



STELLENBOSCH MUNICIPALITY

ANNUAL REPORT

2017/18 Financial Year

This Annual Report is drafted in terms of the Local Government:
Municipal Finance Management Act, 2003 (Act 56 of 2003)



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

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List of Abbreviations

Abbreviation	Description
ABS	Access to Basic Services
ACDP	African Christian Democratic Party
AG	Auditor-General
ANC	African National Congress
AMEU	Association of Municipal Electricity Utilities
ANPR	Automatic Number Plate Recognition System
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BBBEE	Broad-Based Black Economic Empowerment
BICLS	Bulk Infrastructure Development Contribution Levies
CAC	Civic Amenity Centre
CAPEX	Capital Expenditure
CBD	Central Business District
CBP	Community Based Planning
CDW	Community Development Worker
CEO	Chief Executive Officer
CEB	Compressed Earth Block
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
CGI	Compliance and Governance Index
CoCT	City of Cape Town
COGTA	Cooperative Governance and Traditional Affairs
CITP	Comprehensive Integrated Transport Plan
COPE	Congress of the People
CRSES	Sustainable Energy Studies
CWDM	Cape Winelands District Municipality
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
EIA	Environmental Impact Assessment
EHP	Emergency Housing Policy
ESTA	Extension of Security of Tenure Act
EPWP	Expanded Public Works Programme
FBAR	Final Basic Assessment Report

Abbreviation	Description
GAMAP	Generally Accepted Municipal Accounting Practice
GRDP	Gross Regional Domestic Product
GRAP	Generally Recognised Accounting Practice
HSDG	Human Settlements Development Grant
HR	Human Resources
ICT	Information and Communication Technology
IBR	Inverted Box Rib
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IPC	Integrated Planning Committee
IIC	Infrastructure Innovation Committee
IMATU	Independent Municipal Trade Union
IMFO	Institute for Municipal Finance Officers
IMESA	Institute of Municipal Engineers of South Africa
IZS	Integrated Zoning Scheme
IRD	Integrated Residential Development Programme
IWMP	Integrated Waste Management Plan
JPI	Joint Planning Initiative
JSE	Johannesburg Stock Exchange
KPA	Key Performance Area
KPI	Key Performance Indicator
KIWMF	Kraaifontein Integrated Waste Management Facility
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
LR	Labour Relations
LM	Limpopo
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)
MIG	Municipal Infrastructure Grant
MILE	Municipal Institute of Learning
MINMAY	Provincial Ministers, Provincial Heads of Departments, Mayors and Municipal Managers
MIQ	Municipal Data and Intelligence
MM	Municipal Manager
MMC	Member of the Mayoral Committee
MMF	Municipal Managers Forum
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPC	Multipurpose Centre
MPI	Municipal Productivity Index
MRF	Material Recovery Facility

Abbreviation	Description
MSA	Municipal Systems Act (Act No. 32 of 2000)
MTAB	Metropolitan Transport Advisory Board
MVA	Mega Volt Amp
MTECH	Medium Term Expenditure Committee
mSCOA	Municipal Standard Chart of Accounts
NDP	National Development Plan
NEMA	National Environment Management Authority
NGO	Non-Governmental Organisation
NHBRC	National Housing Building Regulation Council
NMT	Non-Motorised Transport
NPO	Non-Profit Organisation
NRTLEC	National Road Traffic Legislation Enforcement Code
NT	National Treasury
OPEX	Operating Expenditure
PDO	Predetermined Objectives
PDoHS	Provincial Department of Human Settlement
PIE	Prevention of Illegal Evictions
PSP	Provincial Strategic Plan
PPDO	Provincial Predetermined Objectives
PMS	Performance Management System
PPP	Public Private Partnership
PSDF	Provincial Spatial Development Framework
PRASA	Passenger Rail Agency of South African
PSDF	Provincial Spatial Development Framework
PT	Provincial Treasury
RBIG	Regional Bulk Infrastructure Grant
SAB	South African Breweries
SABS	South African Bureau of Standards
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SAMWU	South African Municipal Workers Union
SANEDI	South African National Energy Development Initiative
SANS	South Africa National Standards
SAMRAS	South African Municipal Resource Accounting System
SASSA	South African Social Security Agency
SAPS	South African Police Service
SCA	Stellenbosch Civic Association
SCMU	Supply Chain Management Unit
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SITA	State Information Technology Agency
SMME	Small Medium Micro Enterprises
SMS	Short Message Service
SSI	Stellenbosch Safety Initiative
SOP	Standard Operating Procedure
SPA	Stellenbosch People's Alliance

Abbreviation	Description
SPLUMA	Spatial Planning and Land Use Management Act
STOD	Sustainable Transit Oriented Development Plan
SPV	Special Purpose Vehicles
SWWTW	Stellenbosch Waste Water Treatment Works
TASK	Tuned Assessment of Skills and Knowledge
TIATCP	Technical Innovation Agency Technical Centre Program
VTS	Vehicle Testing System
WC	Western Cape
WCO24	Greater Stellenbosch
WWF	World Wildlife Fund
WRC	Water Research Commission
WoF	Working on Fire

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 COMPONENT A: EXECUTIVE MAYOR'S FOREWORD



This report provides feedback on the financial year July 2017 to June 2018 and reflects on the first budget approved by this Council. This was crafted as a bread and butter budget, back to the basics of service delivery. We had no funds to waste on elaborate or wish list projects and it was imperative to focus on the most necessary service delivery needs that affect our residents directly. The purpose was to ensure that we build a strong foundation of infrastructure.

Despite some major challenges with implementation, we are finally beginning to see the impact of our decisions through improvements in basic service delivery.

In order to ensure that we keep up with the changing needs of the Municipality a process has been started to update and review, as well as create new policies and by-laws where necessary.

Following the review of the organogram in 2016, implementation started during this year. The departments have been strategically aligned during this process to ensure greater efficiency and to enable us to attract and retain the skills we need to reach our service delivery targets.

During the 2017/18 financial year the Municipality repaired 3 224 potholes, cleaned 105 632 catch pits, cleaned 102 923 meters of storm water pipes and resealed 68 000 m² of roads. Our turnaround time for repairs has also improved vastly.

Traffic congestion has received attention and various intersections, including the R44 / Van Rheeде intersection, the R44 / Bird Street Intersection and the R310 / Lelie intersection were upgraded to ease traffic flow and congestion. A traffic signal optimisation study to ensure improved traffic flow was conducted at all major road intersections and the recommendations will be implemented during the next financial year.

At the start of my term, I expressed my concern about the living conditions in our informal settlements and we have embarked on several projects to improve these conditions for informal dwellers. It has however not been an easy challenge due to some members of the community causing trouble and disrupting the implementation.

The plight of residents living in backyards and informal structures was taken very seriously and many projects all over the Municipality have been initiated. The Kayamandi Watergang project to build houses for all residents living in O Zone was unfortunately disrupted and delayed by some residents causing damage to the extent of R 17 million.

The growing issue of backyarders is a challenge that needs to be dealt with. To enable us to plan properly, a survey process to establish how many backyarders we have across our municipality and what their needs are has kicked off.

An intense focus to accelerate the handing over of title deeds to disadvantaged communities, resulted in the handover of the first batch of 285 deeds. As this is a step towards redressing the legacy of our past and bringing more of our residents into the economy, it will be continued with even more vigour.

Safety and security remains a serious concern for our residents. Although the Municipality has a limited security mandate, we expanded the CCTV network throughout the Municipality. All the cameras will feed into the new operations room, which will open in 2018/19. This will house the Stellenbosch Safety Initiative (SSI) consisting of Municipal Law Enforcement, SAPS and other security partners. Together, and with combined resources, the maximum benefit for our residents can be achieved. This is considered a best practice model within the province and other Municipalities are now also following our lead to deploy similar models.

More Licence Plate Recognition (LPR) cameras to identify suspicious vehicles have also been installed at all the main entrances and the Municipality has deployed LPR response teams.

The installation and upgrading of additional lighting in neighbourhoods to enhance safety for residents, has also been a priority project.

Economic development is critical for job and wealth creation. Stellenbosch Municipality was identified by the specialised financial services group, Alexander Forbes as a 'secondary city' that can help unlock South Africa's future economic growth potential. Stellenbosch has also been recognised as a very favourable investment opportunity due to its GDP growth of 2,9% between 1996 and 2017, its diverse sectors including agriculture, manufacturing, construction and financial services.

A Section 78 process as prescribed in the Municipal Systems Act in order to implement significant upgrades to address the parking shortage in the Municipality, has been approved by Council and is being implemented.

The effects of the drought were most severely felt during this financial year, with the drought restrictions reaching Level 6B in February 2017. Our Municipality was however well prepared with an approved Drought Management Plan and the necessary budget provisions. This ensured that effective water management could take place. Stellenbosch was the first municipality in the Western Cape to install mobile water purification units at strategic boreholes within the Municipality, allowing us to augment our water supply and making much less reliant on the bulk water supply from the City of Cape Town. This enabled us to cap our tariffs at Level 4 restriction tariffs.

I want to thank our residents for their cooperation during this difficult period. Your cooperation was absolutely remarkable. Every drop saved, has made a difference.

Using our resources to empower our residents was enhanced by the Policy on the Management of Municipal Agricultural Land. This policy serves as a strategic framework that allows the Municipality to manage the agricultural land it owns strategically to benefit future generations as well as empower persons or groups who were previously disadvantaged.

We continued throughout this year with a zero tolerance approach when it comes to corruption. To that effect, a forensic investigation into alleged unlawful activity, predating the current Council, was initiated in 2017. The investigation is still in progress.

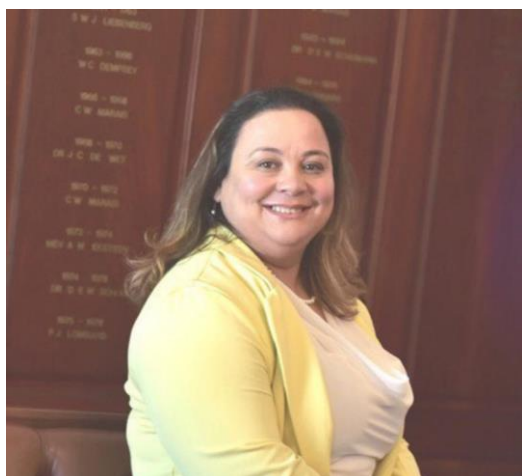
As Mayor, I would like to thank the Municipal Manager, all staff members, councillors, residents, interest groups, associations and forums for working with us to better our Municipality and the lives of all our people. Constructive criticism remains a pillar of public participation and is always welcomed.

Although the Municipality faces challenges, we are very optimistic that we shall successfully manage it and succeed with the Mayor's dream to position Stellenbosch as one of the most successful municipalities in South Africa.

ADV GESIE VAN DEVENTER
EXECUTIVE MAYOR

1.2 COMPONENT B: EXECUTIVE SUMMARY

1.2.1 Municipal Manager's Overview



This report offers an overview of the extent of work done, challenges faced, highlights witnessed and positive outcomes achieved by the Stellenbosch Municipality during the 2017/18 financial year. We overcame many challenges and witnessed numerous successes in our towns. We continue to see steady progress towards improving basic service delivery, improving our financial stability and promoting organisational wellbeing.

In presenting the 2017/18 Annual Report we affirm that Stellenbosch Municipality has made remarkable strides towards its vision of becoming a Valley of Opportunity and Innovation, which is guided by our values of accountability, transparency, innovation and transformation. To achieve our goals we have consistently been guided by our Integrated Development Plan (IDP) and we have gone to great lengths to ensure that our IDP is a true reflection of the needs of all our residents.

Stellenbosch Municipality is a Category B municipality and its powers and functions are assigned to it in terms of sections 155 and 156 of the Constitution of the Republic of South Africa, 1996, and of the local government matters referred to in Schedules 4 and 5. These powers and functions are exercised subject to Chapter 5 of the Municipal Structures Act, 117 of 1998 and Chapter 3 of the Local Government Municipal Systems Act, 32 of 2000.

The main focus areas highlighted in the 2017/18 financial year included bulk infrastructure development and maintenance; augmenting our water supply and further promoting an enabling environment that attracts jobs and stimulates economic growth.

The new Stellenbosch Waste Water Treatment Works is currently underway with the aim to clean water to a potable standard. This will enable the municipality to provide more water to the community.

During the 2017/18 financial year, the Municipality successfully implemented various initiatives to ensure that the community of Stellenbosch has sufficient water during the strenuous drought experienced in the Western Cape. These initiatives included water restrictions being put in place for all residents, water demand analysis, the drilling of new boreholes, borehole audits and testing, water augmentation schemes and the roll-out of water management devices. All bulk water meters are now equipped with monitoring equipment, making real time viewing and daily consumption monitoring possible.

The Electrification of Enkanini, Stellenbosch Municipality's largest informal settlement, is well under way. Basic service delivery initiatives have also been implemented to ensure that services are being rendered in the best possible way, to guarantee a living environment which the community can be proud of.

The illegal occupancy of land remains a challenge faced by many local governments and our Municipality is not immune to this challenge. These cases regularly go hand in hand with protest actions which often leads to the damaging of public and private property and infrastructure. Some of the other significant challenges we face as an administration is to keep water losses under the national norm, the relocation of residents due to emergency situations and capital expenditure.

During the course of the 2017/18 financial year, the Municipality experienced much improved stability at senior management level, which has led to greater organisational wellbeing overall. All Senior Management posts were filled and fully functional during the past year. The Municipality also approved its new organisational structure merging the Planning Directorate and the Human Settlements Directorate into one Directorate of Planning and Economic Development. The organisational restructuring process has enabled us to modernise and streamline our efforts to improve service delivery.

The Municipality has maintained a healthy payment rate of consumers as a result of effective credit control and debt collection measures. To maintain this situation, it is important to keep services affordable and to continue delivering the same service in the most efficient and cost-effective manner. We are well aware of the increasing pressures on our residents during these difficult economic times and will continue to work in the most economical way possible. Financial sustainability, as reflected by the financial ratios, indicates a healthy financial position.

The Municipality received an unqualified audit with findings from the Auditor General during this financial year. We are pleased with the unqualified report that indicates compliance with generally accepted accounting principles and statutory requirements. We have already put measures in place to ensure that the concerns raised by the AG be strictly monitored, so that no repeat findings be identified in future.

Risk Management remains an integral part of the planning processes as well as mitigation of any possible eventualities. Significant strategic risks facing the Municipality include drought management; IT under expenditure of capital budget including systems integration and mSCOA; service delivery infrastructure failure; economic growth and development; compliance with mSCOA; losing the historic status of Stellenbosch with regards to the environment; and insufficient housing resources for emergency relocations.

Thank you to all residents, visitors, stakeholders and community groups for the support during 2017/18. The Directors and I look forward to improving service delivery, together with all our staff, through innovation and partnerships during 2018/19.

It is a pleasure to present the 2017/18 Annual Report of the Stellenbosch Municipality.

GERALDINE METTLER
MUNICIPAL MANAGER

This report addresses the performance of the Stellenbosch Municipality in the Western Cape 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 2017/18 Annual Report reflects on the performance of the Stellenbosch Municipality for the period of 1 July 2017 to 30 June 2018. The Annual Report is prepared in terms of section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.2 Vision, Mission and values

The Stellenbosch Municipality has committed itself to the following vision and mission:

Vision:

“The Valley of Opportunity and Innovation”

Mission:

“To deliver cost-effective services that will provide the most enabling environment for civil and corporate citizens”

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.

Transformation: We, as custodians of hope, will work tirelessly at transforming our municipality, communities and broader society through unlocking the endless possibilities 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.

1.2.3 House of values

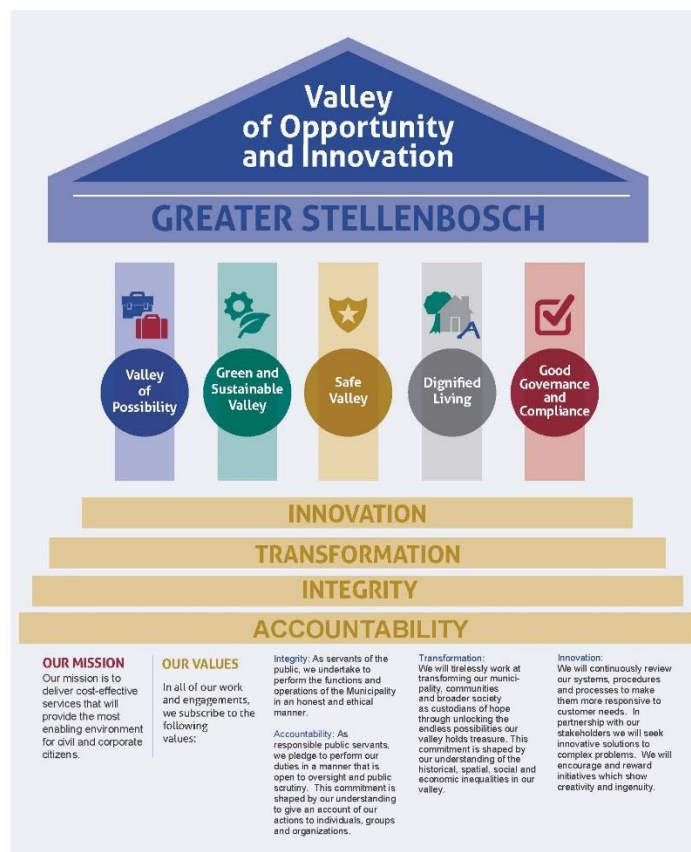


Figure 1.1 House of Values

1.2.4 Demographic and Socio- Economic Information

1.2.4.1 MUNICIPAL GEOGRAPHICAL INFORMATION

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

This convergence of environmental resources, scenic quality and business opportunities has two other mutually reinforcing spin-offs: The largest number of JSE-listed companies based in any small South African town have their headquarters in Stellenbosch and the town is home to a disproportionately high number of corporate CEO's and executives, which in turn means that it is able to sustain a comparatively high level of economic activity and consumer services for a town of its size. This results in other benefits throughout the value-add chain and for employment. The municipal area covers approximately 900 km². The Municipality's area of jurisdiction includes the towns of Stellenbosch and Franschoek, as well as a number of rural hamlets such as Wemmershoek, La Motte, De Novo, Kylemore, Pniel, Johannesdal, Languedoc, Groot Drakenstein,

Muldersvlei, Klapmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vlottenburg (most with a population of less than 5 000). Apart from formal settlement areas, the municipal area also includes a number of informal settlements.

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

The area houses excellent educational institutions, including the University of Stellenbosch and a number of prestigious schools. It has a strong business sector, varying from major South African businesses and corporations to smaller enterprises and home industries. The tourism industry alone is responsible for the creation of about 18 000 jobs in the area. Wine farms and cellars abound and the area is the home of the very first Wine Route in South Africa. A variety of sport facilities are available. Coetzenburg, with its athletics and rugby stadiums, has delivered star performances over many generations. The Municipal area has a number of theatres, which include the Stellenbosch University's HB Thom Theatre, Oude Libertas Amphitheatre (renowned for its summer season of music, theatre and dance), Spier Amphitheatre, as well as Klein Libertas Theatre, Dorpstraat Theatre and Aan de Braak Theatre.

1.2.4.2 WARDS

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

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

WARD	AREAS	Population (2011)
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	Elsenburg, De Novo	10 493
20	Vlottenburg, Raithby, Lynedoch to Meerlust, Eikendal, Mooiberge, Faure	9 628
21	Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen, surrounding farms	8 651
22	Die Boord, Dalsig, Brandwacht, Krigeville, Libertas Farm	4 873
Total		155 733

Table 1.1 Municipal Wards

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

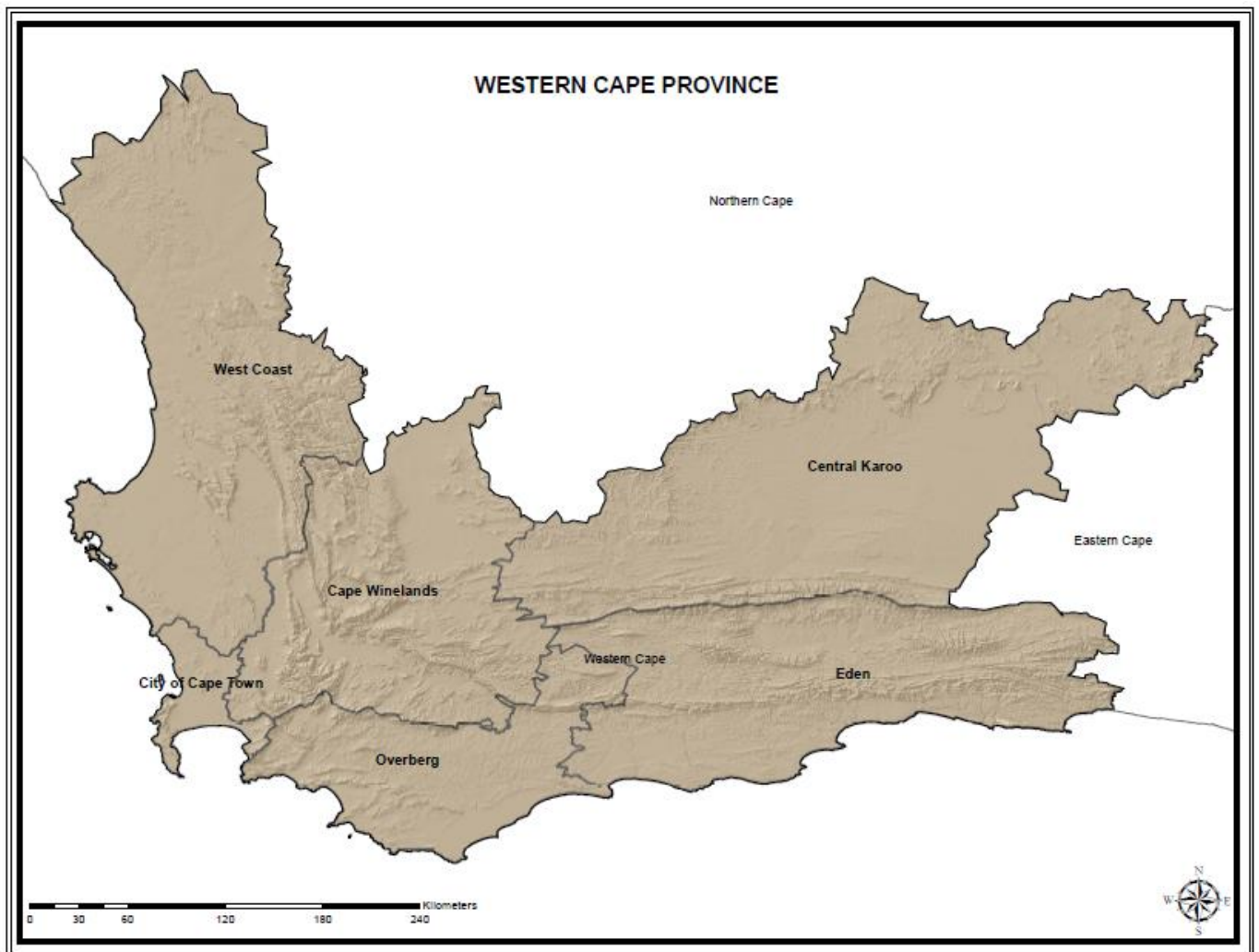


Figure 1.2 Locality of Cape Winelands District in relation to Provincial Boundaries

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

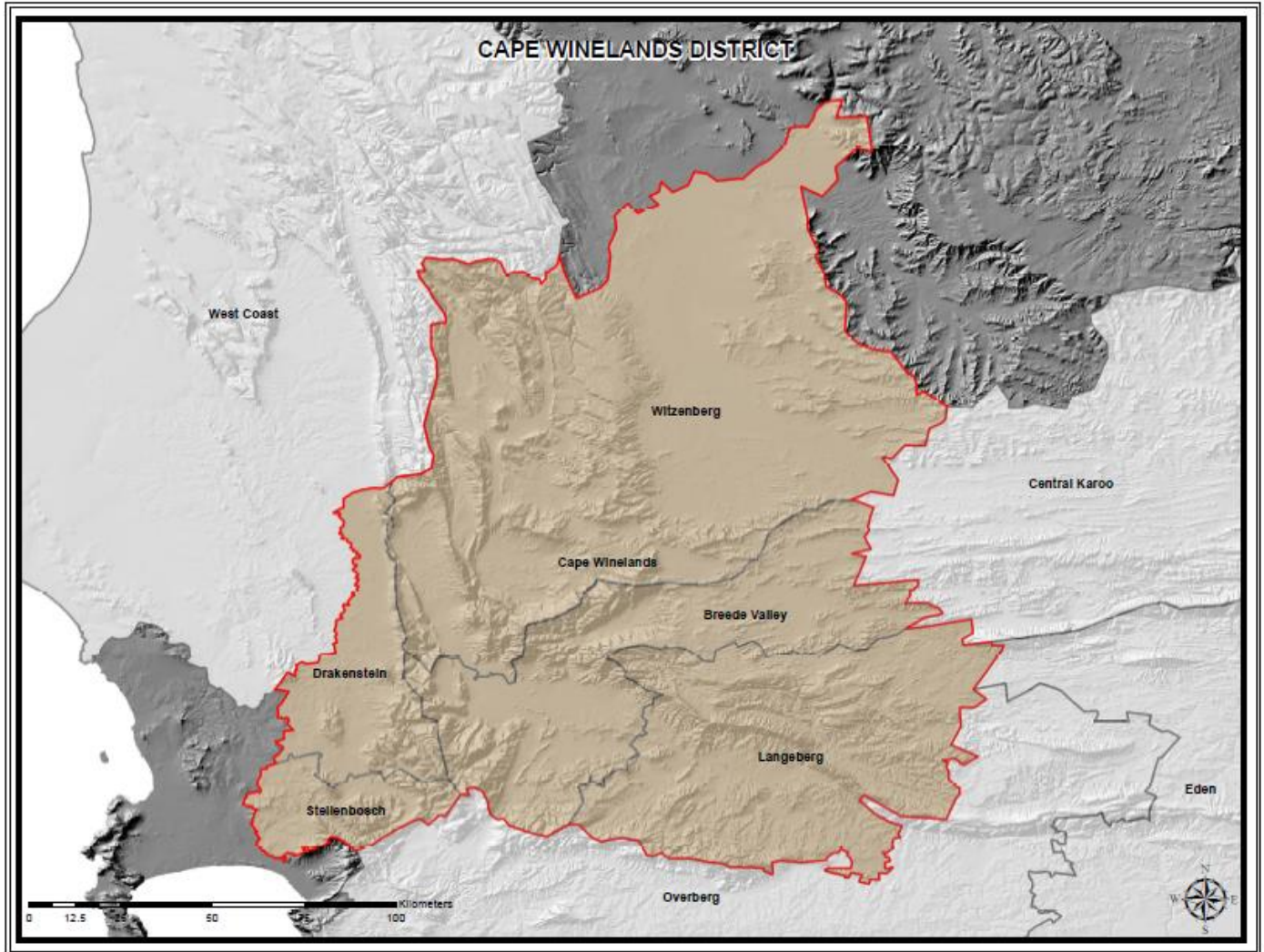


Figure 1.3 Locality map of Stellenbosch Municipality in relation to Cape Winelands District Boundaries

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

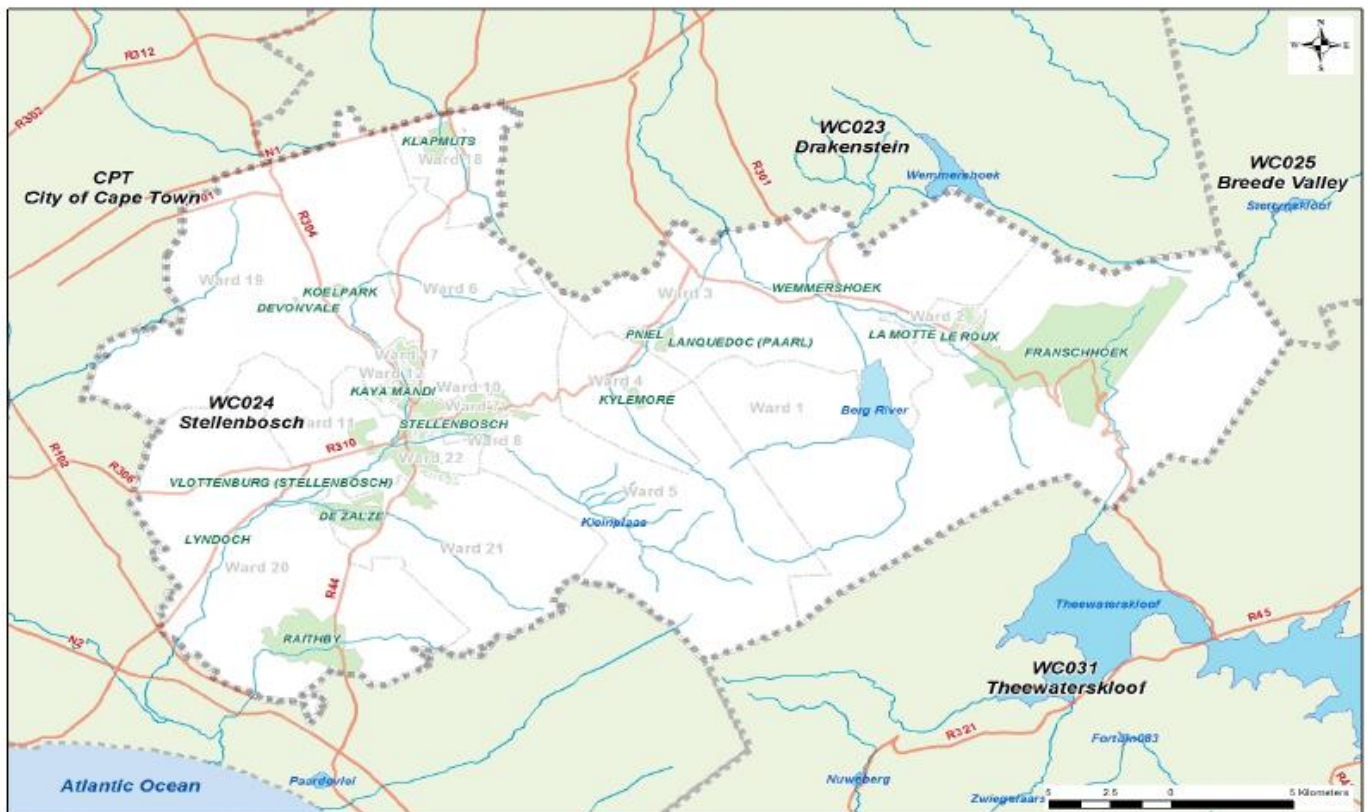


Figure 1.4 Locality map of Municipal Boundaries

1.2.4.3 STATE OF THE GREATER STELLENBOSCH

Stellenbosch is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. The municipal area covers roughly 900 km². According to population growth estimates, of the Community Survey the population figures for Stellenbosch for 2016 indicates a number of 176 543 people and 52 374 households. The Municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to Raithby in the South, Bottelary, Koelenhof, and Klappmuts to the North, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschhoek in the East.

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

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

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

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

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

The following municipalities share their borders with Stellenbosch Municipality:

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

Stellenbosch municipal area is now divided into 22 Wards, with recent amendments to some of the ward boundaries by the Municipal Demarcation Board in 2016. The wards consist of urban settlements as well as the surrounding rural areas which contain agricultural and natural environments. The table below describes the urban settlements and rural areas within the different wards and the figure on the next page indicates the ward demarcation for the respective 22 wards within the WCO24 boundary.

