measured at cost.

Subsequent to initial measurement Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

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

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

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

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

### 1.10 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 14).

#### Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 14 Heritage assets.

#### Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.10 Heritage assets (continued)

#### Subsequent measurement

Subsequent to initial measurement classes of heritage assets are carried at cost less any accumulated impairment losses.

#### Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

#### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

#### Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

### 1.11 Financial instruments

A financial instrument can broadly be defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.11 Property, plant and equipment (continued)

A financial asset is:

- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the municipality.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the municipality.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an municipality in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the municipality had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the municipality designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.11 Property, plant and equipment (continued)

#### Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

<b>Class</b>	<b>Category</b>
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Short term investments	Financial asset measured at amortised cost
Long term receivables	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

<b>Class</b>	<b>Category</b>
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

#### Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

#### Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

#### Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.11 Property, plant and equipment (continued)

#### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the municipality uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data..

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

#### Reclassification

The municipality does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the municipality reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

#### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.11 Property, plant and equipment (continued)

#### Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past history of fines per category.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.11 Property, plant and equipment (continued)

#### Derecognition

##### Financial assets

The municipality derecognises financial assets using trade date accounting.

The municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

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

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

##### Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### 1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

#### Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.12 Leases (continued)

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent are expensed in the period in which they are incurred.

### 1.13 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## Accounting Policies

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### 1.14 Landfill site

Site restoration and dismantling cost - The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

### 1.15 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

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

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

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

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

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

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

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

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

Useful life is either:

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

Management has judged all assets as non cash generating assets.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.15 Impairment of cash-generating assets (continued)

#### Identification

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

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

#### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

#### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

#### Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

## Accounting Policies

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### 1.15 Impairment of cash-generating assets (continued)

#### Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.



## Accounting Policies

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### 1.15 Impairment of cash-generating assets (continued)

#### Reversal of impairment loss

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

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

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

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

### 1.16 Impairment of non-cash-generating assets

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

#### Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

## Accounting Policies

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### 1.16 Impairment of non-cash-generating assets (continued)

#### Value in use

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

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

#### Depreciated replacement cost approach

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

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

#### Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

#### Reversal of an impairment loss

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

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

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

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

### 1.17 Employee benefits

Employee benefits are all forms of consideration given by the entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

## Accounting Policies

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### 1.17 Employee benefits (continued)

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from the entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

### Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

## Accounting Policies

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### 1.17 Employee benefits (continued)

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

#### Multi-employer plans

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

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

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

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

#### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

## Accounting Policies

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### 1.17 Employee benefits (continued)

#### Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

## Accounting Policies

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### 1.17 Employee benefits (continued)

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

# Stellenbosch Municipality

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## Accounting Policies

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### 1.17 Employee benefits (continued)

#### Other long term employee benefits

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

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

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

#### Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

### 1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.



# Stellenbosch Municipality

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### 1.18 Provisions and contingencies (continued)

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

#### Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit;
- if the adjustments result in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may be fully recoverable. If there is such an indication, the municipality tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and accounts for any impairment loss, in accordance with the accounting policy on impairment of assets as described in the accounting policy on impairment of cash-generating assets and/ or impairment of non-cash generating assets.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur.

#### Provision for constructive obligations

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

# Stellenbosch Municipality

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### 1.18 Provisions and contingencies (continued)

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

### Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 66 .

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable than an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

### Grant-in-aid contributions

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

### 1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

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Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.19 Revenue from exchange transactions (continued)

#### Service charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the billings done during July and August. The billing and invoiced amounts done in July are recognised in total as an accrual as all billing in July pertains to services rendered prior to 30 June. An estimate is then made based on August billing pertaining to services rendered up until 30 June

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

#### Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measure reliably.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.19 Revenue from exchange transactions (continued)

#### Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

#### Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

#### Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of principals has been quantified. The income recognised is in terms of the agency agreement.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

### 1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.20 Revenue from non-exchange transactions (continued)

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

#### Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

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Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.20 Revenue from non-exchange transactions (continued)

#### Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

#### Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

#### Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
  - the amount of revenue can be measured reliably; and
- to the extent that there has been compliance with the relevant legal requirements (if applicable).

### 1.21 Statutory receivables

#### Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.21 Statutory receivables (continued)

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

#### Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

#### Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

#### Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

#### Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

#### Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

#### Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.



## Accounting Policies

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### 1.21 Statutory receivables (continued)

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

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

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

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

### Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

### 1.22 Accounting by principals and agents

#### Identification

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

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

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

#### Identifying whether an entity is a principal or an agent

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

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

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.22 Accounting by principals and agents (continued)

#### Binding arrangement

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

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

#### Assessing which entity benefits from the transactions with third parties

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

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

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

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

#### Recognition

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

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

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

### 1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 60 for detail.

### 1.25 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

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

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

### 1.29 Changes in accounting policies, estimates and errors

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

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

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Accounting Policies

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### 1.29 Changes in accounting policies, estimates and errors (continued)

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

### 1.30 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

### 1.31 Value Added Tax

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

### 1.32 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.33 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.34 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

### 1.35 Construction contracts and receivables

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

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

## Accounting Policies

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### 1.35 Construction contracts and receivables (continued)

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

### 1.36 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

#### Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity’s financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment’s surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment’s assets and segment’s liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment’s surplus or deficit, the segment’s assets or the segment’s liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment’s surplus or deficit, the segment’s assets or the segment’s liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity’s financial statements.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

##### **IGRAP 20: Accounting for Adjustments to Revenue**

As per the background to this Interpretation of the Standards of GRAP, there are a number of legislative and regulatory processes that govern how entities levy, charge or calculate revenue, in the public sector. Adjustments to revenue already recognised in terms of legislation or similar means arise from the completion of an internal review process within the entity, and/or the outcome of an external appeal or objection process undertaken in terms of legislation or similar means. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. The adjustments to revenue already recognised following the outcome of a review, appeal or objection process can either result in a change in an accounting estimate, or a correction of an error.

As per the scope, this Interpretation of the Standards of GRAP clarifies the accounting for adjustments to exchange and non-exchange revenue charged in terms of legislation or similar means, and interest and penalties that arise from revenue already recognised as a result of the completion of a review, appeal or objection process. Changes to the measurement of receivables and payables, other than those changes arising from applying this Interpretation, are dealt with in accordance with the applicable Standards of GRAP. The principles in this Interpretation may be applied, by analogy, to the accounting for adjustments to exchange or non-exchange revenue that arises from contractual arrangements where the fact patterns are similar to those in the Interpretation.

The interpretation sets out the issues and relating consensus with accounting for adjustments to revenue.

The effective date of the interpretation is for years beginning on or after 01 April 2020.

The municipality has adopted the interpretation for the first time in the 2020/2021 annual financial statements.

##### **GRAP 110 (as amended 2016): Living and Non-living Resources**

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and
- disclosure requirements for non-living resources

It furthermore covers Definitions, Recognition, Measurement, Depreciation, Impairment, Compensation for impairment, Transfers, Derecognition, Disclosure, Transitional provisions and Effective date.

The subsequent amendments to the Standard of GRAP on Living and Non-living Resources resulted from editorial changes to the original text and inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 17 on Property, Plant and Equipment (IPSAS 17) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015 and Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23; and To clarify the measurement principle when assets may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets
- IPSASB amendments: To clarify the revaluation methodology of the carrying amount and accumulated depreciation when a living resource is revalued; To clarify acceptable methods of depreciating assets; and To define a bearer plant and include bearer plants within the scope of GRAP 17 or GRAP 110, while the produce growing on bearer plants will remain within the scope of GRAP 27

The effective date of the standard is for years beginning on or after 01 April 2020.

The municipality has adopted the standard for the first time in the 2020/2021 annual financial statements.

The impact of the standard is not material.

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue

The amendments to this Interpretation of the Standard of GRAP clarifies that the entity should also consider other factors in assessing the probability of future economic benefits or service potential to the entity. Entities are also uncertain of the extent to which factors, other than the uncertainty about the collectability of revenue, should be considered when determining the probability of the inflow of future economic benefits or service potential on initial recognition of revenue. For example, in providing certain goods or services, or when charging non-exchange revenue, the amount of revenue charged may be reduced or otherwise modified under certain circumstances. These circumstances include, for example, where the entity grants early settlement discounts, rebates or similar reductions based on the satisfaction of certain criteria, or as a result of adjustments to revenue already recognised following the outcome of any review, appeal or objection process.

The consensus is that on initial recognition of revenue, an entity considers the revenue it is entitled to, following its obligation to collect all revenue due to it in terms of legislation or similar means. In addition, an entity considers other factors that will impact the probable inflow of future economic benefits or service potential, based on past experience and current facts and circumstances that exist on initial recognition.

A municipality applies judgement based on past experience and current facts and circumstances.

The effective date of the amendment is for years beginning on or after 01 April 2020.

The municipality has adopted the interpretation for the first time in the 2020/2021 annual financial statements.

#### GRAP 18 (as amended 2016): Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

The subsequent amendments to the Standard of GRAP on Segment Reporting resulted from editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP.

The most significant changes to the Standard are:

- General improvements: An appendix with illustrative segment disclosures has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the standard is for years beginning on or after 01 April 2020

The municipality has adopted the standard for the first time in the 2019/2019 annual financial statements.

The adoption of this standard has not had a material impact on the results of the municipality, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

### 2.2 Standards and Interpretations early adopted

The municipality has not early adopted any GRAP standard that is not effective.

### 2.3 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2021 or later periods:

#### GRAP 104 (amended): Financial Instruments



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 2. New standards and interpretations (continued)

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard. .

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	14,020	14,220
Bank balances	110,223,566	21,452,795
Call accounts	-	89,236,885
Lamotte Trust	1,607,535	435,848
Trust and charitable bank	51,508	62,097
	<b>111,896,629</b>	<b>111,201,845</b>

#### Call accounts

ABSA	-	20,978,744
Nedbank	-	46,299,984
Standard bank	-	21,958,157
	-	<b>89,236,885</b>

#### The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2021	30 June 2020	30 June 2019	30 June 2021	30 June 2020	30 June 2019
Nedbank - primary account	3,244,449	45,327,087	167,107,031	-	21,888,643	169,368,979
ABSA bank - current account	-	1,260,126	1,277,273	-	-	-
Charitable fund	-	72,097	112,334	51,508	62,097	102,334
First National Bank - primary account	115,438,007	-	-	111,831,101	-	-
<b>Total</b>	<b>118,682,456</b>	<b>46,659,310</b>	<b>168,496,638</b>	<b>111,882,609</b>	<b>21,950,740</b>	<b>169,471,313</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>4. Short term investments</b>		
Short term investments include all other investments for a period of 1-12 months that are not included in cash and cash equivalents. The interest rates for these investments range between 7.650% (2months) and 9.050% (12months)		
Short term investments consists of the following:		
Short term investments	222,186,762	306,637,342
<b>FNB - Investments</b>		
Deposits	145,000,000	-
Interest accrued	2,526,575	-
Withdrawals	(147,526,575)	-
<b>Closing balance</b>	-	-
<b>Nedbank - Investments</b>		
Opening balance	123,143,835	286,762,972
Deposits	160,000,000	356,656,567
Interest accrued	4,968,252	17,254,545
Withdrawals	(126,111,616)	(537,530,249)
<b>Closing balance</b>	<b>162,000,471</b>	<b>123,143,835</b>
<b>Standard Bank - Investments</b>		
Opening balance	82,082,191	50,362,773
Deposits	60,000,000	411,309,291
Interest accrued	2,848,493	12,993,844
Withdrawals	(84,497,534)	(392,583,717)
<b>Closing balance</b>	<b>60,433,150</b>	<b>82,082,191</b>
<b>Investec - Investments</b>		
Opening balance	-	61,037,918
Interest accrued	-	101,260
Withdrawals	-	(61,139,178)
<b>Closing balance</b>	-	-
<b>ABSA - Investments</b>		
Opening balance	101,411,315	179,021,256
Deposits	-	2,632,114
Interest accrued	1,887,863	(80,242,055)
Withdrawals	(103,299,178)	-
<b>Closing balance</b>	-	<b>101,411,315</b>
<b>5. Receivables from exchange transactions</b>		
<b>Gross balances</b>		
Electricity	51,249,654	46,755,366
Water	93,401,113	92,074,315
Sewerage	27,761,268	28,652,488
Refuse	29,438,988	26,315,014
Housing rental	27,656,248	27,194,339
Sundry	10,730,783	9,528,432
Electricity accrual	60,147,192	15,585,631
Water accrual	19,847,476	21,157,876
	<b>320,232,722</b>	<b>267,263,461</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>5. Receivables from exchange transactions (continued)</b>		
<b>Less: Allowance for impairment</b>		
Electricity	(12,050,316)	(9,022,236)
Water	(75,475,385)	(70,800,550)
Sewerage	(19,763,193)	(17,196,507)
Refuse	(23,373,154)	(19,767,391)
Housing rental	(27,030,916)	(25,919,228)
Sundry	(9,420,187)	(8,697,371)
	<b>(167,113,151)</b>	<b>(151,403,283)</b>
<b>Net balance</b>		
Electricity	39,199,338	37,733,130
Water	17,925,728	21,273,765
Sewerage	7,998,075	11,455,981
Refuse	6,065,834	6,547,623
Electricity accrual	60,147,192	15,585,631
Water accrual	19,847,476	21,157,876
Housing rental	625,332	1,275,111
Sundry	1,310,596	831,061
	<b>153,119,571</b>	<b>115,860,178</b>
<b>Electricity</b>		
Current (0 -30 days)	36,398,931	35,776,566
31 - 60 days	1,541,793	1,854,127
61 - 90 days	804,361	968,501
91 - 120 days	552,836	474,067
121 - 365 days	2,547,764	2,608,777
> 365 days	9,403,969	5,073,328
	<b>51,249,654</b>	<b>46,755,366</b>
<b>Water</b>		
Current (0 -30 days)	14,574,267	18,388,855
31 - 60 days	3,251,097	4,470,012
61 - 90 days	3,944,316	4,197,477
91 - 120 days	1,477,577	2,965,459
121 - 365 days	8,593,591	9,205,500
> 365 days	61,560,265	52,847,012
	<b>93,401,113</b>	<b>92,074,315</b>
<b>Sewerage</b>		
Current (0 -30 days)	7,186,588	7,739,092
31 - 60 days	695,256	1,443,192
61 - 90 days	442,960	1,135,486
91 - 120 days	352,916	1,475,198
121 - 365 days	2,438,957	2,545,553
> 365 days	16,644,591	14,313,967
	<b>27,761,268</b>	<b>28,652,488</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>5. Receivables from exchange transactions (continued)</b>		
<b>Refuse</b>		
Current (0 -30 days)	5,257,377	5,284,928
31 - 60 days	535,613	754,343
61 - 90 days	518,311	609,919
91 - 120 days	447,509	428,716
121 - 365 days	3,652,986	3,084,599
> 365 days	19,027,192	16,152,509
	<b>29,438,988</b>	<b>26,315,014</b>
<b>Electricity accrual</b>		
Current (0 -30 days)	60,147,192	15,585,631
<b>Water accrual</b>		
Current (0 -30 days)	19,847,476	21,157,876
<b>Housing rental</b>		
Current (0 -30 days)	472,726	504,690
31 - 60 days	197,196	167,935
61 - 90 days	854,090	1,016,980
91 - 120 days	98,753	121,477
121 - 365 days	1,059,856	628,666
> 365 days	24,973,627	24,754,591
	<b>27,656,248</b>	<b>27,194,339</b>
<b>Sundry</b>		
Current (0 -30 days)	1,052,913	497,945
31 - 60 days	185,125	79,498
61 - 90 days	194,673	166,344
91 - 120 days	173,477	268,495
121 - 365 days	578,286	970,687
> 365 days	8,546,309	7,545,463
	<b>10,730,783</b>	<b>9,528,432</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(151,403,282)	(142,806,370)
Contributions to allowance	(15,709,869)	(8,596,913)
	<b>(167,113,151)</b>	<b>(151,403,283)</b>

### Receivables from exchange transactions past due but not impaired

The Council regards receivables from exchange transactions to be due for outstanding amounts more than 30 days to be past due.

Debtors to the amount of R16 million have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them.

The water and electricity accrual is in respect of consumption between the last meter reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers. The estimate of the consumption are being recorded as revenue without being invoiced.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 5. Receivables from exchange transactions (continued)

#### Government debt as at 30 June 2021

Department responsible for debt	Rates	Services	Interest	Sundry	Total
Nat. dept of Public Works	1,482,296	4,718,701	188,584	46,095	6,435,676
Prov. dept of Transport and Public Works	112,101	55,720	7,704	7,038	182,563
Western Cape Education department	3,622	1,798,893	5,714	688	1,808,917
Department of Health	-	856,445	-	-	856,445
Dept of local government and housing	5,367	10,227	1,009	1,777	18,380
Other government departments	86	18,525	704	1,031	20,346
	<b>1,603,472</b>	<b>7,458,511</b>	<b>203,715</b>	<b>56,629</b>	<b>9,322,327</b>

#### Consumer debtors past due but not impaired

Consumer debtors which are more than 30 days past due but not impaired. At 30 June 2021, R8,164,383 (2020: R 14,062,800) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

2021	31-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Electricity	719,794	368,808	204,050	513,805	586,326	2,392,783
Water	642,367	626,599	199,557	629,623	1,253,313	3,351,459
Sewerage	249,884	86,985	48,480	218,222	207,913	811,484
Refuse	110,571	93,428	58,096	360,866	185,494	808,455
Housing rental	26,914	345,640	10,005	57,183	94,993	534,735
Sundry	49,029	36,180	24,947	88,823	66,488	265,467
	<b>1,798,559</b>	<b>1,557,640</b>	<b>545,135</b>	<b>1,868,522</b>	<b>2,394,527</b>	<b>8,164,383</b>

2020	31-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Electricity	949,267	537,786	209,660	327,155	88,701	2,112,569
Water	1,362,418	1,000,805	623,436	905,428	1,452,310	5,344,397
Sewerage	703,193	799,582	1,191,547	356,872	658,353	3,709,547
Refuse	307,193	199,527	97,200	370,113	621,305	1,595,338
Housing rental	44,456	767,264	19,141	32,237	76,992	940,090
Sundry	42,551	50,315	64,027	89,185	114,781	360,859
	<b>3,409,078</b>	<b>3,355,279</b>	<b>2,205,011</b>	<b>2,080,990</b>	<b>3,012,442</b>	<b>14,062,800</b>

### 6. Receivables from non-exchange transactions

Grant receivables represent funding that Council is awaiting from external institutions for capital and operating expenditure incurred and claimed, but not yet received at year-end.

The average credit period for capital receivables is dependent on the government department involved and the nature of the claim. No interest is charged on outstanding capital receivables. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

#### Gross balances

Grant receivables	17,160,620	18,301,323
Fines	164,743,737	160,924,858
Property rates	47,577,986	44,671,127
Other receivables	1,160,396	938,577
	<b>230,642,739</b>	<b>224,835,885</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>6. Receivables from non-exchange transactions (continued)</b>		
<b>Less: Allowance for impairment</b>		
Fines	(139,890,329)	(127,937,315)
Property rates	(29,557,621)	(25,414,532)
Grant receivable	(3,738,827)	-
	<b>(173,186,777)</b>	<b>(153,351,847)</b>
<b>Net balance</b>		
Grant receivables	13,421,793	18,301,323
Fines	24,853,408	32,987,543
Property rates	18,020,365	19,256,595
Other receivables	1,160,396	938,577
	<b>57,455,962</b>	<b>71,484,038</b>
<b>Statutory receivables included in receivables from non-exchange transactions above are as follows:</b>		
Property rates	18,020,365	19,256,595
Fines	24,853,408	32,987,543
	<b>42,873,773</b>	<b>52,244,138</b>
<b>Financial asset receivables included in receivables from non-exchange transactions above</b>	<b>14,582,189</b>	<b>19,239,900</b>
<b>Total receivables from non-exchange transactions</b>	<b>57,455,962</b>	<b>71,484,038</b>
<b>Fines</b>		
Current (0 -30 days)	6,697,697	6,213,085
31 - 60 days	10,048,047	9,319,628
61 - 90 days	11,206,219	10,393,840
91 - 120 days	7,544,529	6,997,599
121 - 365 days	40,192,188	37,278,511
> 365 days	89,055,057	90,722,195
	<b>164,743,737</b>	<b>160,924,858</b>
<b>Grant receivable</b>		
Current (0 -30 days)	6,775,954	5,012,756
121 - 365 days	6,645,838	9,549,740
> 365 days	3,738,827	3,738,827
	<b>17,160,619</b>	<b>18,301,323</b>
<b>Property rates</b>		
Current (0 -30 days)	19,940,732	19,890,575
31 - 60 days	1,134,967	2,397,437
61 - 90 days	924,388	1,230,845
91 - 120 days	766,305	707,787
121 - 365 days	6,731,852	5,109,347
> 365 days	18,079,742	15,335,136
	<b>47,577,986</b>	<b>44,671,127</b>
<b>Other (specify)</b>		
> 365 days	-	938,577

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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Figures in Rand	2021	2020
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### 6. Receivables from non-exchange transactions (continued)

#### Reconciliation of allowance for impairment

Balance at beginning of the year	(153,351,847)	(167,530,985)
Contributions to allowance	(7,123,959)	14,179,138
	<b>(160,475,806)</b>	<b>(153,351,847)</b>

As at 30 June 2021, Statutory Receivables of R2 562 528 (2020: R4 109 614) were past due but not impaired.

<b>2021</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>91-120 days</b>	<b>121-365 days</b>	<b>&gt;365 days</b>	<b>Total</b>
Property rates	503,863	355,952	257,628	1,057,954	387,129	2,562,528

<b>2020</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>91-120 days</b>	<b>121-365 days</b>	<b>&gt;365 days</b>	<b>Total</b>
Property rates	1,559,532	576,868	243,640	719,761	1,009,812	4,109,614



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 6. Receivables from non-exchange transactions (continued)

#### Statutory receivables general information

##### Transaction(s) arising from statute

Property rates related transactions arise in terms of the Municipal Property Rates Act, 6 of 2004, Municipal Finance Management Act, 56 of 2003, as well as the Property Rates Policy of the municipality approved by Council as part of the Budget Process.

Traffic fines arise from the National Road Traffic Act 93 of 1996, National Road Traffic Regulations 2000, National Land Transport Act 5 of 2009 and Criminal Procedure Act 51 of 1971. Prosecutor performs prosecutorial functions in terms of a general delegation awarded by the National Prosecuting Authority and is subject to the control of the Control Prosecutor at the Magistrate's Court in Stellenbosch.

VAT transactions arise from the Value Added Tax Act 89 of 1991. VAT is an indirect tax on the consumption of goods and services in the economy. VAT is levied on all goods and services subject to certain exemptions, exceptions, deductions and adjustments provided for in the Value Added Tax Act 89 of 1991.

##### Determination of transaction amount

Property rates transaction amounts are determined in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

VAT transactions amounts are determined in line with the Value Added Tax Act 89 of 1991. VAT increased from 14% to 15% from 1 April 2018.

##### Interest or other charges levied/charged

Interest or other charges levied on Property rates balances are in line with the Annual Tariff List of the municipality approved by Council as part of the Budget Process in terms of the Municipal Finance Management Act, 56 of 2003.

"Interest" means a charge levied, on all arear accounts calculated at an interest rate which is one percent higher than the prime interest rate.

Traffic fines: Additional charges includes contempt of court fees / warrant of arrest fee determined in terms of the Criminal Procedure Act.

The rates and interest charges are determined by the Value Added Tax Act 89 of 1991.

##### Basis used to assess and test whether a statutory receivable is impaired

The basis used to assess Property Rates receivables is to look at the extent to which debtors on an individual basis defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

The basis used to assess Traffic fine receivables is to look at the extent to which debtors per group of fines (Municipal fines, Provincial fines) defaulted on payments already due and an assessment of their ability to make payments based on their historical collection trend.