1.2.4.4 STELLENBOSCH AT A GLANCE

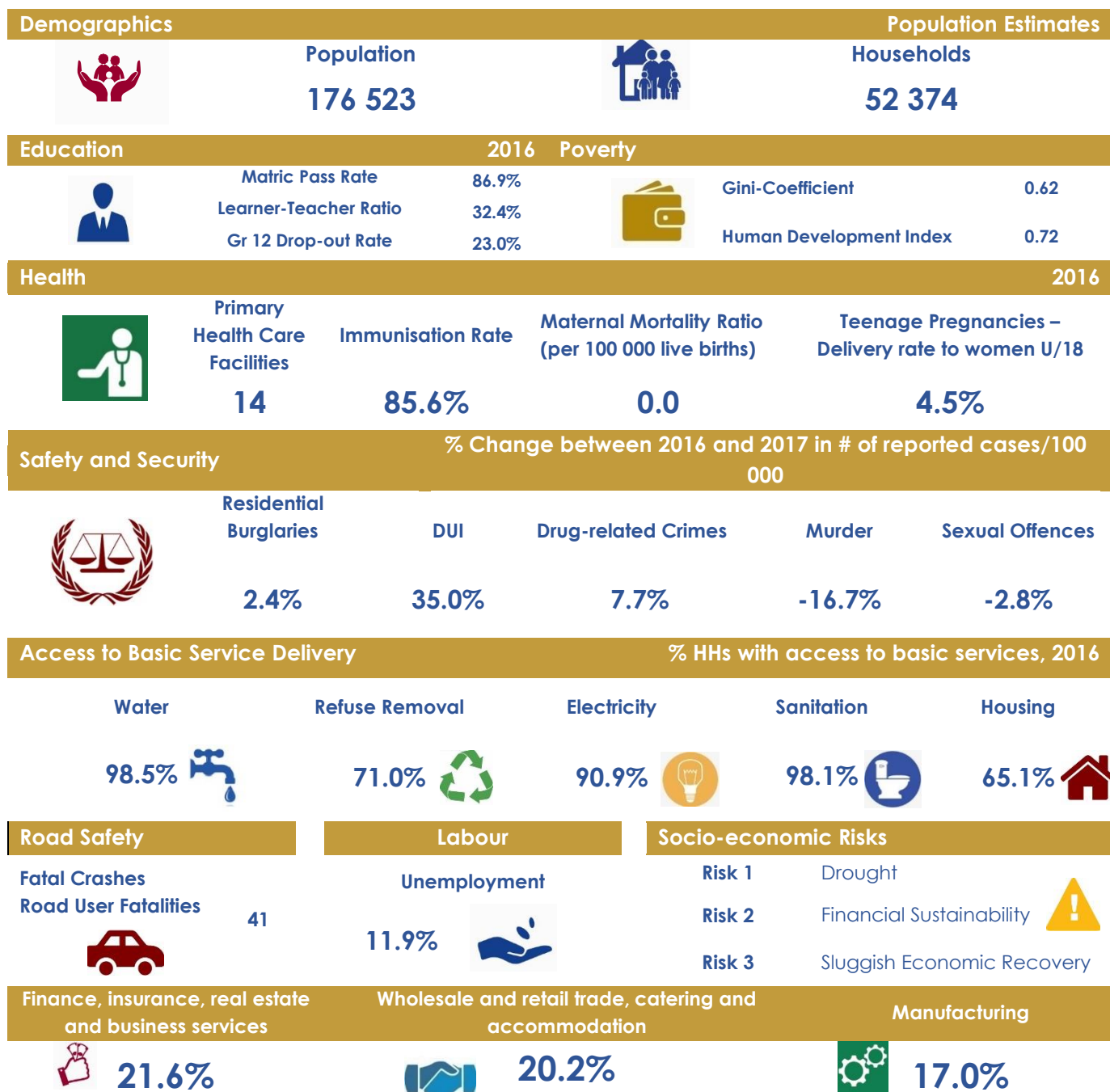


Figure 1.5 Stellenbosch: Summarised Statistics

Source: Western Cape Department of Social Development, 2016

1.2.4.5 SOCIO-ECONOMIC CONTEXT

According to the Community Survey of 2016 the population of Stellenbosch Municipality was estimated at 176 523 in 2016, increasing by 11% from 155 728 persons in 2011 (Census). According to the Department of Social Development's 2018 projections, Stellenbosch has a population of 186 730, rendering it the second largest municipal population within the Cape Winelands District. This total is estimated to increase to 213 329 by 2024 which equates to average annual growth of a 2.2 per cent growth over this period. The estimated population growth rate of Stellenbosch is therefore slightly below the estimated population growth of the Cape Winelands of 2.4%. The number of households increased from 43 417 in 2011 (Census) to 52 274 in 2016 (Community Survey).

The below table depicts Stellenbosch municipal area's population composition per **age cohorts**. These groupings are also expressed as a dependency ratio which in turn indicates the number of children and seniors dependent on the age groups that are economically active (age 15 - 65). A higher dependency ratio means greater pressure on a smaller productive population and higher pressure on social systems.

Year	Children: 0 – 14 Years	Working Age: 15 – 65 Years	Aged: 65 +	Dependency Ratio
2011	35 544	112 533	7 652	38.4
2019	43 478	133 357	14 376	43.4
2024	47 132	148 159	18 037	44.0

Table 1.2 Age Cohorts and Dependency Ratio

Source: Western Cape, Socio-Economic Profile 2018

A comparison between the 2011 and 2019 estimate shows an increase in the dependency ratio from a relatively low 38.4 in 2011 to 43.4 in 2019; this is projected to increase further to 44.0 in 2024. This is mainly attributed to a rise in the aged population.

Access to Services and Housing

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

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

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

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

Table 1.3 Access to Services

Source: Western Cape, Socio-Economic Profile 2018

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

Education

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

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

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

Table 1.4 Early Childhood Development – attendance levels

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

Annual **learner enrolment** to schools remains steady between 2015 and 2017.

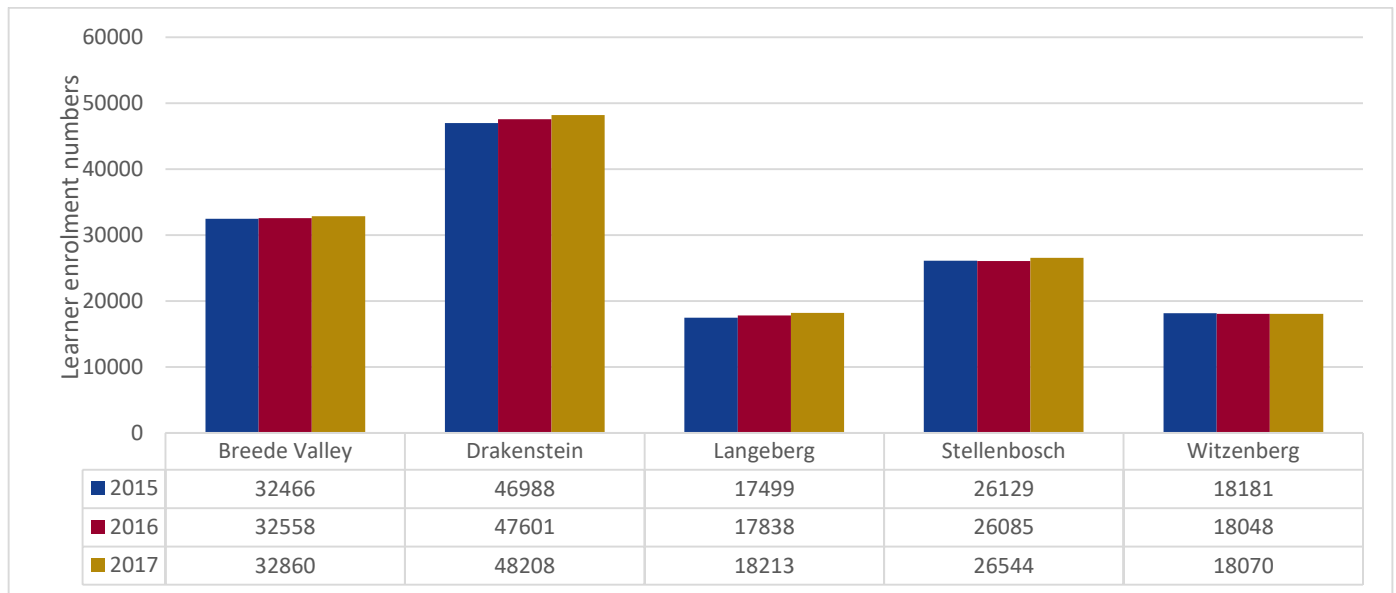


Figure 1.6 Learner enrolment

Source: Western Cape, Socio-Economic Profile 2018

Learner enrolment in Stellenbosch dropped marginally from 26 129 in 2015 to 26 085 in 2016, with a slight increase to 26 544 learners in 2017.

Changes in the **learner-teacher ratio** can affect learner performance. The learner-teacher ratio in the Stellenbosch Municipal area decreased from 33.0 in 2015 to 32.4 in 2016 recovering to 32.7 in 2017.

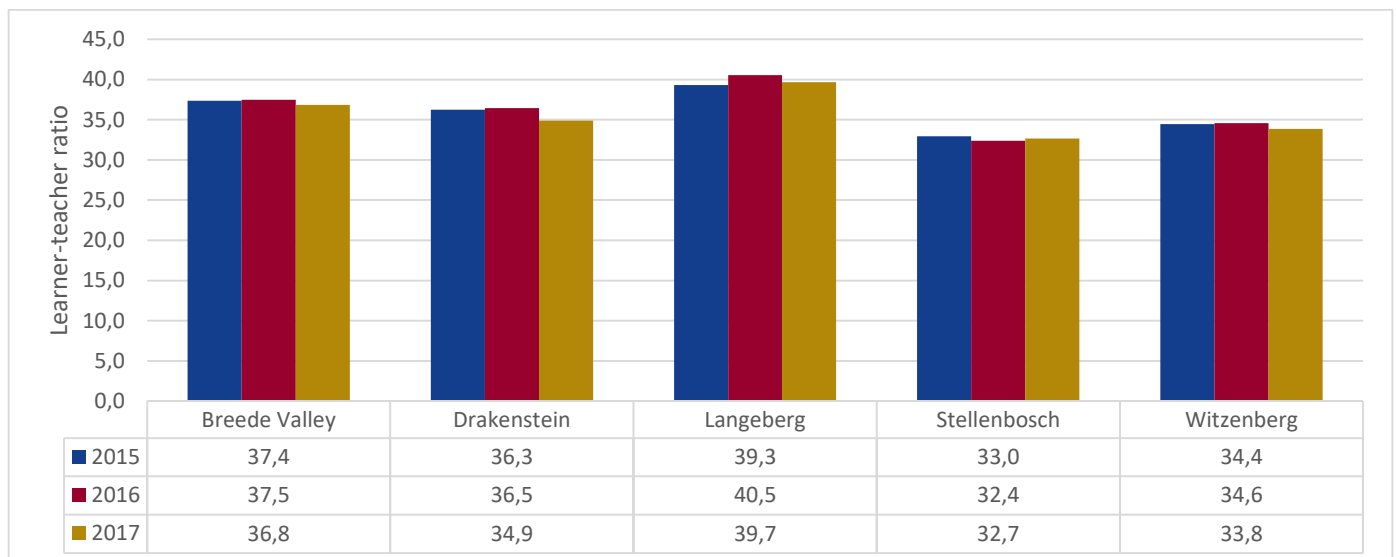


Figure 1.7 Learner-Teacher Ratio

Source: Western Cape, Socio-Economic Profile 2018

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

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

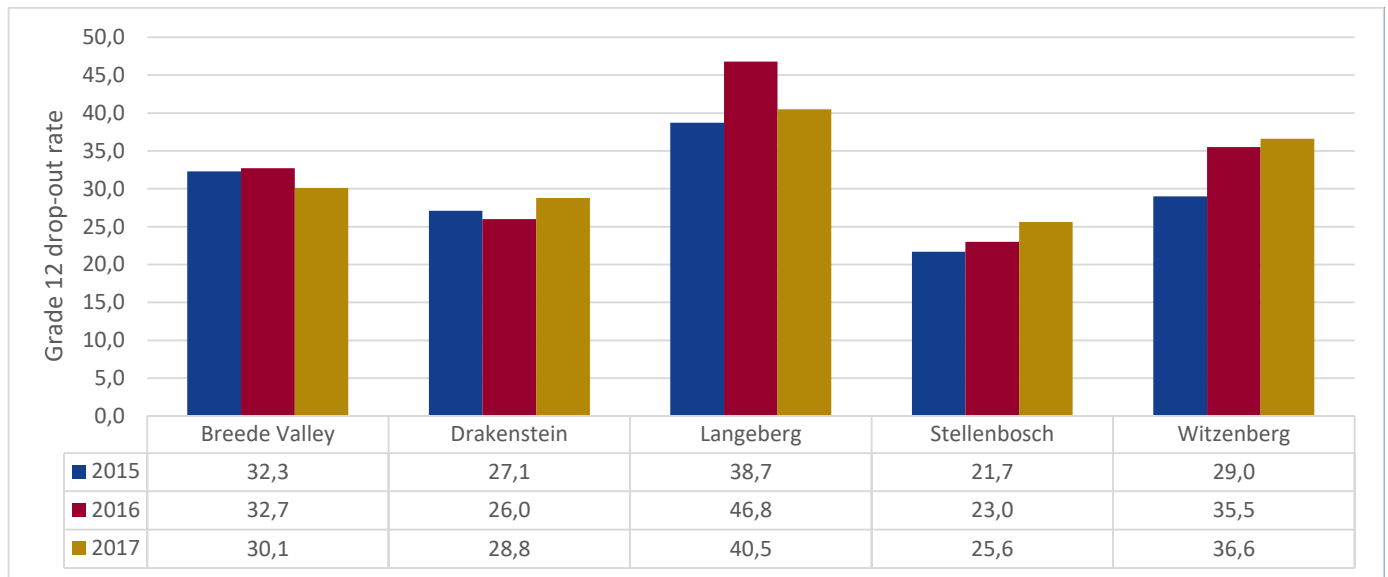


Figure 1.8 School drop-out Rates

Source: Western Cape, Socio-Economic Profile 2018

These high levels of drop-outs are influenced by a wide array of socio-economic factors including unemployment, poverty and teenage pregnancies.

The availability of **adequate education facilities** such as schools, FET colleges and schools equipped with libraries and media centres affect academic outcomes positively.

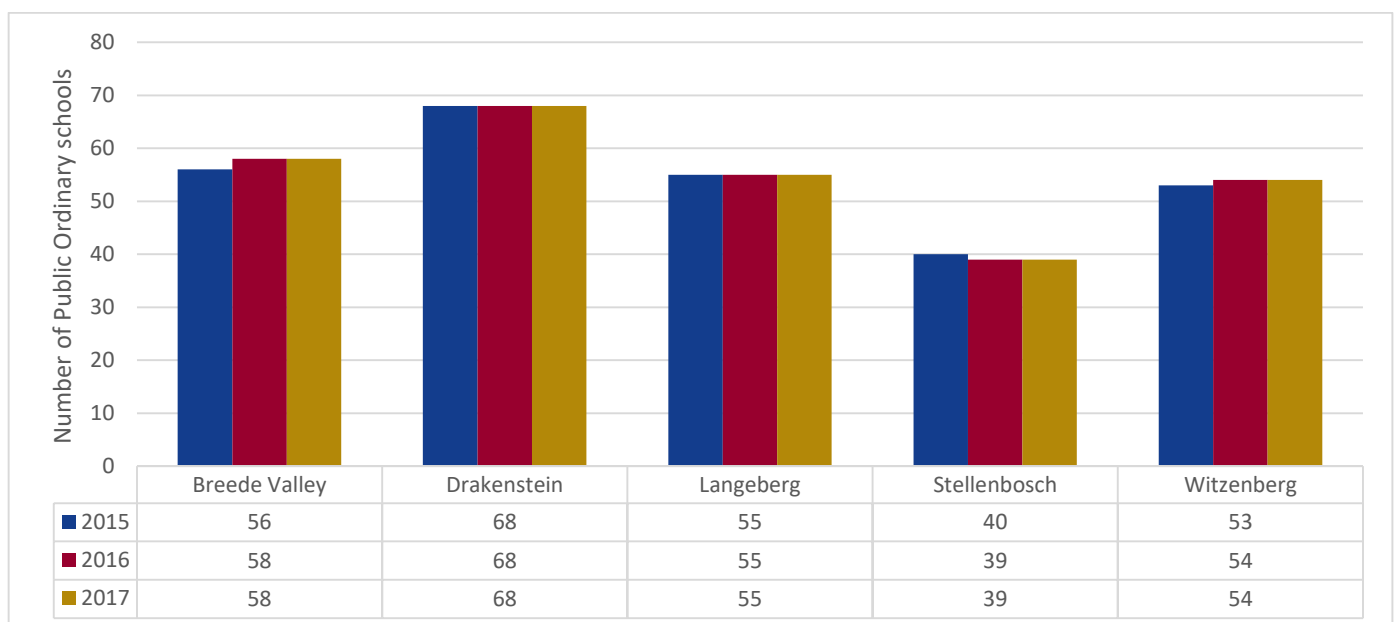


Figure 1.9 Educational Facilities

Source: Western Cape, Socio-Economic Profile 2018

In 2017, the Stellenbosch Municipal area had a total of 39 public ordinary schools, down one from 40 in 2015. Within the strenuous economic climate, schools in general have been reporting an increase in parents being unable to pay their school fees.

Education remains one of the key avenues through which the state is linked to the economy. In preparing individuals for future engagements in the broader 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 can be realised.

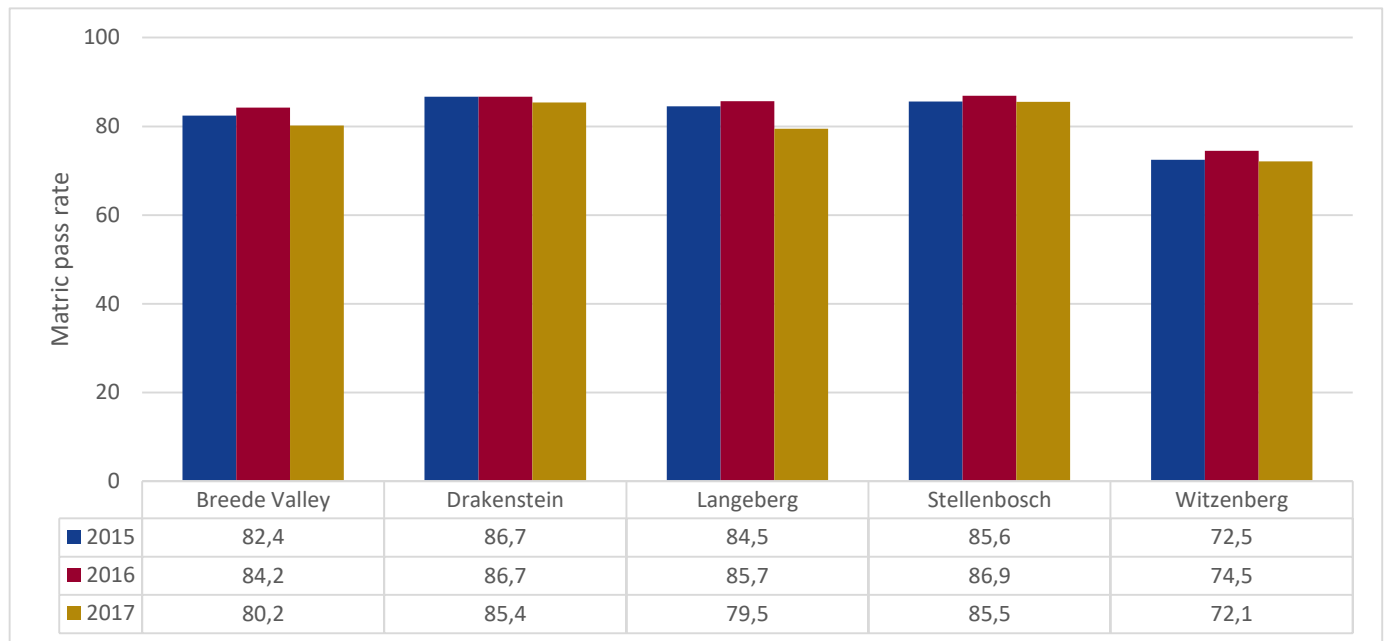


Figure 1.10 Educational outcomes

Source: Western Cape, Socio-Economic Profile 2018

The matric pass rate in Stellenbosch increased from 85.6% in 2015 to 86.9% in 2016; in 2017 it dropped back again to 85.5%, just below the 2015 level. Better results could improve access for learners to higher education to broaden their opportunities. In spite of the fluctuation in matric pass rates, the 2017 matric pass rate for the Stellenbosch Municipal area was the highest within the Cape Winelands District.

Health

Health is a major factor contributing to the general quality of life. Good health and well-being is the third Sustainable Development Goal. Monitoring public health facilities as well as a variety of factors as such as diseases like HIV and TB as well as general health issues such as maternal health, affects communities directly. This socio-economic profile provides the basic statistics concerning these issues, focussing on the public health facilities.

All citizens' access to healthcare services are directly affected by the number and spread of facilities within their geographical reach. South Africa's healthcare system is geared in such a way that people have to move from primary, with a referral system, to secondary and tertiary levels.

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

Table 1.5 Health care facilities

Source: Western Cape, Socio-Economic Profile 2018

In terms of healthcare facilities, in 2017/18, Stellenbosch municipal area had 7 fixed clinics and 6 mobile primary healthcare clinics. In addition, there was also 1 community day centre, 1 district hospital as well as 8 ART and 15 TB treatment clinics/ sites.

Access to emergency medical services is critical for rural citizens due to rural distances between towns and health facilities being much greater than in the urban areas. Combined with lower densities in rural areas, ambulance coverage is greater in rural areas in order to maintain adequate coverage for rural communities. Provision of more operational ambulances can provide greater coverage of emergency medical services. Stellenbosch municipal area had 2.0 ambulances per 10 000 inhabitants in 2017 which is below the District average of 2.3 ambulances per 10 000 people.

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

Area	Registered patients receiving ART		Number of new ART patients		HIV Transmission Rate	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Stellenbosch	5 167	5 702	727	801	0.0	0.3
Cape Winelands District	27 162	29 136	5 097	4 679	1.5	0.4

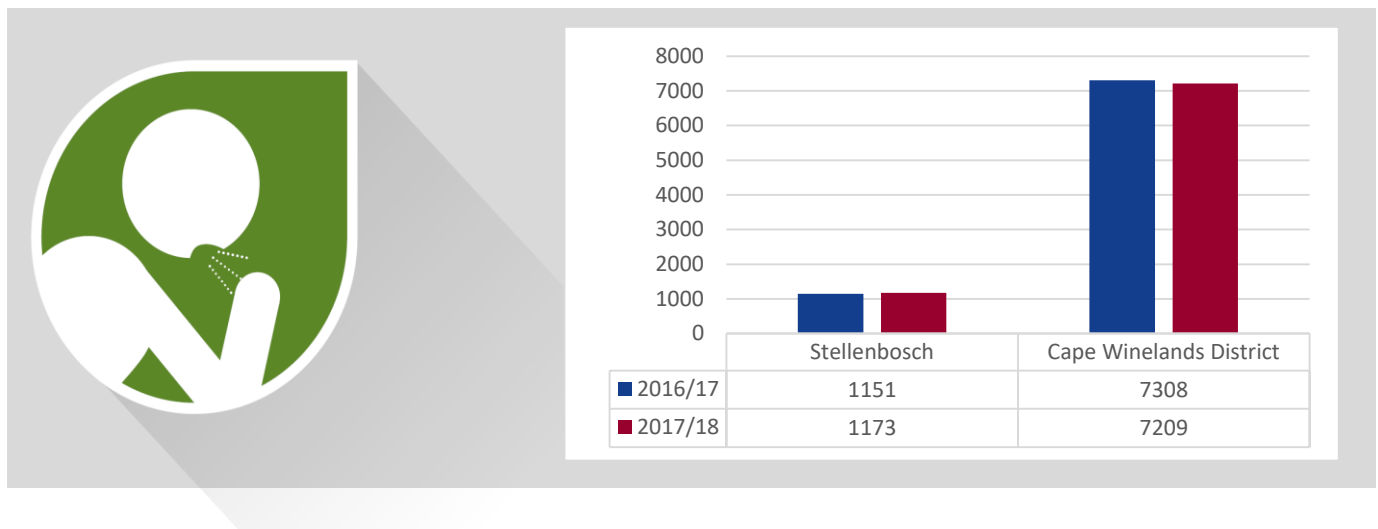
Table 1.6 HIV/AIDS Management

Source: Western Cape, Socio-Economic Profile 2018

Stellenbosch municipal area's total registered patients receiving ARTs has been steadily increasing. Patients receiving antiretroviral treatment increased by 535 between 2016/17 to 2017/18. The 5 702 patients receiving antiretroviral treatment were treated at the 8 clinics/ treatment sites. A total of 29 136 registered patients received antiretroviral treatment in Cape Winelands District in 2017/18. Stellenbosch, with 5 702 patients represent 19.6% of the patients receiving ART in Cape Winelands District.

The number of new antiretroviral patients increased to 801 in 2017/18 from 727 in 2016/17. The HIV transmission rate for Stellenbosch showed a deterioration of 0.3% in 2017/18, in contrast to the District's transmission rate which improved to from 1.5% in 2016/17 to 0.4% in 2017/18.

Between 2016/17 and 2017/18, Stellenbosch experienced an increase in **tuberculosis (TB)** cases.



Graph 1.1 Tuberculosis

Source: Western Cape, Socio-Economic Profile 2018

Stellenbosch, with 1 173 TB patients in 2017/18 represents 16.3 per cent of the TB patients who are treated in the treatment sites in the Cape Winelands. Stellenbosch's TB patients are treated in 15 TB clinics or treatment sites.

The United Nations Sustainable Development Goals aims by 2030 to end **preventable deaths of new-borns and children under 5 years of age**, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births (Source: UN SDG's).

Area	Immunisation Rate		Malnutrition		Neonatal Mortality Rate		Low birth weight	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Stellenbosch	76.9	70.1	1.9	2.6	1.8	5.6	72.7	96.0
Cape Winelands District	65.3	73.9	3.6	4.7	6.6	9.5	143.4	159.8

Table 1.7 Preventable Death's

Source: Western Cape, Socio-Economic Profile 2018

The immunisation rate in the Stellenbosch Municipal area has declined from 76.9% in 2016/17 to 70.1% in 2017/18.

The number of malnourished children under five years (per 100 000 people) in Stellenbosch in 2016/17 was 1.9, increasing to 2.6 in 2017/18. At 2.6, Stellenbosch's rate is better than the District average of 4.7.

Neonatal mortality rate (NMR) (deaths per 1 000 live births) in the Stellenbosch Municipal area has deteriorated from 1.8 in 2016/17 to 5.6 in 2017/18. A rise in the NMR may indicate deterioration in new-born health outcomes, or it may indicate an improvement in the reporting of neonatal deaths.

The low birth weight indicator for the Stellenbosch area has deteriorated (from 72.7% to 96.0%) between 2016/17 and 2017/18.

The **maternal mortality rate** in the Stellenbosch remained at zero in 2016/17 and 2017/18; the Cape Winelands District rate had a positive shift from 0.1 to zero deaths per 100 000 live births between 2016/17 and 2017/18.

Area	Maternal Mortality Rate		Delivery Rate to Women under 20 years		Termination of Pregnancy Rate	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Stellenbosch	0.0	0.0	4.5	15.2	0.2	0.3
Cape Winelands District	0.1	0.0	6.6	13.4	0.6	0.6

Table 1.8 Maternal Mortality Rate

Source: Western Cape, Socio-Economic Profile 2018

Stellenbosch's delivery rate to women under 20 years has deteriorated from 4.5 per cent in 2016/17 to 15.2 per cent in 2017/18; the broader Cape Winelands District rate has deteriorated from 6.6 per cent in 2016/17 to 13.4 per cent in 2017/18. This is of concern as these are teenagers who are of school going age and could lead to increased dropout rates at schools in the Stellenbosch and Cape Winelands District areas.

Safety and Security

South African society is becoming more and more violent. This was confirmed by the 2017/18 crime statistics released by the South African Police Service (SAPS) and Stats SA.

Safety and Security		2016		2017		2018	
		Cape Winelands District	Stellenbosch	Cape Winelands District	Stellenbosch	Cape Winelands District	Stellenbosch
Murder	Actual number	273	73	345	56	353	58
	Per 100 000	32	43	38	31	38	31
Sexual Offences	Actual number	997	204	954	188	970	201
	Per 100 000	115	118	106	103	105	108
Drug-Related Offences	Actual number	11 743	2 034	13 882	2 272	16 008	2 724
	Per 100 000	1 356	1 174	1 249	1 538	1 459	1 727
Driving under the Influence	Actual number	838	99	814	131	875	189
	Per 100 000	97	57	90	72	94	101
Residential Burglaries	Actual number	6 274	1 499	6 278	1 579	5 820	1 525
	Per 100 000	724	865	696	868	628	817
Fatal Crashes	Actual number	201	37	238	42	217	32
Road User Fatalities	Actual number	232	40	307	47	243	34

Table 1.9 Safety and Security Statistics

Source: Western Cape, Socio-Economic Profile 2018

Murder: Within the Stellenbosch area, the number of murders increased marginally from 56 in 2017 to 58 in 2018, while the murder rate (per 100 000 population) remained unchanged at 31; the murder rate for the Cape Winelands District also remained unchanged at 38 in 2017 and 2018. The 2018 murder rate in Stellenbosch is the lowest in the District.

Sexual Offences: In 2018, there were 201 sexual offences in the Stellenbosch area; when comparing to the broader District, at 108, Stellenbosch's rate per 100 000 population was slightly above that of the District's 105.

Drug Related Offences: Drug-related crime within the Stellenbosch area shows an increase in 2018, from 2 272 cases in 2017 to 2 724 cases in 2018. The Cape Winelands District's trend is also on an increasing trajectory between 2016 to 2018. When considering the rate per 100 000 population, with 1 459 crimes per 100 000 population in 2018, the Stellenbosch area is below that of the District and Province's rates of 1 727 and 1 769 respectively. The Cape Winelands had the lowest district rate in the Province; Stellenbosch had the second lowest (after Drakenstein's 1 328 per 100 000 population) rate within the District.

Driving under the influence: The number of cases of driving under the influence of alcohol or drugs in the Stellenbosch area shows an increase of 58, from 131 in 2017 to 189 in 2018. This translates into a rate of 101 per 100 000 people in 2018, which is above that of the District's 94 per 100 000 people in 2018.

Residential Burglaries: Residential burglary cases within the Stellenbosch area decreased from 1 579 in 2017 to 1 525 in 2018. The rate (per 100 000 population) is considerably above that of the District 628 per 100 000 population.

Fatal Crashes: Fatal crashes involving motor vehicles, motorcycles, cyclists and pedestrians within the jurisdiction of the Stellenbosch Municipality has increased from 37 to 42 between 2015 and 2016, but declined again sharply in 2017 to 32. The number of fatal crashes in the broader Cape Winelands District increased by 37 between 2015 and 2016 before decreasing again by 21 in 2017.

Road User Fatalities: A total of 32 fatal crashes occurred within the Stellenbosch region in 2017. As seen in the table above, a total of 34 road users have died. Both the fatal crashes as well as number of fatalities in the Stellenbosch municipal area declined considerably in 2017.