No impairment on VAT Receivable, balance expected to be fully recoverable.

##### Discount rate applied to the estimated future cash flows

Interest is calculated using the nominal interest rate as stipulated in the municipal by-laws (Prime plus 1%). This rate is also considered an appropriate discount rate.

##### Main events and circumstances that led to the recognition or reversal of impairment losses on statutory receivables

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 6. Receivables from non-exchange transactions (continued)

#### Significant impairment losses recognised or reversed

Property Rates: Impairment Recognised: The national lockdown and ongoing global pandemic relating to covid-19 resulted in many employers and employees not being able to generate sufficient income to pay their municipal accounts for April to June 2021.

Traffic Fines: Impairment Recognised: Annually the outstanding receivables are assessed in terms of the value of fines issued in comparison to the receipts generated from such fines. The remaining balance is considered recoverable based on this payment percentage.

### 7. Other receivables from exchange transactions

Prepayments	3,911,792	3,651,254
Deposits	1,758,898	1,589,255
Construction receivable	2,645,278	5,317,560
Public safety account	949,296	949,296
Special rating area debtor	527,684	444,588
Other receivable	2,488,397	1,259,053
Parking debtor	1,450,585	1,265,814
	<b>13,731,930</b>	<b>14,476,820</b>
Non-current assets	1,758,898	1,589,255
Current assets	11,973,032	12,887,565
	<b>13,731,930</b>	<b>14,476,820</b>

### 8. Inventories

Consumable stores	563,285	2,054,125
Maintenance materials	27,059,728	34,518,310
Water for distribution	1,906,891	1,805,053
Land inventory	14,146,828	14,146,828
Consumables - Zero Rated	13,445	-
Housing inventory	9,625,000	11,550,000
	<b>53,315,177</b>	<b>64,074,316</b>
Inventories recognised as an expense during the year	38,256,231	32,432,482

The amount of inventory reversed/ (written down) is R86 164 (2020:R709 539) and is recognised as an expense and a reduction in the carrying value of inventories. The circumstances relating to the write down is as a result of stock adjustments and shortages on general stock items as reported and approved accordingly.

No inventories were pledged as securities.

### 9. VAT receivable

VAT	19,509,741	25,493,058
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The municipality is registered for VAT on the payment/ cash basis.

VAT meets the definition of a statutory receivable as per the accounting policy. For statutory receivable information regarding VAT refer to note 6.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 10. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Community assets	112,691,142	(18,677,473)	94,013,669	103,913,751	(15,768,421)	88,145,330
Computer equipment	66,793,585	(40,010,704)	26,782,881	57,228,268	(32,713,154)	24,515,114
Electrical infrastructure	1,367,170,083	(419,280,383)	947,889,700	1,310,228,437	(378,145,526)	932,082,911
Furniture and office equipment	48,792,986	(32,830,608)	15,962,378	44,292,344	(30,116,569)	14,175,775
Information and communication infrastructure	3,960,874	(2,729,024)	1,231,850	3,945,508	(2,301,090)	1,644,418
Land	484,712,397	(27,052,477)	457,659,920	483,845,564	(27,052,477)	456,793,087
Machinery and equipment	101,336,070	(56,227,498)	45,108,572	95,622,292	(49,955,747)	45,666,545
Other property, plant and equipment	575,860,152	(90,549,670)	485,310,482	508,334,507	(80,781,755)	427,552,752
Capital restoration asset	28,332,171	(22,866,076)	5,466,095	25,962,356	(19,365,847)	6,596,509
Roads infrastructure	1,222,609,036	(433,149,759)	789,459,277	1,160,102,630	(389,089,524)	771,013,106
Solid waste infrastructure	76,635,807	(16,466,512)	60,169,295	66,399,111	(14,997,342)	51,401,769
Stormwater infrastructure	62,944,123	(46,632,721)	16,311,402	62,517,401	(45,958,182)	16,559,219
Transport assets	172,275,893	(67,921,602)	104,354,291	153,679,863	(56,880,434)	96,799,429
Wastewater network	1,196,784,172	(198,682,040)	998,102,132	1,088,234,167	(170,631,081)	917,603,086
Water supply infrastructure	1,824,694,579	(419,769,771)	1,404,924,808	1,769,425,922	(380,016,229)	1,389,409,693
<b>Total</b>	<b>7,345,593,070</b>	<b>(1,892,846,318)</b>	<b>5,452,746,752</b>	<b>6,933,732,121</b>	<b>(1,693,773,378)</b>	<b>5,239,958,743</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	456,793,087	866,833	-	-	-	-	-	457,659,920
Machinery and equipment	45,666,545	5,914,190	(63,394)	-	-	(6,408,769)	-	45,108,572
Furniture and office equipment	14,175,775	5,727,957	(68,212)	-	-	(3,873,142)	-	15,962,378
Transport assets	96,799,429	20,239,685	(622,223)	-	-	(12,062,600)	-	104,354,291
Computer equipment	24,515,114	9,801,097	(17,795)	-	-	(7,515,535)	-	26,782,881
Community assets	88,145,330	8,777,392	-	-	-	(2,909,053)	-	94,013,669
Other property, plant and equipment	427,552,752	67,525,645	-	-	-	(9,767,915)	-	485,310,482
Electrical infrastructure	932,082,911	40,548,312	(25,558)	6,406,695	-	(31,122,660)	-	947,889,700
Water supply infrastructure	1,389,409,693	51,833,111	-	(23,828)	-	(36,294,168)	-	1,404,924,808
Solid waste infrastructure	51,401,769	10,236,697	-	-	-	(1,469,171)	-	60,169,295
Roads infrastructure	771,013,106	62,506,406	-	-	-	(44,060,235)	-	789,459,277
Capital restoration asset	6,596,509	-	-	-	3,915,214	(5,045,628)	-	5,466,095
Information and communication infrastructure	1,644,418	17,441	(2,075)	-	-	(427,934)	-	1,231,850
Wastewater network	917,603,086	108,550,003	-	-	-	(28,050,957)	-	998,102,132
Stormwater infrastructure	16,559,219	426,722	-	-	-	(674,539)	-	16,311,402
	<b>5,239,958,743</b>	<b>392,971,491</b>	<b>(799,257)</b>	<b>6,382,867</b>	<b>3,915,214</b>	<b>(189,682,306)</b>	<b>-</b>	<b>5,452,746,752</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	395,846,824	60,946,263	-	-	-	-	456,793,087
Machinery and equipment	40,203,284	11,635,491	-	-	(6,172,230)	-	45,666,545
Furniture and office equipment	15,144,721	2,695,605	-	-	(3,664,437)	(114)	14,175,775
Transport assets	76,511,108	30,204,426	-	-	(9,844,550)	(71,555)	96,799,429
Computer equipment	21,076,067	10,406,328	-	-	(6,967,281)	-	24,515,114
Community assets	77,749,670	13,697,455	-	-	(3,301,795)	-	88,145,330
Other property, plant and equipment	413,198,576	17,394,439	-	-	(3,040,263)	-	427,552,752
Electrical infrastructure	930,797,075	34,668,146	(1,634,778)	-	(31,747,463)	(69)	932,082,911
Water supply infrastructure	1,372,689,987	55,207,828	128,532	-	(38,616,654)	-	1,389,409,693
Solid waste infrastructure	30,918,724	22,077,987	-	-	(1,594,942)	-	51,401,769
Roads infrastructure	753,386,115	64,510,114	-	-	(46,883,123)	-	771,013,106
Capital restoration asset	11,472,454	-	-	2,369,815	(7,245,760)	-	6,596,509
Information and communication infrastructure	1,340,071	734,880	-	-	(430,533)	-	1,644,418
Wastewater network	864,296,670	80,753,967	-	-	(27,447,314)	(237)	917,603,086
Stormwater infrastructure	16,458,276	834,783	-	-	(732,838)	(1,002)	16,559,219
	<b>5,021,089,622</b>	<b>405,767,712</b>	<b>(1,506,246)</b>	<b>2,369,815</b>	<b>(187,689,183)</b>	<b>(72,977)</b>	<b>5,239,958,743</b>

#### Pledged as security

There were no items of property, plant and equipment that was pledged as security during the current financial year.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>10. Property, plant and equipment (continued)</b>		
<b>Work in progress</b>		
<b>Property, plant and equipment that was not used for any period of time during the reporting period that significantly impacted the delivery of goods and services of the entity (Carrying amount)</b>		
Community assets	14,704,183	15,666,098
Electrical infrastructure	150,839,441	148,532,720
Computer equipment	120,584	-
Roads infrastructure	60,818,043	91,545,608
Stormwater infrastructure	3,077,147	1,669,565
Solid waste infrastructure	6,395,953	25,676,215
Sanitation infrastructure	198,212,518	171,079,963
Water infrastructure	127,673,232	142,694,382
Machinery and equipment	164,532	157,653
Other property, plant and equipment	31,554,487	95,081,840
	<b>593,560,120</b>	<b>692,104,044</b>

There were no projects that were significantly delayed during the current financial year. Significant delays are regarded as projects which has not seen any progress for a period exceeding 12 months.

There were no projects halted during the current financial year.

### Expenditure incurred to repair and maintain property, plant and equipment

#### Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Community assets	16,542,937	8,147,815
Electrical infrastructure	9,617,323	1,230,754
Furniture and office equipment	2,976,333	9,461,229
Other property, plant and equipment	9,290,529	532,552
Roads infrastructure	11,835,301	8,007,709
Sanitation infrastructure	13,521,765	1,951,783
Solid waste infrastructure	983,570	1,125,464
Stormwater infrastructure	7,589,624	11,762,052
Transport assets	5,006,673	15,634,122
Water infrastructure	5,681,937	438,915
Information and communication infrastructure	503,823	-
	<b>83,549,815</b>	<b>58,292,395</b>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 11. Investment property

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	424,977,732	(12,581,951)	412,395,781	424,977,732	(12,463,316)	412,514,416

#### Reconciliation of investment property - 2021

	Opening balance	Additions	Depreciation	Total
Investment property	412,514,416	-	(118,635)	412,395,781

#### Reconciliation of investment property - 2020

	Opening balance	Additions	Depreciation	Total
Investment property	412,767,003	-	(252,587)	412,514,416

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

#### Maintenance of investment property

There were no repairs and maintenance expensed on rental properties. This is mainly due to the fact that rental agreements as entered into with the lessee states maintenance of these properties will be for the lessee's expense.

#### Amounts recognised in surplus or deficit

Rental revenue from Investment property	14,129,066	8,756,326
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 12. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	17,943,517	(10,721,328)	7,222,189	18,985,754	(9,291,580)	9,694,174

#### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	9,694,174	-	(2,471,985)	7,222,189

#### Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	11,956,450	163,200	(2,425,476)	9,694,174

#### Pledged as security

There were no items of intangible assets that were pledged as security in the current financial year.

#### Restricted title

There were no items of intangible assets that that a restricted title in the current financial year.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 13. Biological assets that form part of an agricultural activity

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in timber plantation - Consumable	6,321,448	-	6,321,448	6,321,448	-	6,321,448

#### Reconciliation of biological assets that form part of an agricultural activity - 2021

	Opening balance	Additions	Depreciation	Total
Trees in timber plantation - Consumable	6,321,448	-	-	6,321,448

#### Reconciliation of biological assets that form part of an agricultural activity - 2020

	Opening balance	Additions	Depreciation	Total
Trees in timber plantation - Consumable	6,321,448	-	-	6,321,448

#### Financial information

2021 Nature and quantities of each biological asset	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop Plantation	861,605	-	-	861,605
Paradyskloof Plantation	5,459,843	-	-	5,459,843
	<b>6,321,448</b>	<b>-</b>	<b>-</b>	<b>6,321,448</b>

2020 Nature and quantities of each biological asset	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop plantation	861,605	-	-	861,605
Paradyskloof Plantation	5,459,843	-	-	5,459,843
	<b>6,321,448</b>	<b>-</b>	<b>-</b>	<b>6,321,448</b>

The determination of fair value was as follows:

#### Principle:

Price determination was done on the basis of current sale value of the tender for the current year i.e. R602.10/m<sup>3</sup> excluding 15% VAT. This value was given to all trees as the estimated yield takes into consideration the age of the trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m<sup>3</sup>/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. Refer to the Forestry Handbook p204 which can be obtained at the municipal offices.

#### Description of the Biological Assets

1. Botmanskop plantation (Block E) Some compartments remain which can be harvested at a later stage due to the age of the trees.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 14. Heritage assets

	2021			2020		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Collections of rare books, manuscripts and records	143,945	-	143,945	143,945	-	143,945
Historical monuments	630,057	-	630,057	630,057	-	630,057
<b>Total</b>	<b>774,002</b>	<b>-</b>	<b>774,002</b>	<b>774,002</b>	<b>-</b>	<b>774,002</b>

#### Reconciliation of heritage assets 2021

	Opening balance	Impairment losses recognised	Total
Collections of rare books, manuscripts and records	143,945	-	143,945
Historical monuments	630,057	-	630,057
	<b>774,002</b>	<b>-</b>	<b>774,002</b>

#### Reconciliation of heritage assets 2020

	Opening balance	Additions	Impairment losses recognised	Total
Collections of rare books, manuscripts and records	143,945	-	-	143,945
Historical monuments	630,057	-	-	630,057
	<b>774,002</b>	<b>-</b>	<b>-</b>	<b>774,002</b>

#### Pledged as security

There were no heritage assets pledged as security during the current financial year.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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	2021	2020
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### 14. Heritage assets (continued)

#### Heritage assets used for more than one purpose

A significant portion of the following heritage assets are used for office accommodation and is therefore included in the balance of property, plant and equipment:

#### The following heritage assets are used by the municipality for more than one purpose

Neethlingshuis and De Withuis	63,061,219	63,560,055
58 - 60 Andringa Street	1,878,899	1,892,985
35B Mark Street	3,139,798	3,152,616
127 Dorp Street, Transvalia, Alma & Bosmanshuis flats	12,680,643	12,723,603
116 - 118 Dorp Street, Voorgelegen - offices	5,557,799	5,585,970
4 Reservoir West, Mooiwater	2,073,119	2,084,388
34 Mark Street, Rynse Komplex; Toy Museum, Tourism	8,180,643	8,223,604
PMU Building, Alexander Street, Burger Huis	1,571,285	1,580,440
Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant	62,041,821	62,310,290
Die Laan, Landbou Saal	4,343,257	4,352,765
	<b>164,528,483</b>	<b>165,466,716</b>

#### Expenditure incurred to repair and maintain heritage assets

The expenditure relating to repairs and maintenance of these buildings is included in the statement of financial performance and disclosed under note 10 to the financial statements.

There was no repairs and maintenance expenditure incurred on other remaining heritage assets.

### 15. Long term receivables

#### At amortised cost

Arrangement debtors	7,761,539	6,200,897
Farmers: Water Schemes	119,134	161,010
	<b>7,880,673</b>	<b>6,361,907</b>

#### Non-current assets

At amortised cost	4,932,492	3,560,940
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#### Current assets

At amortised cost	2,948,181	2,800,967
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### 16. Consumer deposits

Electricity	11,347,036	10,750,546
Water	6,671,493	6,314,304
Regional services levies	1,053,151	226,378
Housing rental	458,393	493,289
	<b>19,530,073</b>	<b>17,784,517</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>17. Employee benefit obligations</b>		
<b>The amounts recognised in the statement of financial position are as follows:</b>		
<b>Carrying value</b>		
Salary Control	4,120,890	6,011,416
Bonus accrual	13,782,725	13,044,082
Leave gratuity	30,542,342	30,056,890
Post-Retirement Medical Obligation	185,720,000	169,099,000
Long Service Awards	27,466,000	26,522,000
<b>Net liability</b>	<b>261,631,957</b>	<b>244,733,388</b>
Non-current assets	-	-
Current assets	-	-
Non-current liabilities	200,444,000	183,616,000
Current liabilities	61,187,957	61,117,388
	<b>261,631,957</b>	<b>244,733,388</b>

### 17.1 Post- retirement healthcare benefit liability

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under GRAP 25. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2021 by C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

#### The members of the post-employment health care benefit plan are made up as follows:

In-service members (Employees)	679	668
Continuation members (Retirees, widow(ers) and orphans)	171	162
In service employees (Non-members)	461	485
<b>Total members</b>	<b>1,311</b>	<b>1,315</b>

#### The liability in respect of past service has been estimated as follows:

In-service members	67,805,000	63,812,000
In-service non-members	7,922,000	6,777,000
Continuation members	109,993,000	98,510,000
<b>Total liability</b>	<b>185,720,000</b>	<b>169,099,000</b>

The Non-member take up rate increased from previous estimate of 0% to 15%. This change was implemented after reviewing the actual trend of take up rate. The Non-member take up rate refers to the proportion of in-service non-members joining a scheme by retirement and continuing with the subsidy thereafter.

#### The principal assumptions used for the purposes of the actuarial valuations were as follows:

##### i) Rates of Interest

Discount rate	9.91 %	10.22 %
Health care cost inflation rate	6.68 %	6.30 %
Net effective discount rate	3.03 %	3.69 %

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

	2021	2020
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### 17. Employee benefit obligations (continued)

#### ii) Normal retirement age

Expected retirement age - females	62	62
Expected retirement age - males	62	62

The PA (90) ultimate mortality table was used by the actuaries

Pre-retirement: The SA 85-90 ultimate table, adjusted for female lives, was used.

#### Movements in the present value of the Defined Benefit Obligation were as follows:

Balance at the beginning of the year	169,099,000	187,508,063
Current service costs	5,238,000	5,448,228
Interest cost	16,840,000	17,096,614
Actual employee benefits payments	(9,121,167)	(8,767,265)
Subsidy rate change	(5,989,000)	-
Actuarial (losses) / gains	9,653,167	(32,186,640)
<b>Present Value of Fund Obligation at the end of the Year</b>	<b>185,720,000</b>	<b>169,099,000</b>
Current liability	9,238,000	8,870,000

#### The amounts recognised in the Statement of Financial Position are as follows

Net Liability	185,720,000	169,099,000
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#### The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	5,238,000	5,448,228
Interest cost	16,840,000	17,096,614
Actuarial (gain)/ loss recognised in profit and loss	(9,653,167)	(32,186,640)
	<b>12,424,833</b>	<b>(9,641,798)</b>

#### Amounts for the current and previous four periods are as follows:

##### Present value of unfunded defined benefit

2021	185,720,000
2020	169,099,000
2019	187,508,063
2018	198,749,000
2017	201,981,567



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 17. Employee benefit obligations (continued)

#### Sensitivity analysis on the Accrued Liability (R Millions)

Assumption	Change	In-service	Continuation	Total	% change
Central assumptions		75.727	109.993	185.720	
Health care inflation	1 % (1)%	91.811 63.051	120.852 100.607	212.663 163.658	15 % (12)%
Discount rate	1 % (1)%	63.480 91.440	100.943 120.613	164.423 212.053	(11)% 14 %
Post-retirement mortality	1 yr (1)	73.696 78	106.223 114	179.919 192	(3)% 3
Average retirement age	-1 yr	82.419	109.993	192.412	4 %
Continuation of membership at retirement	(10)%	66.377	109.993	176.370	(5)%

#### Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest cost	Total	% change
Central assumptions		5,238,000	16,840,000	22,078,000	
Health care inflation	1 % (1)%	6,451,000 4,292,000	19,262,000 14,847,000	25,713,000 19,139,000	16 % (13)%
Discount rate	1 % (1)%	4,369,000 6,356,000	16,388,000 17,314,000	20,757,000 23,670,000	(6)% 7 %
Post-retirement mortality	-1 year	5,362,000	17,344,000	22,706,000	3 %
Average retirement age	-1 year	5,572,000	17,484,000	23,056,000	4 %
Continuation of membership at retirement	(10)%	4,295,000	15,578,000	19,873,000	(10)%

#### Mortality during employment

Pre-retirement: The SA 85-90 ultimate table adjusted for female lives.

#### Post -employment mortality

PA(90) ultimate table, adjusted down by one year of age, and a 1% annual compound mortality improvement from 2010. This means that we expect 1% fewer people to die next year. In the year thereafter, we expect 1.99% fewer people to die.

#### Withdrawal from service

If an eligible employee leaves, the employer's liability in respect of that employee ceases. It is therefore important not to overstate withdrawal rates.

#### Average retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

#### Continuation of membership

It has been assumed that 75% of in-service members will remain on the Municipality's health care arrangement should they stay until retirement.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 17. Employee benefit obligations (continued)

#### Proportion of eligible in-service non-members joining a scheme at retirement

It has been assumed that 15% of eligible in-service non-members will be on a medical scheme by retirement (should they not exit employment before then) and continue with the subsidy at and after retirement.

#### Family profile

It has been assumed that female spouses will be five years younger than their male counterparts. Furthermore we assumed that 60% of eligible employees on a health care arrangement at retirement will have a spouse dependent on their medical aid. For current retiree members, actual medical aid dependents are used and the potential for remarriage was ignored.

The municipality expects to make a contribution of R13 821 112 to the Defined Benefit Plan during the next financial year.

#### 17.2 Long Service Awards

Current liability	3,504,000	3,135,000
Non current liability	23,962,000	23,387,000
	<b>27,466,000</b>	<b>26,522,000</b>

#### Movement in the present value of Long Service Awards were as follows:

Opening balance	26,522,000	26,153,883
Current service cost	2,093,000	2,088,254
Interest cost	1,864,000	2,014,792
Actuarial (gains) losses	297,861	(644,043)
Benefits paid	(3,310,861)	(3,090,886)
<b>Total included in employee related costs</b>	<b>27,466,000</b>	<b>26,522,000</b>

#### The amount recognised in the Statement of Financial Position are as follows:

Present value of long service awards	27,466,000	26,522,000
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#### The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	2,093,000	2,088,254
Interest cost	1,864,000	2,014,792
Actuarial gains (losses)	297,861	(644,043)
<b>Closing balance</b>	<b>4,254,861</b>	<b>3,459,003</b>

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

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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Figures in Rand	2021	2020
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### 17. Employee benefit obligations (continued)

#### Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.35 %	7.46 %
General salary inflation	5.81 %	4.03 %
Net effective discount rate	3.35 %	3.30 %

#### Average retirement age

The normal retirement age of employees is 65. It has been assumed that employees will retire at age 62 on average, which then implicitly allows for expected rates of ill-health and early retirement. Employees who have passed the assumed average retirement age, have been assumed to retire at their next birthday.

#### Pre-retirement mortality

SA85-90 ultimate table, adjusted down for female lives.

#### Withdrawal from service

If an employee leaves, the employer's liability in respect of that employee ceases. It is therefore important not to overstate withdrawal rates.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 17. Employee benefit obligations (continued)

#### Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Amounts for the current and previous four years are as follows:

	2021 R	2020 R	2019 R	2018 R	2017 R
Accrued liabilities	27,466,000	26,522,000	26,153,882	29,621,885	28,469,818

#### Sensitivity analysis on the Unfunded Accrued Liability (in R Millions)

Assumption	Change	Liability	% change
Central assumptions		27,466.000	
General salary inflation	1 % (1)%	29,249.000 25,851.000	7 % (6)%
Discount rate	1 % (1)%	25,806.000 29,330.000	(6)% 7 %
Average retirement age	+ 2 years - 2 years	31,012.000 22,947.000	13 % (16)%
Withdrawal rates	(50)%	30,962.000	13 %

#### Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest Cost	Total	% change
Central assumptions		2,093,000	1,864,000	3,957,000	
General salary inflation	1 % (1)%	2,274,000 1,929,000	1,995,000 1,746,000	4,269,000 3,675,000	8 % (7)%
Discount rate	1 % (1)%	1,945,000 2,262,000	1,976,000 1,732,000	3,921,000 3,994,000	(1)% 1 %
Average retirement age	+2 years -2 years	2,312,000 1,814,000	2,116,000 1,552,000	4,428,000 3,366,000	12 % (15)%
Withdrawal rates	(50)%	2,515,000	2,117,000	4,632,000	17 %

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 18. Operating lease liability

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of non-cancellable Operating Leases the following liabilities have been recognised:

Balance at beginning of year	4,958,344	5,775,015
Operating lease expenses recorded	(1,323,420)	(1,070,046)
Operating lease revenue realised	-	(40,195)
Operating lease payments effected	104,550	293,570
	<b>3,739,474</b>	<b>4,958,344</b>

### Leasing Arrangements

#### The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

#### Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

#### Buildings:

Up to 1 year	6,153,757	5,751,175
2 to 5 years	1,564,019	7,717,777
	<b>7,717,776</b>	<b>13,468,952</b>

#### Total operating lease expenses

Lease rentals on operating lease	14,880,942	11,837,555
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The following amounts have been recognised as revenue in the Statement of Financial Performance:

### 19. Borrowings

#### At amortised cost

Borrowings	368,957,018	292,930,439
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Annuity loans from the Development Bank of South Africa have settlement periods of 14 to 15 years with fixed interest varying from 9.25% to 11.10% per annum.

Annuity loans from Nedbank Limited have settlement periods of 10 years with fixed interest rates varying

from 9.7% to 8.8% per annum. A new loan has been entered into during the 2020/21 financial year.

#### Non-current liabilities

At amortised cost	334,733,125	266,177,508
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#### Current liabilities

At amortised cost	34,223,893	26,752,931
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 20. Provisions

#### Reconciliation of provisions - 2021

	Opening Balance	Additions	Total
Environmental rehabilitation	121,305,978	20,191,339	141,497,317

#### Reconciliation of provisions - 2020

	Opening Balance	Additions	Total
Environmental rehabilitation	102,344,476	18,961,502	121,305,978

#### Environmental rehabilitation provision

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R141 497 317 (2020: R121 305 978) to restore the site at the end of its useful life.

The unwinding of the provision for landfill site for the current year was R9 401 213 (2020: R7 757 711) was included in the finance cost in the statement of financial performance.

No expenditure was incurred for the year under review.

Cells 1 and 2 have reached full capacity and must be rehabilitated. Cell 3 has come into use at the end of 30 June 2013 financial year and is the current landfill site in use.

The provision has been determined based on an independent valuation performed by a firm of consulting engineers as at 30 June 2021

Key cost parameters:

- Estimated post closure rehabilitation time 3 years
- Inflation rate 5% (2020: 4.8%)
- Discount rate 7% (2020: 7.75%)

### 21. Payables from exchange transactions

Trade and other payables	202,517,312	165,428,400
Khaya Lam free market foundation	-	47,540
Collection fees	190,664	190,664
Deposit sale of land	3,939,791	11,114,923
Don and Pat Bilton	256,056	256,056
Ex gratia pension fund (BDM)	123,541	123,541
Housing beneficiary contribution	115,787	115,787
Grouplife	2,423,664	2,423,664
Libraries	82,795	54,561
Payments received in advanced Retention	23,791,673	18,520,573
Other creditors	31,966,620	45,557,346
Sundry deposits	26,018,231	25,018,427
	338,379	1,972,753
	<b>291,764,513</b>	<b>270,824,235</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>22. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants and receipts comprises of:</b>		
<b>Unspent conditional grants and receipts</b>		
Cape Winelands disaster grant	146,959	2,030,541
Charitable fund	51,708	72,097
Community development support grant	-	37,296
Housing settlement agreement - Capital	149,611	149,611
Development of sport and recreational facilities	-	67,669
Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)	3,337,700	-
Housing consumer education	68,010	68,010
Housing settlement agreement - Operating	220,103	220,103
Human settlement development grant - capital	679,673	165,416
Khaya Lam free market foundation	102,000	102,000
Lamotte trust fund	4,667,705	3,080,872
Community Library Service Grant - Operational	2,302,051	-
Local government graduate internship and capacity building	164,751	433,752
Municipal accreditation and capacity building grant	238,000	-
National lottery	307,361	307,361
Other sources	288,184	288,184
Title deed restoration grant	1,371,711	1,839,710
Integrated transport planning grant	600,000	-
	<b>14,695,527</b>	<b>8,862,622</b>

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 33 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

## 23. Accumulated surplus

### Ring-fenced internal funds and reserves within accumulated surplus - 2021

	Capital replacement reserve	Insurance reserve	Housing development fund	Other	Total
Opening balance	249,724,257	9,885,492	(9,396,229)	5,173,239,229	5,423,452,749
Surplus for the year	-	-	-	(6,711,996)	(6,711,996)
Transfer to capital replacement reserve	114,066,225	-	-	(114,066,225)	-
Property, plant and equipment purchases	(211,185,344)	-	-	211,185,344	-
	<b>152,605,138</b>	<b>9,885,492</b>	<b>(9,396,229)</b>	<b>5,263,646,352</b>	<b>5,416,740,753</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 23. Accumulated surplus (continued)

#### Ring-fenced internal funds and reserves within accumulated surplus - 2020

	Capital replacement reserve	Insurance reserve	Housing development fund	Other	Total
Opening balance	160,497,338	9,885,492	(9,396,229)	5,174,403,537	5,335,390,138
Surplus for the year	-	-	-	88,062,638	88,062,638
Transfer to capital replacement reserve	336,762,309	-	-	(336,762,309)	-
Property, plant and equipment purchases	(247,535,390)	-	-	247,535,390	-
	<b>249,724,257</b>	<b>9,885,492</b>	<b>(9,396,229)</b>	<b>5,173,239,256</b>	<b>5,423,452,776</b>

The capital replacement reserve is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The self insurance reserve is used to offset potential losses or claims of assets that cannot be insured externally.

The housing development fund is depleted. There is no cash or surplus generated from the fund. Therefore any additional cost must be carried by the municipality as part of its operations.

Refer to statement of changes in net assets for more detail and the movement on accumulated surplus.

### 24. Service charges

Sale of electricity	632,401,484	562,275,303
Sale of water	134,425,799	171,631,994
Solid waste	73,150,291	62,956,545
Sewerage and sanitation charges	92,638,767	83,261,986
	<b>932,616,341</b>	<b>880,125,828</b>

The amounts disclosed above for service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

### 25. Construction revenue

#### Housing Topstructure

Construction contracts	7,570,000	5,317,560
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Construction revenue relates to income in terms of houses constructed. The topstructures relate to the base form of the houses.

### 26. Rental of facilities and equipment

#### Premises

Rental revenue from other facilities	3,887,071	3,363,768
Rental revenue from buildings	9,051	136,656
Rental revenue from housing schemes	7,559,457	7,208,972
	<b>11,455,579</b>	<b>10,709,396</b>

#### Facilities and equipment

Rental revenue from land	3,258,085	2,892,035
	<b>14,713,664</b>	<b>13,601,431</b>

Included in the above rentals are rentals received from Investment Property of R14 129 066 (2020: R8 756 325.51)

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>27. Interest earned- outstanding receivables</b>		
Electricity	1,144,532	677,176
Water	4,575,916	4,116,971
Waste water management	1,162,343	1,050,384
Waste management	1,231,260	1,109,940
	<b>8,114,051</b>	<b>6,954,471</b>

### 28. Agency services

Vehicle Registration	4,833,132	3,976,481
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The municipality collects licence fees on behalf of the Provincial Government Western Cape and receives a 12% agency fee.

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

No resources are held by the municipality on behalf of the principle.

### 29. Licences and permits (exchange)

Licences and permits	5,216,026	4,413,324
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Licences and permits relate to income earned on market porters and road and transport permits,

### 30. Other income

Application fees	385,630	387,648
Building clause	34,609	56,291
Building plan fees	4,394,866	4,171,623
Cemetery and burial	1,025,770	937,472
Clearance certificates	354,384	242,747
Collection fees	1,811,699	1,601,270
Entrance fees	72,694	559,140
Flamable substance	179,511	206,771
Merchandising, jobbing and contracts	1,671,500	1,949,293
Parking revenue	7,163,797	10,224,268
Removal of restrictions	1,122,312	1,589,031
Skills development levy	578,140	769,889
Special rating area	7,427,468	5,585,885
Staff recoveries	333,149	724,737
Sundry	739,654	780,264
Development charges	13,657,931	10,275,343
	<b>40,953,114</b>	<b>40,061,672</b>

The amounts disclosed above are in respect of services, other than described in notes 24 and 25 rendered which are billed to or paid for by users as the services are reclaimed according to approved tariffs or offers received in terms of supply chain procedures, i.e wood sales.

### 31. Investment revenue

#### Interest revenue

Bank	2,586,944	7,490,240
Investment deposits	16,928,417	32,981,762
	<b>19,515,361</b>	<b>40,472,002</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>32. Property rates</b>		
<b>Rates received</b>		
Residential	187,463,249	173,866,187
Commercial	177,067,260	164,553,707
Agricultural	22,526,166	21,669,383
	<u>387,056,675</u>	<u>360,089,277</u>
Property rates - interest earned	1,970,109	1,822,264
	<u><b>389,026,784</b></u>	<u><b>361,911,541</b></u>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The last valuation came into effect on 1 July 2017. With reference to S78 of the Municipal Property Rates Act four reviews have been finalised and one interim valuation was performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2021:

R 0.011901 - Non Residential (2020: R0.011175)

R 0.00541 - Residential (2020: R 0.005080)

R 0.001354 - Agricultural (2020: R 0.001271)

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 7 October annually. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

### Valuations

#### Relief measures

The relief measures on property rates are generally described in paragraph 8 of the approved Rates Policy of the municipality. This includes the specific under mentioned relief measures:

<b>Rebate and gross monthly household income for Qualifying senior citizens and Disabled persons</b>	Gross monthly household income	% Rebate
	Up to R8 000	100%
	From R8 001 to R 10 000	75%
	From R10 001 to R12 000	50%
	From R12 001 to R15 000	25%

#### Municipal valuation threshold value

On qualifying residential properties, up to a maximum value of R200 000, which amount includes the R15 000 as per Section 17(1)(h) of the MPRA and the R185 000 reduction granted as per paragraph 8.2.1(ii) of the approved Rates policy. Paragraph 8.2.1 (ii) is only applicable on properties with valuations up to R5 000 000.

#### Stellenbosch special rebate

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

#### Other rebates

Rebates have also been granted to qualifying non-profit organisations and to organisations who qualified for the rebate as defined in paragraph 8.11 of the approved Rates policy. Any other exclusions or exemptions have been granted in accordance with the Local Government Property Rates Act.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 33. Government grants and subsidies

#### Operating grants

Equitable share	170,632,000	136,177,000
Title deeds restoration grant	468,000	1,933,440
Cape Winelands disaster grant	1,883,582	472,126
Local government financial management grant	1,550,000	1,550,000
Cape Winelands District Tourism Grant	100,000	-
Community development workers	93,296	18,704
Integrated Urban Development Grant - Operating	1,424,700	-
Housing accreditation and capacity building grant	-	167,980
Safety Initiative Implementation-whole of society approach (WOSA)	440,000	-
Municipal disaster management grant	-	209,000
Library services support grant	10,719,949	12,454,000
Local government support grant	-	900,000
Maintenance and construction of transport infrastructure	-	384,000
Taipie COVID-19 donation	-	132,023
Local government graduate internship and capacity building	569,001	446,248
Expanded public workers programme support grant	4,961,000	5,227,000
Local government financial management support grant	-	255,000
LG SETA Discretionary grant	138,960	62,706
Natural resources management grant	-	90,870
Development bank of South Africa	1,809,380	172,147
	<b>194,789,868</b>	<b>160,652,244</b>

#### Capital grants

Integrated urban development grant	45,481,299	46,886,000
National lottery	-	151,414
Integrated national electrification programme grant	12,000,000	15,640,000
Regional social economic project/violence through urban upgrading	662,300	1,500,000
Integrated transport planning grant	-	600,000
Human settlement development grant	11,648,219	56,593,662
Fire services capacity building grant	-	3,003,000
Library services support grant	55,000	-
	<b>69,846,818</b>	<b>124,374,076</b>
	<b>264,636,686</b>	<b>285,026,320</b>

#### Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	94,004,686	148,849,320
Unconditional grants received	170,632,000	136,177,000
	<b>264,636,686</b>	<b>285,026,320</b>

#### Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. Bulk basic services are also provided free of charge to informal settlements to ensure that these communities have access to basic services. The R20 828 000 was provided to assist the municipal pandemic response relating to Covid-19.

#### Municipal disaster management grant

Current-year receipts	-	209,000
Conditions met - transferred to revenue	-	(209,000)
	-	-

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 33. Government grants and subsidies (continued)

To provide for the immediate release of funds for disaster response.

#### Taipei covid-19 donation

Current-year receipts	-	132,023
Conditions met - transferred to revenue	-	(132,023)
	<u>-</u>	<u>-</u>

Personal Protective equipment was donated to Stellenbosch Municipality from the Cape Town Taiwanese Chamber of Commerce.

#### Development bank South Africa

Current-year receipts	1,809,380	172,147
Conditions met - transferred to revenue	(1,809,380)	(172,147)
	<u>-</u>	<u>-</u>

Funding provided for the update the capital expenditure framework.

#### Title deeds development grant

Balance unspent at beginning of the year	1,839,710	3,773,151
Conditions met - transferred to revenue	(467,999)	(1,933,441)
<b>Balance unspent at year end</b>	<b><u>1,371,711</u></b>	<b><u>1,839,710</u></b>

To provide funding for the eradication of the Pre-2014 title-deeds registration backlog and the professional fees associated with it, including beneficiary verification. Refer to note 22.

The municipality, as an agent, receives a grant from the Department of Human Settlements (principle) to register properties on behalf of the beneficiaries for low cost housing projects.

2020: Title deeds development grant could not be fully spent due to the complexity of the programme. The grant funding provided is utilized for the registration of properties which were built before 2004 up to 2010. The municipality is grappling with deceased estates which take longer to register, missing beneficiaries, houses that were built but wrongly allocated on the subsidy system. The above obstacles encountered have been raised at the quarterly meetings with the Department of Human Settlements.

2021: Title deeds development grant could not be fully spent due to the complexity of the programme. The grant funding provided is utilized for the registration of properties which were built before 2004 up to 2010. The municipality is grappling with deceased estates which take longer to register, missing beneficiaries, houses that were built but wrongly allocated on the subsidy system. The above obstacles encountered have been raised with the Department of Human Settlements. Due to the COVID 19 lock down regulations the deeds office was not operating in its full capacity and this further delayed the registration of title deeds.

The municipality does not recognise any compensation for the services provided on behalf of the principle.

#### Human settlement agreement - capital

Balance unspent at beginning of the year	<u>149,611</u>	<u>149,611</u>
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# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 33. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 22).

To provide a financial contribution towards the reallocation of the informal settlement residents which were fire victims.

2019/2020: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

2020/2021: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process. The funds will be utilised when services are developed.

The unspent funds will remain a liability. Refer to note 22.

#### Integrated urban development grant - operating

Current-year receipts	1,424,700	-
Conditions met - transferred to revenue	(1,424,700)	-
	-	-

To provide funding for public investment in infrastructure for the poor and to promote increased accessto municipal own sources of capital finance in order to increase funding for public investment ineconomic infrastructure. To ensure that public investments are spatially aligned and to promote the sound management of theassets delivered

#### Regional Socio-Economic Project/violence through urban upgrading (RSEP/VPUU)

Current-year receipts	4,000,000	1,500,000
Conditions met - transferred to revenue	(662,300)	(1,500,000)
<b>Balance unspent at year end</b>	<b>3,337,700</b>	<b>-</b>

To implement and enhance programmes to interact with stakeholders and empower communities to partner with government in implementing socioeconomic and urban upgrading programmes. Refer to note 22.

The municipality was not able to appoint a service provider to undertake the construction of the proposed transport facility due to the area earmarked for the taxi holding area being invaded and although an eviction order was obtained, no emergency housing/land was available to relocate the illegal occupants. Furthermore, exorbitant costs for the construction of the facility as well as the fact that employees who were responsible for the project and related contract management resigned during October and December 2020.

#### Local government financial management grant

Current-year receipts	1,550,000	1,550,000
Conditions met - transferred to revenue	(1,550,000)	(1,550,000)
	-	-

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

#### Cape winelands district tourism grant

Current-year receipts	100,000	-
Conditions met - transferred to revenue	(100,000)	-
	-	-

To aid the development and marketing of two unique tourist routes as well as the training of 4 tourist guides.

#### Library services support grant - capital

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>33. Government grants and subsidies (continued)</b>		
Current-year receipts	55,000	-
Conditions met - transferred to revenue	(55,000)	-
	-	-

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

### Natural resource management grant

Balance unspent at beginning of the year	-	2,088,828
Conditions met - transferred to revenue	-	(90,870)
Repayment	-	(1,997,958)
	-	-

To ensure that responsibilities relating to water resource management, biological diversity and the functioning of natural systems whilst ensuring meaningful livelihood opportunities are supported for those employed on these programmes.

### Integrated national electrification programme grant

Current-year receipts	12,000,000	15,640,000
Conditions met - transferred to revenue	(12,000,000)	(15,640,000)
<b>Balance unspent at year end</b>	-	-

To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrade of informal settlements, new, and normalisation), and the installation of relevant bulk infrastructure.

### Integrated urban development grant - capital

Current-year receipts	45,481,300	46,886,000
Conditions met - transferred to revenue	(45,481,300)	(46,886,000)
	-	-

To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure. To ensure that public investments are spatially aligned and to promote the sound management of the assets delivered.

### Expanded public workers programme grant

Current-year receipts	4,961,000	5,227,000
Conditions met - transferred to revenue	(4,961,000)	(5,227,000)
	-	-

To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:

- road maintenance and the maintenance of buildings
- low traffic volume roads and rural roads
- basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure)
- other economic and social infrastructure
- tourism and cultural industries
- waste management
- parks and beautification
- sustainable land-based livelihoods.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>33. Government grants and subsidies (continued)</b>		
<b>Municipal accreditation and capacity building grant</b>		
Balance unspent at beginning of the year	-	167,980
Current-year receipts	238,000	-
Conditions met - transferred to revenue	-	(167,980)
<b>Balance unspent at year end</b>	<b>238,000</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 22).

To fund the establishment of a human settlement unit within the accreditation priority municipality as well as enhancing the existing human settlements unit.

To finance the municipal institutional capacity requirements.

The reason for the unspent balance in 2020/21 is due to the municipality not finding a suitable candidate(s) to fill the vacancy.

### National lottery

Balance unspent at beginning of the year	307,361	458,775
Conditions met - transferred to revenue	-	(151,414)
<b>Balance unspent at year end</b>	<b>307,361</b>	<b>307,361</b>

Conditions still to be met - remain liabilities (see note 22).

Provide support to be able to bring growth and change within impoverished communities.

The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process.

### Other sources

Balance unspent at beginning/end of the year	288,184	288,184
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Conditions still to be met - remain liabilities (see note 22).

The funding pertains to different funding contributors for various projects. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 financial year..

### Cape Winelands District grant

Balance unspent at beginning of year	2,030,541	-
Current-year receipts	-	2,502,667
Conditions met - transferred to revenue	(1,883,582)	(472,126)
<b>Balance unspent at year end</b>	<b>146,959</b>	<b>2,030,541</b>

Conditions still to be met - remain liabilities (see note 22).

To implement the COVID 19 lockdown regulations.

To address safety in the Stellenbosch municipal area.

Aimed at augmenting and supporting the current humanitarian relief initiatives as well as COVID 19 relating initiatives, which will be implemented during the 2021/22 financial year.r.

### Human settlement grant - capital

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>33. Government grants and subsidies (continued)</b>		
Balance unspent at beginning of the year	165,416	45,710,000
Current-year receipts	12,162,475	11,049,077
Conditions met - transferred to revenue	(11,648,218)	(56,593,661)
<b>Balance unspent at year end</b>	<b>679,673</b>	<b>165,416</b>

Conditions still to be met - remain liabilities (see note 22).

To provide funding for the creation of sustainable human settlements.

2019/2020: A service provider has been appointed as the implementing agent for the Longlands project. The land-use rights are in place for the services to be installed. The project is a multi-year project. The COVID 19 lock down regulations adversely affected the implementation of projects.

2020/2021: The approved funding for the project planning application for 1044 sites on 24 February 2021 and informed the Municipality on 2 March 2021 accordingly. A service provider was appointed for the road network linked to the housing development. Due to the timing of the approval the funds could not be spent.

### Development of sport and recreational facilities

Balance unspent at beginning of the year	67,669	67,669
Other	(67,669)	-
	-	<b>67,669</b>

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

### Housing settlement agreement - operating

Balance unspent at beginning/end of year	220,103	220,103
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Conditions still to be met - remain liabilities (see note 22).

To provide a financial contribution towards the reallocation of the informal settlement residents which were fire victims

2019/2020: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

2020/2021: The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process

### Local government graduate internship and capacity building

Balance unspent at beginning of the year	433,752	520,590
Current-year receipts	300,000	460,000
Conditions met - transferred to revenue	(569,001)	(446,248)
Other	-	(100,590)
<b>Balance unspent at year end</b>	<b>164,751</b>	<b>433,752</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 33. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 22).

To provide financial assistance to municipalities in support of capacity building for the future by means of a graduate internship programme

To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

2019/2020: With reference to 2019/20 unspent an intern was appointed for the period 1 June 2020 – 31 May 2021. The unspent funding of the Local Government Graduate Internship grant will be utilised for the salary payment. Stellenbosch municipality has continuously contacted the tertiary institutions to obtain suitable candidates for the bursary campaign. The tertiary institutions are not willing to provide the list of enrolled student which prohibits the municipality from contacting all enrolled candidates therefore posing a challenge in obtaining suitable candidates whom reside within the municipal area. Stellenbosch municipality will continue liaising with the tertiary institutions to obtain possible candidates for the payment of bursaries. The municipality will also pursue the option of continuing the payment of bursary funding of the successful candidates which were availed bursaries during the 2019/20 financial year, as per the memorandum of agreement, once the new academic year of 2021 commences. A robust social media drive will be embarked upon to ensure that suitable candidates are identified in order to ensure spending of the grant.

2020/2021: Stellenbosch municipality has continuously contacted the tertiary institutions to obtain suitable candidates for the bursary campaign. The tertiary institutions are not willing to provide the list of enrolled student which prohibits the municipality from contacting all enrolled candidates therefore posing a challenge in obtaining suitable candidates whom reside within the municipal area. Stellenbosch municipality will continue liaising with the tertiary institutions to obtain possible candidates for the payment of bursaries. The municipality will also pursue the option of continuing the payment of bursary funding of the successful candidates which were availed bursaries during the 2019/20 financial year, as per the memorandum of agreement, once the new academic year of 2021 commences. A robust social media drive will be embarked upon to ensure that suitable candidates are identified in order to ensure spending of the grant.

#### Libraries support grant - operating

Current-year receipts	13,022,000	12,454,000
Conditions met - transferred to revenue	(10,719,949)	(12,454,000)
<b>Balance unspent at year end</b>	<b>2,302,051</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 22).

To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through recapitalised programme at provincial level in support of local government and national initiatives.

The grant could not be fully spent due to the end of employee contracts, retirements and resignations which occurred during the Covid-19 lockdown period. The complexities around the opening of the libraries and recruitment related procedures during this period did not allow for the full spending of the funding.

#### Khaya Lam free market foundation

Balance unspent at beginning of the year	102,000	-
Current-year receipts	-	102,000
<b>Balance unspent at year end</b>	<b>102,000</b>	<b>102,000</b>

Conditions still to be met - remain liabilities (see note 22).