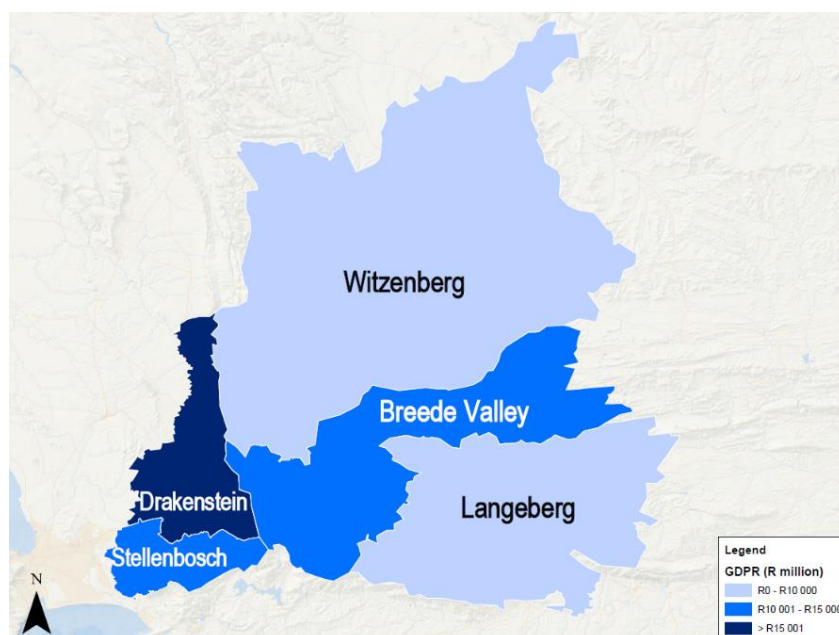
Economic Outlook

Economic theory suggests that when an economy prospers its households are expected to enjoy an improved standard of living. A declining economy tends to lower the standards of living of people. This section uses indicators in terms of GDP per capita, income inequality and human development to show the current reality of households residing in the Stellenbosch municipal area.

The deteriorating financial health of households and individuals under the weight of economic pressures, specifically between 2011 and 2015, has resulted in an increase in the poverty levels, according to the Poverty Trends in South Africa report released by Statistics South Africa in 2017. The report cites rising unemployment levels, low commodity prices, higher consumer prices, lower investment levels, household

dependency on credit, and policy uncertainty as the key contributors to the economic decline in recent times. These recent findings indicate that the country will have to reduce poverty at a faster rate than planned.

The Cape Winelands District (CWD) is the heart of the provincial wine industry. The CWD is mostly rural in nature with an extensive agricultural industry, however, there are a number of small towns that function as nodes that are highly developed such as Worcester, Paarl and Stellenbosch (Cape Winelands District Municipality, 2017).



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

Table 1.10 Cape Winelands District GDP contribution and average growth rates per municipal area, 2012 - 2017

Source: Quantec Research, 2018 (e denotes estimate)

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

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

The **local economy of the Stellenbosch** municipal area is driven by the wholesale and retail trade sector; the finance, insurance, real estate and business services sector; and the manufacturing sector. Collectively, these sectors contribute 58.7% (R8.6 billion) to the municipal GDP. The manufacturing sector in the Stellenbosch

municipal area is highly reliant on the agriculture, forestry and fishing sector, as 40% of manufacturing sector activities are within the food, beverages and tobacco subsector.

Stellenbosch GDP performance per sector, 2006 - 2017									
Sector	Contribution to GDP (%) 2016	R million value 2016	Trend		Real GDP growth (%)				
			2006 - 2016	2013 - 2017	2013	2014	2015	2016	2017
Primary Sector	6,2%	908,5	1,1%	0,0%	1,6%	6,7%	-3,8%	-9,4%	4,9%
Agriculture, forestry and fishing	6,0%	880,4	1,1%	-0,1%	1,5%	6,7%	-3,9%	-9,7%	4,8%
Mining and quarrying	0,2%	28,1	1,2%	3,9%	3,4%	7,1%	0,2%	0,6%	8,0%
Secondary Sector	24,0%	3 491,8	0,0%	-0,2%	0,0%	0,2%	0,1%	-0,3%	-1,1%
Manufacturing	17,1%	2 496,1	-1,0%	-1,0%	-1,4%	-0,9%	-0,6%	-0,7%	-1,5%
Electricity, gas and water	1,4%	208,3	0,4%	-0,7%	0,7%	0,1%	-1,6%	-2,5%	-0,1%
Construction	5,4%	787,5	5,4%	3,4%	6,6%	4,8%	3,7%	1,6%	0,5%
Tertiary Sector	69,8%	10 160,9	3,6%	2,6%	3,6%	3,1%	2,5%	2,3%	1,4%
Wholesale and retail trade, catering and accommodation	20,0%	2 913,9	3,9%	2,7%	3,7%	3,1%	3,3%	3,2%	0,3%
Transport, storage and communication	10,7%	1 564,3	5,4%	4,1%	5,2%	5,7%	3,0%	2,9%	3,8%
Finance, insurance, real estate and business services	21,6%	3 144,2	3,6%	2,8%	3,1%	2,9%	3,3%	2,5%	2,1%
General government	10,7%	1 562,0	2,6%	1,2%	3,4%	2,5%	0,3%	0,4%	-0,6%
Community, social and personal services	6,7%	976,5	1,7%	1,2%	3,5%	1,0%	0,4%	0,7%	0,7%
Total Stellenbosch	100%	14 561,2	2,5%	1,7%	2,6%	2,7%	1,5%	0,9%	1,0%

Table 1.11 Stellenbosch GDP performance per sector

Source: Quantec Research, 2017 (e denotes estimate)

The Stellenbosch municipal area economy is estimated to have grown slightly faster in 2017 compared to 2016, mainly as a result of higher growth in the agriculture, forestry and fishing sector, which experienced contractions in 2015 and 2016. Even though the manufacturing sector contributes significantly to the local economy, this sector has also contracted by an average annual rate of 1 per cent over the last five years. Slower growth is also estimated in 2017 for the wholesale and retail trade, catering and accommodation sector (0.3 per cent) and the finance, insurance, real estate and business services sector (2.1 per cent).

Other local sectors that are estimated to have contracted in 2017 are the electricity, gas and water sector (0.1 per cent) and the general government sector (0.6 per cent).

The tourism industry also makes a large contribution to the economy of the Stellenbosch municipal area and is valuable to the local economy for the ample job opportunities it can create. It is estimated that this industry

contributes up to 10 per cent to the local economy of the Stellenbosch municipal area (Stellenbosch Local Municipality, 2018).

The following section highlights key trends in the **labour market** within the Cape Winelands District. It is estimated that employment creation occurred in all local municipalities, with the highest change in **employment** for 2017 estimated for the Drakenstein Municipal area (2 101 jobs), followed by Stellenbosch (1 750 jobs).

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

Table 1.12 Cape Winelands District employment growth, 2012 - 2017

Source: Quantec Research, 2018 (e denotes estimate)

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

Stellenbosch employment growth per sector 2006 – 2017									
Sector	Contribution to employment (%) 2016	Number of jobs 2016	Trend		Employment (net change)				
			2006 - 2016	2013 - 2017	2013	2014	2015	2016	2017
Primary Sector	14,8%	11 076	-5 933	1 333	557	-601	2 212	-526	-309
Agriculture, forestry and fishing	14,7%	11 044	-5 934	1 328	557	-603	2 210	-525	-311
Mining and quarrying	0,0%	32	1	5	0	2	2	-1	2
Secondary Sector	15,7%	11 729	267	859	316	159	156	110	118
Manufacturing	10,3%	7 745	-568	217	192	-42	88	-104	83
Electricity, gas and water	0,2%	155	50	24	3	5	5	6	5
Construction	5,1%	3 829	785	618	121	196	63	208	30
Tertiary Sector	69,5%	52 072	13 467	7 059	1 631	1 443	1 799	245	1 941
Wholesale and retail trade, catering and accommodation	24,4%	18 284	4 890	3 200	496	394	913	227	1 170
Transport, storage and communication	4,1%	3 087	1 378	596	220	107	247	-160	182
Finance, insurance, real estate and business services	16,7%	12 539	3 721	1 911	446	374	547	215	329
General government	10,3%	7 698	1 639	-9	-79	367	-155	120	-262
Community, social and personal services	14,0%	10 464	1 839	1 361	548	201	247	-157	522
Total Stellenbosch	100%	74 877	7 801	9 251	2 504	1 001	4 167	-171	1 750

Table 1.13 Stellenbosch employment growth

Source: Quantec Research, 2018 (e denotes estimate)

The agriculture, forestry and fishing and manufacturing sectors in the Stellenbosch municipal area reported net job losses (-5 933 and -568 respectively) between 2006 and 2016. There were some job losses reported in the agriculture, forestry and fishing sector in 2016 and 2017 due to the severe drought. This is a cause for concern considering the considerable contribution of this sector to the Stellenbosch economy as well as its great significance to employment. The sectors which reported the largest increases in jobs between 2006 and 2016 was the wholesale, retail and trade (4 890), financial, real estate and business services (3 721) and community, social and personal services (1 839).

It is estimated that in 2017 employment creation improved compared to 2016, with an estimated net change in employment of 1 750 jobs. This positive change in employment is mostly a result of the 1 710 jobs created in the wholesale and retail trade, catering and accommodation sector. Although the Stellenbosch municipal area had a higher estimated net change in total employment in 2017, some sectors still shed jobs, such as the agriculture, forestry and fishing sector (311 jobs) and the general government sector (262 jobs).

Skills levels can only be determined for formal employment, and in 2016, 73.1% of workers in the local municipal area were formally employed.

Unemployment Rates for the Western Cape (%)											
Area	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Stellenbosch	6,5	6,9	8,0	9,2	9,4	9,5	9,3	9,8	9,3	10,4	11,0
Cape Winelands District	6.5	7.2	8.3	9.6	9.8	9.7	9.4	9.9	9.1	10.1	10.7
Western Cape	13.3	12.9	14.2	15.5	15.7	15.8	15.7	16.1	16.2	17.4	18.2

Table 1.14 Unemployment Rates - Comparison

Source: Quantec Research, 2018 (e denotes estimate)

In 2016, 54 729 people were formally employed and increased slightly to 54 789 people in 2017. The largest proportion of people who were formally employed in the Stellenbosch Municipal area in 2016 are semi-skilled (42.7%) labour.

Employment for semi-skilled workers has grown at a higher rate (2.4% per annum) over the last five years compared to other skills levels, which indicates a rising demand for semi-skilled workers and highlights the importance of skills development. The higher growth and large proportion of workers who are semi-skilled are in line with the large proportion of workers in the wholesale and retail trade, catering and accommodation sector (24.4%) and the large net change in employment in this sector over the last five years (3 200 workers).

Stellenbosch trends in labour force skills, 2006 - 2017					
Formal employment by skill	Skill level contribution (%)	Average growth (%)	Average growth (%)	Number of jobs 2016	
	2016	2006 - 2016	2013 - 2017	2016	2017
Skilled	23,8%	2,3%	1,9%	13 030	13 068
Semi-skilled	42,7%	2,0%	2,4%	23 392	23 593
Low skilled	33,5%	-1,0%	1,5%	18 307	18 128
Total Stellenbosch	100%	1,0%	2,0%	54 729	54 789

Table 1.15 Labour Force Skills

Source: Quantec Research, 2018 (e denotes estimate)

The number of **skilled workers** increased relatively fast over the 2006 – 2016 period, while growth was marginally slower for semi-skilled workers; low skilled employment however declined over this period. An improvement in education and economic performance can contribute to further increases in the number of higher skilled workers.

The wholesale and retail trade, catering and accommodation sector contributed the most jobs in the Stellenbosch Municipal area in 2016 (18 284 or 24.4%), followed by finance, insurance, real estate and business services sector (12 539 or 16.7%), agriculture, forestry and fishing sector (11 044 or 14.7 per cent), community, social and personal services (10 464 or 14%) and manufacturing (7 745 or 10.3%). Combined, these top five sectors contributed 60 076 or 80.2% of the 74 877 jobs in 2016.

The table below outlines the **number of SMMEs that are registered** on the CWD and municipal databases as per the Provincial Treasury Municipal survey responses.

Municipality	Number
Cape Winelands District	1 742
Witzenberg	± 120
Drakenstein	2 500
Stellenbosch	1 005 (local) and 1 427 (non-local)
Langeberg	123

Table 1.16 SMME's registered on municipal databases, 2018

Source: Provincial Treasury Municipal survey, 2018

The Drakenstein and Stellenbosch municipal areas have the most SMMEs registered on their databases. These two municipalities have the largest economies in the CWD with more opportunities for small enterprises.

SMMEs in the CWD require the most support in the following areas (Provincial Treasury Municipal survey, 2018):

- Access to funding and working capital;
- Affordable space and equipment;
- Planning for and managing competitors and rising input costs;
- Access to markets;
- Red tape reduction; and
- Skills development, particularly business management.

Support programmes in the CWD for SMMEs (besides SEDA) include the Cape Winelands Entrepreneurial Seed Fund and Mentorship Programme, the Cape Winelands Business Retention and Expansion Programme aimed at businesses in the tourism industry as well as outreach programmes and support offered by local municipalities. The successful implementation of these programmes will capacitate SMMEs to grow and create job opportunities thereby contributing to the economic growth of the CWD.

Other local programmes that capacitate individuals that can have a positive impact on the District's economy are the CWD Experiential and Internship Training Programme and the Small Farmer Support Programme.

Agri-Parks

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

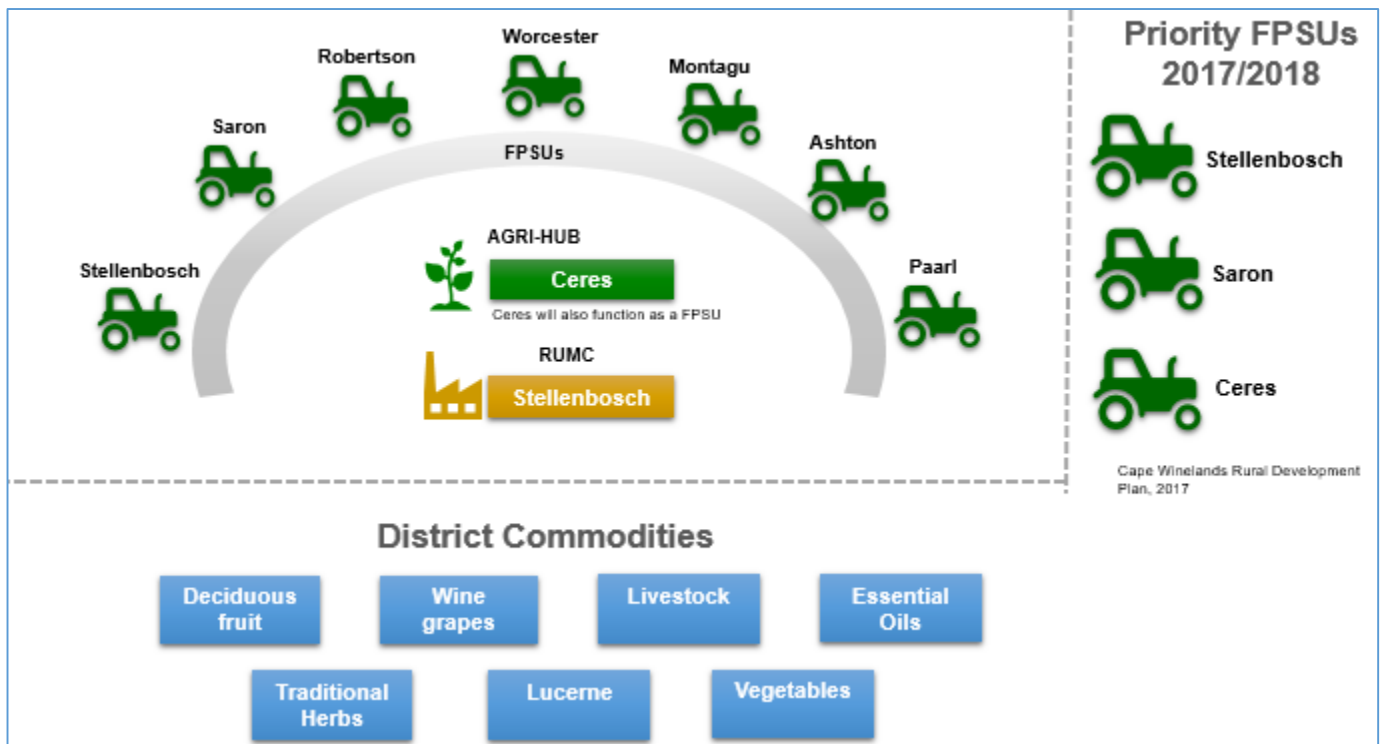


Figure 1.11 Agri - Park Implementation

Source: Cape Winelands Rural Development Plan, 2017

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

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

General Demographics of Farmworkers

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

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

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

Poverty Context

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

The United Nations uses the **Human Development Index (HDI)**¹ to assess the relative level of socio-economic development in countries. Indicators used to measure human development include *education*, *housing*, *access to basic services* and *health* indicators. Per capita income is the average income per person of the population per year; per capita income does not represent individual income within the population. The life expectancy and infant mortality rates are other important criteria for measuring development.

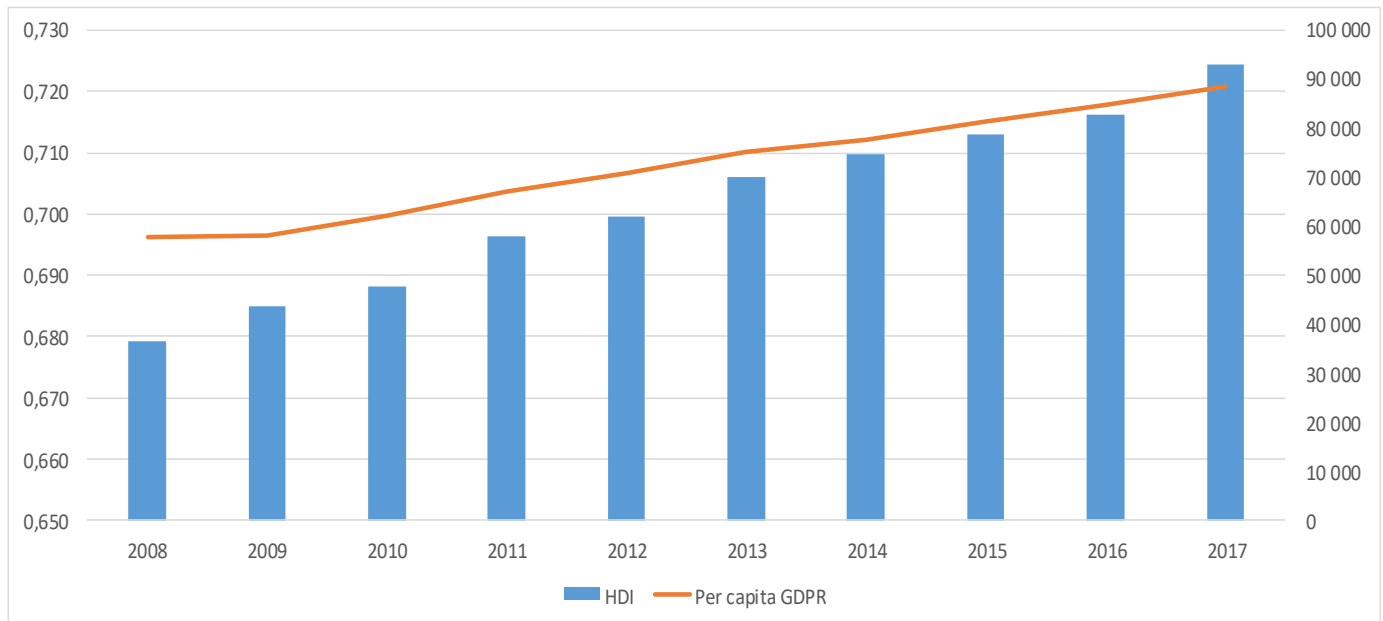


Figure 1.12 Human Development Index (HDI)

Source: Global Insight, 2017

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

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

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

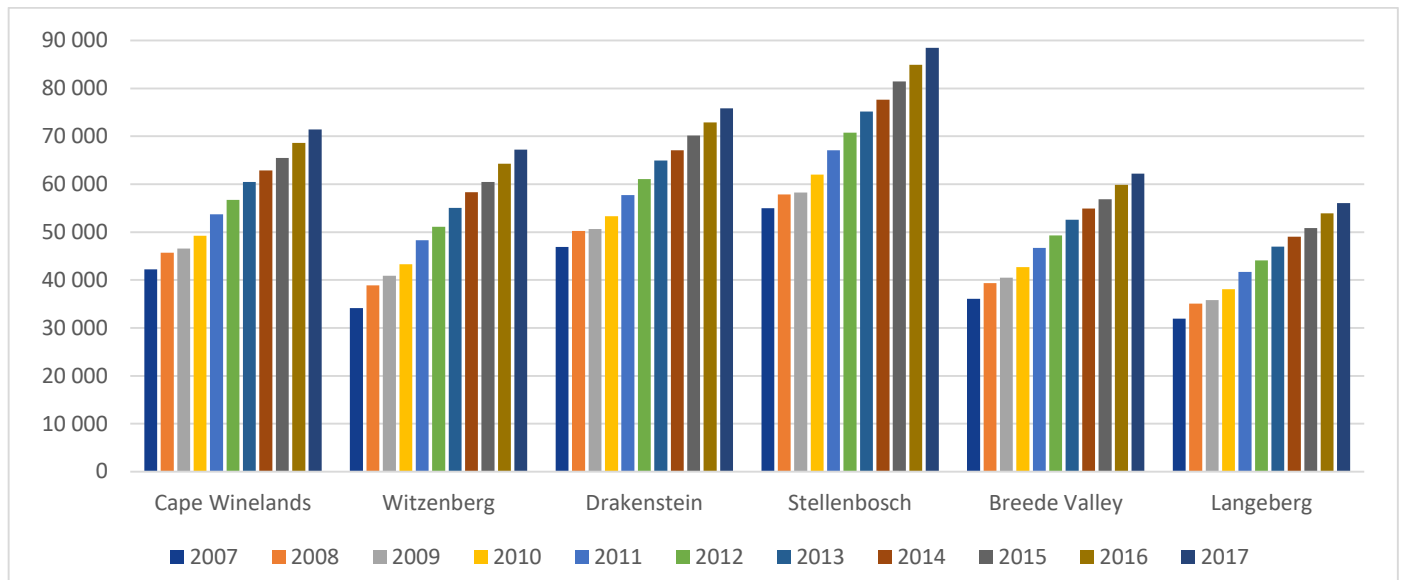


Figure 1.6 GDP per Capita – 2008 to 2017

Source: Stats SA 2017, own calculations

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

The National Development Plan (NDP) has set a target of reducing **income inequality** in South Africa from a gini-coefficient² of 0.7 in 2010 to 0.6 by 2030. Income inequality in the Stellenbosch municipal area has generally increased between 2008 and 2011, decreasing to 2015 before picking up again, reaching 0.63 in 2017. For the entire period it has been beyond the NDP's 0.6 target and the increasing trend could see it moving further beyond this level.

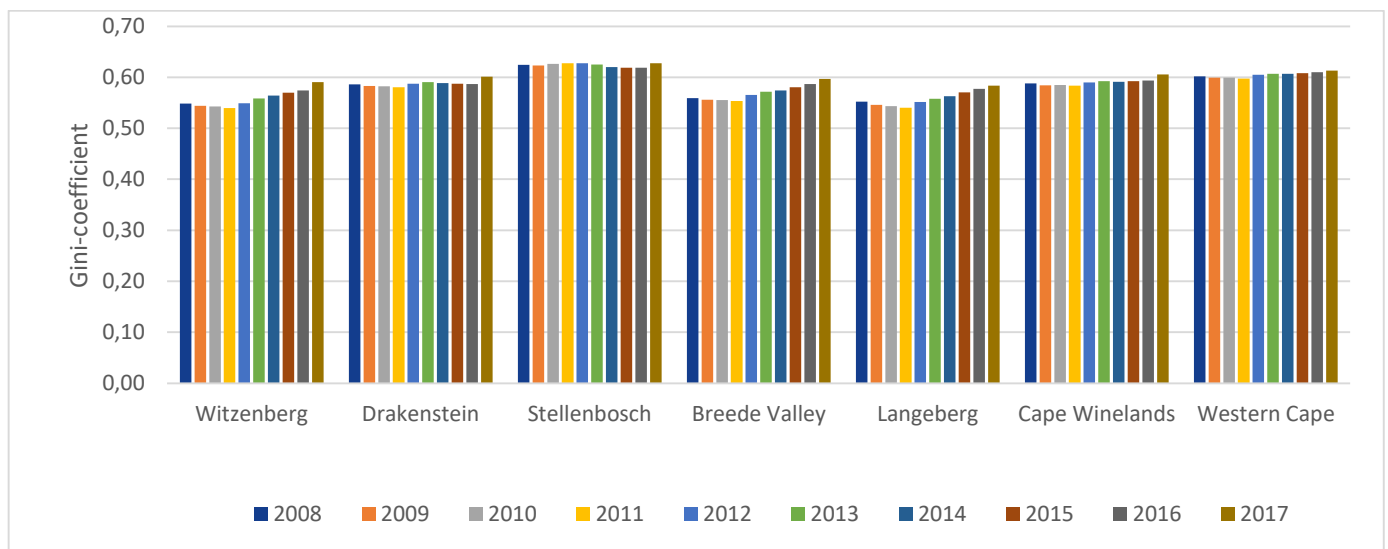


Figure 1.7 Income Inequality – 2008 to 2017

Source: Global Insight, 2017

² Gini-coefficient or income inequality is the measure of deviation of the distribution of income among individuals or households within a country. A value of 0 represents absolute equality and a value of 1 represents absolute inequality.

Income inequality levels were slightly higher in Stellenbosch than in the Cape Winelands District and the Western Cape. According to the United Nations Development Report on Human Development for 2018, South Africa ranked 113 on the list after the Philippines, classified as medium Human Development.

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

Area	2014	2015	2016
Stellenbosch	5 336	6 030	6 626
Cape Winelands District	33 406	34 704	42 756
Western Cape	404 413	505 585	516 321

Table 1.17 Indigent Households – 2014 to 2017

The Stellenbosch municipal area experienced an increase in the number of indigent households between 2014 and 2016, implying an increased demand for indigent support and additional burden on municipal financial resources. Similarly, the number of indigent household.

Broadband Penetration

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

The location of the wifi hotspots is reflected in the map attached hereto.

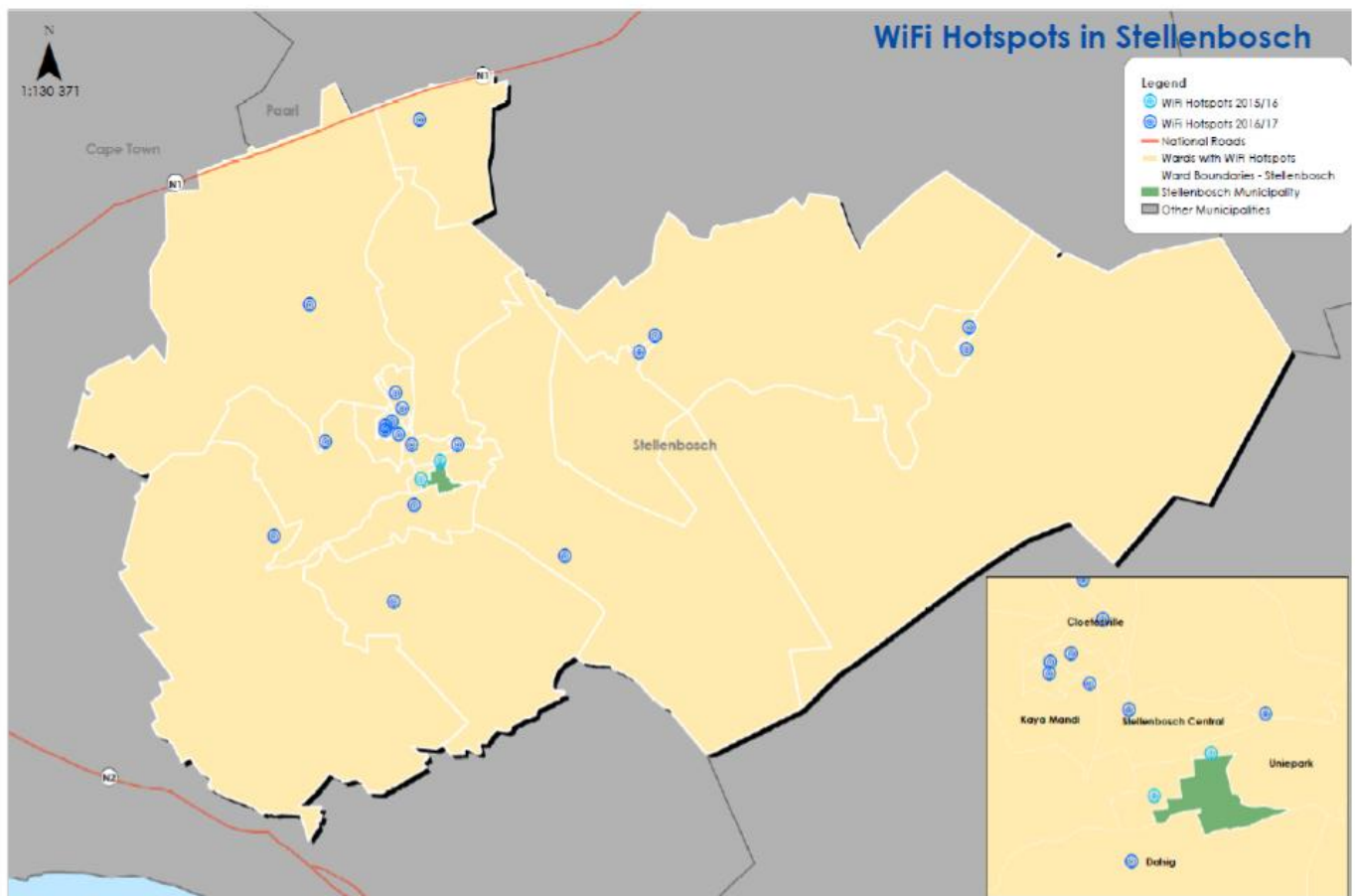


Figure 1.8 Wi-Fi: Department of Economic Development and Tourism, 2016

Environment

The 2011 National Strategy for Sustainable Development for South Africa describes the concept of sustainability as composing three overlapping developmental spheres, namely, the natural environment, social context and economic activity. These spheres, which are underpinned by a system of governance, are interlinked and fully dependent on the extent and functionality of the others.

A trade-off in one sphere will compromise the functionality of another with significant knock-on effects.

The natural environment, inclusive of elements such as land, inland water, biodiversity, oceans and coastlines are increasingly under pressure as a result of certain socio-economic factors such as population growth rates and increased land use. These pressures on natural resources also pose limitations to economic growth. Climate change also poses significant bio-physical and economic risks and as such, sustainable and effective resource-use and climate change responses, should be both a provincial as well as municipal strategic priority.

The Environmental section outlines key focus areas relevant to the current state of the natural environment and the associated need for environmental management in terms of broad focus areas: legislative reform, integrated waste management and climate change.

Law Reform – Implementation of SPLUMA/LUPA in municipalities

The Spatial Planning and Land Use Management Act, Act No. 16 of 2013 (SPLUMA), implemented on 1 July 2015, and the Western Cape Land Use Planning Act of 2014 (LUPA) ushers in a new era of planning and

development decision-making where the responsibility rests largely on local municipalities to fulfil their role as land use planning decision-makers as per constitutional mandates and obligations. Section 24(1) of SPLUMA determines that a municipality must, after consultation as prescribed in the Act, adopt and approve a single land use scheme for its entire area within five years from the commencement of this Act.

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

From Waste Management to Integrated Waste Management

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

Climate Change

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

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

1.2.5 Municipal Highlights

The following highlights must be mentioned:

Highlight	Description
Development Services	Development Charges are calculated by this Department and set as a development condition for new developments. Income of R 16m (excl. VAT) has been received by means of the payment of Development Charges.
Introducing a Wheeling Tariff	Approval of the first wheeling tariff by NERSA. This will enable customers under certain conditions to transport their own generated electricity through the municipal network.
Amendment of the Electricity By-Law	The Electricity By-Law now allows for more than one service connection per erf under certain conditions. This may assist in ensuring that the backyard dwellers have their own connection when the conditions are met.
Stellenbosch WWTW	The WWTW was technically completed and the commissioning thereof has commenced.