To assist municipalities to issue freehold title deeds to registered tenants and recognised resident of municipal properties.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 33. Government grants and subsidies (continued)

2019/2020: All administration costs for the basic salaries and wages for the title deeds restoration programme have been funded by the Title Deeds Restoration grant. The unutilised funding will be used during the 2020/2021 financial year.

2020/2021: All administration costs for the basic salaries and wages for the title deeds restoration programme have been funded by the Title Deeds Restoration grant as well as the EPWP grant. The unutilised funding will be used during the 2021/22 financial year

#### Housing consumer education

Balance unspent at beginning/end of the year 68,010 68,010

Conditions still to be met - remain liabilities (see note 22).

2019/2020: To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly, with emphasis on rural areas. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2020/21 financial year.

2020/2021: To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly, with emphasis on rural areas. The unutilised funding relates to prior year funding which have not been assigned to a current year project. The latter will be attended to during the 2021/22 Mid year adjustment budget process

#### Community development support grant

Balance unspent at beginning of year	37,296	-
Current-year receipts	56,000	56,000
Conditions met - transferred to revenue	(93,296)	(18,704)
	<u>-</u>	<u>37,296</u>

To provide financial assistance to municipalities to cover the operational costs pertaining to the line functions of the community development workers including regional coordinators.

2019/2020: Due to the Covid-19 lockdown regulations the activities as per the business plan could not be executed. Provisional concept approval for the activities listed above have been obtained from the transferring department.

#### Fire services capacity building grant

Balance unspent at beginning of the year	-	3,003,000
Conditions met - transferred to revenue	-	(3,003,000)
	<u>-</u>	<u>-</u>

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

#### Local government financial management support grant

Current-year receipts	-	255,000
Conditions met - transferred to revenue	-	(255,000)
	<u>-</u>	<u>-</u>

To provide financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes and addressing institutional challenges.

#### LG SETA bursary fund

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>33. Government grants and subsidies (continued)</b>		
Current-year receipts	138,960	62,706
Conditions met - transferred to revenue	(138,960)	(62,706)
	<u>-</u>	<u>-</u>

To develop skilled and capable workforce supporting a responsive, accountable, efficient and effective local government system, through a range of learning programmes that focus on scarce and critical skills in the sector.

### Maintenance and construction of transport infrastructure grant

Current-year receipts	-	384,000
Conditions met - transferred to revenue	-	(384,000)
	<u>-</u>	<u>-</u>

To financially assist/subsidise municipalities with the maintenance/construction of proclaimed municipal main roads, where the municipality is the Road Authority (Section 50 of Ordinance 19 of 1976).

### Safety Initiative Implementation-whole of society approach (WOSA)

Current-year receipts	440,000	-
Conditions met - transferred to revenue	(440,000)	-
	<u>-</u>	<u>-</u>

To maintain law and order through visible policing in the fight against crime and enforcement of by-laws and traffic legislation. Appointment of contract Law Enforcement officers patrolling and enforcing bylaws of the municipality as legislated and mandated.

### Integrated transport planning grant

Current-year receipts	600,000	600,000
Conditions met - transferred to revenue	-	(600,000)
<b>Balance unspent at year end</b>	<b><u>600,000</u></b>	<b><u>-</u></b>

Conditions still to be met - remain liabilities (see note 22).

To review and update municipal integrated transport plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009).

The tender was advertised on the 14th of December 2020 and awarded for the appointment of consulting engineers for professional Civil and Electrical Services for a period ending 30 June 2023.

### 34. Fines, Penalties and Forfeits

Municipal Traffic Fines	108,807,761	99,921,917
Other fines	100,294	70,893
	<b><u>108,908,055</u></b>	<b><u>99,992,810</u></b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>35. Employee related costs</b>		
Acting allowances	469,116	674,466
Actuarial (Gain) /Loss	(9,653,167)	(32,830,683)
Bargaining council	335,799	291,210
Basic	338,572,879	322,142,811
Bonus	25,010,300	23,078,364
Car allowance	9,994,856	10,048,311
Cellphone allowance	1,882,670	1,630,691
Contribution to Long service awards	3,903,986	4,109,076
Contribution to Post-Retirement Benefits	18,257,473	5,448,228
Contribution to Leave gratuity	2,966,272	5,758,369
Entertainment	1,767	4,979
Group insurance	4,250,401	3,631,774
Housing benefits and allowances	2,772,698	2,916,315
Medical aid - company contributions	25,057,853	23,336,863
Overtime payments	40,596,224	37,414,315
Pension fund contribution	54,028,969	48,754,368
Performance bonus	1,189,607	710,284
Standby allowance	14,654,376	14,676,603
Sundry allowances	4,376,892	4,262,333
Travel, motor car, accommodation, subsistence and other allowances	13,890	256,942
UIF	2,415,990	2,449,723
Workmen compensation	2,511,700	2,769,522
	<b>543,610,551</b>	<b>481,534,864</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>35. Employee related costs (continued)</b>		
<b>Remuneration of Municipal Manager - G Mettler</b>		
Annual Remuneration	1,393,631	1,394,549
Car Allowance	120,000	127,798
Performance Bonuses	264,072	257,839
Contributions to UIF, Medical and Pension Funds	344,165	341,082
Telephone allowance	22,800	22,800
	<b>2,144,668</b>	<b>2,144,068</b>
<b>Remuneration of Chief Finance Officer - K Carolus</b>		
Annual Remuneration	955,597	957,249
Car Allowance	240,000	248,612
Performance Bonuses	205,722	25,457
Contributions to UIF, Medical and Pension Funds	226,333	222,781
Leave	-	19,659
Telephone allowance	22,800	22,800
Other	18,000	18,000
	<b>1,668,452</b>	<b>1,514,558</b>
<b>Remuneration of the Director Planning and Development - A Barnes</b>		
Annual Remuneration	1,140,632	825,323
Car Allowance	-	80,000
Performance Bonuses	10,770	69,429
Contributions to UIF, Medical and Pension Funds	288,881	189,838
Telephone allowance	22,800	17,100
Other	-	6,134
	<b>1,463,083</b>	<b>1,187,824</b>
<b>Remuneration of the Director Community &amp; Protection Services - G Boshoff</b>		
Annual Remuneration	1,351,975	1,352,200
Car Allowance	60,000	63,267
Performance Bonuses	161,051	23,143
Contributions to UIF, Medical and Pension Funds	27,954	25,830
Telephone allowance	22,800	22,800
	<b>1,623,780</b>	<b>1,487,240</b>
<b>Remuneration of the Director Infrastructure Services - D Louw</b>		
Annual Remuneration	1,294,276	1,293,925
Car Allowance	120,000	122,640
Performance Bonuses	204,886	152,744
Contributions to UIF, Medical and Pension Funds	25,654	24,105
Telephone allowance	22,800	22,800
	<b>1,667,616</b>	<b>1,616,214</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>35. Employee related costs (continued)</b>		
<b>Remuneration of the Director Corporate Services- A De Beer</b>		
Annual Remuneration	1,275,371	1,275,371
Car Allowance	139,200	139,000
Performance Bonuses	152,744	152,744
Contributions to UIF, Medical and Pension Funds	25,055	25,055
Telephone allowance	22,800	22,800
	<b>1,615,170</b>	<b>1,614,970</b>
<b>36. Remuneration of councillors</b>		
Councillors	19,191,670	19,169,229

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>37. Councillors Remuneration per class of councillor</b>		
<b>Executive Mayor -</b>		
<b>Allowance and service related benefits</b>		
Basic Salary	663,015	662,704
Travel Allowance	223,463	223,457
Cell Phone Allowance	40,800	40,800
Data Card Allowance	3,600	3,600
Skills Development Levy	7,373	7,667
	<b>938,251</b>	<b>938,228</b>
<b>Deputy Executive Mayor -</b>		
<b>Allowance and service related benefits</b>		
Basic Salary	493,904	537,403
Travel Allowance	178,769	189,782
Cell Phone Allowance	40,800	42,743
Data Card Allowance	3,600	3,771
Pension Fund Contributions	37,043	15,461
Skills Development Levy	5,361	6,194
Medical Aid Benefits	-	10,080
	<b>759,477</b>	<b>805,434</b>
<b>Speaker -</b>		
<b>Allowance and service related benefits</b>		
Basic Salary	513,057	464,648
Travel Allowance	178,769	166,214
Cell Phone Allowance	40,800	38,533
Data Card Allowance	3,600	3,400
Pension Fund Contributions	-	21,569
Skills Development Levy	5,971	5,538
Medical Aid Benefits	17,280	7,200
	<b>759,477</b>	<b>707,102</b>
<b>Chief Whip -</b>		
<b>Allowance and service related benefits</b>		
Basic Salary	446,922	446,623
Travel Allowance	167,597	167,593
Cell Phone Allowance	40,800	40,800
Data Card Allowance	3,600	3,600
Pension Fund Contributions	33,519	33,497
Skills Development Levy	5,069	5,377
Medical Aid Benefits	17,280	17,280
	<b>714,787</b>	<b>714,770</b>
<b>Executive Committee</b>		
<b>Allowances and service related benefits</b>		
Basic Salary	4,084,705	3,525,755
Travel Allowance	1,481,673	1,281,513
Cell Phone Allowance	361,210	311,990
Data Card Allowance	31,871	27,529
Pension Fund Contributions	222,091	191,000
Skills Development Levy	46,003	40,986
Medical Aid Benefits	96,480	86,400
	<b>6,324,033</b>	<b>5,465,173</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>37. Councillors Remuneration per class of councillor (continued)</b>		
<b>All Other Councillors</b>		
<b>Allowances and service related benefits</b>		
Basic Salary	5,947,306	6,457,034
Travel Allowance	2,126,055	2,309,681
Cell Phone Allowance	1,226,613	1,279,533
Data Card Allowance	108,231	112,900
Pension Fund Contributions	242,017	281,448
Skills Development Levy	73,537	79,940
Medical Aid Benefits	115,200	110,880
	<b>9,838,959</b>	<b>10,631,416</b>
<b>38. Contribution to/from provision</b>		
Landfill site	6,874,912	8,828,974
The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. The amount disclosed in note 38 relates to the current year contribution to that the municipality needs to provide for.		
<b>39. Depreciation and amortisation</b>		
Property, plant and equipment	189,679,607	187,689,208
Investment property	118,636	252,587
Intangible assets	2,417,670	2,425,462
	<b>192,215,913</b>	<b>190,367,257</b>
<b>40. Finance costs</b>		
Employee benefits	16,840,000	17,096,614
Current borrowings	28,233,434	31,049,766
Interest costs non-current provisions	9,401,213	7,757,711
Other interest paid	-	99,808
	<b>54,474,647</b>	<b>56,003,899</b>
<b>41. Lease rentals on operating lease</b>		
<b>Operating leases</b>		
Contractual amounts	10,209,872	9,225,916
<b>Equipment</b>		
Contractual amounts	1,639,998	2,035,900
<b>Plant and equipment</b>		
Contractual amounts	3,031,072	575,739
	<b>14,880,942</b>	<b>11,837,555</b>
<b>42. Bad debt written off</b>		
Electricity	395,298	443,505
Refuse	1,542,651	2,576,062
Sewerage	1,542,328	2,135,635
Water	16,298,538	19,414,877
Housing rental	931,717	1,261,985
Rates	1,423,322	3,222,192
Traffic fines	86,648,070	94,132,600
	<b>108,781,924</b>	<b>123,186,856</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>43. Contribution to allowance for doubtful debt</b>		
Receivable from exchange allowance contribution	14,150,861	7,657,579
Receivable from non-exchange allowance contribution	19,834,930	(14,171,401)
	<b>33,985,791</b>	<b>(6,513,822)</b>
<b>44. Bulk purchases</b>		
Electricity	422,734,759	414,765,005
Water	31,023,395	30,855,992
	<b>453,758,154</b>	<b>445,620,997</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>45. Contracted services</b>		
<b>Outsourced Services</b>		
Animal Care	11,550	4,250
Catering Services	1,135,359	2,113,721
Cleaning Services	1,070,043	1,265,831
Clearing and Grass Cutting Services	3,309,738	1,827,439
Litter Picking and Street Cleaning	2,984,107	4,200,546
Personnel and Labour	437,150	595,337
Professional Staff	678,855	353,227
Refuse Removal	43,648,687	36,052,981
Security Services	36,179,964	26,740,306
Translators, Scribes and Editors	539	9,567
Traffic Fines Management	8,087,356	9,424,022
Transport Services	66,750	508,011
Drivers Licence Cards	553,531	734,542
<b>Consultants and Professional Services</b>		
Business and Advisory	21,454,995	20,153,500
Infrastructure and Planning	5,984,874	389,363
Laboratory Services	1,702,239	1,735,428
Legal Cost	8,596,231	6,578,813
<b>Contractors</b>		
Artists and Performers	-	243,225
Bore Waterhole Drilling	22,884	53,648
Catering Services	141,453	399,899
Employee Wellness	36,465	112,349
Event Promoters	-	137,253
Gardening Services	3,072,253	924,242
Graphic Designers	452,348	120,644
Interior Decorator	16,657	523,624
Maintenance of Buildings and Facilities	15,082,869	10,025,728
Maintenance of Equipment	3,694,460	1,906,557
Maintenance of Unspecified Assets	44,857,435	33,672,495
Management of Informal Settlements	1,579,358	1,050,699
Medical Services	9,154	8,846
Pest Control and Fumigation	91,260	29,696
Plants, Flowers and Other Decorations	601,645	365,042
Prepaid Electricity Vendors	7,853,173	7,801,057
Preservation/Restoration/Dismantling/Cleaning Serv	744,649	652,874
Tracing Agents and Debt Collectors	1,902,155	1,809,741
Transportation	5,791,689	5,167,403
Sewerage Services	5,768,142	5,311,095
Stage and Sound Crew	83,590	449,998
	<b>227,703,607</b>	<b>183,452,999</b>
<b>46. Transfers and subsidies paid</b>		
<b>Other subsidies</b>		
Grant-in-aid tourism	5,095,000	4,600,000
Grant-in-aid animal welfare	1,200,000	1,113,000
Grant-in-aid sundries	4,219,194	3,861,920
Bursary Scheme	495,346	379,903
Grants-in-aid COVID-19 Humanitarian Relief	-	900,000
	<b>11,009,540</b>	<b>10,854,823</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>47. General expenses</b>		
Advertising, publicity and marketing	1,857,518	1,935,556
Assets less than capitalisation threshold	238,995	362,236
Auditors remuneration	6,598,373	6,703,882
Bank charges, facility and card fees	1,071,859	1,222,864
Bursaries (Employees)	875,830	401,598
Communication	9,243,166	5,624,569
Commission paid	2,751,951	2,944,923
Domestic subsistence and travel	189,906	1,084,614
Drivers licences and permits	23,435	20,565
Entertainment	1,240,684	48,463
External computer services	20,501,778	15,238,716
Foreign subsistence and travel	-	38,438
Full time union representative	122,344	103,917
Hire charges	7,737,685	11,331,736
Honoraria (voluntary workers)	27,500	4,500
Indigent relief	5,667,667	4,855,792
Insurance	5,854,429	5,357,969
Inventory - materials and supplies	17,091,004	13,749,289
Inventory - standard rated	4,085,236	2,953,561
Inventory - zero rated	11,212,590	13,120,184
Inventory consumed water	314,829	114,000
Licences: motor vehicle licence and registrations	1,633,590	1,212,251
Management fees	12,033,015	10,587,548
Municipal services	14,385,116	8,172,424
Office decorations	40,329	41,389
Other expenses	123,919	78,322
Printing, publications and books	428,506	441,250
Professional bodies, membership and subscription	5,722,419	7,869,951
Samples and specimens	1,074,305	180,745
Seminars, conferences, workshops and events	2,831,706	1,857,032
Skills development levy	3,919,807	3,669,220
Supplier development programme	740,416	577,200
Title deed search fees	46,982	20,100
Uniform and protective clothing	2,793,151	6,236,877
Vehicle tracking	558,638	620,214
	<b>143,038,678</b>	<b>128,781,895</b>

**The following principle agent arrangements were in place in relation to the expenditure as contained in note 46 to the annual financial statements:**

Pay@ (Agent) provides the Municipality with payment service solutions on behalf of the Municipality. Pay@ pays over the monies generated from the payment services to the Municipality. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the fee to be paid to Pay@ (as stipulated in the relevant service schedule or based on Pay@'s standard prevailing rates), is recognized as an expense.

EasyPay (Agent) is a payment platform used to collect municipal service payments from third parties. These payments are accepted by EasyPay on behalf of the Municipality (Principal), from third parties. A service charge is levied by EasyPay for collection of the payments. This fee is recognised as commissions paid.

SPS (Agent) collects parking tariffs from motorists on behalf of the Municipality. SPS pays over the tariffs collected to the Municipality, minus the service charge levied. The municipality recognises 100% of the tariff as revenue from exchange transactions and the service charges incurred to SPS is recognized as an expense.

Syntell (Agent) sells and collects money from the sale of prepaid electricity on behalf of the Municipality. SPS pays over the monies collected to the Municipality, minus the collection fee levied, determined at a rate specific in the Service Level Agreement. The municipality recognises 100% of the money's collected as revenue from exchange transactions and the collection fee paid to Syntell (which includes costs incurred on debit or credit card electricity sales and cash handling fees incurred), is recognized as an expense.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand	2021	2020
<b>47. General expenses (continued)</b>		
TMT (Agent) manages the collection of traffic fines (both legacy fines issue before 1 July 2017 and fines issued after this date), on behalf of the Municipality. TMT pays over the monies collected to the Municipality. The municipality recognises 100% of the money's collected as revenue from non - exchange transactions and the fee incurred to TMT is recognized as an expense.		
These arrangements are subject to standard terms and conditions upon termination.		
None of the municipalities assets are under the custodianship of the agents.		
<b>48. Fair value adjustments</b>		
Other financial assets		
• Discounting of long term receivables	(922,034)	(634,971)
<b>Movement in discounting of long term receivables</b>		
Opening balance	(2,899,292)	(2,264,321)
Discounting of long term receivables	(922,034)	(634,971)
	<b>(3,821,326)</b>	<b>(2,899,292)</b>
<b>49. Cash generated from operations</b>		
(Deficit) surplus	(6,711,996)	88,062,638
<b>Adjustments for:</b>		
Depreciation and amortisation	192,215,913	190,367,257
Loss on sale of assets and liabilities	(9,436,195)	(33,133)
Fair value adjustments	922,034	634,971
Other non-cash adjustments	(140,541)	(863,567)
Impairment deficit	-	72,977
Debt impairment	108,781,924	123,186,856
Contribution to debt impairment	33,985,791	(6,513,822)
Movements in operating lease liability	(1,218,870)	(816,671)
Movements in retirement benefit assets and liabilities	16,898,569	(12,697,155)
Movements in provisions	20,191,339	18,961,502
Other changes, movements in property, plant and equipment	(10,298,080)	-
<b>Changes in working capital:</b>		
Inventories	10,759,139	483,626
Other receivables from exchange transactions	744,890	1,433,147
Receivables from exchange transactions	(72,120,792)	(5,067,640)
Receivables from non-exchange transactions	(93,878,246)	(85,478,578)
Payables from exchange transactions	20,940,272	(638,032)
VAT	5,983,317	22,675,432
Unspent conditional grants and receipts	5,832,905	(50,183,017)
Consumer deposits	1,745,556	706,605
Long term receivables	(2,440,800)	(2,340,920)
	<b>222,756,129</b>	<b>281,952,476</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

2021

2020

### 50. Financial instruments disclosure

#### Categories of financial instruments

#### 2021

##### Financial assets

		At amortised cost	Total
Cash and cash equivalents	3	111,896,629	111,896,629
Receivables from exchange transactions	5	153,119,571	153,119,571
Other receivables from exchange transactions	7	9,820,138	9,820,138
Receivables from non exchange transactions	6	14,582,189	14,582,189
Short term investments	4	222,186,762	222,186,762
Long term receivables	15	7,880,673	7,880,673
		<b>519,485,962</b>	<b>519,485,962</b>

##### Financial liabilities

		At amortised cost	Total
Consumer deposits	16	19,530,073	19,530,073
Borrowings	19	334,733,125	334,733,125
Payables from exchange transactions	21	267,972,840	267,972,840
		<b>622,236,038</b>	<b>622,236,038</b>

#### 2020

##### Financial assets

		At amortised cost	Total
Cash and cash equivalents	3	111,201,845	111,201,845
Receivables from exchange transactions	5	115,860,178	115,860,178
Other Receivables from exchange transactions	7	10,825,566	10,825,566
Receivables from non-exchange transactions	6	19,239,900	19,239,900
Short term investments	4	306,637,342	306,637,342
Long term receivables	15	6,361,907	6,361,907
		<b>570,126,738</b>	<b>570,126,738</b>

##### Financial liabilities

		At amortised cost	Total
Consumer deposits	16	17,784,517	17,784,517
Borrowings	19	292,930,439	292,930,439
Payables from exchange transactions	21	252,303,662	252,303,662
		<b>563,018,618</b>	<b>563,018,618</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 51. Risk management

#### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	19,530,073	-	-	-
Borrowings	34,223,894	37,636,221	132,581,088	164,515,816
Payables from exchange transactions	267,972,840	-	-	-

At 30 June 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	17,784,517	-	-	-
Borrowings	26,752,932	27,454,371	100,328,166	138,394,971
Payables from exchange transactions	252,303,653	-	-	-

#### Risk from biological assets

The municipality is exposed to financial risks arising from changes in wood prices. The municipality does not anticipate that wood prices will decline significantly in the foreseeable future. The municipality has not entered into derivative contracts to manage the risk of a decline in wood prices. The municipality reviews its outlook for wood prices regularly in considering the need for active financial risk management.

#### Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

In the case of receivables whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term receivables and other debtors are individually evaluated annually at the reporting date for impairment or discounting. A report on the various categories of receivables are drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

#### Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand 2021 2020

### 51. Risk management (continued)

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Receivables from exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

Receivables from non-exchange transactions comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of the allowance for impairment.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. Receivables are provided for based on estimated irrecoverable amounts, determined by reference to a non payment rate.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Payment to accounts of consumer debtors who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

There is no collateral held for security in respect of consumer debtors.

The impact of the Covid-19 pandemic was taken into account with the allowance for impairment calculation of consumer debtors.

#### The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Cash and cash equivalents	111,896,629	169,490,533
Short term investments	222,186,762	398,163,664
Receivables from exchange transactions	153,119,571	161,402,873
Other receivables from exchange transactions	9,820,138	4,276,034
Receivables from non-exchange transactions	14,582,189	16,106,082
Long term receivable	7,880,673	4,655,958
	<b>519,485,962</b>	<b>754,095,144</b>

#### Foreign currency risk management

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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Figures in Rand	2021	2020
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### 51. Risk management (continued)

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

#### Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

### 52. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

• Property, plant and equipment - Infrastructure assets	253,046,178	289,021,469
• Property, plant and equipment - other assets	25,469,651	36,471,981
	<b>278,515,829</b>	<b>325,493,450</b>

##### Total capital commitments

Already contracted for but not provided for	278,515,829	325,493,450
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This committed expenditure relates to property, plant and equipment and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated.

The amounts as disclosed are VAT inclusive.

### 53. Related parties

#### Loans granted to related parties

In terms of the MFMA, the municipality may not grant loans to its councillors, management, staff and public with effect from 01 July 2004. Loans, together with conditions thereof granted prior to this date are disclosed in note 15 in the annual financial statements.

#### Remuneration of management

Compensation of key management and personnel is set out in notes 35, 36 and 37 respectively in the annual financial statements.

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 54. Awards in the service of the state

The detail listed below is disclosed in terms of Regulation 45 of the Municipal Supply Chain Regulations 2005 that determines that the municipality must disclose particulars of any awards of more than R2 000 to a person who is a spouse, child or parent of a person in service of the state or has been in service of the state in the previous twelve months.