Table 1.18 Municipal Highlights

1.2.6 Municipal Challenges

The following general challenges are experienced by the Municipality:

Challenge	Actions to address
Landfill Airspace	The Devon Valley landfill site has 12 months of airspace remaining. This is critical. Discussions with Eskom initiated to relocate power lines to free up additional airspace.
Cemeteries	Lack of sufficient Capital funds for upgrade of additional burial place and fencing, road structures and buildings. More funding is required

Table 1.19 Municipal Challenges

1.2.7 Service Delivery Overview

1.2.7.1 BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Most improved waste water treatment works	Awarded at the Process Controller Convention by the Water Institute of Southern Africa and the National Department of Water and Sanitation.
Development Services	100% MIG expenditure achieved in 2017/18. Total value of R 36 358 000.
Drought Response Plan: Klapmuts	Five production boreholes were drilled and equipped in Klapmuts to provide basic water for the Klapmuts area. A Borehole was also drilled on the sports fields to supply water to the Fire Station and sports field. This will be equipped in future.
Drought Response Plan: Franschoek/ La Motte/ Wemmershoek	Four production boreholes were drilled in Franschoek/ La Motte/ Wemmershoek and equipped in the Wemmershoek area to provide basic water. A Borehole was also drilled on the sports fields at Wemmershoek to supply water to the sports field in future. A borehole was also drilled at Fire Station in La Motte. These will be equipped in future.
Drought Response Plan: Meerlust	A production borehole was drilled and equipped with a purification plant in Meerlust to provide basic water for this community.
Drought Response Plan: Dwarsrivier.	Two production boreholes were drilled and equipped Kylemore and equipped with a water purification plant to provide basic water. Two production boreholes were drilled in Lanquedoc area. These boreholes will be equipped in future.
Drought Response Plan: Stellenbosch Town:	In total five high yielding production boreholes were drilled/developed in Stellenbosch Town and equipped with three purification plants at Van de Stell, Die Braak and Cloeteville to augment water for the Town.
Dwarsrivier	Two reservoirs was contracted, a 6Ml and 2Ml reservoir, to augment the water storage capacity. This is completed and in process to be connected into the water networks.
Grant-in-Aid (GiA)	The SOP for GiA has been approved.
Early Childhood Development	The Community Development Department drafted an ECD Policy to align services pertaining to registration of ECD/Partial care facilities in 2016/17. This policy was approved in March 2018. Various capacity building and awareness programmes were conducted this year aimed at the ECD sector.
Mayoral Youth Skills Development Programme	The 6 th annual Mayoral Youth Skills Development Programme was concluded as part of the 2018 Youth Month activities. It originated in 2013 from the high unemployment rate among local youth and the need for access to skills development. Successful candidates received free access to an accredited skills development programme after undergoing a recruitment process. As part of the recruitment and selection process they were introduced to the different industries. The Cooking Skills course included a practical placements

Highlight	Description
	component along with a job preparedness program focussing on life-skills. Twenty six youth were trained this year.
Social Relief of Distress	The Standard Operating Procedures for Social Relief of Distress during emergency incidents have been approved and provide clear guidance on the roles and responsibilities of all internal departments during these incidents.
Policy Development	Early Childhood and Development Policy (Drafted). Grant in Aid Policy (Reviewed).
Stellenbosch WWTW main outfall sewer	Phase two of the construction is in process.
WCWDM:WC024	The target set by the DWS of 45% savings on household water consumption and 65% on agricultural use was achieved. Actual figures: 49.5% vs. target of 45% and 69.2% vs. target of 65%.
Water Services	95.36% Capital Expenditure achieved.
Successful implementation of Rubble Crushing project	Iselula Construction appointed- builders rubble crushed, screened and lab tested for secondary civil use. High diversion achieved from landfill.
External Audit	JG Afrika appointed as external auditor. Improvement in performance of landfill site in terms of permit compliance.
Swopshops	Very successful in Klapmuts, and extended to Kayamandi. A new trailer was procured and launched in August 2017.
Greenest Municipality Awards	Stellenbosch Municipality garnered 4 awards at Greenest Municipality Awards in October 2017.
Best practice	DEA and GiZ invited 6 municipalities throughout the country to learn from Stellenbosch Municipality in terms of waste minimisation practices. SALGA invited Senior Manager to present best practices in Feb 2018. Bitou Municipality sent delegation to learn best practices in April 2018.
Training of Delegates	DEA's EPIP Mass Training programmes resulted in 50 people from the Municipality's database trained in Environmental Management and Waste Management
Transfer of Area Cleaning to Solid Waste Management	Area Cleaning was transferred to Solid Waste Management from January 2018. As all waste management issues are consolidated in one department, a concerted effort has been put in to clean informal areas, commencing with Enkanini. There has been a significant improvement in the cleanliness of most areas, as per correspondence received.
Communications	Utter Rubbish is still on-going as a communications newsletter to inform people of the Department's solid waste initiatives.
Procurement of Area Cleaning vehicles	Two TLBs, two bakkies and four 4t Hino tippers and one 10t UD tipper truck.
Electrification of Klapmuts	After nearly 4 years without electrification due to vandalism, this was re-established by moving the transformers onto the premises (from previously across the road). The site is also well protected with the Betafence.
Upgrade of fence at Franschoek Drop-off facility	Since the upgrade, there had been no problems from vagrants, and controls much improved.
Mobility Forum	A Mobility Forum has been established to discuss on all municipal roads and transport strategies and initiatives (including NMT) with representatives of interested and affected parties.

Highlight	Description
Master Planning	<p>Updates to the following master planning had commenced:</p> <ul style="list-style-type: none"> • Stellenbosch Municipality's Roads Master Plan; • Comprehensive Integrated Transport Plan (CITP); • Stellenbosch Municipality's Storm Water Master; and • Planning for the implementation of a parking strategy, to aid alleviate the parking shortage in the CBD.
Public Transport Facilities	<p>Pedestrian pathways have been constructed in following residential areas, namely Groendal, Unipark, Mostersdrift, Stellenbosch CBD, Idasvalley and Cloetesville.</p> <p>80 bicycle stands were erected.</p> <p>7 bus shelters have been installed.</p> <p>The following works on Taxi Ranks had been completed.</p> <p>The civil works on Klappmuts Taxi rank had been completed.</p> <p>The upgrade of the Bergzicht taxi rank.</p>
Traffic Engineering	<p>To help alleviate congestion and to improve traffic flow, the following intersections were upgraded:</p> <ul style="list-style-type: none"> • R44/ Van Rheeede Intersection; • New Traffic circle at Hammanshand and Ryneveld; • R44/ Bird Street Intersection; • R310/Lelie Intersection; and • R310/ Cluver/ Rustenberg Intersection (90% complete).
Traffic Signals Management System	<p>Stellenbosch Municipality, in collaboration with Stellenbosch University, had commenced with studies and investigations to develop a Traffic Signal Phase Management System, with the aim to control, from a central point, all traffic signal phasing at intersections within the CDB.</p>
Mzansi Online Project (Cloetesville and Plein Street Libraries)	<p>Bill and Melinda Gates Foundation National Library of South Africa Western Cape Provincial Libraries Department Stellenbosch Libraries Department</p>
Services for the Visually impaired	<p>South African Library for the Blind</p>
Recording the Heritage of Stellenbosch	<ul style="list-style-type: none"> • Western Cape Education Department • e-Bosch Heritage Society • University of Stellenbosch • DCAS
Partnership with Old Age homes (housebound service)	<ul style="list-style-type: none"> • Western Cape Provincial Library Services • Stellenbosch Libraries Department • Old age homes around WCO24 area
Early Childhood Development	<ul style="list-style-type: none"> • Western Cape Provincial Library Services • Stellenbosch Municipality Community Development Department • Department of Community Services: Parks and Urban Greening • Ranyaka Trust Cotlands
Adopt a School Project	<p>Each Library within the WCO24 area has adopted a crèche to assist with the development of the child. This year long program entails activities such as storytelling, numeracy literacy and life skills. At the end of the year an assessment is completed to evaluate its impact.</p>
Spelling Bee Competitions	<p>Stellenbosch Libraries Department WCED</p>
Completion and Opening of New	<ul style="list-style-type: none"> • Stellenbosch Libraries Department • Western Cape Provincial Libraries Department • Stellenbosch :Parks Department • Groendal Public Library

Highlight	Description
Opening of Koelenhof School	<ul style="list-style-type: none"> Stellenbosch Libraries Department WCED
upgrade Pniel Library (Extension of existing Library)	<ul style="list-style-type: none"> Stellenbosch Municipality Western Cape Provincial Libraries Department
Parks, Rivers and Open Spaces	Gym and Mowing tender was done by the department and it was approved.
Parks, Rivers and Open Spaces	Tree planting ceremony was celebrated at Onder Papegaaiberg.
Thublistha Park Stellenbosch	Fencing was done at Thubelitsa Park.
Valentine Park	Fencing was done at Valentine Park.
Sokuqala Park	Fencing was done at Sokuqala Park.
Parks, Rivers and Open Spaces	Successfully installed the New kiddies play park equipment in Curry Street.
Open Spaces: Ward 5	Successfully completed the installation of the stage in Ward 5.
Open Spaces: Ward 7	Successfully completed and installed cement benches in ward 7.
Open Spaces Kylemore 7 and Ward 3	Successfully completed and installed gym equipment items at Kylemore Park, Wemmershoek and Kayamandi.
Environmental Management	Draft Stellenbosch Environmental Management Framework (SEMF) developed for the first time.
Environmental Management	Stellenbosch Municipality Invasive Alien Plants Management Plan developed with the aim of achieving compliance with the National Environmental Management: Biodiversity Act, 10 of 2004. Approved by Council in July 2017.
Environmental Management	The municipality received 2 award in the Greenest Municipality Awards in November 2017
Property Management	<ul style="list-style-type: none"> Completion of the Klapmuts Multi-purpose centre at a cost of R26.6M; Completion of the Groendal Library at a cost of R8.7M; and Fencing in Cloetesville next to the R44 at a cost of R1m.
Property Management	<p>The planning (Tender specifications) of the following projects were also completed, to enable the implementation thereof in the next financial year:</p> <ul style="list-style-type: none"> Kayamandi Corridor upgrade Kayamandi Police Station upgrade Pniel Library and Admin Building upgrade Franschhoek Admin Building and Town upgrade Cloetesville flats: interior upgrade
Fire and Disaster Services	Occupation of the new Klapmuts fire station
Fire and Disaster Services	Upgrading of fire alarms – completed
Fire and Disaster Services	More than 5000 reached through continuous fire, flood and drought awareness campaigns
Fire and Disaster Services	More than 1000 smoke alarms installed

Table 1.20 Basic Service Delivery Highlights

1.2.7.2 BASIC SERVICES - DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
Development Services	Department has been without a permanent manager for a number of years now. The current staff shortage leads to excessive workload on remaining staff and in turn has an effect on meeting deadlines etc. Developers can suffer financial losses if Municipality doesn't respond to their applications and requests timeously. Similarly non-compliance with DoRA MIG conditions could lead to MIG funds being stopped. Therefore sufficient capacity within this Department is of critical importance.	The Director: Engineering Services has indicated he is in the process of appointing a permanent Manager, but could take several months. Process should be expedited if possible.
Illegal and unsafe electricity connections Vandalism of electrical Infrastructure	Kayamandi and Langrug have illegal and unsafe electrical connections that pose danger to the communities.	An arrangement with law enforces to provide required protection to the officials when removing the illegal and unsafe connections have been made, however with no success. The department will keep on trying. The department of Labour has been advised of the challenge and will provide advice in the next few weeks.
	The department is faced with a challenge of vandalism and forceful opening of its infrastructure to: 1. Steal copper 2. Connect the illegal connections	The Department has fenced three of the critical mini-substations. A tender for the fencing of the remaining mini-substation and kiosks is at evaluation stages.
Organisational Design	Two Managers in the electrical departments need to be appointed to take pressure off Senior Manager particularly on operational issues.	Job descriptions to be completed, posts evaluated and advertised.
Organisational Structure WC 024	The approved structure is not ideal and must be amended to fit needs of department.	Once placement process is completed, amended design to be taken to LLF and Council.
All informal settlements	Accessibility difficult with mechanical equipment to render cleaning and collections service.	EPWP employed to manually clean areas. Access road program developed and to be implemented in the medium term.
Recycling	Separation at Source programme not as yet rolled out to all e.g. Franschhoek	Regular meetings will be conducted with community and rate-payers association to address challenges.
Recycling	Collection from Separation at source is still below optimum levels e.g. 80t/month, when pickers at landfill are recovering 130t/month.	Greater and constant awareness and education required – this is addressed in new organisational design.
Revenue enhancement	There are a number of residents putting out black bags for collections, and not wheelie bins. This hampers revenue collection and poses a big risk to staff e.g. needle pricks, back injuries.	Enumeration of areas where bags are put out, evaluation of revenue loss, and then take item to Council to stop all bag collections and only remove wheelie bin waste.

Service Area	Challenge	Actions to address
CDW Projects	Projects are initiated without inputs from Solid Waste Management department resulting in poor management of CDW staff and false impressions to public that this is the EPWP project,	All solid waste initiatives to first be discussed with senior manager prior to implementation, in order to plan logistics properly.
Security at facilities	Highly problematic, especially Beltana depot where access control is less than desirable.	Beltana committee established to deal with all issues pertaining to facility. Law Enforcement to be more effective.
Social Relief of Distress	Access to a functional reliable vehicle to deliver social relief of distress becomes problematic as the department needs to make multiple trips to the area of incident in order to transport all the support material.	The department budgeted for an all-purpose vehicle to be acquired.
Informal settlement in Veldwagters river adjacent to landfill site	The establishment of this informal settlement is not only a high risk to surrounding communities, but to themselves in close proximity to landfill gases.	The buffer must be maintained and settlement to be removed.
Staff Shortage	High vacancy rate within department.	Filling of vacant position within department to be prioritised.
Theft of Infrastructure	Theft of manhole covers, a safety risk to pedestrians.	Measures being put in place to replace with temporary covers as soon as practically possible, however, the risk of injury for pedestrian has increased.
Parks and Rivers	Illegal dumping on open areas and parks. More funding is needed for capital upgrades in respect of fencing.	Drop-off facilities required close to residential areas to minimise the risk of illegal dumping
Parks and Rivers	Illegal dumping in Rivers and kids swimming in rivers	Sufficient signage , More security or enforcement ad community ownership/ stewards in Ida's Valley and Stiebeuel river
Parks and Rivers	Shortage of equipment Mechanical and plant equipment	Cherry picker and Grab Truck required in Community services dept
Parks and Rivers	Water restrictions especially at level 6B was is one of the main challenges for planting of new gardens and trees.	Alternate options to water Waterwise plants to be considered Education to the public
Parks and Rivers	Vandalism of fences and park equipment in especially in Kayamandi	Security required and enforcement on Park Community ownership.

Table 1.21 Basic Service Delivery Challenges

1.2.7.3 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

Service	2011
Formal Dwellings	90.7%
Informal Dwellings	9.3%
Formal Dwelling Backlog	3 149
Electricity Connections (% Share of HHS)	98.8%
Hygienic Toilets	97.2%

Service	2011
Water (Piped Water)	96.7%
Formal Refuse Removal (% share of HHS)	89.9%

Table 1.22 2011 Households with minimum level of Basic Services

Source: Statistics South Africa,

1.2.7.4 FINANCIAL VIABILITY HIGHLIGHTS

Highlight	Description
Municipal Standard Chart of Account (mSCOA)	The successful implementation of Municipal Standard Chart of Account.
Long Term Financial Plan updated	This plan fulfils the role of an affordability assessment framework for the three year budgeting process including cash flows, affordability of long term loans and possible capital investments.
Current ratio	The municipality maintained a very good current ratio of 2.2:1. 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 95%. This indicates that the municipality creditor control and debt collection processes are in place and the revenue is management effectively.
Increase in the cost coverage ratio	The municipality's cost coverage ratio improved from 5.71 in 16/17 financial year to 5.75 in 17/18 financial year.
Finance Charges	Finance charges represent 2.34% of the total operational expenditure. This compares favourably with the norm of 6% to 8%.
Liability Management	Capital Cost (Interest Paid and Redemption) represent 2.36% of total operating expenditure. This indicates that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects.
Debt Management	The municipality's total debt represents 13% of the total operational expenditure. This compares favourably with the norm of 45% and is an indication that the municipality has the capacity to take on additional financing from borrowings.

Table 1.23 Municipal Viability Highlights

1.2.7.5 FINANCIAL VIABILITY CHALLENGES

Financial Viability	The traceability of all debtors poses a challenge to the debt collection process. Above inflation increases of cost of electricity and water impacts on affordability of municipal accounts.
Revenue Leakage	An integrated revenue enhancement approach followed to combat leakages.

Table 1.24 Financial Viability Challenges

1.2.7.6 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)

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 no. 796 of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA and Indicator	2013/14	2014/15	2015/16	2016/17	2017/18
Debt coverage (total operating revenue - operating grants received): debt service payments due within the year	46.83	42.45	64.13	41.29	40.87
Service debtors to revenue – total outstanding service debtors: revenue received for services.	17.66%	18.22%	10.22%	18.09	20.7%
Cost coverage (available cash + investments): monthly fixed operating expenditure.	7.84	9.89	1.4	5.71	5.75

Table 1.25 Financial Viability and Management (Ratios)

1.2.7.7 NATIONAL KPI'S FOR FINANCIAL VIABILITY AND MANAGEMENT - FINANCIAL OVERVIEW

Details	Original budget	Adjustment Budget	Actual
	R		
Income			
Grants(Operating and Capital)	188 479	242 448	210 534 572
Taxes, Levies and Tariffs	1 087 416	1 154 418	1 171 990
Other	212 187	219 185	228 094
Sub-Total	1 488 083	1 616 052	1 610 340
Less Expenditure	1 486 676	1 575 255	1 346 761
Net surplus/(deficit)	1 407	40 797	263 858

Table 1.26 Financial Viability and Management Financial Overview

1.2.7.8 OPERATING RATIOS

Detail	Expected norm	Actual	Variance
Employee Cost	25 %- 40 %	34.30%	5.70%
Repairs and Maintenance	8%	0.84%	7.16%
Finance Charges	6%-8%	1.40%	5.66%

Table 1.27 Operating Ratios

Employee cost is below the national norm of between 35% 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 14% lower than the norm of 15%, this can be attributed mainly to our ability to fund our capital programmes to some extent from our own sources (CRR) and not external finance.

1.2.7.9 TOTAL CAPITAL EXPENDITURE

Detail	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	R					
Original Budget	189,043,691	200,065,525	294,188,484	452,759,209	463 791 713	418 056 510
Adjustment Budget	197,810,899	187,940,297	251,030,778	437,183,145	482 580 383	499 855 135
Actual	175,739,318	174,740,852	230 350 691	348,861,006	410 562 394	433 681 837

Table 1.28 Total Capital Expenditure

1.2.8 Organisational Development Overview

During 2017/18, Stellenbosch Municipality embarked on the 1st revision of its 4th generation 2017/22 Integrated Development Plan and Medium-Term Revenue and Expenditure Framework.

Section 66 of the Municipal Systems Act, Act 32 of 2000 allows a Municipal Manager to develop a staff establishment and submit it to Council for approval. On the 26th of April 2017 the Municipal Council resolved for the development of a draft macro and micro organogram.

A process plan, paving the way for ensuring an inclusive and comprehensive IDP process and culminated in the adoption of the 2017/18 (revised) IDP on 28th of May 2017. The process was also marked by a renewed commitment to ensuring that the organisational structure, human resources, skills and capacity entrenched in its officials and councillors all contribute immensely to the successful execution of the municipal strategy.

1.2.8.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

Highlight	Description
Review of update critical human resource related policies	Overtime Policy Time and Attendance Policy Bursary Policy
Human Resources	Establishment of a central OHS Committee and the election of members.
Staff Capacity	Appointments of critical Senior personnel to stabilise structure. Filling of Senior Manager Governance, IDP, Communications, SCM.
Organisational Stability	Acceptance and adoption of the new organisational structure. Stability at the senior management level.

Table 1.29 Municipal Transformation and Organisational Performance Highlights

1.2.8.2 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 Municipal Finance Management Act No. 56 of 2003. 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. The municipality is in continuous engagement with the service provider and other municipalities through various working groups to improve mSCOA compliance and functionality.

1.2.8.3 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

Challenge	Actions to address
ICT	ICT structure does not align to best practices and thus cannot be agile enough to support the municipality. Lack of system integration.
Staff capacity	Staff shortages could impact on service delivery performance
Communication	The municipal website is in need of redesign for ease of access to the public.

Table 1.30 Municipal Transformation and Organisational Development Challenge

1.2.9 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 Municipal Finance Management Act. 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 outcomes-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):

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))
Financial Officials						
Accounting Officer	1	0	1	1	1	1
Chief Financial Officer	1	0	1	1	1	1
Senior Managers	5	0	5	5	5	5
Any other financial officials	59	0	59	59	59	58
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	1	0	1	1	1	1
TOTAL	67	0	67	67	67	66

1.2.10 Auditor General Report

Table 1.31 Financial Competency Development: Progress Report

Stellenbosch Municipality received an unqualified audit with findings from the Auditor-General. In the Auditor General's opinion the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act. No 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

1.2.10.1 AUDITED OUTCOMES

Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Status	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified (clean audit)	Unqualified (clean audit)	Unqualified (clean audit)	Unqualified with findings

Table 1.32 Audit Outcomes Source: Auditor General of South Africa, 2018

CHAPTER 2: GOVERNANCE

Good Governance is an approach of government that is committed to creating a system strengthening democracy, promoting transparency, building public administrative capacity, responsive to public need and respect for human rights. Good Governance is measured by the eight factors including *participation, rule of law, transparency, responsiveness, consensus oriented, accountability, effectiveness and efficiency, equitability and inclusivity*. With a context of good governance corruption is minimised, the views of minorities are taken into account 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.

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.

KPA and Indicators	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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.	88.79	92.97	91.52	79.74	85.08	86.5

Table 2.1 National KPIs - Good Governance and Public Participation Performance

Performance Highlights - Good Governance and Public Participation

Highlight	Description
Council	Council has remained stable and well-functioning throughout 2017/18.
Audit Outcomes	Stellenbosch Municipality has an unqualified audit for 9 consecutive years.
Organisational	The new organisation structure was approved.
Review of System of Delegations	The review of the System of Delegations are in advanced stages.
S.80 and S.79 Committees of Council	The S.80 and S.79 Committees of Council as establishment commenced actively and a number of these committees meet regularly.
Public Participation	Public participation sessions were held with all 22 ward committees in September 2017 and February 2018. This followed by sessions with the public in all 22 wards in October 2017 and April 2018. The municipality also focussed group engagement over 3 days with various focussed groups.
Hand-over of deeds	An intense focus to accelerate the handing over of title deeds to disadvantaged communities, resulted in the handover of the first batch of 285 deeds.
Management of land occupation in Kayamandi	The municipality has been actively engaging with SAPS, the Sheriffs and the justice to effectively manage the land invasion in Kayamandi.
Functioning of the Municipal Planning Tribunal (MPT) meeting	The Municipal Planning Tribunal is established and fully functioning.
Grant in Aid (GiA)	The SOP for GiA has been approved.
Policy Development	Great progress was made in reviewing key policies, including the annual review of budget related policy, the Performance Management Policy, the Anti-Corruption and Fraud Prevention Policy, the Asset Management Policy, Early Childhood Development Policy and the Grant in Aid Policy.
Master Planning	Updates to the following master planning had commenced: <ul style="list-style-type: none"> • Stellenbosch Municipality's Roads Master Plan • Comprehensive Integrated Transport Plan (CITP) • Stellenbosch Municipality's Storm Water Master

Highlight	Description
	<ul style="list-style-type: none"> • Planning for the implementation of a parking strategy, to aid • alleviate the parking shortage in the CBD.
Communication	<p>The Communication Policy was reviewed in 2018 and tabled before the Corporate and Strategic Services Portfolio Committee.</p> <p>Stakeholder engagement has improved significantly and media releases / media responses for local, regional and national publications and broadcasters are released on a weekly basis.</p> <p>Activity on our social media platforms and municipal website has improved. Social media platforms have grown significantly and now reaches a much larger, ever-growing audience.</p> <p>The Interdepartmental Communication Forum started meeting at least quarterly in 2018 to improve internal communication and streamline all communication efforts.</p>
Most improved waste water treatment works	Awarded at the Process Controller Convention by the Water Institute of Southern Africa and the National Department of Water and Sanitation.
Drought responsiveness	<p>The target set by the DWS of 45% savings on household water consumption and 65% on agricultural use was achieved. Actual figures: 49.5% vs. target of 45% and 69.2% vs. target of 65%.</p> <p><i>95.36% Capital Expenditure achieved.</i></p>
Drought Management	The municipality proved sufficiently responsive to the drought crisis and sufficiently pre-empted initiatives to remain resilient and mitigate the possibility of day zero. Investing in boreholes and purification of borehole water proved successful to mitigating the water crisis.
Water Restrictions	Due to improved rains and public discipline in keeping consumption levels low, dam levels breached 75%. This resulted in Stellenbosch Municipality being in a position to reduce tariff levels and water restriction levels to reduce the pressure on residents.
Extern waste management audit	JG Afrika appointed as external auditor. Improvement in performance of landfill site in terms of permit compliance.
Greenest Municipality Awards	Stellenbosch Municipality garnered 4 awards at Greenest Municipality Awards in October 2017.
Best practice	DEA and GiZ invited 6 municipalities throughout the country to learn from Stellenbosch Municipality in terms of waste minimisation practices. SALGA invited Senior Manager to present best practices in Feb 2018. Bitou Municipality sent delegation to learn best practices in April 2018.
Transfer of Area Cleaning to Solid Waste Management	Area Cleaning was transferred to Solid Waste Management from January 2018. As all waste management issues are consolidated in one department, a concerted effort has been put in to clean informal areas, commencing with Enkanini. There has been a significant improvement in the cleanliness of most areas, as per correspondence received.
Electrification of Klapmuts	After nearly 4 years without electrification due to vandalism, this was re-established by moving the transformers onto the premises (from previously across the road). The site is also well protected with Betafence.
Mobility Forum	A Mobility Forum has been established to discuss on all municipal roads and transport strategies and initiatives (including NMT) with representatives of interested and affected parties.

Table 2.2 Performance Highlights - Good Governance and Public Participation

Challenges - Good Governance and Public Participation

Description	Actions to address
Delay in housing delivery	Protest in Kayamandi has caused damage to the Temporary Relocation Area and new structures which will need to be repaired before households can be moved for further development.
Communication	The municipal website is in need of redesign for ease of access to the public.
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) is being abused to unfairly target individual and management. Most of the allegations against senior management (MM and section 56) has had no basis other than causing disrepute. Continuous threats of charging people with no basis is 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.
Unrest and Protest	Protest action in Kayamandi has caused substantial damage to the Temporary Relocation Area and new structures and the Kayamandi Corridor. Protest action has extended on occasion to the CBD.
Illegal and unsafe electrical connections	Illegal and unsafe electrical connections in Kayamandi and Langrug poses serious danger to the communities.
Vandalism of electrical infrastructure	Attempts to steal copper and illegal connections has contributed to vandalism and forceful opening of electrical infrastructure.
Illegal dumping	Illegal dumping has been on the increase especially around open areas and parks.

Table 2.3 Challenges - Good Governance and Public Participation

2.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1.1 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 policy makers, councillors are also actively involved in community work and in the various social programmes in the municipal area.

2.1.2 Council – July 2017 – June 2018

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

Name of councillor	Capacity	Political Party	Ward representing or proportional
F Adams	Part-time	DNCA	Proportional Representative (PR)
D Arends	Part-time	ACDP	PR
FJ Badenhorst	Part-time	DA	Ward Councillor
G Bakubaku-Vos (Ms)	Part-time	ANC	PR
F Bangani-Menziwa (Ms)	Part-time	ANC	Ward Councillor
P Biscoombe	Mayco member	DA	Ward Councillor
P Crawley (Ms)	Part-time	DA	PR
A Crombie (Ms)	Part-time	DA	Ward Councillor
J De Villiers	Mayco member	DA	PR
M De Wet	Part-time	DA	Ward Councillor
R Du Toit (Ms)	Part-time	DA	Ward Councillor
A Florence	Part-time	DA	PR
A Frazenburg	Mayco member	DA	Ward Councillor
E Fredericks (Ms)	Part-time	DA	Ward Councillor
E Groenewald (Ms)	Mayco member	DA	Ward Councillor
J Hamilton	Part-time	DA	PR
A Hanekom	Part-time	DA	Ward Councillor
D Hendrickse	Part-time	EFF	PR
J Hendriks	Part-time	DA	Ward Councillor
LK Horsband (Ms)	Part-time	EFF	PR
N Jindela	Deputy Executive Mayor	DA	PR
M Johnson	Part-time	DA	Ward Councillor
DD Joubert	Speaker	DA	Ward Councillor
NS Louw	Part-time	DA	PR
N Mananga-Gugushe (Ms)	Part-time	ANC	Ward Councillor

Name of councillor	Capacity	Political Party	Ward representing or proportional
C Manuel	Part-time	DA	Ward Councillor
L Maqeba	Part-time	ANC	PR
N Mcombring (Ms)	Part-time	DA	Ward Councillor
XL Mdemka (Ms)	Mayco member	DA	PR
R Nalumango (Ms)	Part-time	ANC	PR
N Olayi	Part-time	DA	PR
MD Oliphant	Part-time	ANC	PR
S Peters	Mayco member	DA	PR
WC Petersen (Ms)	Chief Whip	DA	Ward Councillor
M Pietersen	Part-time	DA	PR
WF Pietersen	Full-time MPAC Chairperson	PDM	PR
S Schäfer	Part-time	DA	PR
J Serdyn (Ms)	Mayco Member	DA	Ward Councillor
N Sinkinya (Ms)	Part-time	ANC	Ward Councillor
P Sitshoti (Ms)	Part-time	ANC	Ward Councillor
Q Smit	Mayco member	DA	Ward Councillor
G Van Deventer (Ms)	Executive Mayor	DA	PR
E Vermeulen (Ms)	Part-time	DA	Ward Councillor

Table 2.4 Council July – June 2017/18

The table below indicates the council meetings attendance for the 2017/18 financial year:

Meeting dates	Number of items (resolutions) submitted	Percentage Attendance of Council Meetings	Percentage Apologies for non-attendance
26 July 2017	40	93	7%
10 August 2017	2	88	12%
30 August 2017	38	88	12%
27 September 2017	40	93	7%
25 October 2017	37	86	14%
29 November 2017	40	93	7%
24 January 2018	41	95	5%
19 April 2018	35	81	19%
23 May 2018	38	88	12%
28 May 2018	7	76	24%
13 June 2018	33	76	24%

Table 2.5 Council Meetings

2.1.3 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 the powers assigned by legislation. Although accountable for the strategic direction and performance of the municipality, the Executive Mayor and Mayoral Committee are acting in sync with one another.

The Executive Mayoral position were occupied as follows:

Executive Mayor for the period	Period
Adv. G. Van Deventer	1 July 2017 – 30 June 2018

Table 2.6 Executive Mayor for the period

Executive Mayoral Committee	
01 July 2017 – 30 June 2018 - Executive Mayoral Committee	
Name of member	Capacity
G Van Deventer (Adv.)	Executive Mayor
N Jindela	Deputy Executive Mayor
P Biscombe	Mayco member
J De Villiers	Mayco member
A Frazenburg	Mayco member
E Groenewald (Ms)	Mayco member
X Mdemka (Ms)	Mayco member
S Peters	Mayco member
JP Serdyn (Ms)	Mayco member
Q Smit	Mayco member

Table 2.7 Executive Mayor-in-Committee

The table below indicates the dates of the Executive Mayor-in-Committee meetings and the number of reports submitted to council for the 2017/18 financial year:

Meeting dates	Number of items submitted
19 July 2017	27
08 August 2017	7
13 September 2017	10
11 October 2017	26
15 November 2017	20
17 January 2018	4

Meeting dates	Number of items submitted
14 February 2018	7
14 March 2018	31
22 March 2018	18
11 April 2018	4
16 May 2018	10
13 June 2018	6

Table 2.8 Committee Meetings

2.1.4 Portfolio Committees

In terms of section 80 of the Municipal Structures Act 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 2017/18 mayoral term and their chairpersons are as in the tables below.