Supplier	Name	State Department	Spouse, Child or Parent	2021	2020
Aurecon South africa (Pty) Ltd/ Zutari (PTY) Ltd	Refer to detail below	Refer to detail below	Spouse, Child and Parent	11,476,644	7,864,895
ARB Electrical Wholesalers (Pty) Ltd	J Modise	Eskom Holdings: Non Executive Director and Road Accident Fund (RAF) CEO	Spouse	68,185	26,203
Kemanzi (Pty) Ltd	J N Du Toit	City of Cape Town	Spouse	560,580	480,920
CSM Consulting Services	A Vancoillie	Department of Environmental affairs and Development Planning	Child	-	84,051
Red Hills Electronics	L Hartley	Department of Education	Spouse	-	1,823,316
Milhon HVAC	J Sampson	Stellenbosch Municipality	Spouse	-	10,941
NCC Environmental Servicess (Pty) Ltd	C Rhode	City of Cape Town	Spouse	-	3,600
Rhode Bros Steel Pro	D Rhode	South African Police Service	Child	-	16,100
Flowers in the Foyer	E Gunter	Other Government department	Spouse	7,150	-
Silver Solutions 1765	D Simpson	Department of Education	Spouse	-	14,000
Idas Valley Cleaning Solutions	G Jonkers	Stellenbosch Municipality	Child	-	12,000
	C Jonkers	Department of Local Government			
IKapa Reticulation and flow	S Davids	Department of Education	Spouse	4,705,180	3,202,534
Smec South Africa (Pty) Ltd	Y Phosa	Department of the Premier	Spouse	-	1,804,142
AECOM SA (Pty) Ltd	Refer to detail below	Refer to detail below	Spouse, Child and Parent	14,259,259	9,900,413
Conlog (Pty) Ltd	N Moodley	Department of Health	Spouse	2,658,508	1,465,045
Steven Happie	F Happie	City of Cape town		-	28,779
G and G Maintenance	GB Gabriels	Department of Local Government	Parent	-	42,780
Novus3 (Pty) Ltd	M De Vries	Department of Education		2,292,425	1,615,267
	J Scheepers	Council for Medical Services			
Landfill Consult (Pty) Ltd	MM Dube	DICRO	Spouse	1,774,023	2,985,554
Man 4 Trading (Pty) Ltd	MS Samuels	Department of Education	Spouse	312,382	7,530
ARCUS GIBB	B September	City of Cape Town	Spouse	-	6,619,848
Massamatic (Pty) Ltd	Mr Barnard	Department of Health	Daughter in law	87,168	-
Mpumamanzi Group CC	E Bouwers	Department of Health	Parent	185,334	793,792
SMEC South Africa (Pty) Ltd	Yvonne Phosa	Department of the Premier		4,969,526	-

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 54. Awards in the service of the state (continued)

Sowerby Engineering	J Scheepers	Department of Education	Spouse	16,100	-
SMS ICT CHOCE (Pty) Ltd	Mrs Maqula	Department of Health	Spouse	256,866	500,279
Mubesko Africa (Pty) Ltd	J Niehaus	Department of Health	Spouse	-	478,092
Du Toit Environmental	F Shariff	Department of Local Government	Spouse	228,959	105,225
GIBB (Pty) Ltd	Britt September	Department of Local Government	Child	1,680,087	-
EM Hartley t/a Redhills Electr	Lizelle Hartley	Education department	Spouse	5,009,813	-
Red Ants Security Services	N Lesiela	Mogale City Local Municipality	Spouse	-	2,545,646
Lillian 4 Zonke (PTY)	F Monk	Other Government departments	Spouse	1,380	-
				<b>50,549,569</b>	<b>42,430,952</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 54. Awards in the service of the state (continued)

The following are the close family names of Aurecon South Africa (Pty) Ltd.

Name	State Department	Spouse, Child or Parent
HC Ahlschlager	Special investigation unit; Legal representative	Spouse
B Alheit CMM Barnard	Denel Dynamics; Executive Manager Gauteng Department of Education, Deputy Principle	Parent Spouse
CJ Barry Prof CJG Bender J Blackmore	City of Cape Town; Head Finance University of Johannesburg, Professor Department of Public Works; Project Manager	Spouse Spouse Parent
T Botha	Oudtshoorn Municipality; Technical Manager	Parent
Councillor JJJ Daniels	West Coast District Municipality; Deputy Mayor	Parent
MC Dunga WZ Erasmus HG Esterhuysen	South African Navy; Engineer in Training Cape Nature; Programme Manager West Coast District Municipality; Senior Manager Roads	Spouse Spouse Spouse
N Geldenhuys	Transnet Port Terminals; Mechatronic Engineer	Child
T Govender	Umgeni Water: Fleet Management Administrator - Asset Management	Child
N Grobbelaar	Central University of Technology; Programme Manager	Spouse
SM Grobbelaar	Northern Cape Education Department of Cooperative Governance: Human Settlements and Traditional Affairs; Town Regional Planner	Parent
Cr B Groenewald Cr CP Herbst	Twaing Municipality; Councillor Dr S Mompoti District Municipality; Councillor	Parent Parent
E Herlode	Manager Investigation Services; Limpopo Department of Economic Development and Tourism	
A Heyns	Stellenbosch Municipality; Assistant Superintendent	Parent
JH Higgs A Hougaard	SARS; Regional Manager Department of Correctional Services; Principle Network Controller	Spouse Spouse
J Jacobs	Eastern Cape Department of Education; Personal assistant to Chief Director	Spouse
T Kholoanyane	Naledi Local Municipality; Tourism Manager	Spouse
B Kleynhans Cr BJ Kriegler	Hessequa Municipality; Accountant Cape Winelands District Municipality and Breede Valley Municipality; Councillor	Parent Parent
M Marques	Department of Home Affairs; Deputy Director	Spouse
RT Mehlala	Eastern Cape Arts and Culture Council; Chief Executive Officer	Parent
R Meyer AJ Moore	Telkom SA; Project Manager Department of Water affairs; Chief Engineer	Parent Spouse
K Nadasen	National Department of Public Works; Director Key Account Management	Spouse
R Nair D Ntsebeza NH Ntsebeza SM O'Connell	eThekweni Municipality; Building Inspector Buffalo City Metropolitan Municipality Eastern Cape Department of Health Sol Plaatjie Municipality; Librarian	Parent Spouse Parent Spouse



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 54. Awards in the service of the state (continued)

JF Phillips	Northern Cape Department of Economic Development and Tourism; Manager - Township Revitalisation	Spouse
PS Pretorius	Sol Plaaityje Municipality; Chief Officer	Parent
JH Riekert	SA Reserve Bank; Engineering	Spouse
JM Robertson	Ekurhuleni Metropolitan Municipality; Roads Engineer	Parent
G Saaiman	Auditor General Kimberley; Manager	Child
JJ Saaiman	Armscor; Quality Manager	Parent
J Scheepers	Council for Medical Schemes; Chief Financial Analysts	Spouse
EM Schon	Northern Cape Department of Co-operative Governance; Human Settlements and Traditional affairs; Assistant Manager	Spouse
Dr M Skead	Nelson Mandela Bay Metropolitan University; Senior Manager- Staff Development	Spouse
R Tebane	Ekurhuleni Metropolitan Municipality; Executive Manager	Parent
J Theron	Nelson Mandela Bay Metropolitan University; Head: Graduate School Relations	Spouse
GJ Tong	North West Department of Finance; Deputy Director	Parent
N Towers	Department of Mineral Resources; Inspectorate of Mines	Parent
J Tredoux	Department of Water Affairs; Deputy Director Accounts Payable	Spouse
A Treurnich	Umjindi Municipality; Community Services Assistant Director	Parent
AN van Taak	Stellenbosch Municipality; Director Water and Sewerage	Parent
ZC Venter	Eastern Cape Department of Health; Deputy Director Employment Relations	Spouse
PC Vermeulen	City of Cape Town; Superintendent - Building Maintenance	Parent
J Wilkins	Correctional Services; Vice Director- Provincial	Parent
NS Wolmarans	IDC; Senior Accounts Manager	Spouse
NS Wolmarans	University of Johannesburg; Professor	Spouse
SW Zulu	Kwazulu Natal Department of Health; Human Resources Manager	Parent

The following are the close family names of AECOM South Africa (Pty) Ltd.

Name	State Department	Spouse, Child or Parent
Sandra	Bloem water	Parent
A Powell	Department of Education	Spouse
L Wolff	Department of Education	Spouse
M Breytenmbach	Eendracht Primary School	Spouse
A Rossouw	Eskom	Child
A Mahomed	eThekweni Municipality	Spouse
R Meyer	Grey College	Parent
E Venter	Gauteng Education Department	Spouse
C van der Merwe	Protea Park Primary School	Spouse
JHS Viljoen	SA Air Force- Waterkloof	Spouse
JC van der Walt	SANRAL	Parent
T Liversage	Transnet	Spouse
P de Waal	University of Pertoria	Spouse
A De Wet	UNISA	Spouse

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 55. Events after the reporting date

The outbreak of COVID-19 has resulted in authorities implementing numerous measures to try contain the virus, such as travel bans and restrictions both within Republic of South Africa and around the world. These measures have not only negatively impacted consumer and business spending habits, they have adversely impacted and may further impact our operations and operations of our consumers. These measures may remain in place for a significant period of time and they are likely to continue to adversely affect our service delivery and financial condition. We do not yet know the full extent of the impact on the municipality or our consumers or the economy as a whole. However, the effects could have a material impact on our operations and we will continue to monitor the COVID-19 situation closely.

Currently there are no events after the reporting date to report on.

### 56. Unauthorised expenditure

No unauthorised expenditure for the year under review.

### 57. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure for the year under review.

### 58. Irregular expenditure

Opening balance as previously reported	63,605,870	39,223,925
<b>Opening balance as restated</b>	<b>63,605,870</b>	<b>39,223,925</b>
Add: Irregular Expenditure - current	89,762,828	30,839,131
Less: Amount written off - current	(53,979,157)	(6,457,186)
<b>Closing balance</b>	<b>99,389,541</b>	<b>63,605,870</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 58. Irregular expenditure (continued)

Incidents/cases identified in the current year include those listed below:

Irregular expenditure was identified as it breached the procurement process in terms of the Supply Chain Management Policy.	608,406	9,877,552
The Auditor-General, in its findings during the 2019/2020 financial year, identified that the Municipality awarded that does not comply with Preferential Procurement Regulations 2017.	72,799,452	-
The Auditor-General, in its findings during the 2017/2018 financial year, identified that the Municipality did not include a specific condition that local production and content is applicable when inviting bidders to tender (advertisement). Furthermore the Municipality also did not include the local production and content in the bid documents (MBD 6.2) and the suppliers declared accordingly. The Auditor-General concluded that the tender award does not comply with Preferential Procurement Regulations 2017.	13,118,325	18,363,816
Irregular expenditure identified related to the approval of tenders where the Bid Adjudication Committee was not constituted in terms of Municipal Supply Chain Management Regulations by four senior managers. This award pertained to a multi-year contract.	1,952,711	2,152,849
Irregular expenditure identified was due to the bid specifications that were drafted in a manner that is not fair, equitable, transparent and competitive as it was found that the specifications made reference to a specific brand/model. This is a multi-year contract and irregular expenditure will be disclosed on a yearly basis until the contract ends.	1,283,934	444,914
	<b>89,762,828</b>	<b>30,839,131</b>

### 59. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government

Opening balance	194,920	220,945
Current year subscription / fee	6,212,159	6,293,349
Early settlement discount	(310,195)	(5,484,586)
Amount paid - current year	(5,875,939)	(314,282)
	-	(520,506)
<b>Balance Unpaid (included in Creditors)</b>	<b>220,945</b>	<b>194,920</b>

#### Audit fees

Opening balance	52,448	24,612
Current year fees	7,636,778	7,545,695
Amount paid - current year	(7,538,677)	(7,517,859)
<b>Balance Unpaid (included in Creditors)</b>	<b>150,549</b>	<b>52,448</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 59. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### PAYE and UIF

Current year payroll deductions	87,922,805	79,360,357
Amount paid - current year	(87,922,805)	(79,360,357)
<b>Balance Unpaid (included in Creditors)</b>	<b>-</b>	<b>-</b>

#### Pension and Medical Aid Deductions

Current year payroll deductions	123,816,201	115,603,507
Amount paid - current year	(123,816,201)	(115,603,507)
<b>Balance Unpaid (included in Creditors)</b>	<b>-</b>	<b>-</b>

#### VAT

VAT receivable	613,498,286	47,119,788
VAT payable	(593,988,545)	(21,626,730)
	<b>19,509,741</b>	<b>25,493,058</b>

All VAT returns have been submitted by the due date throughout the year.

#### Councillors' arrear consumer accounts

There were no councillors who had arrear accounts for more than 90 days at 30 June 2021:

#### Distribution losses

In terms of section 125(2)(d)(i) of the Municipal Finance Management Act, the municipality experienced the following distribution losses for the year under review.

#### Electricity (KW)

System input	365,664,272	381,810,592
Sales	(333,260,467)	(346,076,786)
<b>Distribution loss</b>	<b>32,403,805</b>	<b>35,733,806</b>

Electricity losses are calculated as 8.86% (2020: 9.68%). Electricity losses are within the industry norm.

#### Water (KL)

System input	10,003,874	8,015,027
Sales	(8,188,560)	(6,374,474)
	<b>1,815,314</b>	<b>1,640,553</b>

Water losses are calculated as 18.1% (2020: 20.5%). Water losses are within the industry norm.

## Notes to the Annual Financial Statements

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### 60. Multi-employer retirement benefit information

The Municipality makes provision for post-retirement benefits to eligible councilors and employees who belong to different pension schemes. These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councilors/employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R115,534,139 (2020: R104,788,535) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans.

These schemes are subject to a tri-annual, bi-annual or annual actuarial valuation as set out hereunder.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

#### DEFINED BENEFIT SCHEMES

##### SALA Pension Fund

The SALA Pension Fund operates both as a defined benefit and defined contribution scheme.

The statutory valuation performed as at 1 July 2018 revealed that the assets of the fund amounted to R14,298,600.00 (30 June 2015: R13,231,200.00), with funding levels of 96.0% (30 June 2015: 100%). Recommended that employers continue to contribute at the current rate of 19.18% of pensioners salaries.

It is the actuary's opinion that:

They are satisfied with the investment strategy of the Fund;

The nature of the assets is, in their opinion, suitable for the nature of the liabilities of the Fund as defined in the Rules of the Fund;

The matching of assets with the liabilities of the Fund is adequate; and

The insurance arrangements are appropriate compared to the cover provided can be regarded as financially sound at the valuation date.

##### LA retirement Fund (Previously Cape Joint Pension Fund)

The LA RETIREMENT FUND operates both as a defined benefit and defined contribution scheme.

#### DEFINED CONTRIBUTION SCHEMES

##### LA Retirement Fund (Previously Cape Joint Pension Fund)

## Notes to the Annual Financial Statements

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### 60. Multi-employer retirement benefit information (continued)

#### Defined benefit scheme

The contribution rate payable is under the defined benefit section is 27%, 9% by the members and 18% by their councils. The actuarial valuation report at 30 June 2020 disclosed an actuarial valuation amounting to R1,420,856,000 (30 June 2019: R1,655,893,000), with a net accumulated surplus of R0 (2019: R11,200,000), with a funding level of 100.0% (30 June 2019: 100.7%).

#### Defined contribution scheme

The actuarial valuation report at 30 June 2020 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R1,891,631,000 (30 June 2019: R1,960,090,000), net investment reserve of R0 (30 June 2019: R0) and with a funding level of 100% (2019: 100%).

The actuary concluded that:

The funding level of the Pensioner Account reduced from 100.7% to 100.0% on the funding basis;

The surplus in the Pensioner Account decreased from R11.2 million to zero as at the valuation date;

The Trustees awarded a 1.0% pension increase with effect from 1 January 2021 and 55% of monthly pension payable as a bonus in December 2020; and

The DC Section funding level was 100%. The DC Section is in a sound financial condition with a Contingency Reserve Account of R5.2 million as at the valuation date.

- The Defined Contribution Section has a funding level of 100% and is in sound Financial condition.
- Overall the fund is in a sound financial condition with a surplus of R63.0 million and the overall funding level of 101.7%.
- The Trustees awarded a 3.22% pension increase effective 1 January 2019.

It is to be noted that:

- All the active members have now all been converted to the Defined Contribution Section.
- There is no longer any contribution rate shortfall as this only applied to 29 residual Defined Benefit Section active members, that have now also converted to the Defined Contribution Section and
- Both the Defined Contribution Section and the Defined Benefit Section were fully funded as at the valuation date.

The nature of the assets is suitable for the Fund, except that the proportion of direct property underlying the pensioner liabilities may represent an over-concentration of assets in this class. The assets are appropriately matched relative to the term and nature of the active member liabilities. The Fund's investment strategy is suitable. Finally the risk benefits are partially re-insured and this is appropriate for the size and nature of the Fund.

#### Cape Joint Retirement Fund

The last statutory valuation performed as at 30 June 2020 revealed that the net assets of the Fund amounted to R28,560,000,000 (30 June 2019: R26,215,000,000). The members share account and processing reserve account had assets amounting to R27,710,650,000 (2019: R25,389,735,000), and the pensions account had assets amounting to R619,700,000 (2019: R647,516,000) with funding levels of 100.5% and 132.2% (30 June 2019 100.3% and 124.9%) for the Pensions Account and the Share Account respectively. The Preservation Pension Account showed a surplus of R0 and was 100% funded for both 2020 & 2019. The contribution rate paid by the members (7.5%) and the municipalities (7.5% or 19.5%) is sufficient to fund the benefits accruing from the fund in the future. The actuary certified that the structure of the assets is appropriate relative to the nature of the liabilities, given normal circumstances and that the Fund is in a sound financial condition as at the valuation date. |

## Notes to the Annual Financial Statements

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### 60. Multi-employer retirement benefit information (continued)

#### Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2018 revealed that the assets of the fund amounted to R1,798,030,000 (30 June 2017: R1,480,549,000), with funding levels of 103.26% (30 June 2017: 101.31%). The contribution rate paid by the members (13.75%) and council (15.00%) is sufficient to fund the benefits accruing from the fund in the future. The Actuary certified that the Fund was in a sound financial condition as at 30 June 2018, in that the assets of the fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

The appointment of a Curator in terms of section 5(1) of the Financial Institutions (protection of funds) Act 2001 for the whole of the business of the Municipal Councillors Pension Fund was done in December 2017. Due to the provisional curatorship, a short moratorium has been placed on the payment of benefits to members/beneficiaries. In terms of the curatorship order, the Court ordered as follows: 1. The provisional Curatorship order of the 19th December 2017 is made a final; 2. The Curator shall furnish the Registrar of the Pension Fund with progress report; 3. The Curator must deliver a further progress report to the Court by no later than 31st October 2018 which report deals with the status of curatorship as at the 30th September 2018; on the curatorship once every two months

#### The Municipal Workers Retirement Fund (Previously South African Municipal Workers Union National Provident Fund)

The Municipal Workers Retirement Fund is a defined contribution scheme. Members contribute at a rate of not less than 7.5% of salaries, as required by the Rules. The employers contribute at a total rate of not less than 18% from 1 July 2017, members and employers that fall under other bargaining councils or forums are not bound by the above minimum contribution rates. The statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R7,720,948,000 (30 June 2014: R6,574,750,000), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members Funds Credits, the investment smoothing reserve has decreased from 5.6% to 4.9% over the valuation period. As a percentage of the market value of assets, it has decreased marginally from 4.6% to 4.4%. The Fund's assets are sufficient to cover the members Funds Credits, the targeted levels of the risk benefits reserve and the data and processing error reserve, and an investment smoothing reserve of 4.9% of members Fund Credits as at 30 June 2017. In addition, there is brought-forward surplus of some R152,827,000 which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position. Newer information could not be obtained as the fund only releases information on payment.

#### National Fund for Municipal Workers

The fund operates as a defined contribution fund and in terms of the rules of the fund category A and category C members contribute at a rate as agreed upon by the Local Authority and the member, subject to an absolute minimum contribution of 2% and 5% of their remuneration respectively.

Category C members, appointed after 1 July 2012, who are not part of the Schedule shall make monthly contributions to the Fund equal to 7.5% of their Remuneration.

The Local Authority must contribute in respect of category A and category C members such an amount as agreed between the Local Authority and the fund, subject to a minimum contribution rate of 2% and 5% of their remuneration respectively. Category B members are members who belong to both category A and C and the Local Authority must, on behalf of such members, not contribute less than 7% of their remuneration. The contribution rates stipulated above include the amount payable towards the insured risk benefits policy.

The last statutory valuation performed as at 30 June 2019 revealed that the assets of the fund amounted to R17,107,067,000 (30 June 2018: R15,393,671,000), with funding levels of 100.40% (30 June 2018: 100.46%). The actuary certified that the assets of the fund are sufficient to cover 100.40% of the members liabilities, also that it can be expected that the funding level of a fund of this nature will fluctuate around 100%, for example due to timing differences in investment and receipt of monies, slight mismatching of assets and liabilities and processing errors.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 61. Prior period errors and Reclassifications

Below is a summary of the total effect that the prior period errors and reclassifications had on the amount previously disclosed in the annual financial statements, followed by a description of each individual prior period error with the amount involved.

### Statement of Financial Position

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	111,201,845	-	-	111,201,845
Short term investments	306,637,342	-	-	306,637,342
Receivables from exchange transactions	111,067,546	4,792,632	-	115,860,178
Receivables from non-exchange transactions	71,484,038	-	-	71,484,038
Other receivables from exchange transactions	12,887,565	-	-	12,887,565
Inventories	64,074,316	-	-	64,074,316
VAT receivable	30,285,689	(4,792,632)	-	25,493,058
Long term receivables	2,800,967	-	-	2,800,967
	<b>710,439,308</b>	<b>-</b>	<b>-</b>	<b>710,439,309</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	5,244,686,578	(4,727,835)	-	5,239,958,743
Investment property	412,514,416	-	-	412,514,416
Intangible assets	9,694,174	-	-	9,694,174
Biological assets that form part of an agricultural activity	6,321,448	-	-	6,321,448
Heritage assets	774,002	-	-	774,002
Long term receivables	3,560,940	-	-	3,560,940
	<b>5,677,551,558</b>	<b>(4,727,835)</b>	<b>-</b>	<b>5,672,823,723</b>
<b>Total Assets</b>	<b>6,387,990,866</b>	<b>(4,727,835)</b>	<b>-</b>	<b>6,383,263,032</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables from exchange transactions	270,824,235	-	-	270,824,235
Unspent conditional grants and receipts	8,862,622	-	-	8,862,622
Employee benefit obligation	78,214,002	(17,096,614)	-	61,117,388
Borrowings	26,752,931	-	-	26,752,931
Consumer deposits	17,784,517	-	-	17,784,517
Operating lease liability	4,958,344	-	-	4,958,344
	<b>407,396,651</b>	<b>(17,096,614)</b>	<b>-</b>	<b>390,300,037</b>
<b>Non-Current Liabilities</b>				
Employee benefit obligation	166,519,386	17,096,614	-	183,616,000
Borrowings	266,177,508	-	-	266,177,508
Provisions	121,305,978	-	-	121,305,978
	<b>554,002,872</b>	<b>17,096,614</b>	<b>-</b>	<b>571,099,486</b>
<b>Total Liabilities</b>	<b>961,399,523</b>	<b>-</b>	<b>-</b>	<b>961,399,523</b>
<b>Net Assets</b>	<b>5,426,591,343</b>	<b>(4,727,835)</b>	<b>-</b>	<b>5,421,863,509</b>
<b>Net Assets</b>				
Accumulated surplus	5,428,180,605	(4,727,841)	-	5,423,452,764

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 61. Prior period errors and Reclassifications (continued)

#### 61.1 Receivables from exchange transactions

Balance previously reported	111,067,546
VAT Receivable	4,792,632
	-
	-
	<u>115,860,178</u>

The income estimate at year was erroneously included VAT.

#### 61.2 VAT receivable

Balance previously reported	30,285,689
Receivables from exchange transactions	(4,792,631)
	<u>25,493,058</u>

The income estimate at year was erroneously included VAT.

#### 61.3 Property, plant and equipment

Balance previously reported	5,244,686,578
Machinery, furniture and equipment	(4,727,835)
	-
	-
	<u>5,239,958,743</u>

PPE line items relating to machinery, furniture and equipment had an erroneous depreciation calculation.

The accumulated depreciation per asset class was not accounted for correctly.

#### 61.4 Employee benefit obligation

Balance previously reported	78,214,002
Employee benefit obligation -non current liability	(17,096,614)
	<u>61,117,388</u>

Employee Benefits comparative figure (2020) amount disclosed in the note for non-current assets was corrected by an amount of R17 096 614 due to its incorrect mapping.

#### 61.5 Employee benefit obligation

Balance previously reported	166,519,386
Employee benefit obligation - current liability	17,096,614
	<u>183,616,000</u>

Employee Benefits comparative figure (2020) amount disclosed in the note for non-current assets was corrected by an amount of R17 096 614 due to its incorrect mapping.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

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### 61. Prior period errors and Reclassifications (continued)

#### 61.6 Commitments

Balance previously reported	331,469,635
Property, plant and equipment	(5,976,185)
	<u>325,493,450</u>

The commitments register had an error in a calculation that caused the difference.

#### 61.7 Accumulated surplus

Balance previously reported	5,428,180,605
Operating surplus	6,907,634
Property plant and Equipment - Machinery and Equipment	(11,635,475)
	<u>5,423,452,764</u>

Refer to the nature of the adjustments in the financial statement line items as indicated above.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 61. Prior period errors and Reclassifications (continued) Statement of Financial Performance

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
<b>Revenue</b>				
<b>Revenue from exchange transactions</b>				
Service charges	880,125,828	-	-	880,125,828
Construction contracts	5,317,560	-	-	5,317,560
Rental of facilities and equipment	13,601,431	-	-	13,601,431
Interest received (trading)	6,954,471	-	-	6,954,471
Agency services	3,976,481	-	-	3,976,481
Licences and permits	4,413,324	-	-	4,413,324
Other income	40,061,672	-	-	40,061,672
Investment revenue	40,472,002	-	-	40,472,002
Gains on disposal of assets	33,133	-	-	33,133
Reversal of inventory losses	709,539	-	-	709,539
<b>Total revenue from exchange transactions</b>	<b>995,665,441</b>	-	-	<b>995,665,441</b>
<b>Revenue from non-exchange transactions</b>				
<b>Taxation revenue</b>				
Property rates	360,089,277	-	-	360,089,277
Property rates - interest earned	1,822,264	-	-	1,822,264
<b>Transfer revenue</b>				
Government grants & subsidies	285,026,320	-	-	285,026,320
Fines, Penalties and Forfeits	99,992,810	-	-	99,992,810
<b>Total revenue from non-exchange transactions</b>	<b>746,930,671</b>	-	-	<b>746,930,671</b>
<b>Total revenue</b>	<b>1,742,596,112</b>	-	-	<b>1,742,596,112</b>
<b>Expenditure</b>				
Employee related costs	(481,583,056)	-	-	(481,534,864)
Remuneration of councillors	(19,121,037)	48,192	-	(19,169,229)
Contribution to/from provisions	(8,828,974)	-	-	(8,828,974)
Depreciation and amortisation	(197,274,891)	6,907,634	-	(190,367,257)
Impairment of non cash generating assets	(72,977)	-	-	(72,977)
Finance costs	(56,003,899)	-	-	(56,003,899)
Lease rentals on operating lease	(11,837,555)	-	-	(11,837,555)
Debt impairment	(123,186,856)	-	-	(123,186,856)
Contribution to allowance for doubtful debt	6,513,822	-	-	6,513,822
Bulk purchases	(445,620,997)	-	-	(445,620,997)
Contracted services	(183,452,999)	-	-	(183,452,999)
Transfers and subsidies	(10,854,823)	-	-	(10,854,823)
Collection costs	(700,000)	-	-	(700,000)
Fair value adjustments	(634,971)	-	-	(634,971)
General Expenses	(128,781,895)	-	-	(128,781,895)
<b>Total expenditure</b>	<b>(1,661,441,108)</b>	<b>6,859,442</b>	-	<b>(1,654,533,474)</b>
<b>Operating surplus</b>	<b>81,155,004</b>	<b>6,859,442</b>	-	<b>88,062,638</b>
<b>Surplus for the year</b>	<b>81,155,004</b>	<b>6,859,442</b>	-	<b>88,062,638</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

### 61. Prior period errors and Reclassifications (continued)

#### 61.8 Depreciation and amortisation

Balance previously reported	(197,274,891)
Furniture and office equipment, Machinery and equipment, Other assets	6,907,634
	<b>(190,367,257)</b>

The accumulated depreciation amount exceeded the cost of the asset and was corrected after investigation of the entire population.

### 62. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Covid 19 pandemic has affected various aspects of the municipality during the 2020/2021 financial year. However due to the fact that the municipality's cash forecast performed, budget process and other considerations the municipality is still of the opinion that the pandemic and the restrictions it has placed on certain operations will not affect the municipalities ability to operate as a going concern. .

### 63. Deviations from SCM regulations - SCM Regulation 36

In terms of section 36 of the municipality SCM regulations, any deviations from SCM policy needs to be approved by the accounting officer and noted by Council. The awards listed below have been approved by the accounting officer and noted by Council.

All deviations considered by the accounting officer are processed in terms of the SCM regulations and the municipality's SCM policy. This process entails being assessed by the SCM Bid Adjudication Committee in terms of the stipulated criteria for emergency procurements and circumstances where it is impractical or not possible to follow the official procedure.

#### Deviation from, and ratification of minor breaches of, the procurement processes

In terms of section 36(2) of the Supply Chain Management Policy approved by Council it is stipulated that bids where the formal procurement processes could not be followed, must be noted in the annual financial statements.

SCM paragraph			
relevance			
36 (1)(a) i	Dispense with the official procurement processes in an emergency	10,236,826	16,615,449
36 (1)(a) ii	Dispense with official procurement processes if such goods or services are produced or available from a single source or sole provider.	7,121,099	155,945
36 (1)(a) v	Dispense with official procurement processes in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	13,691,278	14,315,571
<b>Total deviations</b>		<b>31,049,203</b>	<b>31,086,965</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 64. Budget differences

#### Material differences between budget and actual amounts

The materiality framework of the municipality informs the determining base ranges. The framework outlines all principles and guiding practices to allow management to enforce a consistent application of the framework's guidelines. With regard to reporting, the understandability and transparency to users of the financial statements was a determining factor when deciding on the base %.

#### Statement of Financial Performance

##### Revenue

The determining base range used was 1 % of total revenue.

##### **Service charges (BD1)**

The service charge has been adversely affected by the COVID-19 lockdown regulations and its concomitant impact on the economy.

##### **Government grants & subsidies (BD2)**

Delays were experienced with the implementation of capital projects due to the national lockdown enforced, as a result of the covid-19 pandemic

##### **Fines, Penalties and Forfeits (BD3)**

The budget projection for fines was based on previous performance. The lockdown restrictions had a negative effect on the issuing of traffic fines.

##### Expenditure

The determining base range was 2% of total expenditure.

##### **General Expenses (BD4)**

The variance is as a result of the COVID-19 lockdown regulations that had an adverse impact the expenditure.

#### Statement of financial position

##### Assets

The determining base was 1% of total assets and 5% of accumulated surplus.

##### Liabilities

The determining base was 2% of total liabilities.

##### **Cash and cash equivalents (BD5)**

Due to cash flows, some short term investments were converted into cash & cash equivalent

##### **Short Term Investments (BD6)**

Due to cash flows, some short term investments were converted into cash & cash equivalents

##### **Receivables from exchange transactions (BD7)**

The variance is as a result of the economic conditions of consumers in the municipal area and further impacted by the national lockdown due to the covid-19 pandemic.

##### **Receivables from non-exchange transactions (BD8)**

The variance is as a result of the economic conditions of consumers in the municipal area and further impacted by the national lockdown due to covid-19

##### **Property Plant and Equipment (BD9))**

The variance relates to underspending on the capital budget

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 64. Budget differences (continued)

#### Payables from exchange transactions (BD10)

This was mainly due to late contractor appointments, delays in projects which led to more invoices not being paid at year end.

#### Unspent conditional grants and receipts (BD11)

Due to unforeseen circumstances, late contractor appointments, delays in projects, etc, conditions of some grants could not be met at year end.

#### Borrowings (BD12)

The external loan was taken up towards taken up towards the end of the financial year.

#### Accumulated Surplus (BD13)

This variance arises out of cumulative differences within the statement of financial position and is as a direct result of the variances already highlighted in the statement of financial position. The reason for the variance is due to an error on the data string for which the amount did not reflect on the Schedule B that served before council. The council approved budget included an amount for net asset of R5 693 368 561.

### Cash flow Statements

#### Sale of Goods and services (CF1)

Sale of goods and services are based on the demand and the demand for the services decreased due to the lockdown restrictions.

#### Suppliers and employees (CF2)

Bulk purchases which are bought by the municipality are based on the consumption of the community have decreased compared to the prior year.

Employee related cost decrease due to vacancies not filled and posts becoming vacant during the financial year.

#### Transfers and grants (CF3)

The actual expenditure was more than what was anticipated by management.

#### Finance Cost (CF4)

An external loan was taken up during the financial year and the interest cost for the employee benefits increased more than what was projected.

#### Property Plant and Equipment (CF5)

The variance relates to the underspending on the capital budget.

#### Repayment of other financial liabilities (CF6)

The external loan was taken up towards the end of the financial year.

### 65. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 66. Contingent liabilities

**State / Matanise CAS NR 98/03/2015/ Stellenbosch Municipality** - 100,000

A traffic officer made a U-turn on the R44 pursuant to obtaining an instruction from his superintendent that he need to attend to a complaint in Klapmuts. The claimant, alleged that he had to turn into another lane to prevent an accident to occur, losing control over the vehicle and overturning the vehicle in the process.

**Labour court review - MATUSA on behalf of an employee / Stellenbosch Municipality** - 380,000

MATUSA on behalf of a former employee obtained an arbitration award against Stellenbosch Municipality in terms of which the former employee was reinstated and certified the arbitration award in terms of section 143(3) of the LRA. They instructed the sheriff to attached the movable properties of the Municipality to be sold in execution..The Municipality instituted review proceedings against the arbitration award and stay the execution of the arbitration award.

**Ricmal Green (Pty) Ltd & another / The unlawful occupiers and others** - 200,000

Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property.

**Anonymous Employee / Stellenbosch Municipality** - 100,000

An employee applied for default judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that he/she is being unfairly discriminated against.

**SPS / Stellenbosch Municipality** - 100,000

MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract. Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 66. Contingent liabilities (continued)

**Anonymous Employee / Stellenbosch Municipality** - 300,000

Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Bargaining Council to pay the employee compensation for additional work done.

**Former Employee / South African Local Government Bargaining council and others** 200,000 200,000

Review application instituted by an former employee to have the arbitration award dated 18 July 2019 under case numbers WCP 071722 and 01719 reviewed and set aside and in the alternative should the court elect not to correct the award that the dispute be remitted and referred back to the Bargaining Council for adjudication before an arbitrator.

**Stellenbosch Municipality / Urlan Groenewaldt & Jacques Francois Swart** - 500,000

Motor vehicle collision in which the municipal traffic lights were damaged.

**Stellenbosch Municipality / Sliyazama CP Constructions (Pty) Ltd** - 200,000

Stellenbosch Municipality have to institute eviction proceedings against the illegal occupiers of the property, which the Municipality is leasing to Kindersorg to operate a crèche in Kayamandi. The eviction application is pending. The founding affidavit of the Municipality needs to be finalised, whereafter the municipality can proceed with the institution of the eviction application. The municipality has received the founding affidavit and is in the process of proposing amendments thereto.

**Stellenbosch Municipality / Klapmuts mediation** 250,000 250,000

Stellenbosch Municipality is under obligation to provide emergency housing to evictees of various eviction orders in Klapmuts. The Klapmuts community has threatened violence against evictees and destruction of property should the municipality proceed to utilise Klapmuts housing facilities for evictees rather than for members of the Klapmuts community. Independent expert mediator appointed to facilitate mediation which is currently pending. The mediator had meetings with the community and a committee was elected to discuss the matter and proposals made. The chairperson of the Committee was not available for a period to attend meetings and new proposed dates were arranged by the mediator for such meetings. The community still refuse the Municipality to implement emergency housing. The mediation needs to be finalised to obtain the buy-in of the community to relocate evictees to Klamputs.

**Stellenbosch Municipality / NE Properties (Pty) Ltd** 200,000 250,000

Application to declare the dissolution of NE Industries void in terms of section 83(4) of the Companies Act and to direct the Companies and Intellectual Property Commission of South Africa to restore NE Industries' name to the register of companies. NE Industries was deregistered and its name was removed from the register of companies on 16 July 2010 due to its failure to file its annual returns. NE Industries is the single largest debtor on the Municipality's debtor's book. The Municipality wants to collect the outstanding amount due to it but established that NE Industries was deregistered as a result of its failure to file its annual returns and its name was removed from the register of companies.

**Stellenbosch Municipality / IMATU on behalf of Employee** 200,000 200,000

Review application instituted against the arbitrator's award by Commissioner Der Vlieger-Seynhaeve including application for condonation and to oppose the application for contempt of court proceedings instituted by IMATU obo employee.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 66. Contingent liabilities (continued)

<b>Stellenbosch Municipality / E Ross and Others</b>	200,000	250,000
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Stellenbosch Municipality have to institute eviction proceedings against Respondents of the property at 609 Lavanda Flats, Jan Cillier Street, Stellenbosch due to the Respondents actions. The eviction application is still pending.

<b>Stellenbosch Municipality / L Bailey and Another</b>	200,000	200,000
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Stellenbosch Municipality is in the process instituting eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cilliers Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending.

<b>Stellenbosch Municipality / J Morgan and Others</b>	-	200,000
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Stellenbosch Municipality is in the process of instituting eviction proceeding against the Respondents of the property at 12 Weber Street, Idas Valley, Stellenbosch, due to the Respondents actions. The eviction is still pending.

<b>Stellenbosch Municipality / A De Ruiter and Others</b>	200,000	200,000
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Stellenbosch Municipality have to institute eviction proceedings against the Respondents of Erf 5281 Cloeteville, due to the Respondents actions.

<b>Stellenbosch Municipality / Francois Jansen</b>	50,000	50,000
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Application for eviction of unlawful occupants from municipal property.

<b>Stellenbosch Municipality / Tania Wasmuth and Others</b>	50,000	50,000
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Application for eviction of unlawful occupants from municipal property.

<b>Stellenbosch Municipality / Cobus Visagie</b>	50,000	50,000
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Approximately R684 000.00 owed by Cobus Visagie for a tender to harvest wood.

<b>Fusion Properties 233 CC / The Municipality of Stellenbosch</b>	33,465,000	33,465,000
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This matter involves a summons issued against the Municipality for alleged damages pursuant to the sale of certain immovable property belonging to the Municipality. The amount claimed is R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015. The Municipality is defending the action. Pleadings have now closed and the Plaintiff is in the process of applying for a court date.

The application that the Plaintiff has to provide security for costs was granted and the interlocutory application to strike out certain allegations was also successful. The Plaintiff made application for leave to appeal against the judgment, which application was refused with costs. The Plaintiff has delivered a petition to the Supreme Court of Appeal ("SCA") in terms of which it is now seeking leave to appeal either to the SCA or the full bench of the Western Cape Division of the High Court.

Should the litigation against the Municipality be successful, the estimate of financial exposure will be the R32 115 000.00 together with interest calculated at the rate of 9% per annum from 28 July 2015 including legal costs and disbursements of approximately R1 350 000.00.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 66. Contingent liabilities (continued)

<b>Independent Schools Association of Southern Africa / Ethekewini Municipality / Stellenbosch Municipality &amp; Others</b>	250,000	250,000
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This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.

This matter involves an application on behalf of the Municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. The Municipality has been joined successfully as co-applicant.

<b>De Zalze Golf Club / Valuation Appeal Board for Stellenbosch Municipality</b>	400,000	500,000
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De Zalze Golf Club applied to have the Valuation Appeal Board for the Stellenbosch Municipality's decision dated 5 September 2018 to place a value of R26 500 000.00 on the leasehold rights in respect of remainder Erf 296 De Zalze reviewed and set aside and to replace the decision with an order valuing the property at R1 000.00 alternatively R4 900 000.00. In the alternative, and in the event that the Court is not prepared to grant the relief sought indicated above, remitting the matter to the Valuation Appeal Board and directing it, within a reasonable period and in accordance with the Court's directions, to make a fresh decision as to the value of the property. De Zalze Golf Club also applied that the Valuation Appeal Board and Stellenbosch Municipality pay De Zalze's costs jointly and severally, including the costs of two counsel (save that costs are only sought against Stellenbosch Municipality in the event of it opposing the application). The matter was heard on 13 August 2020 and judgment has been reserved. This matter does not involve any amounts claimed.

<b>Stellenbosch Municipality / LJ Turnkey Investments (Pty) Ltd</b>	250,000	250,000
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The owner of Portion 9 of Farm 100 Stellenbosch ("the Property") applied for a declaratory order that the zoning of the Property is general residential and allows them to utilise the Property for student accommodation. The Municipality opposed the declaratory order and filed its answering affidavit.

The Municipality is in the process of instituting a counter-application for, amongst others, a declaratory order regarding the zoning of the Property and interdictory relief regarding the utilisation of the Property for student and/or any other rental accommodation in contravention of the Municipality's Zoning Scheme By-law. This matter does not involve any amounts claimed.

<b>Anonymous Employee/Stellenbosch Municipality</b>	300,000	-
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Review application instituted by Stellenbosch Municipality setting aside the Arbitration Award made under WCP121702 under the South African Local Government Bargaining Council to pay her compensation for additional work done.

<b>STELLENBOSCH MUNICIPALITY / FORMER EMPLOYEE</b>	200,000	-
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Review Application instituted in the Labour Court against the disciplinary sanction of the chairperson in the disciplinary hearing of Leon Lourens. Leon Lourens was found guilty on three charges, which involves dishonesty but was not dismissed by the chairperson. The Municipality has served and filed its founding affidavit to have the ruling of the chairperson set aside and replace for a dismissal. The Municipality is in the process of transcribing the recordings of the hearing whereafter Leon Lourens will provide its answering affidavit in the matter.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 66. Contingent liabilities (continued)

<b>WS SMIT N.O &amp; OTHERS /STELLENBOSCH MUNICIPALITY</b>	200,000	-
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Community members illegally occupied Portion 5 of Farm 183 Stellenbosch also known as Watergang. An eviction application was subsequently instituted and Acting Judge Martin granted an eviction order against the illegal occupiers. The illegal occupiers filed an appeal against the eviction order granted by Acting Judge Martin which appeal is still pending. The appeal, or any proceedings before the Supreme Court or Higher Court should leave to appeal be granted and any other actions flowing from the Interdict need to be oppose.

<b>STELLENBOSCH MUNICIPALITY / OSCAN INVESTMENTS ENTERPRISE (PTY) LTD</b>	485,200	-
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Property owner of Erf 1727 Stellenbosch erected a fence which encroach on municipal public open space. The Municipality needs to apply for a demolition order if the owner refuse/fail to remove the illegal wooden fence. Notice was served on the property owner to address the issues highlighted in the letter of refusal of the building plan and to resubmit the building plan together with the requested information and documents required alternatively to have the illegal fence removed. Should the property owner not comply with the notice served, the Municipality will proceed with the demolition application of the illegal fence.

<b>FORMER EMPLOYEE / STELLENBOSCH MUNICIPALITY</b>	200,000	-
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Application instituted by Elizabeth Rhoda against Stellenbosch Municipality to have her reinstated retrospectively with accumulated benefits and salary or adjustments and that the Municipality pay compensation to her in the amount of 12 months' salary including the cost of suit as well as a condonation application for the late submission of her application. The application was opposed by the Municipality and the Municipality is in the process to serve and file its Statement of Defence

<b>STELLENBOSCH MUNICIPALITY / THE CHILDREN MR BESS AND ILLEGAL OCCUPIERS</b>	100,000	-
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Eviction application against the children of Mr Johnny Bess, who was employed by Stellenbosch Municipality and retired from the employ of the Municipality on or about 31 July 2006. Mr Bess passed on and his children continued to occupy the house. There are various complaints from community members that the children who are currently occupying the house are involved in alleged drug dealing and anti-social behaviour. The house is vandalised and not maintained. The surrounding homeowners handed in a petition demanding that the children be evicted from the house due to an increase in illegal activities from the house, which is making living with them unbearable.

<b>STELLENBOSCH MUNICIPALITY / ISAYA NKUKUMANA</b>	400,000	-
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Opinion and Review application against decision of the Chairperson in the disciplinary hearing of Isaya Nkunkumana to have the ruling on the sanction issued against Isaya Nkunkumana reviewed and set aside. Review application with condonation application was finalised and served on the respective parties.