2.1.4.1 PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE

Period 1 July 2017 – 30 June 2018	
Name of member	Capacity
JP Serdyn (Ms)	Portfolio Chairperson
F Adams	Committee member
FJ Badenhorst	Committee member
AJ Hanekom	Committee member
L Maqeba	Committee member
RS Nalumango (Ms)	Committee member
S Schäfer	Committee member

Table 2.9 Planning and Economic Development Portfolio Committee

Meeting dates	Number of reports submitted
10 August 2017	2
06 September 2017	1
06 February 2018	1
06 March 2018	3
08 May 2018	8

Table 2.10 Planning and Economic Development Portfolio Committee

2.1.4.2 INFRASTRUCTURE COMMITTEE

Period 1 July 2017 – 30 June 2018	
Name of member	Capacity
J De Villiers	Portfolio Chairperson
GN Bakubaku-Vos (Ms)	Committee Member
F Bangani-Menziwa (Ms)	Committee Member
A Florence	Committee Member
AJ Hanekom	Committee Member
C Manuel	Committee Member

Table 2.11 Engineering Services and Human Settlements Portfolio Committee

Meeting dates	Number of reports submitted
None	

Table 2.12 Infrastructure Portfolio Committee meeting dates

2.1.4.3 FINANCE AND STRATEGIC AND CORPORATE SERVICES PORTFOLIO COMMITTEE:

Period 1 July 2017 – 30 June 2018	
Name of member	Capacity
S Peters	Portfolio Chairperson
FJ Badenhorst	Committee Member
P Crawley (Ms)	Committee Member
J Hamilton	Committee Member
RS Nalumango (Ms)	Committee Member
M Oliphant	Committee Member

Table 2.13 Finance and Strategic and Corporate Services Portfolio Committee

Meeting dates	Number of reports
None	

Table 2.14 Finance and Strategic and Corporate Services Portfolio Committee Meeting Dates

2.1.4.4 COMMUNITY SERVICES AND COMMUNITY PROTECTION PORTFOLIO COMMITTEE

Period 1 July 2017 – 30 June 2018	
Name of member	Capacity
AR Frazenburg	Portfolio Chairperson
GN Bakubaku-Vos (Ms)	Committee Member
A Crombie (Ms)	Committee Member
E Fredericks (Ms)	Committee Member
MD Oliphant	Committee Member

Table 2.15 Community Services and Community Protection Portfolio Committee

Meeting dates	Number of reports
01 November 2017	9
06 March 2018	6
08 May 2018	6
06 June 2018	5
01 November 2017	9

Table 2.16 Community Development and Community Services Portfolio Meeting Dates
2.1.4.5 CORPORATE AND STRATEGIC SERVICES PORTFOLIO COMMITTEE

Name of member	Capacity
E Groenewald (Ms)	Portfolio Chairperson
F Bangani-Menziwa (Ms)	Committee Member
MB De Wet	Committee Member
JG Hamilton	Committee Member
L Maqeba	Committee Member

Table 2.17 Corporate and Strategic Portfolio Committee

Meeting dates	Number of reports
04 October 2017	3
20 June 2018	5

Table 2.18 Corporate and Strategic Services Portfolio Committee Meeting Dates

2.1.4.6 HUMAN SETTLEMENTS PORTFOLIO COMMITTEE

Name of member	Capacity
PW Biscombe	Portfolio Chairperson
R Du Toit (Ms)	Committee Member
E Fredericks (Ms)	Committee Member
LK Horsband (Ms)	Committee Member
P Sitshoti (Ms)	Committee Member

Table 2.19 Human Settlements Portfolio Committee

Meeting dates	Number of reports
NONE	

Table 2.20 Human Settlements Portfolio Committee Meeting Dates

2.1.4.7 PROTECTION SERVICES PORTFOLIO COMMITTEE

Name of member	Capacity
Q Smit	Portfolio Chairperson
D Arends	Committee Member
J Hendriks	Committee Member
C Manuel	Committee Member
NE Mcombring (Ms)	Committee Member
N Sinkinya (Ms)	Committee Member

Table 2.21 Protection Services Portfolio Committee

Meeting dates	Number of reports
01 November 2017	7
07 February 2018	1
07 March 2018	7
17 May 2018	7
06 June 2018	3

Table 2.22 Protection Services Portfolio Committee Meeting Dates

2.1.4.8 YOUTH, SPORT AND CULTURE PORTFOLIO COMMITTEE

Name of member	Capacity
XL Mdemka (Ms)	Portfolio Chairperson
DA Hendrickse	Committee Member
MM Pietersen	Committee Member
N Sinkinya (Ms)	Committee Member
E Vermeulen (Ms)	Committee Member

Table 2.23 Youth, Sport and Culture Portfolio Committee

Meeting dates	Number of reports
01 November 2017	5
03 May 2018	3

Table 2.24 Youth, Sport and Culture Portfolio Committee Meeting Dates

2.1.5 Section 79 Committees

2.1.5.1 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Period 01 July 2017 – 30 June 2018	
Name of member	Capacity
WF Pietersen	Chairperson
MC Johnson	Committee Member
NS Louw	Committee Member
N Mananga-Gugushe (Ms)	Committee Member
N Olayi	Committee Member

Table 2.25 MPAC Committee

Meeting dates	Number of reports
17 August 2017	5
19 October 2017	2
31 January 2018	2
20 March 2018	4
17 April 2018	1
15 May 2018	3

Table 2.26 MPAC Committee Meeting Dates

2.1.5.2 APPEALS COMMITTEE

Name of member	Capacity
DD Joubert	Portfolio Chairperson
GN Bakubaku-Vos (Ms)	Committee Member
MB De Wet	Committee Member
MD Oliphant	Committee Member
Q Smit	Committee Member

Table 2.27 Appeals Committee

Meeting dates	Number of reports
11 August 2017	1
12 September 2017	2
09 February 2018	1
09 March 2018	1

Table 2.28 Appeals Committee Meeting Dates

2.1.5.3 LOCAL LABOUR FORUM (LLF)

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

Table 2.29 Local Labour Forum

2.1.5.4 LOCAL LABOUR FORUM PORTFOLIO COMMITTEE

Meeting dates	Number of reports
31 July 2017	6
28 August 2017	4
02 October 2017	4
30 October 2017	5
27 November 2017	3
29 January 2018	3
26 February 2018	4
26 March 2018	1
29 May 2018	1

Table 2.30 Local Labour Forum Portfolio Committee Meeting Dates
2.1.5.5 EMPLOYMENT EQUITY

Name of member	Capacity
E Groenewald (Ms)	Portfolio Chairperson
J Hamilton	Committee Member
L K Horsband (Ms)	Committee Member
L Maqeba	Committee Member
X Mdemka (Ms)	Committee Member
WC Petersen (Ms)	Committee Member

Table 2.31 Employment Equity Committee

Meeting dates	Number of reports
NONE	

Table 2.32 Employment Equity Committee Meeting dates

2.1.5.6 DISCIPLINARY COMMITTEE

Name of member	Capacity
MB De Wet	Portfolio Chairperson
L Maqeba	Committee Member
WC Petersen (Ms)	Committee Member
N Sinkinya (Ms)	Committee Member
Q Smit	Committee Member

Table 2.33 Disciplinary Portfolio Committee

Meeting dates	Number of reports
11 June 2018	3

Table 2.34 Disciplinary Portfolio Committee Meeting Dates
2.1.5.7 RULES COMMITTEE

Name of member	Capacity
D Joubert	Portfolio Chairperson
D Arends	Committee Member
PR Crawley (Ms)	Committee Member
JG Hamilton	Committee Member
WC Petersen (Ms)	Committee Member
P Sitshoti (Ms)	Committee Member

Table 2.35 Rules Committee Portfolio Committee

Meeting dates	Number of reports
26 October 2017	1
27 November 2017	1
19 February 2018	1
19 April 2018	1

Table 2.36 Rules Committee Meeting dates

2.1.6 Strategic Governance Structure

The Municipal Manager is the Chief Accounting Officer of the municipality. She is the head of the administration and serve as chief custodian of service delivery and implementation of political priorities. She is assisted by her directors, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Annalene De Beer	Director: Strategic and Corporate Services	Yes
Dupré Lombaard	Director: Planning and Economic Development terminated (till 30/04/2018)	Yes
Tabiso Mfeya	Director: Integrated Human Settlements and Property Management	Yes
Marius Wüst	Chief Financial Officer	Yes
Gerald Esau	Director: Community and Protection Services	Yes
Deon Louw	Director: Engineering Services	Yes

Table 2.37 Administrative Governance Structure

2.2 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.

2.2.1 Intergovernmental Relations

2.2.1.1 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: Engineering Services represented by the Director: Engineering Services as a member of the national WRC/SALGA Municipal Benchmarking Initiative in Water Services, which collaborates in a national program 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).

2.2.1.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURES

Office of the Municipal Manager

The municipality is a keen participant of joint intergovernmental planning initiatives of 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 twice per annum. The Provincial Municipal Managers Forum meets quarterly.

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

Strategic and Corporate Services and Finance

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.

Stellenbosch Municipality's active participation within the JPI (Joint Planning Initiative) also plays a crucial role in ensuring integrated and sustainable service delivery. The Joint Planning Initiative (JPI) of the Western Cape Province is propelled by the National Development Plan (NDP) that has set an important vision to address challenges facing South Africa.

The JPIs consist of a set of priorities agreed upon by the Western Cape Government through the Provincial Strategic Plan (PSP) and sector departmental initiatives and its municipalities' Integrated Development Plans (IDP). A core team has been established, comprising four departments (Departments of the Premier, Local Government, Environmental Affairs and Development Planning and Provincial Treasury) to lead the JPI in consultation with a core team from the Municipal Managers nominated by the Municipal Managers Forum (MMF).

The Finance Directorate participates in several provincial fora on a quarterly basis. 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 on a regular basis.

Planning and Economic Development

The municipality is represented by the Manager: Spatial Planning, Heritage and Environment on the task team set up by DEA&DP to revise the Provincial Spatial Development Framework (PSDF). Through this inter-governmental process Stellenbosch Municipality is able to 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.

The municipality, represented by the Manager: Community Development, participates in the JPI27 working group for youth development. Quarterly meetings involving Pniel Primary School as a pilot school is looking at combined initiatives from the municipality, Department of Health, Department of Social Development, Education and DCAS to address issues relating to poor school performance.

Engineering 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 Department of Waste Management is currently finalising their draft 3rd generation Integrated Waste Management Plan (IWMP), which is undertaken by GreenCape, a non-profit organisation that drives the widespread adoption of economically viable green economy solutions from the Western Cape. The IWMP gives direction regarding Waste-to-Energy, Alternate Waste Management options and Waste Management projects proposals.

The Department of Waste Management also embarked on a Waste Characterisation Study, to provide the information base in drafting a new approach towards waste management, which has been captured in the new generation, Integrated Waste Management Plan (IWMP). The 3rd Generation Integrated Waste Management Plan (IWMP), first in the province, 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 the local officials as well as assisted in the first data collection exercise.

The Western Cape Provincial Government has identified Stellenbosch Municipality as a priority municipality for the implementation of the Provincial Sustainable Transport Program (PSTP). To this end, the Western Cape Government through its Department of Transport and Public Works, has entered into a partnership with Stellenbosch Municipality (a Memorandum of Agreement was concluded in July 2016) to plan and implement sustainable transport initiatives. As part of this initiative, the municipality has started investigating the possibility of implementing a scheduled public transport service within Stellenbosch.

The Western Cape Government as part of the Provincial Sustainable process also made money available for small systems improvement and R4m was given for non-motorised transport projects in Khayamandi, Cloeteville, Klappmuts and Idas Valley. The Department of Waste Management also embarked on a second Waste Characterisation Study, five years after the initial pioneering study was undertaken, to provide the information base in drafting a new approach towards waste management, which has been captured in the new generation, (IWMP). The 3rd Generation Integrated Waste Management Plan (IWMP) was the first in the province; 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 the local officials as well as assisted in the first data collection exercise. Provincial government (D:EA&DP) officials were trained by Stellenbosch Municipality in 2012/13, and are now implementing a number of waste categorisation studies in other municipalities in the Western Cape. The national department, Department: Environmental Affairs (DEA) would like to have this implemented throughout the country.

Stellenbosch Municipality is also 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 pertaining to 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 Waste Management department has also been identified as a municipality where other organs of state can learn best practices in the field of waste management, and in the 2017/18 financial year were visited by 7 local municipalities from Rustenburg LM, Newcastle LM, Steve Tshwete LM, JB Marks Municipality, Buffalo City Metropolitan Municipality, Mogalakwena LM, and King Sabatha Dalindyebo Municipality. The entire

study tour was funded and facilitated by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Department: Environmental Affairs (DEA). The project team were JG Afrika (Lead), Pegasys Capital and Amber PSC. Other municipalities that visited for best practices on a separate programme included Bitou Municipality and Mossel Bay Municipality, the latter having implemented a number of initiatives previously piloted by this municipality, and is in constant engagement with Stellenbosch to make a difference to their region.

The Council for Scientific and Industrial Research (CSIR) has also engaged with this municipality as its primary reference source in terms of testing a separation at source model on behalf of DEA, which the latter would like to implement nationally.

The Electrical Department is extensively involved with the other local municipalities' electricity departments through the Association of Municipal Electricity Utilities (AMEU). This project is an initiative to implement energy saving and load shifting capacity within the municipal area and is being used with great success.

In collaboration with the Department of Energy (DOE) further energy saving projects were implemented. In the 2017/18 financial year the municipality completed the streetlight retrofit of the non-energy efficient light with Energy efficient LED lights. At the Stellenbosch Waste Water Treatment Works (WWTW) energy efficiency Technologies on pumps were implemented. The Directorate: Engineering Services supports innovation and research and collaborates with various entities in this regard. Research was undertaken at one of Council's Waste Water Treatment works to test nano-fibre technology as a new cost-effective and robust technology which could revolutionise the wastewater treatment sector in South Africa.

Community and Protection Services

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

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

To execute the Safely Home Program, 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 in order to address the social determinants of health through interaction with Department Education, Health Department and SAPS.

Human Settlements and Property Management

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 on a quarterly basis to discuss all new housing policies and budget related matters in housing delivery. During the meeting, all the housing officials of the various municipalities are present to share their new innovative ideas. The overall performance of each municipality is discussed in detail as well as mitigating options if the need arises.

Applications of new and existing projects are also discussed with the feedback from the PDoHS. The municipalities receive information relating to: beneficiary administration, outstanding approvals, informal

settlement challenges, title deed transfers, farm worker 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 given the opportunity to host this engagement.

The Informal Settlements Department also represents the Municipality at the bi-monthly Informal Settlements Support Programme (ISSP) meetings of the Provincial Department of Human Settlements (PDoHS). The latter program aims to interpret National and Provincial guidelines with respect to upgrading of informal settlements. The purpose of these monthly meetings is to discuss best practices in informal settlements within the Cape Winelands region.

The Informal Settlements Department is also involved in a collaboration 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.

The Municipality engages in numerous partnerships to facilitate service delivery.

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	A partnership aimed at improving efficiency and effectiveness through comparative process benchmarking, peer-to-peer operational knowledge sharing and iterative performance improvements.
Stellenbosch River Collaborative	A partnership was formed between various role players to improve the water quality in the Eerste River catchment, with the focus on the Plankenbrug river.
Bergriver Improvement Programme	A partnership was formed to improve the quality of the storm water run-off from the Langrug Informal Settlement. The project entails the implementation of biomimicry, waste recycling and a Sustainable Urban Drainage lab.
LTAB	A partnership was formed between political leaders to discuss Land Transport-related matters that affect transport in the area.

Name of Partner/ Partnership	Purpose
Transport Working Group	A 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	A partnership 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
<p>District Intergovernmental Structures</p> <p>The Cape Winelands District Municipality's Executive Mayor is Chairperson of the District Coordinating Forum which has been established in accordance with the Intergovernmental Relations Framework Act, No. 13 of 2005. 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 immensely 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 use indigenous sports to create social cohesion amongst communities in the district. Special focus and attention was given to our communities in rural areas. 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 dramatically improved and the Community Services Department has managed to exceed all expectations in this regard. 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>	

Table 2.38 Municipal Partnerships

2.2.2 Representative Forums

2.2.2.1 LOCAL LABOUR FORUM

The table below lists the members of the Local Labour Forum for the 2017/18 financial year:

Name of representative	Capacity	Meeting dates
E Groenewald	Councillor	
R Du Toit	Councillor	
E Fredericks	Councillor	
LK Horsband	Councillor	
XL Mdemka	Councillor	
RS Nalumango	Councillor	
A De Beer	Director: Strategic and Corporate Services	
D Louw	Director: Engineering Services	
G Esau	Director: Community and Protection Services	31 July 2017
M Wust	Chief Financial Officer	28 August 2017
Vacant	HR Manager	02 October 2017
M Zimri	Head Labour Relations	30 October 2017
DS Isaacs	SAMWU Representatives	27 November 2017
N Kwintshi	SAMWU Representatives	29 January 2018
T Mzili	SAMWU Representatives	26 February 2018
T Ncoko	SAMWU Representatives	26 March 2018
S Ndleleni	SAMWU Representatives	29 May 2018
I Nkunkumana	SAMWU Representatives	25 June 2018
H Coffee	IMATU Representatives	
T Gilbert	IMATU Representatives	
R Louw	IMATU Representatives	
H Theart	IMATU Representatives	
E Vergotine	IMATU Representatives	
D Williams	IMATU Representatives	

Table 2.39 Local Labour Forum

2.2.3 Ward Committees

The advent of democracy in 1994, and the maturing system of local government in 2000, brought about a new democratic local governance system which 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 in par with other democratic governments throughout the world and positioned it as a reputable reference form of effective decentralised system of government.

The notion of participation remains a key cornerstone of good governance and constitutes an integral component in the policy making 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 and Local Government: Municipal Systems Act, 2000 provides the legislative framework for the establishment of Ward Committees by municipalities.

The Local Government: Municipal Systems Act of 2000 states in section 42 that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4, 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.

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
- give the 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
- 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 committees support the ward councillor, who receive reports on development, participate in development planning processes and facilitate 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 formulation and performance feedback to communities.

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

Name of representative	Capacity representing
Aldridge 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

Name of representative	Capacity representing
N Ntsunguzi	Beucop De Leau to Dalibushile School
M Nyanga	Beucop De Leau to Dalibushile School
F Ahmed	Upper farms
R Plaatjies	Lower Farms
C Daniels	Beucop De Leau to School Street
Elzona Morris	Ward Adminstrator

Table 2.40 Ward 1 Committee Members
Ward 2: Langrug, La Motte, Dennegeur, Groendal, Domain Agnes

Name of representative	Capacity representing
Wilhelmina Petersen	Councillor
M Boonzaaier	Jaffhas to Boonzaaier Road
N Fata	Zwalitcha
A Jeffhas	Jaffhas to Boonzaaier Road
J Lottering	La Motte
S Nomnqa	Ekhanini and Bodam
S Selahla	Mazaleni
M Vermeulen	Domain Des Anges
H Lackay	Berg River Dam Houses
SC Jeffhas	School Street to R45
W Boonzaaier	Santa Rosa to R45 Unknown
R Pearce	Ward Administrator

Table 2.41 Ward 2 Committee Members
Ward 3: Lanquedoc, Meerlust, Wemmershoek, Maasdorp and Surrounding

Name of representative	Capacity representing
Charles Manuel	Councillor
N Jack	Vygie, Kerk, Hoof Street - Lanquedoc
C Jacobs	Maasdorp
MP Krediet	Vygie, Kerk, to Gravel Road - Lanquedoc
L Malan	Meerlust and Farms
J Nomdoe	Angelier, Prins Afrika, Leeubekkie, Vygie Streets - Wemmershoek
C Stuurman	Hoof, Kerk, Vygie Streets - Lanquedoc
A Xola	Hoof, Kerk, Vygie Streets - Lanquedoc
W Morris	Vygie, Angelier Streets - Wemmershoek
L Cloetes	Wemmershoek
Gregory Viljoen	Ward Administrator

Table 2.42 Ward 3 Committee Members

Ward 4: Pniel, Kylemore and Johannesdal

Name of representative	Capacity representing
Malcolm 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
P van Wyk	PC Pietersen, Swart, Abrahams Streets, Capolavdoro
B November	Arcade, Santa Rosa, Starking, Helshoogte Streets
J Myburgh	Kloof, Hill, Dahlia, Oak Kleigat Streets
R van Wyk	Kerk, Brand, De Wet, Adams, Rooi, Jooste, Cupido Streets
B Lewak	Malva/ Arum/Gousblom/ Freesia/ Daffodil/ Skool Streets and Farms
R Sauls	Johannesdal
Kelly November	Ward Administrator

Table 2.43 Ward 4 Committee Members
Ward 5: The Ridge, Lindida and Idas Valley (Hydro into the direction of Idas Valley and Omega Street to Jonkershoek)

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

Table 2.44 Ward 5 Committee Members
Ward 6: Idas Valley and farms (Nietvoorbij, Timberlea, Morgenhoff, Remhoogte, Muratie, Groenhof, Delheim, Lievland, Kanonkop, Uitkyk, Glenelly, Emerie, Laundry, Packham, L'Avenir)

Name of representative	Capacity representing
Nateshia Mcombring	Councillor
O Bergstedt	Tindall to Luckhoff Streets
M Hendricks	Botmaskop
M Kara	Tindall to Luckhoff Streets

Name of representative	Capacity representing
Johannes Brandt	Speler to Botmaskop
Patricia Constable	Farms Areas to North
F Fortuin	Tindall to Luckhoff Street
P Gordon	Rustenburg Road to Lelie Street
D Jones	Lindley to Weber Streets
F Poole	Old Helshoogte to Lelie Streets
P Roets	Rustenburg Road to Lelie Street
Cerelmiel Van Rooyen	Ward Administrator

Table 2.45 Ward 6 Committee Members

Ward 7: Mosterdsdrif, Kolonieshof, Karindal, Rozendal, Uniepark, Simonswyk, Universiteits Oord and De Weides

Name of representative	Capacity representing
Alwyn Hanekom	Councillor
CD Cillie	Simonswyk
PE Claassen	Mostertsdrif
JD Coetzee	Rozendal
GA Giliomee	Karindal
GG Groenewald	Mostertsdrif
AB Meiring	Karindal
JP Swanepoel	Uniepark
WJ Van Aswegen	Simonswyk
Janetta Giliomee	Ward Administrator

Table 2.46 Ward 7 Committee Members

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

Name of representative	Capacity representing
Quintin Smit	Councillor
R De Villiers	Van Riebeeck, The Avenue, Coetzenburg Road
T Hlatswayo	Victoria, Neethling, Bosman, Van Riebeeck
CL Macleod	Van Riebeeck, Die Laan, Neethling, Eerste River
M Wannenburg	Merriman, Marais, Hofmeyer, Bosman
E Beukman	Merriman, Marais, Hofmeyer, Bosman
D Madire	Victoria, Neethling, Bosman, Van Riebeeck
K Jacobs	Hofmeyer, Marais, Bosman, Van Riebeeck
Janetta Gilliomee	Ward Administrator

Table 2.47 Ward 8 Committee Members

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

Name of representative	Capacity representing
Marnes De Wet	Councillor
PJ Bekker	Geographic
JM Calitz	Geographic
GG Cillie	Geographic
ZJ Dalling	Geographic
JMK Meyer	Geographic
M Pauw	Geographic
J Rust	Geographic
A Louw	Geographic
H Esterhuizen	Geographic
Janetta Giliomee	Ward Administrator

Table 2.48 Ward 9 Committee Members

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

Name of representative	Capacity representing
Rozette du Toit	Councillor
R Atson	Lapland
P Hough	Tennantville
L Nkamisa	La Colline
B Samuels	Tennantville
P Stone	Lapland
D Van de Rheede	La Colline
S Williams	Lapland
Moses Michaels	Ward Administrator

Table 2.49 Ward 10 Committee Members

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.

Name of representative	Capacity representing
Johanna Serdyn	Councillor
P Carinus	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
D Cupido	Devon Valley and Farms
I Fourie	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
K Hanekom	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
E Le Roux	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
J Lombard (until Nov 2017)	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
M Snyman	Onderpapegaaiberg – Flamingo Street to Devon Valley Road
B Brand	Dorp Street
CF Schreiber (3rd Q)	Tarentaal Street to Patrys Street
Janetta Giliomee	Ward Administrator

Table 2.50 Ward 11 Committee Members

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

Name of representative	Capacity representing
Nokuthula 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
S Mafenyang	Ward Administrator

Table 2.51 Ward 12 Committee Members

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

Name of representative	Capacity representing
Faith Bongani-Menziwe	Councillor
N Bhayibhile	Geographic
NVV Finini	Geographic
M Gqibelo	Geographic
V Hani	Geographic
JZ Jekem	Geographic
S Magade	Geographic
PN Makasi	Geographic
S Mcako	Geographic
B Takisa	Geographic
M Zondiwe	Geographic
N Tolibisa	Ward Administrator

Table 2.52 Ward 13 Committee Members
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

Name of representative	Capacity representing
Phelisa Sitshoti	Councillor
L Cekiso	Geographic
MH Gxilishe	Geographic
MD Masimini	Geographic
O Manthsi	Geographic
M Menziwa	Geographic
E Mgoqi	Geographic
N Mpemnyama	Geographic
NA Mthiya	Geographic
Z Ndzuzo	Geographic
T Tyhulu	Geographic
Boikabetso Lesaoana	Ward Administrator

Table 2.53 Ward 14 Committee Members
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 Corrobricks Hostels, Mdala Street (Old Hostels)

Name of representative	Capacity representing
Nosibulele Sinkinya	Councillor
T Dishu	Geographic
N Dlaku	Geographic
NJ Kepu	Geographic

Name of representative	Capacity representing
G Kota	Geographic
M Kumalo	Geographic
TJ Lepheana	Geographic
EP Masimini	Geographic
P Nyakaza	Geographic
K Shubani	Geographic
L Xelenga	Geographic
Vuyelwa Maramnco	Ward Administrator

Table 2.54 Ward 15 Committee Members

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

Name of representative	Capacity representing
Elsabe Vermeulen	Councillor
J Beneke	Curry, Pine, Primrose, Silvia, Quarry
L De Klerk	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
A Meyer	Tennatville and Slabtown
J Williams	Long Short, Jakaranda, Eike Streets
J Henry	Laetitia Park
Yvonne Lamberts	Ward Administrator

Table 2.55 Ward 16 Committee Members

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

Name of representative	Capacity representing
Paul Biscombe	Councillor
J Fasser	Soekmekaar and surrounds
J Joon	Rietenbosch
D Smith	Flats: Kloof and Long Streets
A Van der Mescht	Welgevonden
A Van der Westhuizen	Huis Ebenhaezer
M Wagner	Rhode Street Flats

Name of representative	Capacity representing
H Le Riche	Welgevonden
D Robyn	Stelitta Park
SH Frederik (3rd Q)	SH Frederik (3 rd Q) Unknown
Heidi Sauls	Ward Administrator

Table 2.56 Ward 17 Committee Members
Ward 18: Klapmuts and surrounding farms

Name of representative	Capacity representing
Emily Fredericks	Councillor
R Anthony	Bennetsville, Hodes, Annuara, KWV
N Chelesi	New Houses, Brickfields
J Fredericks	Koelpark
W Johannes	Sand, Bell, Merchant, Railway Houses
A Michel	Weltevrede Park I
N Mtaba	Mandela City, Lawson
J September	La Rochelle, Pinotage Village
J Fochessati (April 2018)	New Houses/ Brickfield
S Zeze	Pinotage Village
Belinda Foster	Ward Administrator

Table 2.57 Ward 18 Committee Members
Ward 19: Elsenburg, Vaaldraai, Slaley, Kromme Rhee, De Novo, Bottelary, De Hoop, Simonsig and surrounding farms

Name of representative	Capacity representing
Jan Karel Hendriks	Councillor
J Andrews	Elsenburg
H Carolus	De Novo
F Hansen	De Novo
A Kamfer	Bottelary Farms
C Martins	Bottelary Farms
J May	Koelenhof/ Koelpark
H Robyn	Weltevrede/ Smartietown
D van Wyk (Feb 2018)	Kromme Rhee
James Williams	Ward Administrator

Table 2.58 Ward 19 Committee Members

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

Name of representative	Capacity representing
Ansaaf Crombie	Councillor
AT Joon	Vlottenburg
D Fortuin	Vlottenburg
CHO Gordon	Raithby
P Taaibosch	Vlottenburg
M James	Raithby
G Pojie	Vlottenburg
E Jacobs	Lynedoch Farms
A Malgas	Meerlust Farms
C van der Merwe	Polkadraai
Juanita February (until Jan 2018)	Ward Administrator
Enathi Mpemnyama (May 2018)	Ward Administrator

Table 2.59 Ward 20 Committee Members
Ward 21: Jamestown, Paradyskloof, De Zalze, Techno Park, Blaauwklippen and surrounding farms

Name of representative	Capacity representing
Rikus Badenhorst	Councillor
V Malmnas	De Zalze
S McNaughton	Blaauwklippen
H Lemmer	Paradyskloof
D Simons	Jamestown
HC Eggers	Paradyskloof
KF Brand	Jamestown
A Ferns	Jamestown
F van der Merwe	Paradyskloof
NC Hamman	Paradyskloof
Nelmare Williams	Ward Administrator

Table 2.60 Ward 21 Committee Members
Ward 22: Krigeville, Dalsig, Welgelegen, Brandwacht, Die Boord and Kleingeluk

Name of representative	Capacity representing
Esther 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
Andy Marren	Rokewood Mairina, Saffraan, Kaneel, Blenheim

Name of representative	Capacity representing
Elize Dick	Piet Retief Bult, Welgevallen, Draailaan, Lourenz, Sering, Bergh, Vlier, Pleunis, Nooitgedacht
A Coetsee	Skadu, Lower, Binnekring, Buitekring
R Lambrechts	Rhodes Noord, Van Rheede, Formosa, Sultan, Swellengrebel, Keiffer, Woltemade
Pieter Schaafsma	Upper-Lovell, Fairways, Peekka and other, Elbertha, Lovell, Forelle, Santa Rosa
S Wilson	Dalsig, Dennerand, Coligny, Dennesig, Park
Sanet Smith	Ward Administrator

Table 2.61 Ward 22 Committee Members

2.2.4 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 ward;
- support the Ward Councillor in informing the community about their rights and responsibilities; and
- support the Ward Councillor in consulting with community members and providing of feedback.

The policies and procedures for Ward Committees was adopted by Council on 29 November 2006 and amended on 26 August 2010, 20 June 2012 and 28 October 2015. This document is currently being reviewed and will be submitted to Council for consideration.

The annual budget for the reimbursement of out-of-pocket expenses for members of ward committees, in respect of their participation in ward committees, was approved by Council on 20 June 2012 and revised by Council on 28 October 2015. To qualify for reimbursement certain criteria, as contained in the policy, must be met.

The local government elections were held on 03 August 2016 and the establishment of Ward Committees took place during January and February 2017 with a further round of elections held during May 2017 in those wards where the full complement of ten members were not elected during the first round.

Venues have been established for the ward meetings, and support personnel, through the Ward Administrators.

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

Ward Number	Committee established	Number of items /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	5	29 Jun	25 Jul 10 Aug 7 September	Yes

Ward Number	Committee established	Number of items /reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
				5 Oct 1 Nov 6 Dec 8 Feb 8 March 5 April 10 May 7 June	
2	Yes	5	-	31 July 3 Aug 9 Sep 5 Oct 13 Nov 7 Dec 15 Feb 15 March 17 May 14 June	Yes
3	Yes	5	27 Mar 20 April	22 Aug 18 Sept 10 Oct 7 Nov 5 Dec 6 Feb 6 March 8 May 5 June	Yes
4	Yes	5	22 May	8 Aug 12 Sept 10 Oct 14 Nov 5 Dec 23 Jan 13 Feb 13 March 10 April 8 May 12 Jun	Yes
5	Yes	6	20 May	11 July 8 Aug 12 Sept 24 Oct 28 Nov	Yes

Ward Number	Committee established	Number of items /reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
				30 Jan 8 Feb 8 March 8 May 5 June	
6	Yes	5	01 Mar	7 July 2 Aug 6 Sept 4 Oct 1 Nov 6 Dec 7 Feb 4 April 2 May 6 June	Yes
7	Yes	4	-	16 Aug 13 Sept 11 Oct 7 Nov 14 Feb 11 April 9 May 13 Jun	Yes
8	Yes	3	24 April	3 Aug 21 Sept 19 Oct 16 Nov 15 Feb 19 April 17 May	Yes
9	Yes	5	24 April	25 July 22 Aug 24 Oct 28 Nov 27 Feb 20 March 29 May	Yes
10	Yes	5	20 Apr	1 Aug 5 Sept 3 Oct 7 Nov 5 Dec 6 Feb	Yes

Ward Number	Committee established	Number of items /reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
				6 March 8 May 5 June	
11	Yes	5	09 May	8 Aug 12 Sept 17 Oct 14 Nov 13 Feb 13 March 10 April 8 May 12 June	Yes
12	Yes	5	16 Mar	14 Aug 1 Sept 16 Oct 16 Nov 18 Jan 15 Feb 14 March 17 May 14 June	Yes
13	Yes	5	15 Mar	27 July 17 Aug 14 Sept 12 Oct 9 Nov 6 Feb 6 March 9 April 8 May 12 June	Yes
14	Yes	5	-	29 Aug 22 Nov 15 Feb 22 March 19 April 17 May 21 June	Yes
15	Yes	5	-	22 Aug 10 Sept 14 Oct 5 Nov 27 Feb	Yes

Ward Number	Committee established	Number of items /reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
				13 March 17 April 22 May 12 June	
16	Yes	5	01 Jun	6 July 3 Aug 5 Oct 2 Nov 25 Jan 22 Feb 29 March 26 April 24 May 21 June	Yes
17	Yes	5	04 Apr	1 Aug 4 Oct 1 Nov 4 Dec 7 Feb 7 March 4 April 2 May 6 June	Yes
18	Yes	4	23 Mar	6 July 3 Aug 7 Sept 5 Oct 2 Nov 15 Feb 12 April 14 June	Yes
19	Yes	4	-	20 July 3 Aug 7 Sept 5 Oct 9 Nov 7 Dec 23 Jan 8 Feb 8 March 5 April 3 May 7 June	Yes
20	Yes	4	-	20 July 17 Aug	Yes

Ward Number	Committee established	Number of items /reports submitted to the Speakers/IDP Office	Number of Public meetings	Meeting dates of ward committees	Committee functioning effectively
	Yes / No				Yes / No
				7 Sept 5 Oct 8 Nov 4 Dec 8 Feb 13 March 5 April 10 May 7 June	
21	Yes	4	09 Jun	1 Aug 5 Sept 3 Oct 7 Nov 5 Dec 6 Feb 6 March 17 April 8 May 5 June	Yes
22	Yes	4	-	27 July 2 Aug 6 Sept 4 Oct 1 Nov 4 Dec 7 Feb 7 March 4 April 2 May 6 June	Yes

Table 2.62 Functionality of Ward Committees

2.3 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.

2.3.1 Risk Management




Section 62 of the Municipal Finance Management Act (MFMA), No. 56 of 2003, 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 this current financial year, the following were done:

- continuous training and awareness for all departments and units where the risk register was **developed**;
- the Risk Management Committee was established to facilitate and govern the risk management process, with a terms of reference, and has been operational since January 2013;
- risk registers have also been completed at an operational level;
- the previous year's strategic registers were revisited and updated;
- risks were also identified which could prevent the achievement of the predetermined objectives, and **were noted in the SDBIP**;
- the Risk Management Policy as well as Enterprise Risk Management Strategy was reviewed;
- the municipality is in process to establish a risk appetite which will be acceptable to council on a **strategic level**;
- emerging risks that was identified include political unrest and the housing shortage as well as emergency housing.

Although the Chief Risk Officer is responsible for coordinating and facilitating risk management at all levels within the municipality, management plays an active role in risk management and the mitigation of risk exposure.

Risk Management Grid

Moderate	
Major	
Critical	

2.3.2 Strategic Risks Identified

Risk	Risk Assessment	Mitigation
Scarcity of water	Critical	Constant monitoring and reporting. Exploring possible sources of water and allocation of funding. Ensure that all assets and properties are metered and reported on. Proper planning for future scenarios and allocation of funds.
Risk	Risk Assessment	Mitigation
Insufficient burial space	Major	Exploring possible land to use in all areas within the municipal area for burial space. Rezoning of land if and when identified. Keeping the community informed via public participation.
Under expenditure (Capex Budget)	Major	Constant monitoring and reporting with regards to major projects as well as the Service Delivery and Budget Implementation plan.
Proper alignment of spatial development framework to enhance economic growth and development	Major	Review planning policies. Review capacity of Land Invasion and Planning Departments and ensure constant communication with the various communities and their specific needs
Insufficient housing resources in case of emergencies, example fires and floods	Major	Identification of possible suitable land. Addressing possible environmental impact assessments. Rezoning of land when identified.
Ageing infrastructure and equipment	Major	Improved planning for long term projects and identifying these projects. Update of masterplans. Monitoring and reporting with regards to ageing infrastructure and equipment also in alignment with the Service Delivery and Budget Implementation Plan
Implementation of mSCOA (standard charter on accounts)	Major	Constant communication with service provider to ensure compliance to mSCOA as prescribed by National Treasury as well provincial treasury to ensure implementation as required. Established a functional mSCOA project team in the municipality to drive the process and development of a separate risk register to implement and mitigate risks identified.

Table 2.63 Strategic Risks Identified

2.3.3 Anti-Corruption and anti-fraud

Section 83(c) of the Local Government: Municipal Systems Act, No. 32 of 2000 (MSA) refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption, while the Local Government: Municipal Finance Management Act (MFMA) No. 56 of 2003, 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.

As with risk management the Municipal manager, Management and Council have taken ownership of combatting fraud and corruption throughout the municipality.

A Fraud Response Committee, reporting and accountable to the Audit Committee, was established in 2012, and was fully functional until May 2018. Quarterly meetings were held, as required by the previous Fraud and Corruption Policy, where the fraud risk register, compliance to legislation and governance (review of fraud policies, whistle-blowing and the management thereof, etc.)

The committee members are as follows:

Name and Surname	Function within Committee
Reyhana Gani	Chairperson of the Audit and Performance Committee
Jeremy Fairbairn	Member of the Audit and Performance Committee
Geraldine Mettler	Municipal Manager
Mervin Williams	Senior Legal Advisor
Helena Priem	Chief Risk Officer

Table 2.64 Members of the Fraud Response Committee

A revision of the policy was initiated during the 2016/17 financial year, due to changes brought about by the King IV Report as a best practice with regards to good governance. The new Anti-Fraud and Corruption Prevention Policy underwent a process of consultation with key internal stakeholders and the Audit and Audit Performance Committee. The intention of the new policy is to strengthen fraud and corruption prevention at all levels within the municipality and re-invest the management of fraud and corruption management to management at all levels. The new Anti-Fraud and Corruption Prevention Policy was adopted by Council in May 2018.

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.

2.3.4 Developed Strategies

Name of strategy	Developed Yes/No	Date Adopted / Reviewed
Anti-Fraud and Corruption Policy	Yes	Reviewed in 2017/18 and approved by Council in May 2018.
Standard Operating Procedures	Yes	Approved 2016 by Fraud Response Committee and in process of review.

Table 2.65 Strategies: Anti-Corruption and Anti-Fraud

An item was submitted on 16 May 2018 to Council to approve the New Anti-Fraud and Corruption Prevention Policy where due process was explained regarding the management and reporting of Anti-Fraud and Corruption in the municipality.

The table below provides an indication of some of the operational, preventative, detection, response and maintenance strategies identified in the Fraud Prevention Strategy with an indication of the progress in this regard.

2.3.5 Implementation of Strategies

Strategies to implement	Key measures to curb corruption and fraud
Creating awareness	Awareness sessions with municipal employees through presentations and workshops. On invitation as part of the induction sessions with new employees.
Monitoring fraud and corruption	Fraud Response Committee meetings to monitor and make recommendations. Meetings were held on: 4 August 2017 6 September 2017 1 November 2017 12 March 2018
Communication	Booklets and Branding of Fleet. Posters at various places in the Municipality. Access for public and officials to the fraud hotline. Log-on screens on PCs.

Table 2.66 Implementation of Anti-Corruption and Anti-Fraud Strategies

2.3.6 Audit and Performance Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must – (a) advise the Municipal Council, the political office-bearers, the Accounting Officer and the management staff of the municipality, on matters relating to:-

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

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 Municipal Finance Management Act, 2003, further supplemented by the Local Government: Municipal Planning and Performance Management Regulation, as well as the approved Audit and Performance Audit Committee Charter approved July 2015 by Council.

The objectives of the Audit and Performance Audit Committee 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 Audit and Performance Audit Committee 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 Audit and Performance Audit Committee is 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 Audit and Performance Audit Committee 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 Audit and Performance Audit Committee is also accountable to identify major risks to which Council is exposed and determine the extent to which risks have been mitigated.

2.3.7 Members of the Audit and Performance Audit Committee

Name of representative	Capacity	Meeting dates
Reyhana Gani	Chairperson (elected 30 March 2016)	29 August 2017
Nimrod Llewellyn Mortimer	New Member (appointed 30 March 2016)	28 November 2017
Jeremy Fairbairn	New Member (appointed 30 March 2016)	25 January 2018
Vincent James Botto	New Member (appointed 1 September 2017)	20 April 2018
Tsepo Walter Lesihla	New Member (appointed 1 September 2017)	27 June 2018

Table 2.67 Members of the Audit Committee

2.3.8 Audit and Performance Audit Committee Recommendations

Quarterly formal reports on recommendations for implementation to address control weaknesses were submitted to Council for notification for the period under review. The Audit Committee regularly follows up with Internal Audit and management on the state of corrective actions implemented. Furthermore, the Audit Committee also has oversight of various internal and external reports. The recommendations of the Audit Committee are outlined in the minutes of the meetings held in the period under review.

2.3.9 Performance Audit Committee

The Municipal Audit and Performance Audit Committee, appointed in terms of section 166 of the MFMA, fulfils the role of the Performance Audit Committee.

The Regulations require that the Performance Audit Committee comprises a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the Performance Audit Committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in section 14(2) (d) that the Council of a municipality designate a member of the Performance Audit Committee who is neither a Councillor nor an employee of the municipality as the Chairperson of the committee.

In terms of section 166(4) (a) of the MFMA, an Audit Committee must consist of at least three persons with appropriate experience, of whom the majority may not be in the employ of the municipality.

Section 166(5) of the MFMA requires that the members of an Audit Committee must be appointed by the Council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the Chairperson of the committee. No Councillor may be a member of an Audit Committee.

Both the Regulations and the MFMA indicate that three is the minimum number of members needed to comprise a Performance Audit Committee. While the Regulations preclude the appointment of a Councillor as Chairperson of the Performance Audit Committee, the MFMA entirely excludes the involvement of a Councillor in the composition of a Performance Audit Committee.

Section 14(3) (a) of the Regulations requires that the Performance Audit Committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the Performance Audit Committee may be called for by any member of the committee should sufficient justification exist in terms of section 14(3) (b) of the Regulations.

2.3.10 Functions of the Performance Audit Committee

In terms of section 14(4) (a) of the Regulations, the Performance Audit Committee has the responsibility to -

- (i) review the quarterly reports produced via the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- (iii) Submit a performance audit report to the council of the municipality at least twice during each financial year.

2.3.11 Members of the Performance Audit Committee

Stellenbosch Municipality's Audit Committee serves a dual purpose which includes the role of the Performance Audit Committee.

Name of Member	Capacity	Meeting dates
Reyhana Gani	Chairperson (elected 30 March 2016)	29 August 2017 28 November 2017 25 January 2018 20 April 2018 27 June 2018
Nimrod Llewellyn Mortimer	New Member (appointed 30 March 2016)	
Jeremy Fairbairn	New Member (appointed 30 March 2016)	
Vincent James Botto	New Member (appointed 1 September 2017)	
Tsepo Walter Lesihla	New Member (appointed 1 September 2017)	
Reyhana Gani	Chairperson (elected 30 March 2016)	
Nimrod Llewellyn Mortimer	New Member (appointed 30 March 2016)	

Table 2.68 Members of the Performance Audit Committee

2.3.12 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 program for each financial year; and
- (b) advise the accounting officer and report to the Audit Committee on the implementation on 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 comprised of in-house staff. The main focus areas were compliance to 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.

2.3.13 Risk register and three-year Strategic Plan

Audit Activity	2015/16	2016/17	2017/18
Statutory Audits			
MFMA Compliance (Including other Relevant Acts)	✓	✓	✓
Division of Revenue Act (DoRA) Compliance	✓	✓	✓
Pre-determined Objectives	✓	✓	✓
Risk Management Review	✓	✓	✓
Additional Audits After Review of Risks			
Supply Chain Management	✓	✓	✓
ITGC, Applications Review and Support Services Equipment	✓	✓	✓
Governance	✓	✓	✓
Quarterly Key Control Reviews	✓	✓	✓
Financial Year-End Stock-Take			✓
Fleet Management (Fire and Disaster)	✓	-	
Cemetery	✓	-	
Access Control and Visual Management (Beltana)	✓	-	
Disaster Management	✓	-	
Infrastructure Maintenance (Area, Cleaning, Parks and Rivers)		✓	
Leave Management		✓	
mSCOA	-	✓	✓
Contract Management	-	✓	
Revenue – Indigent consumer verification	-	✓	
Water Services			✓
Human Resources: Labour Relations			✓
Follow-Up Reviews			
AG Follow-Up Review			✓
Infrastructure Maintenance (Area, Cleaning, Park and Rivers)	✓	✓	
Leave Management	-	✓	
Revenue – Indigent consumer verification			✓

Table 2.69 Risk Register and Three-Year Strategic Plan

✓ Confirms audit activity completed in the financial year

Risk assessment updates were performed during June/July 2018 and all relevant risks were populated into a new Risk Register for the municipality. This Risk Assessment Plan forms the basis of the 2017/18 financial year's Risk-Based Audit Plan. New updates to the Stellenbosch Municipality's risk profile were captured during 2017/18 in consultation with the Risk Management Committee. This will ensure that adequate audit coverage be obtained from Internal Audit in consultation with the Auditor General and management.

The results of the 3-year strategic internal audit plan are included below:

2.3.14 Annual Risk Based Audit Plan

The Risk-Based Audit Plan for 2017/18 was implemented with available resources. The table below provides detail on audits completed:

Audit Activity	Total Hours budgeted	Actual hours	Timing
MFMA Compliance	120	120	Included in other reviews/ reporting i.e. MGRO 1 and 2
DoRA Compliance	80	80	November 2018
Governance	120	120	Continuous
Risk Management	400	400	April 2018
MGRO 1 and 2 (MGAP)	200	80	Continuous
AG Follow-Up Review	720	720	Continuous
IA Follow-Up Review	240	240	March 2018
Quarterly Key Control Reviews	320	320	Finalised - quarterly
Pre-determined Objectives	720	720	Finalised - quarterly
Supply Chain Management	720	720	July 2018
ITGC, Applications Review and Support Services Equipment	720	800	June 2018
mSCOA	940	600	Continuous
Water Services	500	500	January 2018
Human Resources: Labour Relations	500	80	Risk has been mitigated – no internal audit review performed
Total	6 300	5 500	

Table 2.70 Annual Risk-Based Audit Plan

2.3.15 PMS Audits

Actual performance was subjected to an internal audit review and results of their findings submitted to the Performance Audit Committee:

- Quarterly audits were performed and reported to the Audit Committee.

2.3.16 Supply Chain Management

The Supply Chain Management Policy applicable to the 2017/18 financial year was revised and adopted by Council on 31 May 2017 (as APPENDIX 29 of the budget-related policies) in terms of section 17(1) – (3) of the MFMA (Act 56 of 2003).

The changes alluded to above will ensure that the Supply Chain Management Unit (SCMU) has the required legislative mandate to further streamline procedures and processes in order to promote more efficient and effective service delivery to all our internal and external stakeholders.

2.3.17 Competitive bids in excess of R200 000

2.3.17.1 BID COMMITTEE MEETINGS

The following table details the number of bid committee meetings held for the 2017/18 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
97	66	34

Table 2.71 Bid Committee Meetings

The attendance figures of members of the bid specification committee are as follows:

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

Table 2.72 Attendance of Members of Bid Specification Committee

The attendance figures of members of the bid evaluation committee are as follows:

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

Table 2.73 Attendance of Members of Bid Evaluation Committee

The attendance figures of members of the bid adjudication committee are as follows:

Member	% attendance
Director Financial Services (Chairperson)	100%
Director Planning and Development	61.76%
Director Human Settlements and Property Management	88.24%
Director Engineering Services	85.29%
Director Public Safety and Community Services	97.06%
Director Strategic and Corporate Services	73.53%

Table 2.74 Attendance of Members of Bid Adjudication Committee

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

2.3.18 Awards made by the Bid Adjudication Committee

The Bid Adjudication Committee awarded 90 bids with a value of R 241 703 592.30, excluding annual tenders awarded on the basis of approved rates. The ten highest bids awarded by the bid adjudication committee are as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded
B/SM 65/18	Construction of Idas Valley/Meriman sewer and associated works	Engineering services	JVZ JV	R 28 522 000
B/SM 30/18	Construction of basic engineering services (civil and electrical services) for Erf 2175, Enkanini.	Humans Settlements and Property Management: Informal Settlements	Lubocon Civils	R 9 076 642.61
B/SM 14/18	The supply, delivery, installation, testing and commissioning of the MV and LV network including prepayment meters, ready boards and internal lighting for the Kayamandi, Stellenbosch, phase b and phase c housing projects	Humans Settlements and Property Management: New Housing	Maritz Electrical	R6 749 817.42
B/SM 05/18	Maintenance and operation of public ablutions in informal settlements Kayamandi, Stellenbosch for a contract period of 24 months	Engineering service: Water services	Ibhunga Cleaning	R 5 584 872.72
B/SM 57/18	Supply and installation of Engineering service: Water services fencing at the reservoirs	Engineering service: Water services	Dawaila Trading	R 4 961 438.46
B/SM 13/18	The installation of communal water points (taps), and waterborne sanitation services, as well as associated infrastructure to the mountain view informal settlement (portion 9 of farm 527, Jamestown)	Humans Settlements and Property Management: Informal Settlements	Ikapa Reticulations and Flow	R 3 622 196.64
B/SM 43/18	The construction of Cloetesville informal trading site	Planning and economic development: LED	Linamandla Business Enterprise CC	R 2 868 538.79
B/SM 10/18	Formalisation of informal traders at Ida's valley, Stellenbosch.	Planning and economic development: LED	Avalon Technology Group	R 2 702 816.79
B/SM 96/18	The supply, installation, maintenance and support of an IP based PABX with a switchboard solution for a period of 3 years	Corporate and strategic services: ICT	Gijima Holdings (Pty) Ltd	R 2 550 641.71

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded
B/SM 29/18	Maintenance and operation of public ablution Facilities at Franschoek and Klappmuts Informal Settlements for a 24 month period.	Engineering service: Water services	Masimbela General Trading (Pty) Ltd	R 2 275 653.36

Table 2.75 Ten Highest Bids Awarded by Bid Adjudication Committee

2.3.19 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 in excess of R 10 million. The authority to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer are as follows:

Bid number	Title of bid	Directorate	Value of bid awarded
B/SM 21/18	Annual electrical labour tender for a contract period, ending 30 June 2020	Engineering Services: Electrical	Rates (Total amount estimated above R10 million)
B/SM 30/18	Construction of basic engineering services (civil and electrical services) for Erf 2175, Enkanini	Humans Settlements and Property Management: Informal Settlements	R 9 076 642.61
B/SM 49/18	The supply and delivery of refuse bags for a period ending 30 June 2020	Engineering service: Solid waste management	Rates (Total amount estimated above R10 million)
B/SM 86/18	Supply and delivery of social relief of distress resources for a period ending 30 June 2021	Planning and economic development: Community Development	Rates (Total amount estimated above R10 million)
B/SM 91/18	Supply, installation and management of STS compliant prepayment electricity vending	Engineering service: Metering, loss control and Dwarsrivier)	Rates (Total amount estimated above R10 million)
B/SM 02/18	Underwriting and management of short term insurance portfolio, for a contract period ending 30 June 2021.	Financial services: Treasury Office	Rates (Total amount estimated above R10 million)

Table 2.76 Awards made by the Accounting Officer

2.3.20 Objections lodged

We received twenty-eight (28) general enquiries pertaining to the awarding of bids, which of five (5) was appeals and was resolved together with one (1) objection was also dealt with.

2.3.21 Formal quotations (above R 30 000 and below R 200 000) procurement processes

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

Description	Financial Years						Increase / Decrease 2015/16-2016/17	Increase / Decrease 2016/17 – 2017/18
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18		
Number of Awarded Formal Quotations	186	239	257	246	274	206	+10.22	-33.00%
Total Formal Quotations advertised	279	367	350	322	378	264	+14.82	-43.18%
Percentage awarded	66.67	65.12	73.42	76.40	72.49	78.03	-5.12%	+7.09%

Table 2.77 Formal Quotations (above R 30 000 and below R 200 000)

2.3.22 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.

Description	Financial Years						Increase / Decrease 2015/16-2016/17	Increase / Decrease 2016/17 – 2017/18
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18		
<u>Certificate of Emergencies:</u> Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy	109	58	0	0	0	0	0%	0%
<u>Deviations:</u> Approved by the Accounting Officer i.t.o. Section 4.36.1 of the SCM Policy	64	97	68	26	54	54	+108%	0%
TOTAL	173	155	68	26	54	54	+108%	0%

Table 2.78 Deviation from Normal Procurement Process

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

2.3.23 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.

2.3.24 Supply Chain Management Performance Management

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

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

2.3.25 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 2017/18 financial year are listed below.

Policies Revised	Date Adopted	Public Participation Conducted Prior to Adoption of Policy
		Yes/No
Inventory Management Policy	31 May 2017	Yes
Preferential Procurement Policy	31 May 2017	Yes
Property Rates By-Law	31 May 2017	Yes
Property Rates Policy	31 May 2017	Yes
Supply Chain Management Policy	31 May 2017	Yes
Travel and Subsistence Policy	31 May 2017	Yes
Indigent Policy	31 May 2017	Yes
Credit Control and Debt Collection Policy	31 May 2017	Yes
Irrecoverable Debt Policy	31 May 2017	Yes
Accounting Policy	31 May 2017	Yes
Cash Management and Investment Policy	31 May 2017	Yes
Tariff By-Law	31 May 2017	Yes
Tariff Policy	31 May 2017	Yes

Policies Revised	Date Adopted	Public Participation Conducted Prior to Adoption of Policy
		Yes/No
Grants-In-Aid Policy	31 May 2017	Yes
Virementation Policy	31 May 2017	Yes
SCM Policy for Standard for Infrastructure and Delivery Management	31 May 2017	Yes
Petty Cash Policy	31 May 2017	Yes
Performance Management Policy	31 May 2017	Yes
Development Charges Policy	31 May 2017	Yes
Special Ratings Area By-Law	31 May 2017	Yes
Special Ratings Area Policy	31 May 2017	Yes
Borrowing, Funds and Reserves Policy	31 May 2017	Yes
Financing of External Bodies performing municipal functions Policy	31 May 2017	Yes
Accounting Policy	31 May 2017	Yes
Budget Implementation and Monitoring Policy	31 May 2017	Yes
Liquidity Policy	31 May 2017	Yes
Asset Management Policy	31 May 2017	Yes
MFMA Budget Circular No 85 – 09 December 2016	31 May 2017	Yes
Early Childhood Development Policy	28 March 2018	Yes
Water Services By-Law	26 July 2017	Yes
Electrical Services By-Law	29 November 2017	Yes

Table 2.79 Budget Related Policies Reviewed

2.3.26 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:

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 2016/17	Yes	Within legislated period
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2017/18	Yes	Within legislated period
All service delivery agreements for 2017/18	Yes	Within legislated period
All long-term borrowing contracts for 2017/18	Yes	Within legislated period
All supply chain management contracts above a prescribed value for 2017/18	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 2017/18	Yes	Within legislated period

Table 2.80 Website Checklist

2.3.27 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 32 of 2000, section 4, encourages the involvement of communities in the affairs of their municipalities. As a local government, we have 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 our Communication Policy, adopted by Council in July 2018, lies is the notion of improved communication that facilitates public participation. The Municipality has made steady improvements in its attempts to streamline and improve its communications with residents, businesses, the media as well as other external stakeholders. Ensuring that the right messages reach the intended audiences on the most appropriate platforms and continuously facilitating conversations through our communication platforms, contributes to the strengthening of our corporate identity and brand.

Communication with the media has improved significantly. Comprehensive responses are prepared to all media enquiries from community, local, regional and national publications/broadcasters on a weekly basis. Positive news stories are being broadcasted through the proactive release of media statements. These statements and positive news stories are also amplified to reach audiences online by sharing it on the municipal website and social media platforms.

A vast variety of information is displayed on the municipal website as prescribed by legislation. The 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:

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 2016/17	Yes	Within legislated period
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2017/18	Yes	Within legislated period
All service delivery agreements for 2017/18	Yes	Within legislated period
All long-term borrowing contracts for 2017/18	Yes	Within legislated period
All supply chain management contracts above a prescribed value for 2017/18	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 2017/18	Yes	Within legislated period

Table 2.81 Website Checklist

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 mailbox. This mailbox is regularly monitored and enquiries, compliments and complaints are forwarded to the relevant departments on a daily basis. The municipal website is updated with new 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.

Communication through our social media platforms has increased significantly. The municipal Facebook page and 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, the social media platforms are used to broadcast important alerts and notices. Traffic is also diverted to the website through our social media platforms.

Municipal advertisements are regularly placed in 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 provides us 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.

2.3.28 Community Satisfaction Survey

No community satisfaction surveys were completed during the 2017/18 financial year.

2.3.29 Public satisfaction on Municipal Services

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

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

Table 2.82 Communication Activities

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

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 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 to:

- promote the efficient, economic and effective use of resources,
- ensure accountable public administration,
- be transparent by providing information,
- be responsive to the needs of the community, and
- facilitate a culture of public service and accountability amongst staff.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (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.

3.1.1 Legislative requirements

In terms of section 46(1) (a) of the Local Government: Municipal Systems Act, 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.

3.1.2 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 Municipal Systems Act of 2000.

3.1.3 Adoption of a Performance Management Policy Framework

The policy was reviewed during the 2017/18 financial year. Additions to the policy now includes: -

- Inclusion of the performance management process plan;
- Formulated measures to address the assessment of Organisational; Individual and External Service provider performance;
- Governance Framework; and
- Monthly, Quarterly, Mid-year and Annual performance reporting.

3.1.4 Governance framework for the IDP, Budget and Performance Management

The draft 4th Generation IDP was tabled on 31 March 2017 (item 7.2.2) at the 7th Council meeting and was advertised for public comment thereafter. Stellenbosch Municipal Council adopted the Fourth Generation IDP (2017/18 – 2021/22) and 2017/18 MTREF Budget on 31 May 2017. This IDP is the principal planning instrument that guides and informs the municipal budget. The Municipal Systems Act 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 2017/18 budget should be 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 we have received from residents in the August 2016 local government election. The Municipal Systems Act, Act 32 of 2000 requires us to consult with our residents and the broader institutions, which elicited a positive reaction and involvement from the public.

The Integrated Development Plan (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 Council in accordance with the MFMA of 2003. 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 Service Delivery and Budget Implementation Plan (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.

3.1.5 Service Delivery and Budget Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based in 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.

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.

The Top-Layer SDBIP was approved by the Deputy Mayor, Nyaniso Jindela on the 28th of June 2017 in terms of section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act of 2003. It was made public on the 1st of July 2017.

3.1.6 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 2017/18 financial year. The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of senior managers.

Components of the Top-Layer SDBIP include:

One-year detailed plan with the following components:

- Monthly projections of revenue to be collected for each source;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Ward information for expenditure and service delivery; and
- Detailed capital works plan broken down by ward over three years.

Top-Layer KPI's were prepared based on the following:

- Key performance indicators (KPI's) 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;
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders; and
- KPI's to address the required national minimum reporting requirements.

3.1.7 Amendment of the Top-Layer SDBIP

The amendment of the Top-Layer SDBIP occurred during the 2017/18 financial year on:

- 24 January 2018 (Item 8.1.1 of the 15th Council Meeting).

3.1.8 Actual performance

The municipality utilises an electronic web-based, real time performance-based system on which KPI owners update actual performance on a monthly basis. 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;
- 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.

3.1.9 Monitoring of the Service Delivery and Budget Implementation Plan

Municipal performance is measured as follows:

- 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 Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003 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.

- 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 Municipal Finance Management Act 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 end of each quarter.

Actual performance was subjected to an internal audit and results of their findings were submitted to the Performance Audit Committee:

- Quarter 1 (July to September 2017);
- Quarter 2 (October to December 2017);
- Quarter 3 (January to March 2018); and
- Quarter 4 (April to June 2018).

Municipal Manager and Managers directly accountable to the Municipal Manager

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) 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 performance agreements for the Municipal Manager and section 56 appointments for the 2017/18 financial year were signed during July 2017 as prescribed. They include performance agreements for the:

- Municipal Manager;
- Chief Financial Officer;
- Director: Planning and Local Economic Development;
- Director: Human Settlements and Property Management;
- Director: Community and Protection Services;
- Director: Engineering Services; and
- Director: Strategic and Corporate Services.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The 2016/17 annual - and 2017/18 mid-year performance assessment for senior managers took place on 5 February 2018. The Municipal Manager was assessed on 13 February 2018. The appraisals were done by an evaluation panel in terms of Regulation 805.

The panel consisted of the following:

- Adv. Gesie van Deventer; Executive Mayor (for the evaluation of the Municipal Manager only);
- Mr. Roy van Rooyen, Ward Committee Member nominated by the Executive Mayor (for the evaluation of the Municipal Manager only);
- Geraldine Mettler, Municipal Manager of Stellenbosch Municipality;
- Mr. Henry Prins, Municipal Manager of Cape Winelands District Municipality;
- Cllr. Johanna Serdyn, Chairperson of the Planning and Economic Development Portfolio Committee;
- Cllr. Salie Peters, Chairperson of the Financial Services Portfolio Committee;
- Cllr. Xoliswa Mdemka, Chairperson of the Youth, Sports and Culture Portfolio Committee;
- Cllr. Aldrigde Frazenburg, Chairperson of the Community Development and Community Services Portfolio Committee;
- Cllr. Esther Groenewald, Chairperson of the Corporate and Strategic Services Portfolio Committee;

- Cllr. Jan De Villiers, Chairperson of the Infrastructure Portfolio Committee;
- Cllr. Quintin Smit, Chairperson of the Community Protection Services Portfolio Committee;
- Cllr. Paul Biscombe, Chairperson of the Integrated Human Settlements and Property Management Portfolio Committee; and
- Mrs. Reyhana Gani, Chairperson of the Audit Committee of Stellenbosch Municipality.

The outcome of the performance assessments were tabled under item 14.4 at the 16th Council Meeting (In-Committee) on 28 March 2018.

Other Municipal Personnel

The municipality has implemented individual performance to employees on the three highest levels of management.

The first annual formal performance evaluation for the 2016/17 and 2017/18 will be done upon the receipt of the management report from the Auditor General.

3.1.10 Service Delivery Performance

3.1.10.1 INTRODUCTION

This chapter provides an overview of the key service achievements of the municipality that came to completion during 2017/18 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

3.1.10.2 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (TOP-LAYER)

The purpose of performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on 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).