<b>SURREY HOLMES (PTY) LTD / STELLENBOSCH MUNICIPALITY</b>	400,000	-
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Surrey Holmes instituted a review application against Stellenbosch Municipality for its alleged failure to make a decision in terms of section 6(2) (g) of the Promotion of Administrative Justice Act 3 of 2000 (PAJA) and directing the Municipality to perform its duties and exercise its powers by; accepting and considering the amended ceiling height of the Attic Room. The review application was opposed by the Municipality. The Municipality is in the process to provide the Rule 53 records.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 66. Contingent liabilities (continued)

<b>STELLENBOSCH MUNICIPALITY / LEELYN MANAGEMENT CC</b>	400,000	-
<p>Opinion and institution of Monetary claim against Leelyn Management CC for alleged parking revenue collected on behalf of the Municipality which was not paid over by Leelyn Management CC to the Municipality.</p>		
<b>STELLENBOSCH MUNICIPALITY / CHOISY –LE-ROI OWNERS (PTY) LTD</b>	200,000	-
<p>Review application instituted by the owner of Erf 13500 Technopark, Stellenbosch against the appeal judgment of the Executive Mayor. The Municipality served and filed notice of opposition against the application. Rule 53 record was subsequently filed at court. Choisy-le-Roi supplemented their application and the Municipality served and filed its answering affidavit. A court date needs to be obtained to argue the matter.</p>		
<b>DEON GARDEN &amp; CONSTRUCTION CC / STELLENBOSCH MUNICIPALITY</b>	200,000	-
<p>Monetary claim in the amount of R4 374 192.67 including interest at a rate of 7.75% per annum for alleged damages suffered by Deon Garden &amp; Construction CC. The Municipality defended the claim instituted and is in the process of finalising its plea in the matter.</p>		
<b>SECURITEM (PTY) LTD/ STELLENBOSCH MUNICIPALITY</b>	200,000	-
<p>Securitem instituted legal action against the Municipality to pay VAT on top of their tender price. The Municipality is of the view that VAT was included in the tender price submitted by SECURITEM and opposed the application.</p>		
<b>STELLENBOSCH MUN / MOFFAT &amp; OTHERS</b>	100,000	-
<p>Eviction application against the Moffat family who illegally occupy the Eikestad Hall. The Municipality provided temporary accommodation to the Moffat family pursuant to the Moffat family wendy house being destroyed by a fire. The intension was that the Moffat family should occupy the Eikestad Hall temporarily and to relocate to Mountain View. The Municipality provided emergency accommodation at Mountain View, Jamestown, but the Moffat family refused to relocate. The Moffat's was given notice to vacate the Eikestad Hall and eviction proceedings is being instituted. The draft affidavit to institute eviction proceedings is being circulated for comment.</p>		
<b>STELLENBOSCH MUNICIPALITY/ABSA</b>	9,000,000	-
<p>The municipality is in a dispute with ABSA bank in relation to the fleet vehicle expenditure as controlled by ABSA.</p>		
<b>SHAHIEDA JACOBS / STELLENBOSCH MUNICIPALITY</b>	200,000	-
<p>Shahieda Jacobs instituted legal proceedings against Stellenbosch Municipality and a municipal official for alleged sexual harassment and unfair discrimination in the Labour Court. The Municipality filed its Statement of Response to the Plaintiff's Statement of Claim. The Special Plea on Shahieda's new Statement of Claim will be determine on 29 July 2020 on the papers before the Judge.</p>		



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 66. Contingent liabilities (continued)

<b>RICARDO GALANDT AND OTHERS/STELLENBOSCH MUNICIPALITY</b>	100,000	-
<p>Spoilation application instituted by the Applicants against Stellenbosch Municipality for the alleged demolishing of their homes/structures. The Municipality raised an issue that the Stellenbosch Magistrate's Court does not have jurisdiction to hear the matter. The point in lime was argued and the Court granted judgement in favour of the Municipality. The Applicants appealed the judgment.</p>		
<b>THAPELO MBASA SMITH AND OTHERS/ STELLENBOSCH MUNICIPALITY</b>	200,000	-
<p>Thapelo Mbas Smith &amp; Others applied for an interim interdict against Stellenbosch Municipality &amp; Others pending the determination of the final relief sought in Part B of the Notice of Motion. The Municipality did not oppose the interim interdict but opposed the Review application instituted by Thapelo Mbas Smith &amp; Others against the Municipality declaring inter alia the Municipality's decision taken on 13 November 2020, to acquire, or accept the donation of, the Property from the Trust, to be unlawful and invalid. The Municipality subsequently filed its answering affidavit in the matter.</p>		
<b>Van der Westhuizen K/Stellenbosch Municipality</b>	73,037	-
<p>Kyla van der Westhuizen issued summons against the Municipality for damages to her vehicle, VW Polo Cross 2015 model for allegedly colliding with a pothole. The Municipality defended the matter and filed its plea in the matter. Discovery affidavit was served and filed and a court date needs to be obtained to argue the matter.</p>		
<b>Mhlenze, N R / Stellenbosch Municipality</b>	325,469	-
<p>Nomzi Renee Mlenze (Mlenze) is applying to the Labour Court for condonation of the non-compliance with the time periods envisaged by the Labour Court in terms of the applicable Rules. Mlenze is employed at Stellenbosch Municipality as Senior Clerk: Accounts in the Finance Department. She earns a salary of R8033.00 per month. In 2013 she raised a number of grievances relating to the fact that she was not being remunerated the same as other Senior Clerks who were performing same task as her. Despite the fact that her Head of the Department agreed that her post will be evaluated on a urgent basis her job was not evaluated. She submitted an appeal on 22 April 2016, which was submitted to the Municipal Manager. She subsequently referred the matter to the Labour Court for adjudication. Mlenze did not file the court papers within the 90-day period allowed, is out of time, and applied for condonation to the Labour Court to grant her permission to proceed with the matter. The application for condonation need to be opposed. The Municipality filed its exception to Mlenze's Statement of Claim and will file a condonation application for the late filing of the Municipality's opposition against the application instituted by Mlenze.</p>		
<b>LABOUR COURT REVIEW - MATUSA OBO REVONAH ANTHONY ("ANTHONY") / STELLENBOSCH MUNICIPALITY- STE10/031</b>	380,000	-
<p>MATUSA obo Revona Anthony obtained an arbitration award against Stellenbosch Municipality in terms of which she was reinstated and certified the arbitration award in terms of section 143(3) of the LRA. They instructed the sheriff to attached the movable properties of the Municipality to be sold in execution. The Municipality instituted review proceedings against the arbitration award and stay the execution of the arbitration award.</p>		



# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 66. Contingent liabilities (continued)

<b>RICMAL GREEN (PTY) LTD &amp; ANOTHER / THE UNLAWFUL OCCUPIERS &amp; OTHERS</b>	200,000	-
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Ricmal Green (Pty) Ltd applied for an interdict that the National Minister of Agriculture, Deputy Minister of Agriculture and the National Government be interdicted and restrained from placing any third parties in occupation of the Property or in any way encouraging, promoting, supporting and or allowing any persons to come onto the farm to occupy the Property. That the persons attempting to occupy the Property be interdicted and restrained from entering onto or remaining on the Property and erecting or attempting to erect any form of structure, be it temporary, permanent or semi-permanent of nature on the Property. Ricmal Green (Pty) Ltd also applied for an urgent eviction application in terms of rule 6(12) against all unlawful occupiers of the Property listed in Annexure A to be ordered to vacate the Property and should they fail/refuse that the Sheriff be ordered to evict them from the Property. Stellenbosch Municipality is sited as Seventh Respondent to the matter. No relief is sought against the Municipality unless the Municipality oppose the application. The Municipality was joined as the Property is situated within its jurisdiction and its statutory and/or constitutional obligations as regards the occupiers. The Municipality is supporting the application of the Applicants and filed an explanatory affidavit.

<b>ANGELA ADELINE MOGOLEGENG / STELLENBOSCH MUNICIPALITY</b>	100,000	-
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Angela Adeline Mogolegeng applied for Default Judgment against Stellenbosch Municipality for alleged unfair labour practice in relation to failure to promote and/or demotion and alleged that she is being unfairly discriminated against

<b>SPS / STELLENBOSCH MUNICIPALITY</b>	100,000	-
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MZ Loghdey t/a Street Parking Solutions submitted a tender, which was awarded to him. The tender was implemented on or about 1 April 2019. A dispute arose between the parties around various issues in terms of the tender. Clause 27.1 of the GCC provides that if any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation. Clause 27.2 provides further if, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party. Clause 27.3 provides that should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law. Notwithstanding the above clause 27.4 provides that notwithstanding any reference to mediation and/or court proceedings herein the parties shall continue to perform their respective obligations under the contract unless they otherwise agree and the purchaser shall pay the supplier any monies due for goods delivered and/or services rendered according to the prescripts of the contract. Both SPS and the Municipality alleged that certain conditions of the tender/contract was breached and that mediation is required to solve the dispute. A mediator was appointed and a date for the mediation need to be set to argue the matter.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 66. Contingent liabilities (continued)

#### STELLENBOSCH MUNICIPALITY LANDFILL SITE

The municipality has a present obligation to rehabilitate the landfill site which stems from licensing agreements 16/2/7/G203/D16/Z1/P331) issued in terms of the Environmental Conservation Act, 1989 (Act 73 of 1989), E13/2/10/7-B4/37-WL0077/11 issued in terms of the National Environmental Management: Waste Act, 2008 (Act no. 59 of 2008) (NEMWA) and license number 19/2/5/1/B4/46/WL0118/14 issued in terms of NEMWA. The obligation is immediately enforceable upon closure of the landfill site. As part of these licensing obligations, the municipality is responsible for post-closure obligations namely, ground water monitoring, decommissioning, monitoring committee and gas monitoring. The duration of the time for the cost to be incurred is contingent on the decision making of the regional director as stipulated in the licence conditions. At 30 June 2021, a decision has not been made by the regional director on the post-closure obligations for the municipality as per the licence agreements, as a result thereof, a reliable estimate of the costs to be incurred cannot be reliably estimated due to the uncertainty of the key events contained within the licencing conditions. .

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	<b>50,028,706</b>	<b>38,245,000</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Notes to the Annual Financial Statements

Figures in Rand

### 67. Segment information

#### General information

##### Identification of segments

The municipality is organised and reports to management on the basis of four major functional areas. These four functional segments are governance and administration, community and public safety, economic and environmental services as well as trading services. The segments were organised around the type of service delivered and the target market.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Reportable segments are identified based on activities performed of the municipality that generates economic benefits or service potential including internal services that contribute to achieving the municipality's objectives without necessarily generating net cash inflows.

Management has only identified segment information for which data is reported on and reviewed during the decision making process of the municipality. Aspects relating to GRAP 18 paragraph 21 (a) - (j) which does not form part of the review process of the management reports will not form part of the segment information.

Segmental reporting was based and identified on the MFMA S71 monthly budget statements/reports that are reviewed by senior management and council to make strategic decisions and in monitoring segment performance. The disclosure of information about segments in these reports are organised around the type of service delivered, in a standardised format namely the C2 schedule. This is considered appropriate for external reporting purposes to achieve the objectives of GRAP 18.

##### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

<b>Reportable segment</b>	<b>Goods and/or services</b>
Community and public safety	Primary services providing community safety, crime prevention and law enforcement.
Governance and administration	Primary services in relation to financial management, financial and governance decision making.
Economic and environmental services	Urban and developmental planning in accordance with the relevant laws and regulations. Environmental planning and protection for long term sustainability.
Trading services	Primary basic service provision including water, electricity, sanitation and refuse.

##### Measurement of segment surplus or deficit, assets and liabilities

##### Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

##### Information about geographical areas

All the municipality's operations are located in the Republic of South Africa in the Cape Winelands area. Information to report on different geographical areas is not available would be expensive and impractical to develop.

# Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2021

## Reportable Segments for the year ended 30 June 2021

2021

	Governance and administration	Community and public safety	Economic and environmental services	Trading services	Other	Total
<b>Segment revenue</b>						
External revenue from non-exchange transactions	461,667,189	21,303,592	142,331,274	137,310,011	100,000	762,712,066
External revenue from exchange transactions	27,256,429	10,186,217	36,553,118	949,348,116	108,638	1,023,452,518
Interest revenue	19,493,405	-	-	21,956	-	19,515,361
<b>Total</b>	<b>508,417,023</b>	<b>31,489,809</b>	<b>178,884,392</b>	<b>1,086,680,083</b>	<b>208,638</b>	<b>1,805,679,945</b>
<b>Segment expenses</b>						
Total segment expenses	(261,951,903)	(217,592,279)	(270,535,087)	(771,795,794)	(100,000)	(1,521,975,063)
Depreciation and amortisation	(17,447,460)	(16,169,366)	(53,453,700)	(105,145,384)	-	(192,215,910)
Fair value adjustments	(922,034)	-	-	-	-	(922,034)
Contribution to/from provisions	-	-	-	(6,874,912)	-	(6,874,912)
Cost of housing sold	-	-	(1,925,000)	-	-	(1,925,000)
Inventory losses/write downs	(18,583)	-	-	-	-	(18,583)
Debt impairment	(677,699)	(4,748,896)	(16,096,098)	(12,463,098)	-	(33,985,791)
Interest expense	(16,840,000)	-	-	(37,634,647)	-	(54,474,647)
<b>Total</b>	<b>(297,857,679)</b>	<b>(238,510,541)</b>	<b>(342,009,885)</b>	<b>(933,913,835)</b>	<b>(100,000)</b>	<b>(1,812,391,940)</b>
<b>Surplus for the year</b>	<b>210,559,344</b>	<b>(207,020,732)</b>	<b>(163,125,493)</b>	<b>152,766,248</b>	<b>108,638</b>	<b>(6,711,995)</b>
<b>Other information</b>						
Total capital expenditure	71,795,299	34,951,015	94,794,762	191,420,571	-	392,961,647



## **ANNEXURE B: ANNUAL PERFORMANCE REPORT 2020/21**



**STELLENBOSCH**

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

# Annual Performance Report

**2020/21**

**(01 July 2020 – 30 June 2021)**

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## 1. PURPOSE

The Annual Performance Report 2020/21 is hereby submitted to the Stellenbosch Municipal Council in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), Section 46(1) and (2). The report covers the performance information from 01 July 2020 to 30 June 2021 and focuses on the implementation of the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the municipality's Integrated Development Plan (IDP) for the year under review.

The format of the report will reflect the Stellenbosch Municipality's Key Performance Indicators (KPIs) per Strategic Focus Area (SFA).

This report will also endeavour to report to Council on the municipality's performance in terms of the five (5) National Government's Key Performance Areas for local government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation.

## 2. LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of Section 46(1) of the MSA, which stipulates as follows:

- (1) A municipality must prepare for each financial year a performance report reflecting—
  - (a) the performance of the municipality and each external service provider during that financial year;
  - (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and
  - (c) measures taken to improve performance.

In addition, regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but is also applicable to the individuals employed in the organisation as well as the external service providers.

## 3. MUNICIPAL OVERVIEW

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

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

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

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

**Figure 3:1 Location of the Stellenbosch Municipality**



### 3.1 Vision

“Valley of Opportunity and Innovation”

### 3.2 Socio-economic status

**Table 1: Total population**

Total population		
2018/19	2019/20	2020/21
186 274*	186 274*	192 879**

\*Western Cape Government, 2018 & 2019 Socio-economic Profile, Stellenbosch Municipality  
 \*\*DLG 2020 Socio- Economic Profile- Stellenbosch Municipality

**Table 2: Total number of households**

Households	2018/19	2019/20	2020/21
Number of households in municipal area	52 374*	52 374*	52 374*
Number of registered indigent households in municipal area	6 817	7 011	7 283

\*STATSSA, 2011

**Table 3: Access to Services**

Community Survey 2016	Stellenbosch	Cape Winelands District
<b>Formal main dwelling</b>	34 071	191 077
	65,1%	81,0%
<b>Water (piped inside dwelling / within 200m)</b>	51 581	232 605
	98,5%	98,6%
<b>Electricity (primary source of lighting)</b>	51 386	228 650
	98,1%	96,9%
<b>Sanitation (flush / chemical toilet)</b>	47 594	218 483
	90,9%	92,6%
<b>Refuse removal (at least weekly)</b>	37 207	192 974
	71,0%	81,8%

Source: Western Cape, Socio-Economic Profile 2018

#### 4. PERFORMANCE MANAGEMENT OVERVIEW

In order to improve on performance planning, implementation, measurement and reporting, the municipality implemented the following actions:

- Departmental operational plans were developed for monitoring and reporting operational programmes;
- An electronic performance management system is operational within the municipality. The same system forms the basis of performance evaluations of the Directors and the Municipal Manager; and
- The municipality endeavoured during the development of the TL SDBIP as well as with the development of the Departmental SDBIP that the "SMART" principle be adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making it measurable.

**Table 4: Performance Management System Checklist**

	Performance Management Policy	All MSA s57/56 Performance contracts signed	Audit Committee	Municipal Public Accounts Committee (MPAC)	Quarterly Performance Reporting to Council	Annual Performance Reporting to Council
In place?	√	√	√	√	√	√

#### 4.1 Top Layer Service Delivery and Budget Implementation Plan

The organisational performance is evaluated by means of a Municipal Scorecard (TL SDBIP) at organisational level and through the Service Delivery and Budget Implementation Plan (SDBIP) at directorate and departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable indicators on how, where and when the strategies, objectives and normal business processes of the municipality are implemented. It also allocates responsibilities to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next the 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget / IDP processes.

The TL SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor on 24 June 2020.

The approved TL SDBIP 2020/21 was revised in February 2021 and again in June 2021. These revisions were made in line with the adjustment budget, internal audit findings and recommendations made by the Auditor General of South Africa (AGSA).

The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

**Table 5: Performance Assessment Criteria**

Color	Category	Explanation
N/A	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
R	KPI Not Met	Actual vs. target less than 75%
O	KPI Almost Met	Actual vs. target between 75% and 100%
G	KPI Met	Actual vs. target 100% achieved
G2	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
B	KPI Extremely Well Met	Actual vs. target more than 150% achieved

The TL SDBIP (the Municipal Scorecard) consolidate service delivery targets set by Council / Senior Management and provide an overall picture of performance for the Municipality as a whole, reflecting performance on its strategic priorities. The TL SDBIP is a detailed one-year plan and the necessary components should include:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected not billed;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

#### 4.2 Departmental Service Delivery and Budget Implementation Plan

The Departmental Service Delivery and Budget Implementation Plan (the detailed SDBIP) capture the performance of each Directorate. Unlike the TL SDBIP, which reflects on the strategic performance of the municipality, the Departmental SDBIP 2020/21 provides a comprehensive picture of the performance per Directorate, Department and Section. It was compiled by the Directors and Senior Managers for their respective Departments and Sections and consists of objectives, indicators and targets derived from the approved TL SDBIP 2020/21.

### 5. PLANNED TARGETS VS ACTUAL RESULTS FOR THE 2020/21 FINANCIAL YEAR

This section of the Annual Performance Report 2020/21 will report on the municipality's actual performance against the planned targets as derived from the municipality's IDP. Due to the fact that the municipality has developed five (5) Strategic Focus Areas (SFAs), the performance reporting will follow these themes.

## 5.1 Municipal performance per National Key Performance Indicator

### 5.1.1 Municipal Transformation and Institutional Development

**Table 6: NKPA- Municipal Transformation and Institutional Development**

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2020/21
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	4	5
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	R2 262 082.24/ R1 661 441 108 x100 = 0.14%	R2 831 705 / R1 779 347 338 =0.16%

### 5.1.2 Basic Service Delivery

**Table 7: NKPA- Basic Service Delivery**

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20*	MUNICIPAL ACHIEVEMENT 2020/21*
The percentage of households earning less than R6,500 per month with access to free basic services (In the case of Stellenbosch Municipality- percentage of registered Indigent households are being reported)	100%	100%
The percentage of households with access to basic level of water	100%	100%
The percentage of households with access to basic level of sanitation	100%	100%
The percentage of households with access to basic level of electricity	74.4%	71%
The percentage of households with access to basic level of solid waste removal	100%	100%

\* The percentage of households with access to basic level of water, sanitation, electricity and solid waste services is based on formal households only. The information on informal households and backyard dwellings were not taken into account.

### 5.1.3 Local Economic Development

**Table 8: NKPA- Local Economic Development**

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2020/21
The number of jobs created through municipality's local economic development initiatives including capital projects	1 656	1 129

### 5.1.4 Municipal Financial Viability and Management

**Table 9: NKPA- Municipal Financial Viability and Management**

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2020/21
Debt coverage ((Total operating revenue - operating grants received) / Debt service payments due within the year)	27.79%	29.06%
Service debtors to revenue (Total outstanding service debtors / Annual revenue received for services)	6.71%	8.86%
Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure)	2.41	2.08

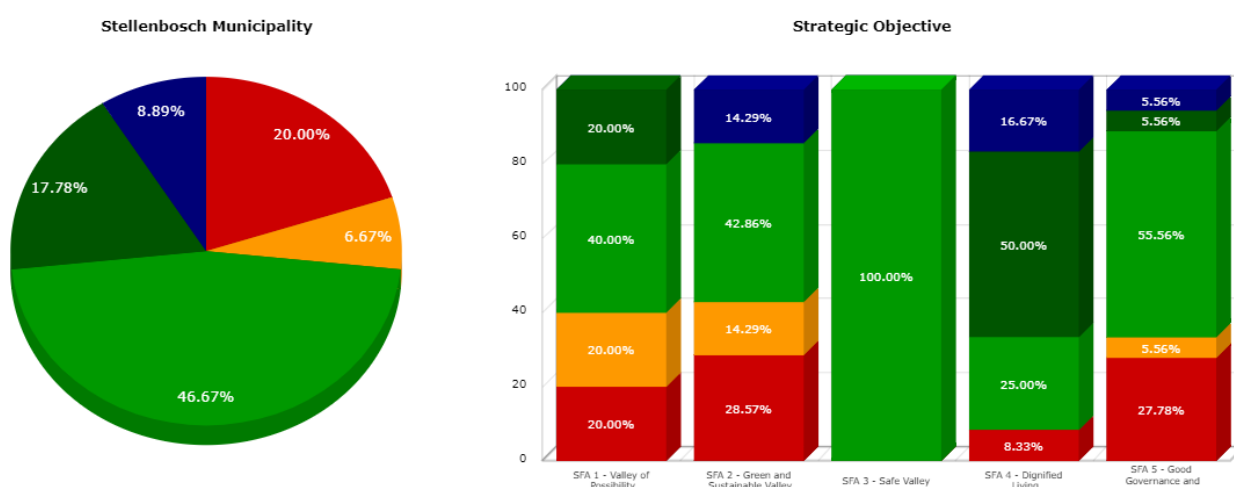
## 5.1.5 Good Governance and Public Participation

**Table 10: NKPA- Good Governance and Public Participation**

INDICATOR	MUNICIPAL ACHIEVEMENT 2019/20	MUNICIPAL ACHIEVEMENT 2019/21
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	70.24%	86.54%

## 5.2 Overall performance per Municipal Strategic Focus Area

The following graph and table illustrate the Municipality's overall performance per Municipal Strategic Focus Area (SFA).