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 (KPI's) of the SDBIP is measured:

Category	Colour	Explanation
KPI Not Yet Measured	Grey	KPI's with no targets or actuals in the selected period
KPI Not Met	Red	0% > = Actual/Target < 75%
KPI Almost Met	Orange	75% > = Actual/Target < 100%
KPI Met	Green	Actual/Target = 100%
KPI Well Met	Dark Green	100% > Actual/Target < 150%
KPI Extremely Well Met	Blue	Actual/Target > = 150%

Table 3.1 SDBIP Measurement Categories - Top-Layer SDBIP

The overall performance results achieved by the municipality in terms of the Top-Layer SDBIP are indicated in the table and graph below according to the National KPAs.

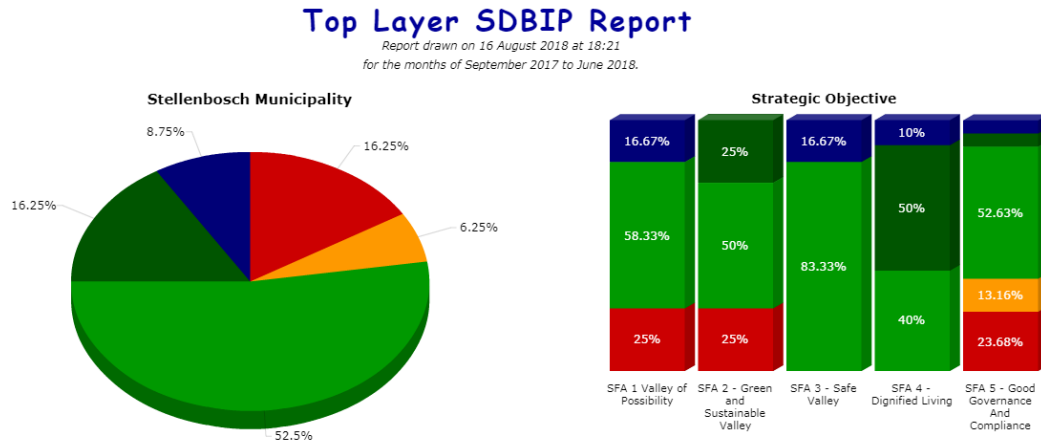


Figure 3.1 Review of the Municipal Scorecard (Top-Layer SDBIP)

3.1.10.3 OVERALL PERFORMANCE

The graph below displays the overall performance per Strategic Objective KPA for 2017/18:

	Stellenbosch Municipality	Strategic Objective				
		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 Met	13 (16.3%)	3 (25%)	1 (25%)	-	-	9 (23.7%)
■ KPI Almost Met	5 (6.3%)	-	-	-	-	5 (13.2%)
■ KPI Met	42 (52.5%)	7 (58.3%)	2 (50%)	5 (83.3%)	8 (40%)	20 (52.6%)
■ KPI Well Met	13 (16.3%)	-	1 (25%)	-	10 (50%)	2 (5.3%)
■ KPI Extremely Well Met	7 (8.8%)	2 (16.7%)	-	1 (16.7%)	2 (10%)	2 (5.3%)
Total:	80	12	4	6	20	38

Table 3.2 Overall Strategic Performance per National KPA

3.1.11 Actual performance for 2017/18

3.1.11.1 SFA 1 – VALLEY OF POSSIBILITY

SFA 1 – VALLEY OF POSSIBILITY												
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							Explanation/Corrective Measures
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
TL1	Create jobs through municipality's local, economic development initiatives including capital projects	Number of Full Time Equivalent's Created as a % of the possible total given the allocated budget (Full time Equivalent = 250 working hours)	All	747.48 FTE	22	100	558	15	106	695	B	
TL2	Number of serviced sites for low cost housing provided	Percentage of erven serviced	5; 6; 19	0	0	73	117	117	190	117	R	The project has been brought to a standstill by the community of Mandela City. The impasse continues indefinitely. Mediation is being organised between the community of Mandela City and Stellenbosch Municipality. (June 2018)
TL3	Number of temporary housing units constructed in the Temporary Relocation Area by June 2018	Construct 270 temporary units (Temporary Relocation Area – TRA)	12; 14; 15	New KPI	0	0	40	71	270	111	R	Target not met. There were 90 units built but due to community unrest all the structures were demolished by the community. On 22 May 2018, the project was completely vandalized and sabotaged by the Kayamandi Community in a situation of community unrest. (June 2018) The political strata of the Municipality is currently engaged in a process of mediation with the Kayamandi community. (June 2018)
TL4	Percentage of land-use applications submitted to the Municipal Planning Tribunal within the prescribed legislated period and within a	Percentage of land use- planning applications submitted to the Planning Tribunal within the prescribed legislated period and within a maximum of 120 days in relation to the total number of land-	All	2	1	1	1	1	4	4	G	

	maximum of 120 days.	used applications received.										
TL5	Number of training opportunities provided to entrepreneurs and SMME's	4 Training opportunities provided quarterly training events hosted with attendance registers as proof	All	5	1	0	1	2	4	4	G	
TL6	Review SDF in line with the Integrated Development Plan for submission to Council by May 2018.	SDF Amendment submitted to Council by May annually	All	1	0	0	0	1	1	1	G	
TL8	Number of bus and taxi shelters constructed	Constructed Bus and Taxi shelters based on completion photos	All	New KPI	0	0	1	6	2	7	B	
TL9	Spatial mapping of all current and planned social infrastructure (parks, crèches) as identified by June 2018	Spatial map containing all current and planned social infrastructure (parks, crèches) as updated annually by June 2018	All	New KPI	0	0	0	1	1	1	G	
TL10	2 informal trading sites developed by June 2018	2 informal trading sites developed	16; 17; 4	New KPI	0	0	0	1	2	1	R	Three other Informal Trading Sites in Kayamandi, Cloetesville and Franschoek will only be completed in September 2018.
TL13	Revised housing pipeline submitted to a Committee of Council/MayCo	Revised housing pipeline submitted to a Committee of Council/ Mayco by March 2018	All	New KPI	0	0	1	0	1	1	G	
TL14	Develop the Urban Development Strategy for submission to Council by June 2018	Urban Development Strategy submitted to Council by June 2018	All	New KPI	0	0	0	1	2	1	G	
TL16	Number of bus terminals and taxi ranks constructed.	Constructed taxi rank by April 2018. Photographs on Ignite	19	New KPI	0	1	1	2	4	4	G	

Table 3.3 Top-Layer SDBIP – Valley of Possibility

3.1.11.2 SFA 2 - GREEN AND SUSTAINABLE VALLEY

SFA 2 - GREEN AND SUSTAINABLE VALLEY												
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							Explanation/Corrective Measures
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
TL17	External Audits of Stellenbosch Waste Disposal Facilities (Permitted Landfill/Transfer station) by August 2017	2 Audits completed. Reports by external consultant	All	1	0	0	0	2	2	2	G	
TL19	Draft the Waste Management By-law and submit it to a Committee of Council/Mayco by June 2018	Waste Management Bylaw submitted to a Committee of Council/Mayco by June 2018	All	1	0	0	0	0	1	0	R	This KPI could not be met due the department in process of sourcing a service provider to assist with the drafting of a Waste Management bylaw. The department envisage the process to commence only by December 2018.
TL20	Number of building applications processed within the prescribed/legislated period and reported to a Committee of Council/Mayco	Number of quarterly reports submitted to a Committee of Council/Mayco containing updates on building plan applications	All	1	1	1	1	1	4	4	G	
TL20	Number of building applications processed within the prescribed/legislated period and reported to a Committee of Council/Mayco	Number of quarterly reports submitted to a Committee of Council/Mayco containing updates on building plan applications	All	1	1	1	1	1	4	4	G	
TL21	70% Weighted Average effluent quality achieved in terms of requirements as regulated by the water use license for all Waste Water Treatment Works	70% effluent quality achieved as reported on Ignite and using reports from an external laboratory	All	72%	80%	80%	70%	73%	50%	73%	G2	
New	Curtail domestic and industrial water consumption by 45% and agricultural water consumption by 60%, measured in terms of the equivalent average	Domestic and industrial water consumption curtailed by 45%, measured in terms of the equivalent average consumption of 5 years from 2010/11 until 2014/15	All	New KPI	0%	0%	47.30%	51.60%	45%	51.60%	G2	

SFA 2 - GREEN AND SUSTAINABLE VALLEY												
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Explanation/Corrective Measures
	consumption of 5 years.											

Table 3.4 Top-Layer SDBIP – Good Governance and Compliance

3.1.11.3 SFA 3 – SAFE VALLEY

SFA 3 – SAFE VALLEY												
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Explanation/Corrective Measures
TL22	Revised Disaster Management Plan submitted to a Committee of Council/Mayco by June annually	Revised Plan submitted to a Committee of Council/Mayco by June annually	All	1	0	0	0	1	1	1	G	
TL26	Extend CCTV coverage to all wards	Number of CCTV cameras installed within the WCO24 across various wards	12; 19; 1; 6; 4; 16; 1; 7	New KPI	0	95	4	4	12	103	B	
TL27	Quarterly progress reports to a Committee of Council/Mayco on Safety Initiatives in the greater Stellenbosch	Number of Stellenbosch Safety Initiative projects undertaken reported to a Committee of Council/Mayco	All	New KPI	0	2	1	1	4	4	G	
TL31	Safety network database identified and developed by December 2017	Developed database by December 2017	All	New KPI	0	1	0	0	1	1	G	
TL32	Signed MOUs with SAPS to extent municipal law enforcement security cluster by December 2017	Signed MOU by December 2017	All	New KPI	0	0	0	1	1	1	G	
TL33	Ward based risk assessments by June 2018	Completed risk assessment result of all wards by June 2018	All	New KPI	0	0	0	1	1	1	G	

Table 3.5 Top-Layer SDBIP – Safe Valley

3.1.11.4 SFA 4 – DIGNIFIED LIVING

SFA 4 – DIGNIFIED LIVING												
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							Explanation/Corrective Measures
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
TL35	Number of additional waterborne toilets facilities provided by 30 June 2018	Provide 50 additional waterborne toilet facilities to informal settlements by 30 June 2018	2; 12; 13; 14; 15; 18; 21	58	0	0	20	30	50	50	G	
TL37	Number of new water connections meeting minimum standards	50 new taps installed by 30 June 2018	All	50	0	0	6	44	50	50	G	
TL38	Land identified for emergency housing	Report submitted to a Committee of Council/Mayco by 30 June 2018 regarding land identified for emergency housing	All	1	0	1	0	0	1	1	G	
TL39	Provide consumer accounts iro clean piped water to formal residential properties which are connected to the municipal water infrastructure network as at 30 June 2018	Number of consumer accounts iro formal residential properties receiving piped water	All	25745	0	26,092	0	26,506	24,000	26,506	G2	
TL40	Provide consumer accounts iro electricity to formal residential properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering as at 30 June 2018	Number of consumer accounts iro formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	All	25,745	0	26,092	0	26,506	24,000	26,506	G2	
TL41	Provide consumer accounts iro sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewer	Number consumer accounts iro of residential properties which are billed for sewerage in accordance with the SAMRAS financial system	All	25,745	25,849	26,092	26,470	26,506	24,000	26,506	G2	

SFA 4 – DIGNIFIED LIVING

Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							Explanation/Corrective Measures
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
	age) network as at 30 June 2018											
TL42	Provide consumer accounts iro of refuse removal, refuse dumps and solid waste disposal to all residential account holders once a week until 30 June 2018	Number consumer accounts iro of formal residential properties for which refuse is removed	All	25,745	0	26,092	0	26,506	24,000	26,506	G2	
TL43	Number of households with access to basic services (water, sanitation, refuse removal)	Number of households receiving basic water, sanitation and refuse from the municipal infrastructure network	All	10	0	10	0	10	10	10	G2	
TL44	Number of indigent households with access to free basic water	Number of indigent account holders receiving free basic water, sanitation and refuse i.t.o. the indigent policy of the municipality	All	5,686	0	6,182	0	6,453	6	6,453	G2	
TL45	Number of indigent households with access to free basic electricity	Number of indigent households with access to free basic electricity i.t.o. the indigent policy of the municipality	All	8,907	0	100	0	100	100	100	G2	
TL46	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	Number of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network i.t.o. the indigent policy of the municipality	All	8,907	0	6,182	0	6,453	6,000	6,453	G2	
TL47	Percentage of electricity losses.	Limit unaccounted for electricity to less than 10% annually {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) /	All	6.10%	0.45%	5.92%	0%	5.70%	10%	5.70%	B	

SFA 4 – DIGNIFIED LIVING

Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							Explanation/Corrective Measures	
					Q1	Q2	Q3	Q4	Annual Target	Actual	R		
		Number of Electricity Units Purchased and/or Generated) × 100} 12 Month moving averages. Losses calculated on the total consumption and purchases of current month plus 11 preceding months as reported on Ignite and using reports from SAMRAS											
TL48	90% Weighted Average water quality achieved as per micro, chemical, operational and physical determinants in terms of the Blue Drop requirements regulated by SANS 241 for all Water Treatment Works	% Average water quality achieved as per micro, chemical, operational and physical determinants as reported on Ignite and using reports from an external laboratory	All	92.73%	98.59%	94%	96.40%	95.80%	90%	95.80%	G2		
TL49	Limit unaccounted for water to less than 25% by June 2018	Percentage of unaccounted for water calculated in terms of standard IWA formula as reported on Ignite. (Unaccounted means unbilled water plus losses)	All	21.70%	21.70%	19.90%	17.30%	21.60%	25%	21.60%	B		
TL50	Facilitate the registration of early childhood development centres on a quarterly basis	Quarterly ECD forum/Dept of Social Development registration workshops	All	New KPI	1	1	0	2	4	4	G		
TL51	Review Grant in aid policy and submit it to Council by June annually	Policy submitted to Council	All	1	0	0	0	1	1	1	G		
TL52	Alignment of Municipal and Provincial Government housing waiting lists by December 2017	Aligned Waiting lists submitted to the Director	All	New KPI	0	2	0	0	2	2	G		

SFA 4 – DIGNIFIED LIVING												
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Explanation/Corrective Measures
TL53	Provide free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2018	Number of indigent account holders connected to the sanitation/sewerage network and are billed for sewerage services as at 30 June 2018	All	5,686	0	6,182	0	6,453	6,000	6,453	G2	
TL92	Provide free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders as at 30 June 2018	Number of indigent account holders receiving free basic refuse removal as at 30 June 2018	All	5,686	0	6,182	0	6,453	6,000	6,453	G2	

Table 3.6 Top-Layer SDBIP – Dignified Living

3.1.11.5 SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE												
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Explanation/Corrective Measures
TL54	Financial Viability measured in terms of Cost Coverage ratio	Cost coverage as at 30 June 2018 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)). (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	All	6	0	0	0	7.61	6	7.61	G2	
TL55	Achieve an average payment percentage of 93% by 30 June annually (Gross Debtors Closing Balance + billed revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed revenue) x 100	(Gross Debtors Closing Balance + billed revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	All	100.44%	93.25%	144.61%	97.13%	98.08%	93%	98.08%	G2	
TL56	The percentage of each directorates's capital budget spent on capital projects by 30 June annually	% of the Municipality's capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	All	85.08	3.60%	16%	32.60%	86.6%	90%	86.6%	○	Human Settlements Directorate capital expenditure target could not be achieved due to a standstill of housing projects in Kayamandi as a result of the community unrest. The municipality has engaged with the community to allow for peaceful continuation of housing projects.
TL62	Ensure that the percentage of the Municipality's capital budget spent on capital projects by June annually, in line with annual target	% of the Financial Services capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	All	New KPI	5.50%	8.12%	33.38%	81.84%	90%	86.6%	○	Human Settlements Directorate capital expenditure target could not be achieved due to a standstill of housing projects in Kayamandi as a result of the community unrest. The municipality has engaged with the community to allow for peaceful continuation of housing projects.

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE												
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Explanation/Corrective Measures
TL64	The percentage of people from employment equity target groups employed (to be appointed) in the three highest levels of management in compliance with the municipality's approved employment equity plan	Number of appointments made in the three highest levels of management in compliance with the municipality's approved employment equity plan	All	80	0%	0%	0%	50%	75%	50%	O	In total 6 appointments were made in the 3 highest levels in 2017/18. Out of the 6 appointments 3 met the employment equity targets.
TL65	The percentage of actual payroll budget spent on implementing the municipal Workplace Skills Plan	% of municipality's payroll budget actually spent on implementing its workplace skills plan ((Total Actual Training Expenditure/ 1% of Total Annual payroll Budget) x100)	All	0.62%	0%	0%	0%	0.13%	0.85%	0.13%	R	Outstanding invoices in process. Tender processes to be in place earlier done in 2018/19
TL66	Financial Viability measured in terms of Service Debtors	Debt to Revenue (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant	All	6.93	0%	0%	0%	14%	35%	14%	B	
TL67	Financial Viability measured in terms of Debt Coverage	% of outstanding service debtors (Total outstanding service debtors/ revenue received for services)	All	16.9	0%	0%	0%	10.90%	20%	10.90%	B	
TL68	Revised Risk based audit plan and submit to the Audit Committee by 30 June 2018	Revised RBAP submitted to the Audit Committee by 30 June 2018	All	1	0	0	0	1	1	1	G	
TL69	Approved an Audit Action Plan by 28 February annually to address the issues raised in the Audit Report for the relevant financial year	Audit action plan developed and approved by 28 February annually	All	1	0	0	1	0	1	1	G	
TL70	Revised risk register submitted to the Risk Management Committee by 30 June 2018	Revised risk register submitted to the Risk Management Committee by 30 June 2018	All	1	0	0	0	1	1	1	G	

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE													
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18								
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Explanation/Corrective Measures	
TL71	Revised ICT Backup Disaster Recovery Plan submitted to the ICT Steering Committee by December 2017	Revised ICT Backup Disaster Recovery Plan submitted to the ICT Steering Committee by December 2017	All	1	0	1	0	0	1	1	1	G	
TL73	Revised Communication Strategy submitted to a Committee of Council/Mayco by June 2018	Reviewed Communication Strategy submitted to a Committee of Council/Mayco	All	1	0	0	0	1	1	1	1	G	
TL74	Revised Strategic ICT Plan submitted the ICT Steering Committee by 31 May annually	Reviewed Strategic ICT Plan submitted to the ICT Steering Committee by 31 May annually	All	1	0	0	0	1	1	1	1	G	
TL75	Compile and submit the draft IDP to council by 31 March annually	Draft IDP compiled and submitted to council by 31 March annually	All	1	0	0	1	0	1	1	1	G	
TL76	Revised organisational structure submitted to Council for approval by December 2017	Reviewed organisational structure submitted to Council	All	1	0	1	0	0	1	1	1	G	
TL77	Update and implement the preferential procurement policy by 30 June annually	Reviewed policy submitted to Council	All	New KPI	0	0	0	1	1	1	1	G	
TL79	Revised the asset management policy by 30 June annually	Updated policy submitted to the Council annually	All	New KPI	0	0	0	1	1	1	1	G	
TL81	Establish an asset management section as part of the organisation structure by 30 June 2018	Establish asset management section	All	New KPI	0	0	0	1	1	1	1	G	
TL82	Implement the Municipal Standard Chart of Accounts.	Quarterly updates on the implementation progress of MSCOA to a Committee of Council/Mayco	All	New KPI	0	2	1	1	4	4	4	G	
TL87	Develop a public participation policy and submit it to a Committee of Council/MayCo by June 2018	Public participation policy submitted to a Committee of Council/Mayco	All	New KPI	0	0	0	0	1	0	0	R	To be consulted and tabled in Council within Quarter 1 of the 2018/19 financial year.

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE													
Ref	KPI	Extension of KPI (Unit of Measurement)	Wards	Previous Year Actual	Performance for 2017/18								
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	Explanation/Corrective Measures	
TL88	Audit of all municipal leased properties (excluding rental stock) by March 2018	Audited outcome on leased properties	All	New KPI	0	0	0	0	0	1	0	R	A Service Provider has been appointed. An Audit Report of all Municipal Leased Properties will be completed. It is projected that the Audit will be received by end July 2018.
TL91	Develop an Integrated Zoning Scheme and submit it to Committee of Council/ Mayco by 30 June 2018	Developed Integrated Zoning Scheme submitted to a Committee of Council/ MayCo	All	New KPI	0	0	0	0	0	1	0	R	It is foreseen that the final document will be submitted to Council in September 2018.
TL93	Percentage of bid specifications submitted (Total of draft specifications submitted/Total of bids listed on the Demand Management Plan *100)	Minutes of the Bid Specification Committee	All	New KPI	0%	0%	50%	50%	50%	50%	50%	G	

Table 3.7 Top-Layer SDBIP – Good Governance and Compliance

3.1.12 Top-Layer SDBIP 2016/17

The table below provides information on KPI's of the Top-Layer SDBIP for 2016/17. The indicators for 2016/17 were revised with the compilation of the 2017/18 Top-Layer SDBIP.

3.1.12.1 DIGNIFIED LIVING

DIGNIFIED LIVING											
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL1	Provide clean piped water to formal residential properties which are connected to the municipal water infrastructure network as at 30 June 2017	Number of formal residential properties receiving piped water as at 30 June 2017	All	24207	0	23,000	0	23,000	23,000	25,745	G2
TL2	Provide electricity to formal residential properties connected to the municipal electrical infrastructure network for both credit and prepaid electrical metering as at 30 June 2017	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) as at 30 June 2017	All	24719	0	23,000	0	23,000	23,000	25,745	G2
TL3	Provide sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network as at 30 June 2017	Number of residential properties which are billed for sewerage in accordance with the SAMRAS financial system as at 30 June 2017	All	24207	0	23,000	0	23,000	23,000	25,745	G2
TL4	Provision of refuse removal, refuse dumps and solid waste disposal to all residential account holders once a week as at 30 June 2017	Number of formal residential properties for which refuse is removed as at 30 June 2017	All	24207	0	23,000	0	23,000	23,000	25,745	G2
TL5	Provide free basic water in terms of the equitable share requirements to indigent account holders	Monthly provisioning of free basic water in terms of the equitable share requirements to indigent account holders (KL per account holders)	All	6	10	10	10	10	10	10	G
TL6	Provide clean piped water to registered indigent account holders which are connected to the municipal water infrastructure network as at 30 June 2017	Number of indigent account holders receiving free basic water as at 30 June 2017	All	5095	0	5,000	0	5,000	5,000	5,686	G2

DIGNIFIED LIVING												
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
TL7	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	Provide free basic electricity to indigent account holders in terms of the equitable share requirements measured in terms of quantum approved (Free kw basic electricity per indigent household)	All	60	60	60	60	60	60	60	60	G
TL8	Provide free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network as at 30 June 2017	Number of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network as at 30 June 2017	All	5117	0	5,000	0	5,000	5,000	5,000	8,907	B
TL9	Provide free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets) as at 30 June 2017	Number of indigent account holders connected to the sanitation/sewerage network and are billed for sewerage services as at 30 June 2017	All	5117	0	5,000	0	5,000	5,000	5,000	5,686	G2
TL10	Provide free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders as at 30 June 2017	Number of indigent account holders receiving free basic refuse removal as at 30 June 2017	All	5095	0	5,000	0	5,000	5,000	5,000	5,686	G2
TL11	The % of the Municipality's capital budget spent on capital projects by 30 June 2017 {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	% of the Municipality's capital budget spent by 30 June 2017 {(Total Actual capital Expenditure/Approved Capital Budget) x 100}	All	79.74	0	10	30	90	90	90	85.08	G2
TL30	Provide 50 additional waterborne toilet facilities to informal settlements by 30 June 2017	Number of waterborne toilets facilities provided by 30 June 2017	2; 12; 13; 14; 15; 18; 21	80	50	0	10	20	50	50	58	G2

DIGNIFIED LIVING											
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						R
					Q1	Q2	Q3	Q4	Annual Target	Actual	
TL31	Service sites for low cost housing development by 30 June 2017	Number of sites serviced by 30 June 2017	15; 18	200	190	0	0	0	190	0	R
Corrective Measures		The advertisement to erect 332 TRA units were advertised during June 2017 but the funding for the services of Zone O has been place on hold by PDoHS until the relocation occurs. After the appeal were finalized the contractor would only do site establishment in June 2017.									
TL32	Compile and sign 200 transfer documents for ownership of low cost houses by 30 June 2017	Number of transfer documents compiled and signed by 30 June 2017	All		200	0	0	100	200	428	B
TL33	Construct 105 top structures by 30 June 2017	Number of top structures constructed by 30 June 2017	15; 21	New Key Performance indicator for 2016/17	105	0	0	0	105	325	B
TL34	Install 50 taps in informal settlements by 30 June 2017	Number of taps installed by 30 June 2017	All	13	0	10	20	20	50	50	G
TL35	Limit unaccounted for electricity to less than 11% by 30 June 2017 {(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} × 100}	{(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} × 100}	All	6.06%	0%	0%	0%	11%	11%	6.10%	B
TL37	90% Weighted Average water quality achieved as per micro, chemical, operational and physical determinants in terms of the Blue Drop requirements regulated by SANS 241 for all Water Treatment Works	% Average water quality achieved as per micro, chemical, operational and physical determinants	All	97.50%	90%	90%	90%	90%	90%	92.73%	G2
TL38	Limit unaccounted for water to less than 25% by 30 June 2017	Percentage of unaccounted for water calculated in terms of standard IWA formula	All	25%	25%	25%	25%	25%	25%	21.70%	B
TL39	Review and submit the Water Services Development Plan to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Reviewed Water Services Development Plan submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	Current plan	0	0	0	0	1	0	R
Corrective Measures		WSDM plan completed in May 2017. Before plan could be submitted to council we were informed by DWS that current prescribed format of plan will be amended by DWS and WSDM should be held back until new format is									

DIGNIFIED LIVING											
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL51	Identify land for emergency housing and submit report with recommendations to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Report with recommendations submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G

Table 3.8 Dignified Living

3.1.12.2 GOOD GOVERNANCE AND COMPLIANCE

GOOD GOVERNANCE AND COMPLIANCE											
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL13	The number of people from employment equity target groups employed (to be appointed) in the top three occupational levels of management in compliance with the municipality's approved employment equity plan by 30 June 2017	Number of appointments made in the three highest levels of management by 30 June 2017 in compliance with the municipality's approved employment equity plan	All	1	0	0	0	5	5	4	O
TL14	The percentage of a municipality's payroll budget actually spent on implementing its workplace skills plan by 30 June 2017 ((Total Actual Training Expenditure/ Total annual payroll Budget)x100)	% of municipality's payroll budget actually spent on implementing its workplace skills plan by 30 June 2017 ((Total Actual Training Expenditure/ Total Annual payroll Budget)x100)	All	0.80%	0%	0%	0%	0%	0.80%	0.62%	O
TL15	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2017 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant	Debt to Revenue as at 30 June 2017 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant	All	55	55	0	0	0	55	0	B
TL16	Financial viability measured in terms of the outstanding service debtors as at 30 June 2017 (Total outstanding service debtors/ revenue received for services)	% of outstanding service debtors as at 30 June 2017 (Total outstanding service debtors/ revenue received for services)	All	16.80%	0%	0%	0%	20%	20%	0%	B

GOOD GOVERNANCE AND COMPLIANCE											
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL17	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).	Cost coverage as at 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).	All	7.4	6	0	0	0	6	6	G
TL18	Review the Risk based audit plan and submit to the Audit Committee by 30 June 2017	Reviewed RBAP submitted to the Audit Committee by 30 June 2017	All	1	0	0	0	1	1	1	G
TL19	Approve an Audit Action Plan by 31 January 2017 to address the issues raised in the Audit Report for the 2015/16 financial year	Audit action plan developed and approved by 31 January 2017	All	1	0	0	1	0	1	1	G
TL20	Review the risk register and submit to the Risk Management Committee by 30 June 2017	Reviewed risk register submitted to the Risk Management Committee by 30 June 2017	All	1	0	0	0	1	1	1	G
TL21	Review the ICT Backup Disaster Recovery Plan and submit it to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Reviewed ICT Backup Disaster Recovery Plan submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All	1	0	0	0	1	1	1	G
TL22	Review the Communication Strategy and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Reviewed Communication Strategy submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All	1	0	0	0	1	1	1	G
TL23	Review the Strategic ICT Plan and submit it to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Reviewed Strategic ICT Plan submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	1	0	0	0	1	1	1	G
TL24	Review the Rules of Order By-Law and submit to Council by 30 June 2017	Reviewed Rules of Order By-Law submitted to Council by 30 June 2017	All	Current By-Law	0	0	0	1	1	0	R
Corrective Measures		By-Law to be tabled in the 2017/18 year									

GOOD GOVERNANCE AND COMPLIANCE											
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL25	Review the Municipal Honours By-Law and submit to Council by 30 June 2017	Reviewed Municipal Honours By-Law submitted to Council by 30 June 2017	All	Current By-Law	0	0	0	1	1	0	R
Corrective Measures		By-Law to be tabled in the 2017/18 year									
TL26	Compile and submit the draft 4th generation IDP to council by 31 March 2017	Draft 4th generation IDP compiled and submitted to council by 31 March 2017	All	New Key Performance indicator for 2016/17	0	0	1	0	1	1	G
TL27	Review the System of delegations and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Reviewed system of delegations submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G
TL28	Review the organisational structure and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Reviewed organisational structure submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All	Current Structure	0	0	0	1	1	1	G
TL29	Achieve an average payment percentage of 93% by 30 June 2017 (Gross Debtors Closing Balance + billed revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed revenue) x 100	(Gross Debtors Closing Balance + billed revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	All	103.71%	93%	93%	93%	93%	93%	100.44%	G2

Table 3.9 Good Governance and Compliance

3.1.12.3 GREENEST MUNICIPALITY

GREENEST MUNICIPALITY											
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL36	50% Weighted Average effluent quality achieved in terms of requirements as regulated by the water use license for all Waste Water Treatment Works	% effluent quality	All	40%	50%	50%	50%	50%	50%	72%	G2
TL40	Develop the Integrated Waste Management Plan and submit it to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Integrated Waste Management Plan submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G

GREENEST MUNICIPALITY											
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2016/17						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL41	Develop a Waste Management Bylaw and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Bylaw developed and submitted to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G

Table 3.10 Greenest Municipality

3.1.12.4 PREFERRED INVESTMENT DESTINATION

PREFERRED INVESTMENT DESTINATION											
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16						
					Q1	Q2	Q3	Q4	Annual Target	Actual	R
TL12	Number of FTE's created by 30 June 2017 through in terms of Expanded Public Works Programme	Number of FTE's created by 30 June 2017	All	New Key Performance indicator for 2016/17	16	40	60	84	84	747.48	B
TL46	Quarterly reports submitted to a Committee of Council /Mayco/Portfolio Chairperson on the process of land use applications within the prescribed/legislated periods	Number of reports submitted to a Committee of Council /Mayco/Portfolio Chairperson	All	New Key Performance indicator for 2016/17	1	1	1	1	4	2	R
TL47	Quarterly reports submitted to a Committee of Council /Mayco/Portfolio Chairperson on the process of building plan applications within the prescribed/legislated periods	Number of reports submitted a Committee of Council /Mayco/Portfolio Chairperson	All	New Key Performance indicator for 2016/17	1	1	1	1	4	3	O
TL48	Provide training to entrepreneurs and SMME's	Number of training events	All	2	1	1	1	1	4	5	G2
TL49	Develop the Urban Development Strategy as the first phase of the WC024 SDF and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Strategy submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G
TL50	Review Grant in aid policy and submit it to a Committee of	Policy submitted to a Committee of Council	All	New Key Performance indicator for 2016/17	0	0	0	1	1	1	G

PREFERRED INVESTMENT DESTINATION												
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
	Council/Mayco/Portfolio Chairperson by 30 June 2017	/Mayco/Portfolio Chairperson by 30 June 2017										

Table 3.11 Preferred Investment Destination

3.1.12.5 SAFEST VALLEY

SAFEST VALLEY												
Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Performance for 2015/16							
					Q1	Q2	Q3	Q4	Annual Target	Actual	R	
TL42	Review the Disaster Management Plan and submit it to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Reviewed Plan submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	1	0	0	0	1	1	1	G	
TL43	Review the Safety and Security Strategy and submit it to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	Revised Safety and Security Strategy submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	1	0	0	0	1	1	1	G	
TL44	Review the Sport Management Plan and submit it to a Committee of Council/Mayco/Portfolio Chairperson by 30 June 2017	Reviewed plan submitted to a Committee of Council /Mayco/Portfolio Chairperson by 30 June 2017	All	1	0	0	0	1	1	0	R	
TL45	Report quarterly to a Committee of Council /Mayco/Portfolio Chairperson on the enforcement of municipal By-Laws on public open spaces, municipal owned property and municipal owned land	Number of reports submitted to a Committee of Council /Mayco/Portfolio Chairperson	All	New Key Performance indicator for 2016/17	1	1	1	1	4	3	O	

Table 3.12 Safest Valley

3.1.13 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.