Stellenbosch Municipality		Municipal Strategic Focus Areas (SFAs)				
		SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance
KPI Not Yet Measured	-	-	-	-	-	-
KPI Not Met	9 (20%)	1 (20%)	2 (28.57%)	-	1 (8.33%)	5 (27.78%)
KPI Almost Met	3 (6.67%)	1 (20%)	1 (14.29%)	-	-	1 (5.56%)
KPI Met	21 (46.67%)	2 (40%)	3 (42.86%)	3 (25%)	10 (55.56%)	
KPI Well Met	8 (17.78%)	1 (20%)	-	6 (50%)	1 (5.56%)	
KPI Extremely Well Met	4 (8.89%)	-	1 (14.29%)	-	2 (16.67%)	1 (5.56%)
<b>Total:</b>	<b>45</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>12</b>	<b>18</b>
	<b>100%</b>	<b>11.11%</b>	<b>15.56%</b>	<b>6.67%</b>	<b>26.67%</b>	<b>40%</b>

**Table and Graph 11: Overall performance per SFA- 01 July 2020 – 30 June 2021**



### 5.3 SFA 1 - Valley of Possibility

SFA 1 - VALLEY OF POSSIBILITY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL58	KPI007	The number of jobs created through the Municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the Municipality's local economic development initiatives including capital projects by 30 June	1 656	1 300	1 300	1 300	1 129	O	Projects in a number of internal Departments could not be implemented due to a number of factors which included the impact of the COVID-19 pandemic.	The municipality is in the process of developing a Standard Operating Procedure (SOP) which includes a quarterly monitoring process for internal departments participating in the EPWP. This SOP will be finalised by 31 December 2021.
TL59	KPI008	Land-use applications considered by the Municipal Planning Tribunal within 120 days from a complete land-use application	Percentage of land-use applications considered by the Municipal Planning Tribunal within 120 days after a complete land-use application	0%	90%	90%	90%	58%	R	11 / 19 x 100 = 58% The monitoring system for the management of the land-use application process as well as a new task management system for the individual case officers were instituted to improve the monitoring of the processing of land use applications in order to address compliance to legislative timeframes. As a result, there is a marked increase in the finalisation of land-use applications within 120 days when compared to the 2019/20 financial year of 0%.	The TPAMS electronic application management system for land-use applications is in the process of being finalised and will be implemented by 31 December 2021.
TL60	KPI009	Training opportunities provided for entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided for entrepreneurs and SMMEs	4	4	4	4	5	G2		

**SFA 1 - VALLEY OF POSSIBILITY**

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL61	KPI012	Revised Housing Pipeline (document) submitted to the Mayoral Committee (MayCo)	Number of Revised Housing Pipelines (documents) submitted to the MayCo by 31 May	1	1	1	1	1	G		
TL62	KPI080	Submission of Tourism Strategic Plan to the Municipal Manager	Number of Tourism Strategic Plans submitted to the Municipal Manager by 30 June	New KPI	1	1	1	1	G		

**Summary of Results: SFA 1 - Valley of Possibility**

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	1
O	KPI Almost Met	1
G	KPI Met	2
G2	KPI Well Met	1
B	KPI Extremely Well Met	0
<b>Total KPIs</b>		<b>5</b>

## 5.4 SFA 2 - Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL52	KPI078	Submission of the Revised Facility Management Plan to the MayCo	Number of Revised Facility Management Plans submitted to the MayCo by 31 May	1	1	1	1	0	R	The report was finalised and submitted to the Director: Corporate Services to review.	The final report will be submitted to management for approval by 31 December 2021. This KPI will also be removed from the TL SDBIP 2021/22 in February 2022 and allocated to the departmental SDBIP 2021/22.
TL63	KPI018	Building plan applications processed within 30 days	Percentage of building plan applications of <500sqm processed within 30 days after date of receipt	72.92%	90%	80%	80%	64.30%	O	$650 / 1\ 011 \times 100 = 64.30\%$ There was a considerable increase in building plan applications (1 011 during the 2020/21 financial year) when compared to the 857 applications received during 2019/20. Due to resource constraints and the impact of the COVID-19 pandemic (staff testing positive and or isolating), the productivity of the Building Development Section where impaired.	Attempts are and will continue to be made to monitor individual applications and alert the responsible internal Departments on outstanding comments to improve compliance with timeframes.
TL64	KPI016	Conduct an external audit of the Stellenbosch Municipality Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipality Waste Disposal Facilities conducted by 30 June	1	1	1	1	1	G		

SFA 2 - GREEN AND SUSTAINABLE VALLEY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL65	KPI073	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	1	2	2	2	2	G		
TL66	KPI019	Waste water quality managed and measured to the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate measured quarterly	60.70%	80%	70%	70%	51%	R	Wemmershoek WWTW B/SM 28/21 Contractor appointed - on site mid-July if no appeals were received. Stellenbosch - submission made to DWS to relax licence limits. Pniël WWTW Construction 60% completed Raithby - Still in discussion with land owner to extend the WWTW.	Wemmershoek WWTW B/SM 28/21 - Contractors appointed and was requested to be onsite by 31 July 2021 to commence with Phase 1 and to address effluent quality challenges. Stellenbosch - Regularly following up with DWS on progress of relaxation of license limits. Pniël WWTW Construction 60% completed. The upgrade is in progress and the new phase will start in February 2022. Raithby - Land has been identified and regular discussions will be held with owner and property management. The budget has been identified as well. Klappmuts WWTW- A senior official has been appointed to oversee process controllers to ensure maintenance and operations at the plant are well supervised.
TL67	KPI081	Reduce organic waste	Percentage of organic waste reduced by 30 June	New KPI	20%	20%	20%	48%	B	102 786 T / 141 088 T x 100 = 48%	

SFA 2 - GREEN AND SUSTAINABLE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
										Garden waste is included in the definition of organic waste. As such, the volumes of garden waste dealt with is used in the above calculations. As a long term strategy, food waste will feature more prominently as processes in this regard develops, in line with the National Waste Strategy.	
TL68	KPI082	Submission of an Integrated Waste Management Plan to the MayCo	Number of Integrated Waste Management Plans submitted to the MayCo by 31 March	New KPI	1	1	1	1	G		

### Summary of Results: SFA 2 - Green and Sustainable Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	2
O	KPI Almost Met	1
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	1
<b>Total KPIs</b>		<b>7</b>

### SFA 3 - Safe Valley

SFA 3 - SAFE VALLEY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL49	KPI025	Revised Disaster Management Plan submitted to the Municipal Manager	Number of Revised Disaster Management Plans submitted to the Municipal Manager by 31 March	1	1	1	1	1	G		
TL50	KPI026	Revised Safety and Security Strategy submitted to the Municipal Manager	Number of Revised Safety and Security Strategies submitted to the Municipal Manager by 31 March	1	1	1	1	1	G		
TL51	KPI027	Revised Traffic Management Plan submitted to the Municipal Manager	Number of Revised Traffic Management Plans submitted to the Municipal Manager by 28 February	1	1	1	1	1	G		

### Summary of Results: SFA 3 - Safe Valley

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	0
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	0
B	KPI Extremely Well Met	0
<b>Total KPIs</b>		<b>3</b>

## 5.5 SFA 4 - Dignified Living

SFA 4 - DIGNIFIED LIVING											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL69	KPI037	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	51	50	50	50	0	R	Waterborne toilets are provided and installed as and when required by the municipality. The municipality awaited funding approval from the Provincial Department of Human Settlements during the 2020/21 financial year to construct the required waterborne toilet facilities.	The required funding from the Provincial Department of Human Settlements was allocated for the 2021/22 financial year. The municipality is in the process of constructing 100 toilets in the Watergang Informal Settlement area. The project will be completed by 30 June 2022.
TL70	KPI040	Limit unaccounted electricity to less than 9% annually {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated} x 100}	Percentage average electricity losses measured by 30 June	9.36%	<9%	<9%	<9%	8.86%	B	(36 566 271.67kWh – 333 260 466.63kWh) / 36 566 271.67kWh = 8.86%	
TL71	KPI041	Water quality managed and measured quarterly into the SANS 241 physical and micro parameters	Percentage water quality level as per analysis certificate measured quarterly	90.96%	90%	90%	90%	94.60%	G2		
TL72	KPI042	Limit unaccounted water to less than 25%	Average percentage water losses measured quarterly	20.50%	<25%	<25%	<25%	14.90%	B	1 495 190kl / 10 003 874kl x 100 = 14.90%	
TL74	KPI039	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	100%	G	7 283 / 7 283 x 100 = 100%	



SFA 4 - DIGNIFIED LIVING

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL75	KPI043	Registered indigent formal households with access to free basic electricity provided by the Municipality (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic electricity provided by the Municipality, measured quarterly	73.99%	65%	65%	65%	71%	G2	5 189 / 7 283 x 100 = 71%	
TL76	KPI044	Registered indigent formal households with access to free basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	100%	G	7 283 / 7 283 x 100 = 100%	
TL77	KPI045	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	100%	100%	100%	100%	100%	G	7 283 / 7 283 x 100 = 100%	
TL78	KPI074	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	26 397	26 500	25 500	25 500	26 588	G2		
TL79	KPI075	Formal households with access to electricity (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	26 397	24 000	24 000	24 000	26 588	G2		
TL80	KPI076	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to refuse removal, measured quarterly	26 397	26 500	25 500	25 500	26 588	G2		
TL81	KPI077	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	26 397	26 500	25 500	25 500	26 588	G2		

### Summary of Results: SFA 4 - Dignified Living

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	1
O	KPI Almost Met	0
G	KPI Met	3
G2	KPI Well Met	6
B	KPI Extremely Well Met	2
<b>Total KPIs</b>		<b>12</b>

## 5.6 SFA 5 - Good Governance and Compliance

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL43	KPI058	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	66.67%	75%	75%	75%	50%	R	5 / 10 x 100 = 50% Employment Equity targets are considered in every appointment in the municipality. Where candidates from target groups did not apply or did not pass the assessment test they could not be appointed.	The municipality is in the process to review the Recruitment and Selection Policy. The reviewed policy will be submitted to the Municipal Manager by 30 June 2022.
TL44	KPI062	Revised Risk-Based Audit Plan (RBAP) submitted to the Audit Committee	Number of Revised RBAPs submitted to the Audit Committee by 30 June	1	1	1	1	1	G		
TL45	KPI063	AGSA Audit Action Plan (AAP) submitted to the Audit Committee	Number of AGSA Audit Action Plans submitted to the Audit Committee by 28 February	1	1	1	1	0	R	The AGSA Audit Action Plan is developed from the Management Report issued by AGSA. However, the AGSA processes were delayed with the Final Management Report only signed off in July 2021.	The AGSA Audit Action Plan has been drafted and submitted to the Directorate: Financial Services for comment. This will be submitted to the APAC at the next scheduled APAC meeting on 27 August 2021 and followed up until December 2021.
TL46	KPI064	Revised Strategic Risk Register (SRR) submitted to the Risk Management Committee	Number of Revised Strategic Risk Registers submitted to the Risk Management Committee by 30 June	1	1	1	1	1	G		
TL47	KPI067	Draft Integrated Development Plan (IDP) submitted to Council	Number of Draft IDPs submitted to Council by 31 March	1	1	1	1	1	G		

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL48	KPI070	IDP / Budget / SDF time schedule (process plan) submitted to Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to Council by 31 August	1	1	1	1	1	G		
TL53	KPI059	The percentage of actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy- MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure/ Total Annual payroll Budget) x100), measured by 30 June	0.13%	0.58%	0.58%	0.58%	0.62%	G2	R3 300 217 / R532 497 021 x 100 = 0.62%	
TL54	KPI065	Revised Information and Communication Technology (ICT) Backup Disaster Recovery Plan submitted to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	1	1	1	1	1	G		
TL55	KPI066	Revised Strategic ICT Plan submitted to the ICT Steering Committee	Number of Revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	1	1	1	G		
TL56	KPI072	Submission of a Draft Smart City Framework to the MayCo	Number of Draft Smart City Frameworks submitted to the MayCo by 31 May	0	1	1	1	1	G		
TL57	KPI083	Submission of a Cyber-attack Mitigation and Resilience Strategy to the Municipal Manager	Number of a Cyber-attack Mitigation and Resilience Strategies submitted to the Municipal Manager by 31 March	New KPI	1	1	1	1	G		
TL73	KPI071	Revised Electrical Master Plan submitted to Council	Number of Revised Electrical Master Plans submitted to Council by 30 June	1	1	1	1	0	R	The Electrical Master Plan specifications have been signed off by Department heads and is being submitted to SCM for processing.	The Revised Electrical Master Plan will be submitted to Council by 30 November 2021.
TL82	KPI055	Financial viability measured in terms of the available cash to cover fixed operating	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term	2.41	4	4	4	2.08	R	((R118 870 586 + R222 186 762 – R91 811 461)) / R120 020 625.83)	For the 2021/22 financial year the municipality implemented

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
		expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)							The actual result of 2.08 for the 2020/21 financial year is within the National Treasury norm.	additional cost containment measures as well as operational efficiencies to limit the increase in operational expenditure. These measures will be continued to be implemented for the 2021/22 financial year.
TL83	KPI056	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	89.17%	96%	96%	<b>96%</b>	<b>96%</b>	<b>G</b>	(R309 044 693.38 + R1 124 527 134.65 – R322 114 237.87 – R30 830 836.19) / R1 124 527 134.65 x 100=96%	
TL84	KPI057	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the Municipality actually spent by 30 June	70.24%	90%	90%	<b>90%</b>	<b>86.54%</b>	<b>O</b>	R392 791 313 / R453 880 008 x 100 = 86.54%	Supply chain management indicators were developed and allocated to each Snr Manger in the Departmental SDBIP 2021/22. These indicators are also aligned to the Demand Management Plan.
TL85	KPI060	Financial viability measured in terms of the Municipality's ability to meet its service debt obligations (NKPI Proxy - MSA, Reg. S10(g)(i))	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the year)) measured by 30 June	27.79%	15%	15%	<b>15%</b>	<b>29.06%</b>	<b>B</b>	(R1 792 554 026 – R194 789 868) / R54 986 365.33)	

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2020 to 30 June 2021			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
							Target	Actual	R		
TL86	KPI061	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	6.71%	27%	27%	27%	8.86%	R	(R39 199 338 + R17 930 128 + R7 998 075 + R6 065 834 + R58 114 283 + R17 087 753) / R1 652 018 176 x 100 = 8.86%	A Revenue Enhancement Strategy was developed as well as a Debt Review Committee was established to monitor the progress on outstanding debt and deliberating on acceptable and reasonable arrangements for the settlements of arrear debts by all affected municipal debtors. These initiatives will continue to be implemented during the 2021/22 financial year.
TL87	KPI084	Submission of the Revised Comprehensive Integrated Transport Plan (CTIP) to the MayCo	Number of Revised Comprehensive Integrated Transport Plans (CTIPs) submitted to the MayCo by 30 June	New KPI	1	1	1	1	G		

### Summary of Results: SFA 5 - Good Governance and Compliance

N/A	KPIs with no targets or actuals in the selected period	0
R	KPI Not Met	5
O	KPI Almost Met	1
G	KPI Met	10
G2	KPI Well Met	1
B	KPI Extremely Well Met	1
<b>Total KPIs</b>		<b>18</b>

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**GERALDINE METTLER**  
**MUNICIPAL MANAGER**

**DATE:** .....







**ANNEXURE C: AUDIT AND PERFORMANCE AUDIT COMMITTEE  
ANNUAL REPORT 2020/21**



# STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

## Report of the Audit and Performance Audit Committee

This report of the Audit and Performance Audit Committee of Stellenbosch Municipality is in respect of the 2020/2021 financial year. The Audit and Performance Audit Committee has complied with its responsibilities in terms of Section 166 of the MFMA and applicable Treasury Regulations. The Committee has also regulated its affairs and discharged its responsibilities concordant to the approved Audit Committee Charter. The Committee's operation is guided by the International Institute of Internal Auditor's Standards and the King IV report on Corporate Governance.

The Committee consists of four independent members, elected by the Council: Len Mortimer (Chairperson), Tsepo Lesihla, Vincent Botto and June Williams. The Council appointed the Chairperson of the Committee, an independent member. The Municipal Manager, Chief Financial Officer, Directors, Chief Audit Executive, Senior Manager Governance, Chief Risk Officer, MPAC Chairperson, and External Auditors are permanent invitees to the Committee meetings.

### Execution of Functions

The Audit and Performance Audit Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to the Council's accounting, internal auditing, internal control, governance, risk management and financial reporting practices.

During the year under review, the Committee, amongst other matters,

#### 1.1 In respect of the External Auditors and the External Audit

- i. Approved the External Auditors' (Auditor-General of RSA) terms of engagement, the audit plan and budgeted audit fees payable;
- ii. Engaged and interrogated extensively the Audit report and management report of the Auditor General at the Audit and Performance Audit Committee meeting dated 20<sup>th</sup> January 2022;
- iii. Considered the audit outcome of the Municipality extensively and communicated the Audit and Performance Audit Committee's satisfaction and congratulated the Accounting Officer and Management on the Clean Audit Outcome;
- iv. Based on the audit outcome recommendations were made by the Audit and Performance Audit Committee on the other important matters as well as control deficiencies identified in the Auditor-Generals' final management report;

- v. Management have been requested by the Audit and Performance Audit Committee to improve business processes impacting annual financial statement compilation and reconciliations of transactions;
- vi. Management are urged to strengthen controls to adequately monitor non-compliance with laws and regulations on a timely basis;
- vii. Management were requested to concentrate on accurate presentation and review of the annual financial statements submitted to the Auditor General for audit;
- viii. The supervision and review process need to be interrogated to prevent, detect and correct misstatements on a timely basis and the controls designed to monitor compliance with regulations that are not always able to prevent or report the instances of non-compliance in a timely manner to allow for corrective action;
- ix. The quality of submitted financial statements can be still be improved on; thus, management is encouraged to develop action plans early to allow for the improvement in the next reporting cycle;

## **1.2 In respect of the Annual Financial Statements (AFS)**

- i. Confirmed the going concern as the basis of preparation of the annual financial statements;
- ii. Examined, reviewed and interrogated the annual financial statements, performance report as well as financial information disclosed to the public prior to submission and approval by Council;
- iii. Reviewed reports on the adequacy of the portfolio and specific impairments and impairment of other assets;
- iv. Ensured that the annual financial statements fairly represented the financial position of the Stellenbosch Municipality as at the end of the financial year in accordance with SA Standards of GRAP and in the manner required by the MFMA and DORA;
- v. Considered the appropriateness of accounting treatments, significant unusual transactions and management accounting judgements;
- vi. Considered the appropriateness of the accounting policies adopted by Management and changes thereto;
- vii. Through the Chairperson, met separately over the course of the year with the Chief Audit Executive, CFO, Chief Risk Officer, Management and the External Auditors (Auditor-General of RSA);
- viii. Reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- ix. Noted that there were no material reports or complaints received concerning accounting practices, internal financial controls, content of annual financial statements, internal controls and related matters.

## **1.3 In respect of Internal Control and Internal Audit**

- i. Reviewed and approved the internal audit mandate, annual and three-year rolling audit plans and evaluated the independence, effectiveness and performance of the Internal Audit Department and compliance with its mandate;
- ii. Considered reports of the Internal and external auditors on Council's system of internal control, including internal financial controls and maintenance of effective internal control systems;
- iii. Reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to such findings;
- iv. Reviewed significant differences of opinion between the internal audit function and Management and noted that there were no material issues of difference raised and all matters were addressed and resolved;
- v. Assessed the adequacy of the performance of the internal audit function and found it to be effective in providing assurance;
- vi. Reviewed and monitored the quality assurance and improvement plan submitted by internal audit as required by the IIA Standards;

- vii. Assessed the adequacy and sufficiency of available internal audit resources and found these to be limited, as more resources would be required to evaluate the control weaknesses and high-risk areas identified in both the corporate strategic risk, external audit and the audit universe;
- viii. Received assurance that proper and adequate accounting records were maintained and that systems safeguarded the assets against unauthorised use or the disposal thereof; and
- ix. Based on the above, the Committee's opinion at the date of this report are that there were some breakdowns in internal control, including internal financial controls, for the year under review in the following areas (it is noted that management are in the process of addressing these concerns):
  - Performance management system (PMS)
  - ICT Governance and Baseline Maturity Assessment
  - Applications for building plans processes
  - Applications for rezoning processes
  - Employee Allowances
  - Pre-determined objectives
  - Monthly or regular reconciliations of assets, debtors, and creditors
  - Compilation of mid-year or interim AFS
- x. In addition, the Committee noted Management's improved responses to conclude on internal and external audit findings from the prior and current year as reported in the internal audit follow up reports.

#### **1.4 In respect of Legal and Compliance with Laws and Regulations**

- i. Reviewed with management matters that could have a material impact on Council;
- ii. Monitored compliance with the MFMA and other key legislation applicable to the Municipality, requirements of National and Provincial Treasury, Council's policies, and all other applicable legislation and codes of good governance;
- iii. Reviewed reports from the internal and external auditors detailing the extent of compliance.

#### **1.5 In respect of Risk Management, Combined Assurance and Information Technology**

During the period under review, Management presented Strategic and Operational Risk profiles for the Municipality to the Audit and Performance Audit Committee who :

- i. Considered and reviewed reports from Management on risk management, including fraud risks and information technology risks as they pertain to financial reporting and the going concern assessment;
- ii. In respect of the coordination of assurance activities, the Committee reviewed the plans and work outcomes of the external and internal auditors and concluded that these were adequate to address all significant financial, operational and compliance risks facing the Municipality;
- iii. Noted the progress made in terms of Combined Assurance and the co-ordination between assurance providers to mitigate the top 10 strategic risks facing the Municipality as well as the emerging risks;
- iv. The Audit and Performance Audit Committee took cognisance that Information Technology and IT systems controls need some improvement in the Auditor General's Management report. Member Tsepo Lesihla, ICT expert, has been appointed to the ICT committee to support management in this respect

## **1.6 In respect of Pre-Determined Objectives (PDO's)**

The Audit and Performance Audit Committee:

- i. The quality of submitted performance information in the Management report is indicated as satisfactory. There were no material findings reported on performance information by the Auditor General and Internal Audit, respectively.
- ii. Internal audit has also provided the Audit and Performance Audit Committee with reports on performance on a quarterly basis and no critical or significant findings have been raised.

## **1.7 In respect of the Finance Function**

The Audit and Performance Audit Committee:

- i. Considered the existing expertise, resources and experience of the organisation-wide finance functional capacity and has noted that the improvement year on year on the quality of the annual financial statements submitted to the Committee and the AGSA. The number of misstatements corrected on the annual financial statements are noted and impact of external factors recognised. Management intend to report on an action plan in this respect.
- ii. The Chief Financial Officer should continue to ensure appropriate measures are in place for the accurate and timeous submission of information to the Office of the Auditor-General.

## **1.8 Independence of the External Auditors**

The Audit and Performance Audit Committee is satisfied that the Audit General of RSA (AGSA) were independent of the Council. This conclusion was arrived at, inter alia, after taking into account the following factors:

- i. The presentations made by the Auditor-General to the Audit and Performance Audit Committee;
- ii. The Auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditors; and

## **1.9 General**

- i. The Audit and Performance Audit Committee has monitored quarterly the Municipality's implementation plan for audit issues raised in the prior year and are satisfied that the matters have been adequately addressed and resolved. Of all the matters raised in the 2020/21 audit outcome, no repeat-findings occurred from the prior year. The Audit and Performance Committee has raised its concern around the other important matters raised in the Auditor-General's Management Report. The Municipal Manager has given assurance that all of these will be addressed as urgent and tracked for the 2021/2022 financial year.
- ii. The Audit and Performance Audit Committee concurs and accepts the conclusions of the External Auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

Stellenbosch Municipality has increasingly been stable in the areas of second and third levels of assurance and governance over a three year period. There has also been stability in the leadership over the past five financial years. The areas for concern, and where attention is required are highlighted above. The Audit and Performance Committee has made recommendations in these areas which management have committed to.

### 1.10 Conclusion

I am extremely grateful to the members for their dedication and high levels of professionalism and diligence in their duties, as well as their flexibility in accommodating last-minute calls to duty. We are fortunate to have the diversity of skills and expertise available to the Municipality. It would be amiss not to convey on behalf of the Committee our appreciation to the Mayor, the entire Council and its Committees for the leadership, support and oversight they have provided during the year.

Finally, the Audit and Performance Audit Committee would like to express its appreciation to Management, Internal Audit, Risk Management and the Auditor General for the support and co-operation extended during the financial year and for providing the relevant information to enable the Audit and Performance Audit Committee to compile this report. This past year was again trying and Stellenbosch Municipality should be proud of its elected and appointed leaders for taking control and driving an agenda of sustainability and service delivery and improving its audit results in the process, during a time of great fluidity.

We also congratulate the Municipal Manager on her appointment for another term with Stellenbosch Municipality and wish her well in her endeavours to solidify the municipality's position and efforts in delivering on its mandate.

On behalf of the Audit and Performance Audit Committee.



**Dr Llewellyn Nimrod Mortimer**  
**Chairperson Audit and Performance Audit Committee**  
**21 January 2022**





**ANNEXURE D: REPORT OF THE AUDIT GENERAL OF SOUTH AFRICA  
2020/21**

# Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Stellenbosch Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 134, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Restatement of corresponding figures

7. As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2021.

## Material impairments

8. As disclosed in note 5 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R167,1 million (2019-20: R151,4 million).
9. As disclosed in note 6 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R173,2 million (2019-20: R153,4 million).

## Irregular expenditure

10. As disclosed in note 58 to the financial statements, the municipality incurred irregular expenditure of R89,8 million, as a result of non-compliance with Supply Chain Management Regulations.

## Other matter

11. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

## Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## Auditor-general’s responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report.

## Report on the audit of the annual performance report

### Introduction and scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected strategic focus area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic focus area presented in the municipality’s annual performance report for the year ended 30 June 2021:

<b>Development priority</b>	<b>Pages in the annual performance report</b>
Strategic focus area 4 – dignified living	9 – 21

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. I did not identify any material findings on the usefulness and reliability of the reported performance information for this strategic focus area.

### **Other matter**

22. I draw attention to the matter below.

### **Achievement of planned targets**

23. Refer to the annual performance report on pages 15 to 16 for information on the achievement of planned targets for the year.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

25. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## **Other information**

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected strategic focus area presented in the annual performance report that have been specifically reported in this auditor's report.

27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic focus area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

## Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
31. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Cape Town

24 January 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected strategic focus areas and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Stellenbosch Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.