- 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 own 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 taken to improve performance.

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount of more than **R200 000** are listed.

3.1.13.1 STRATEGIC AND CORPORATE SERVICES

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 103 16 Innovo Networks	2016/08/11	2019-06-30	Supply, delivery and installation of TV screens, DC media player solution for Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 102 16 Avalon Technology	2017-06-24	2019-06-30	Services: Provision of Wi-Fi internet bandwidth for Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 107 16 Apronics Cape (Pty) Ltd	2016-08-11	2019-06-30	VM-Ware Software licences	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 108 16 Data Tegra (Pty) Ltd	2016-08-11	2019-06-30	Provision of end point security licenses for Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 109 16 Afronation Technology (Pty) Ltd	2016-08-11	2019-06-30	Mimecast unified mail management for Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 015 17 Avalon Technology Group (Pty) Ltd	2016/10/19	2019-06-30	Provision of disaster recovery and colocation services for a period ending 30 June 2019 for Stellenbosch municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 024 17 SMS ICT Choice (Pty) Ltd	2016/11/11	2019-06-30	Supply and installation of an enterprise endpoint data protection solution for a period ending 30 June 2019	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 020 18 First technology Western Cape Pty Ltd	2018-02-28	Once off	Supply and delivery of network switches for the Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 036 18 - 1 BDCE (PTY) LTD	2018-05-09	2020-06-30	Appointment of a suitable service provider for various training programmes for a period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 036 18 - 2 BC Landscape Training & Consulting	2018-05-09	2020-06-30	Appointment of a suitable service provider for various training programmes for a period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 036 18 - 3 He & She Driving Training Centre	2018-05-09	2020-06-30	Appointment of a suitable service provider for various training programmes for a period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 036 18 - 4 Tjeka Training Matters (PTY) LTD	2018-05-09	2020-06-30	Appointment of a suitable service provider for various training programmes for a period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 036 18 - 5 Nu-Law firearms compliance	2018-05-09	2020-06-30	Appointment of a suitable service provider for various training programmes for a period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 036 18 - 6 EQ Tech Africa	2018-05-09	2020-06-30	Appointment of a suitable service provider for various training programmes for a period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 037 18 Nu Law Firearms Compliance	2018-05-09	2020-06-30	Training for firearms - Unit Standards 117705, 119652, 123514, 119649 & 123515	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 038 18 INDUSTRIES EDUCATION AND TRAINING INSTITUTE (PTY) LTD	2018-03-01	2020-06-30	Appointment of Service Providers to provide training for electrical M0 – M6 Modular Training; and Perform Basic Welding/Joining of metals for a	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 052 18 Innovo Networks (PTY) LTD	2018-03-08	2018-04-30	The supply and delivery of wireless hardware equipment	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 078 18 DATACENTRIX	2018-06-01	2021-06-30	Appointment of a suitable service provider for annual subscription renewal of manage engine Ad Audit	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
116(3) ICT CONTRACTS Bytes Universal	1/1/2017	6/30/2018	SAMRAS	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
116(3) ICT CONTRACTS PAYDAY	1/1/2017	6/30/2018	HR and Payroll	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
116(3) ICT CONTRACTS IGNITE	1/1/2017	6/30/2018	Performance Management	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
116(3) ICT CONTRACTS Avalon	1/1/2017	6/30/2018	Network Management	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
116(3) ICT CONTRACTS Business Engineering	1/1/2017	6/30/2018	Collaborator	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
116(3) ICT CONTRACTS Pinnacle Business Solutions	1/1/2017	12/31/2018	Printers and Scanners	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Table 3.13 Service Providers Strategic and Corporate Services

3.1.13.2 FINANCIAL SERVICES

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 017 15 DBSA	2014-10-31	2029-09-30	Financial of approved Capital Projects by means of and external loan.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 047 15 The Sustainability Institute Innovation Laboratory (Pty) Ltd	2015-01-30	2017-06-30	Provision of off-the grid electricity and related equipment to residents of the informal settlement known as Enkanini.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 068 15 HCB Property Valuers	2015-07-01	2018-06-30	Suitably experienced qualified valuers for the compilation of the valuation roll and supplementary rolls for WC024 in compliance with the Local Government: Municipal Property Rates Act, 2004 (Act 6/2004)	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 002 17 CAB Holdings	2016-07-20	2019-06-30	Printing and distribution of monthly consumer accounts, newsletters and other communication until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 008 17 Novus 3(Pty) Ltd	2016-10-06	2018-06-30	Capital Budget Prioritization Tool	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 052 17 Geodebt Solutions CC	2017-05-01	2019-06-30	The provision of Debtor Management Software and Administrative support to Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 053 17 Ikapa Express Auctioneers	2017-03-29	2019-06-30	Appointment of an auctioneer	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 075 17 Nedbank	2017-08-11	2020-06-30	Banking tender	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 078 17 Mubeko Africa (Pty) Ltd	2017-07-24	2020-06-30	Moveable stock take tender	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 096 17 The Sustainability Institute Innovation Laboratory (Pty) Ltd	2017-11-06	2020-06-30	Sale Of A Portion Of Remainder Erf 9190, Technopark, Stellenbosch	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 002 18 AON SOUTH AFRICA	2018-07-02	2021-06-30	Underwriting and management of Short Term Insurance Portfolio	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
116(3) ICT CONTRACTS ABC	1/1/2017	6/30/2018	Evaluations and rates	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Table 3.14 Service Providers – Financial Services

3.1.13.3 ENGINEERING SERVICES

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 010 16 Aurecon SA (Pty) Ltd	2015-11-10	2018-11-30	Appointment of professional consulting civil engineers to plan and design a taxi rank in Klapmuts.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 028 16-3 Malani Padayachee & Ass	2015-11-25	2018-06-30	Establishment of a Roster, For Professional Civil and Electrical Consulting Engineers for a Period of 2 Years;	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 028 16-4 SMEC	2015-11-25	2018-06-30	Establishment of a Roster, For Professional Civil	Satisfactory	Service was rendered in compliance	No corrective measures

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			and Electrical Consulting Engineers for a Period of 2 Years;		with tender requirements	were required
BSM 028 16-14 WSP	2015-11-25	2018-06-30	Establishment of a Roster, For Professional Civil and Electrical Consulting Engineers for a Period of 2 Years;	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 028 16-21 Bosch Stemele	2015-11-25	2018-06-30	Establishment of a Roster, For Professional Civil and Electrical Consulting Engineers for a Period of 2 Years;	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 028 16-24 Kantley & Templer	2015-11-25	2018-06-30	Establishment of a Roster, For Professional Civil and Electrical Consulting Engineers for a Period of 2 Years;	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 033 16 Iron Metering Solutions (Pty) Ltd	2016-04-13	2018-06-30	Supply, install and manage a STS compliant Pre-Payment Electricity Vending System and Audit of Electrical meters until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 034 16 CSIR	2016-04-22	2018-06-30	Drinking water quality management (DWQM) program	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 054 16-1 Jo Castro (Pty) LTD (Awarded: Section A: A1-A4 and Section B: B1-B3)	2016-01-22	2017-12-31	Design, manufacture, testing, supply and delivery and offloading of 12KV metal enclosed ring main units and switchgear	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 054 16-2 ABB South Africa (Pty) Ltd (Awarded: Section A: A5-A8, Section C: C1-C4 and	2016-01-22	2017-12-31	Design, manufacture, testing, supply and delivery and offloading of 12KV metal enclosed ring main units and switchgear	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Section D: D1-D8)						
BSM 066 16 CBI Electric (African Cables)	2016-02-23	2018-06-30	Maintenance and repairs of oil filled 66KV-11KV pilca cables until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 077 16 Livewire Engineering and Consulting	2016-07-01	2018-06-30	Provision of automatic meter reading services for a period until 30 June 2018	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 089 16 Gateway Metalworks CC	2016-06-24	2018-06-30	Supply and installation of fencing at Devon Valley landfill site; 24 month maintenance plan.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 092 16 Trade Avail 406 CC t-a CAR Contractor	2016-06-24	2018-06-30	Supply and installation of fencing at Klapmuts transfer station; 24 month maintenance plan.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 105 16 Siyphambile Electrical & Industrial Supplies cc	2016-09-30	2019-06-30	Supply and delivery of street lighting and lanterns.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 001 17 -1	2017-01-13	2019-06-30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 001 17 -2	2017-01-13	2019-06-30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 001 17 -3	2017-01-13	2019-06-30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 001 17 -4	2017-01-13	2019-06-30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 001 17 -5	2017-01-13	2019-06-30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 001 17 -6	2017-01-13	2019-06-30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 001 17 -7	2017-01-13	2019-06-30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 001 17 -8	2017-01-13	2019-06-30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 001 17 -9	2017-01-13	2019-06-30	Supply and delivery of electrical equipment and materials until 30 June 2019.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 004 17-1 Lawula Systems	2017-03-08	2018-06-30	Rendering of work on traffic signals for a period of 2 years.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 004 17-2 Syntell (Pty) Ltd	2017-03-08	2018-06-30	Rendering of work on traffic signals for a period of 2 years.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 004 17-4 TMT Services and Suppliers (Pty) Ltd	2017-03-08	2018-06-30	Rendering of work on traffic signals for a period of 2 years.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 010 17-1 Amandla GCF Construction	2017-04-12	2018-06-30	Roads and Stormwater Annual Tender: Civil Works for a period of two years.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 010 17-2 AMS Civils	2017-04-12	2018-06-30	Roads and Stormwater Annual Tender: Civil Works for a period of two years	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 010 17-3 ATN Group	2017-04-12	2018-06-30	Roads and Stormwater Annual Tender: Civil Works for a period of two years.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 010 17-5 Carpe Diem Civils	2017-04-12	2018-06-30	Roads and Stormwater Annual Tender: Civil Works for a period of two years.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 010 17-8 Martin and East	2017-04-12	2018-06-30	Roads and Stormwater Annual Tender: Civil Works for a period of two years.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 010 17-10 NDG Construction	2017-04-12	2018-06-30	Roads and Stormwater Annual Tender: Civil Works for a period of two years.	Terminated	Non-performance on contract	Referred to legal services and the contract was terminated
BSM 010 17-11 ROK Civils and Plant Hire	2017-04-12	2018-06-30	Roads and Stormwater Annual Tender: Civil Works for a period of two years.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 11 17 -7 Cape Otto	2017-04-12	2018-06-30	Roads and Stormwater Annual Tender: Plant and material	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 013 17 -1 Adenco Construction	2016-10-19	2017-10-19	Annual electrical labour services for a contract period of twelve months.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 013 17 -2 Solethu Energy (Pty) Ltd	2016-10-17	2017-10-17	Annual electrical labour services for a contract period of twelve months.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 016 17 Eyabantu Professional Services	2017-03-08	2019-06-30	Communication network installations in substations	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 018 17 Resource Innovations Africa (Pty) Ltd	2016/12/02	2018-06-30	Collection of recyclables and mini materials recovery facility (MRF) operations for a contract period	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			ending 30 June 2018.			
BSM 021 17 DP Truckhire	2016-12-07	2019-06-30	Kerbside collection and transportation of Municipal Solid Waste, generated in Franschhoek area, for a contract period ending 30 June 2019	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 022 17 Engar Waste Services	2017-03-08	2019-06-30	Supply of Containerised Skips and removal of screenings and grit at the Stellenbosch and Wemmershoek WWTW.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 023 17 Makaza Concrete Mixers CC	2016-12-07	2019-06-30	Supply and delivery of mill feed sand to Stellenbosch municipality for a contract period ending 30 June 2019	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 038 17 Strike Technology a Division of Penbro Kelnick (Pty) Ltd	2017-03-31	2019-06-30	Residential Hot water load control (HWLC) Project: Supply and delivery of hardware (instruments).	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 044 17 - 1 Camarni Supply Chain Specialists Pty Ltd	2018-02-01	2019-06-30	Camarni Supply Chain Specialists Pty Ltd	Unsatisfactory	The performance was poor and had some of problems. Not to the effect that termination was needed.	Departments were informed to consult and if service does not improve to refer to Legal services.
BSM 048 17-1 Eyabantu Professional Services	2017-03-31	2020-06-30	Supply, delivery, off-load, installation, setup, configuration and commissioning/testing of electrical substation telemetry monitoring equipment.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 048 17-2 Schweitzer Engineering	2017-03-31	2020-06-30	Supply, delivery, off-load, installation, setup, configuration and commissioning/testi	Satisfactory	Service was rendered in compliance	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
Lab (Pty) Ltd SEL			ng of electrical substation telemetry monitoring equipment.		with tender requirements	
BSM 064 17 TRF Sport	2017-04-08	2020-06-30	Supply and delivery of protective clothing with 100% local content as per specification as and when needed for a contract period until 30 June 2020.	Terminated	Poor performance and inferior products delivered not according to specifications	The matter is currently with legal service and alternative contract was sourced.
BSM 065 17 - 8 Sakh'ikhaya Suppliers cc	2018-01-25	2020-06-30	Supply And Delivery of water meters, for a contract period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 067 17 - 5 Tuboseal Services (Pty) Ltd	2018-01-23	2020-06-30	Replacement of existing Pipe Systems Employing Conventional and Specialised Trenchless Construction Technology in the Stellenbosch Municipal Area,	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 067 17 - 6 Exeo Khokela Civil Engineering Construction (Pty) Ltd	2018-01-24	2020-06-30	Replacement of existing Pipe Systems Employing Conventional and Specialised Trenchless Construction Technology in the Stellenbosch Municipal area,	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 069 17 - 1 IThuba	2018-01-25	2020-06-30	Supply And Delivery of water and Sewer pipes and fittings, for a contract period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 069 17 - 3 NRB Piping Systems	2018-01-25	2020-06-30	Supply And Delivery of water and sewer pipes and fittings, for a contract period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 081 17 Civil 2000 (Pty) Ltd	2017-06-29	2019-06-30	Paradyskloof WTW - civil works	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 082 17 Inenzo Water (PTY) Ltd	2017-08-04	2019-06-30	Extension of the Paradyskloof Water Treatment Works and associated pipelines (Mechanical and Electrical work)	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 087 17 Eya Bantu Professional Services	2017-11-16	2020-06-30	Substation Protection Testing and Maintenance within the Stellenbosch Municipal Areas as and when needed until 30 June 2020.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 095 17 CSV Construction-Wezan JV-Alternative offer	2017-09-07	2019-06-30	Construction Of The Plakenbrug Main Outfall Sewer And Associated Works Phase 2 & 3.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 003 18 Engar Waste Services	2018-01-02	2020-06-30	Removal of Sludge, Stellenbosch	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 004 18 JVZ Construction	2017-11-10	2018-09-30	Bulk water supply lines, pump stations and reservoir for the Dwarsriver Valley area (Pniel, Johannesdal and Kylemore)	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 006 18 Masimbela General Trading (Pty) Ltd	2017-09-27	2019-06-30	Maintenance and operation of public ablution facilities at Franschoek and Klapmuts Informal Settlements for a 24 Month Period.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 012 18 Landfill Consult	2018-01-19	2020-06-30	Shredding and removal of Green Garden Waste: Devon Valley Landfill Site, for a contract period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 026 18 - 2 CHLORECAPE	2018-03-01	2020-06-30	Supply and Delivery of disinfection chemicals, for a contract period	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			ending 30 June 2020			
BSM 026 18 - 6 WHITE EARTH TRADING CC T/A WETECH	2018-03-01	2020-06-30	Supply and Delivery of disinfection chemicals, for a contract period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 027 18 - 1 ADENCO CONSTRUCTION	2018-04-01	2020-06-30	Annual Electrical Labour Tender	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 027 18 - 4 JT MARITZ ELECTRICAL	2018-04-01	2020-06-30	Annual Electrical Labour Tender	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 028 18 - 2 ACTOM ELECTRICAL PRODUCTS	2018-04-01	2019-06-30	Supply and Delivery of electrical material to Beltana Stores, Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 028 18 - 4 PH MARKETING	2018-04-01	2019-06-30	Supply and Delivery of electrical material to Beltana Stores, Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 028 18 - 5 POWERCOMM SOLUTIONS	2018-04-01	2019-06-30	Supply and Delivery of electrical material to Beltana Stores, Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 028 18 - 6 ZONART LABOUR DISTRIBUTION	2018-04-01	2019-06-30	Supply and Delivery of electrical material to Beltana Stores, Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 029 18 JG AFRIKA	2018-03-01	2020-06-30	Appointment of a Service Provider to conduct external audits on WC024 Waste Facilities	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 045 18 EYA BANTU PROFESSIONAL SERVICES	2018-03-08	2018-06-30	Design, Supply, Delivery and Installation of High Voltage Control Panels	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 047 18 COSOLIDATED POWER PROJECTS	2018-04-25	2018-06-30	Design, Supply, Delivery and Installation of High Voltage Bus Bars	Satisfactory	Service was rendered in compliance	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
					with tender requirements	
BSM 056 18 HYDRENCO	2018-04-03	2018-06-30	Supply and Delivery of a Trailer Mounted Access Platform	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 057 18 DAWAILA TRADING	2018-04-01	2020-06-30	Supply and Installation of Fencing at the reservoirs	Unsatisfactory	The user department indicated poor performance, not to the extent that termination was needed.	The matter was referred to legal services for comment and assistance
116(3) ICT CONTRACTS IMQS	1/1/2017	6/30/2018	Infrastructure and Assets	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Table 3.15 Service Providers – Engineering Services

3.1.13.4 PLANNING AND ECONOMIC DEVELOPMENT

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 063 15 CNDV Africa	2015-11-01	2018-06-30	Preparation of the Rural Area Plan for Stellenbosch WC024 area in terms of chapter 5 of the municipal systems act, 2000 (act no 32 of 2000).	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 064 15 Cape Winelands Professional Practices in Association	2016-Feb	2018-06-30	Preparation of a comprehensive heritage inventory and management plan for Stellenbosch local municipality (wc024) in terms of the national resources Heritage act, no 25 of 1999	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 016 16-12 BEAL Africa	2016-07-07	2018-06-30	Professional service providers for Planning,	Satisfactory	Service was rendered in compliance	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professions as per specifications until 30 June 2018.		with tender requirements	
BSM 016 16-15 V3 Consulting Engineers	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 016 16-24 Aurecon	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 016 16-27 Aecom	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018			
BSM 016 16-34 Urban Dynamics Western Cape	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 016 16-35 CK Rumboll and Partners – Planning	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 016 16-39 JSA Architects	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development,	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.			
BSM 016 16-48 Jubelie Projects	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 016 16-59 University of Stellenbosch	2016-07-07	2018-06-30	Professional service providers for Planning, Land Use Management, Environmental Management, Land Development, Heritage Resources Project Management, Architectural Services and Related Professionals as per specifications until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 017 16 CK Rumboll and Partners – Planning	2015-03-18	2018-06-30	Services: Cemetery Land Study, Stellenbosch Municipality	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 049 16-4 VKC Projects	2016-03-07	2018-06-30	Appointment of a Panel of professional service providers for Economic Sector	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			Development and Project Management for a period until 30 June 2018.			
BSM 049 16-6 SAMFA Research Solutions	2016-03-07	2018-06-30	Appointment of a Panel of professional service providers for Economic Sector Development and Project Management for a period until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 049 16-7 MBB Consulting	2016-03-07	2018-06-30	Appointment of a Panel of professional service providers for Economic Sector Development and Project Management for a period until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 049 16-8 Urban Econ Development Economists	2016-03-07	2018-06-30	Appointment of a Panel of professional service providers for Economic Sector Development and Project Management for a period until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 092 17 Servest (Pty) Ltd	2017-07-12	2020-06-30	Hygienic services - three (3) year service contract	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 010 18 Tops Construction CC	2017-10-27	2018-06-30	Formalisation of Informal Traders at Idas Valley, Stellenbosch	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 011 18 Rekha Construction	2018-04-01	2018-09-30	Formalisation of Informal Traders at Franschhoek Town Hall	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 025 18 Bergzicht Training Centre	2018-02-01	2019-06-30	The Mayoral Youth Skills Development Programme	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 042 18 Rekha Construction (Pty) Ltd	2018-04-01	2018-06-30	The Construction of Kayamandi George Blake Informal Trading	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 043 18 Linamandla Business Enterprise CC	2018-04-01	2018-09-30	The Construction of Cloetesville Informal Trading Site	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 075 18 MTF CONSULTANTS	2018-06-01	2019-09-30	Supply, Deliver and Fit of furniture for Stellenbosch Municipality (Wc024)	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Table 3.16 Service Providers – Planning and Economic Development

3.1.13.5 HUMAN SETTLEMENT AND PROPERTY MANAGEMENT

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 108 15 Bisiwe van Niekirk Incorporated	Jul 2015	2018-04-30	Quality Surveyor and other specialists and professionals for the new multi-purpose centre in Klapmuts.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 025 16 CSM Consulting Services (Pty) Ltd	2015-11-10	2018-04-30	Appointment of a Quantity Surveyor and Team of Specialist Consultants Erf: 412: Groendal.	Unsatisfactory	Contractor stopped the work due to a payment dispute	In consultation with service provider
BSM 030 16 Waco Africa t-a Sanitech	2015-12-03	2018-06-30	Suitably qualified service providers for the provision, service and maintenance of chemical toilets within the Stellenbosch jurisdiction for the period until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 068 16 Build a Way Construction	2017-03-01	2018-06-30	Klapmuts: Construction of new multi-purpose community centre	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 078 16 Skep Studio (Pty) Ltd	2016-04-21	2019-06-30	Architect: re-design of Klein Libertas theatre, Stellenbosch	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 116 16 Tija Trading CC t-a Floor Master Stellenbosch	2016-07-01	2019-06-30	Repairs, Sanding, Polishing and Continued, Maintenance of Wooden Floors at the Stellenbosch Town Hall.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 027 17 FK Maintenance Services	2016-12-07	2019-06-30	External repairs and painting at Beltana buildings	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 028 17 Raycon Properties	2017-04-10	2018-06-30	Construction of a new library in Groendal	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 056 17 WF Construction	2017-05-16	2018-06-30	Construction of civil engineering services in Mandela city, Klapmuts	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 057 17 R Reddy t/a Raycon Properties	2017-03-31	2017-09-30	Renovations and repairs of administration building	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 060 17 Umtha Consulting	2017-09-04	2018-02-28	Appointment of a suitably qualified and experienced service provider to undertake a demographic survey and provide a database for zone o at	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 092 17 Servest (Pty) Ltd	2017-07-12	2020-06-30	Hygienic services - three (3) year service contract	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 009 18 Re A Letamisa Trading & Projects	2017-11-30	2018-06-30	Construction of 332 temporal housing units with ablution facilities in Watergang, Kayamandi, Stellenbosch	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 013 18 Ikapa Reticulation	2018-01-31	2019-06-30	The Installation of communal water points (Taps), and communal waterborne sanitation services, as well as associated infrastructure	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 014 18 Maritz Electrical	2018-01-31	2018-06-30	The Supply, Delivery, Installation, Testing and Commissioning of the Mv and Lv network including prepayment meters, ready boards and internal	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 015 18 MMPA Quantity Surveyor & Property Management (Pty) Ltd	2017-11-28	2020-06-30	Appointment of a Quantity Surveyor: Upgrade Of Cloetesville Flats, Erf 6767, Stellenbosch.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 021 18 Jonty Engineering & Trading SA T/A Jetco SA	2018-02-01	2018-03-30	Supply And Installation Of Fencing At Kloof Street and Long Street Flats, Cloetesville, Stellenbosch	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 023 18 CSM CONSULTING SERVICES	2018-06-01	2019-06-30	Appointment of an architect for the re-design and extension of the traffic in Stellenbosch: Erf 6659	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 030 18 LUBOCON CIVILS	2018-03-22	2018-06-30	Construction of Basic Engineering Services (Civil & Electrical Services) for Erf 2175, Enkanini	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 075 18 MTF CONSULTANTS	2018-06-01	2019-06-30	Supply, Deliver and Fit of Furniture for Stellenbosch Municipality (Wc024)	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 097 18 Cape Contours Landscaping	2018-07-25	2018-11-30	Hard and soft landscaping at Cloetesville hall / library/ ward admin office for a contract period of 16 weeks	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Table 3.17 Service Providers – Human Settlements and Property Management

3.1.13.6 COMMUNITY AND PROTECTION SERVICES

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 099 15 - 1 Metro	2015-06-26	2018-06-20	Rendering of security services for various areas within the WC024 Municipal Jurisdiction until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 099 15 - 2 Armstrong	2015-06-26	2018-06-20	Rendering of security services for various areas within the WC024 Municipal Jurisdiction until 30 June 2018.	Terminated	Poor performance	New service provider appointed on panel
BSM 099 15 - 3 African Compass Trading 246 CC.	2015-06-26	2018-06-20	Rendering of security services for various areas within the WC024 Municipal Jurisdiction until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 099 15 Cumax 215	2015-06-26	2018-06-20	Rendering of security services for various areas within the WC024 Municipal Jurisdiction until 30 June 2018.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 099 15 Six Combined	2015-06-26	2018-06-20	Rendering of security services for various areas within the WC024 Municipal Jurisdiction until 30 June 2018.	Terminated	Poor performance	New service provider appointed on panel
BSM 006 17 E Dreyer t/a Dreyer Cleaning and Utility services	2017-01-17	2019-06-30	Cleaning of CBD area in Stellenbosch.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 009 17 Country Building Supplies	2017-03-08	2019-06-30	Supply and delivery emergency fire and flood kits	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 014 17 TMT Services and Suppliers (Pty) Ltd	2017-06-30	2020-06-30	Provision of Traffic Law Enforcement equipment, back office system and related services.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 039 17 Polorama Wholesalers CC	2017-03-30	2019-06-30	Supply and delivery of emergency food parcels.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 043 17 EWC Vehicle Communication	2017-07-19	2019-06-30	Supply and installation of a vehicle monitoring solution and tracking system.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 006 17 E Dreyer t/a Dreyer Cleaning and Utility services	2017-01-17	2019-06-30	Cleaning of CBD area in Stellenbosch.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 049 17 AW Management Consulting	2017-07-01	2017-12-31	Ward based risk assessment	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 050 17 Altech Alcom Matomo	2017-04-10	2019-06-30	Supply and deliver new radio and pagers	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 061 17 Redhills	2017-04-10	2019-06-30	Supply ,install and commission of cameras at various sites in wc024	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 076 17 EM Hartley t/a Redhills Electronics	2017-06-14	2019-06-30	Supply, Install and Commissioning of CCTV Systems.	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 083 17 Umzali Civils (Pty) Ltd	2017-10-18	2018-06-30	Upgrading Of Astro Turf At The Hockey Court, Idasvalley Sportsground, Stellenbosch	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 017 18 Amabamba Fencing (Pty) Ltd	2018-05-03	2020-06-30	3 Year tender for supply and installation of rigid security fencing In The WC024 Area	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 024 18 Sysman Technologies	2017-12-14	2020-06-30	Supply, Installation And Maintenance of a Comprehensive Computer Aided Despatch System and Automated	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			Station Controls (Fire Alarms)			
BSM 031 18 GP TOWING	2017-03-01	2018-06-30	Appointment of service providers for the impoundment of vehicles	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 044 18 MBA CONSTRUCTION	2018-04-12	2018-06-30	The building of ablution facilities at Lanquedoc Sportsground, Lanquedoc	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 050 18 NOKHALA CLEANING SERVICES	2018-03-01	2020-06-30	Appointment of a Service Provider for the provision of food for Emergency situations for a period ending 30 June 2020	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 058 18 - 1 Chipper SA CC	2018-05-03	2019-06-30	Pruning, Felling And Stump-Grinding In Stellenbosch Municipal Area For A Contract Period Of 12 Months	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 058 18 - 4 Trees Unlimited CC	2018-05-03	2019-06-30	Pruning, Felling And Stump-Grinding In Stellenbosch Municipal Area For a Contract Period Of 12 Months	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 069 18 GREEN OUTDOOR GYMS	2018-06-01	2020-06-30	Supply, Delivery and Installation of Outdoor Gym Equipment	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 070 18 EZ GRASS T/A THE SYNTETIC TURF	2018-06-01	2020-06-30	Supply, Delivery and Installation of Artificial Gras	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 058/18 Stodart Trees	2018-05-03	2019-06-30	Pruning, Felling And Stump-Grinding In Stellenbosch Municipal Area For A Contract Period Of 12 Months	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required
BSM 058/18 Trees Unlimited	2018-05-03	2019-06-30	Pruning, Felling And Stump-Grinding In Stellenbosch Municipal Area For	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
			A Contract Period Of 12 Months			

Table 3.18 Service Providers – Community and Protection Services

3.1.13.7 OFFICE OF THE MUNICIPAL MANAGER

Description of services rendered	Start of contract	End of contract	Performance areas	Performance progress	Performance comment	Corrective measures
BSM 007 17 -3 Nexia SAB and T	2017-01-16	2019-06-30	Audit, fraud and forensic investigative services for a period ending 30 June 2019	Satisfactory	Service was rendered in compliance with tender requirements	No corrective measures were required

Table 3.19 Service Providers – Office of the Municipal Manager

3.1.14 Municipal Functions

3.1.14.1 ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

Municipal Function	Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	Yes
Electricity and gas reticulation	Yes
Fire fighting 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
Constitution Schedule 4, Part B functions:	
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
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes

Municipal Function	Yes / No
Constitution Schedule 4, Part B functions:	
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
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

Table 3.20 Municipal Functional Areas i.t.o. the Constitution

3.1.15 Development and Service Delivery Priorities and Targets set for 2018/19

The main development and service delivery priorities for 2018/19 form part of the Municipality's Top-Layer SDBIP and are indicated in the table below:

3.1.15.1 VALLEY OF POSSIBILITY

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL1	Planning and Economic Development	Create jobs through municipality's local economic development initiatives including capital projects	Number of Full Time Equivalent's Created as a % of the possible total given the allocated budget	All	106
TL2	Planning and Economic Development	Percentage of land-use applications submitted to the Municipal Planning Tribunal within the prescribed legislated period and within a maximum of 120 days.	Quarterly status report of land-use application submitted to the Municipal Planning Tribunal	All	4
TL3	Planning and Economic Development	Number of training opportunities provided to entrepreneurs and SMME's	Quarterly training events hosted with attendance registers as proof	All	4
TL4	Planning and Economic Development	Revised SPLUMA compliant SDF in line with the Integrated Development Plan for submission to Council by May	SDF Amendment submitted to Council by May annually	All	1
TL5	Planning and Economic Development	Development and finalisation of design of Kayamandi Town centre into sustainable living units to promote dignify living by June	Finalisation of planning and preliminary design submitted to a Committee of Council/Mayco	13	1
TL6	Planning and Economic Development	Revised housing pipeline submitted to a Committee of Council/Mayco	Reviewed the housing pipeline and submit it to a Committee of Council/Mayco by March	All	1
TL7	Planning and Economic Development	Develop the Human Settlements Plan (HSP) and Urban Development Strategy for submission to Council by June	Plan submitted to Council	All	1

Table 3.21 Service Delivery Priority 2018/19: Valley of Possibility

3.1.15.2 GREEN AND SUSTAINABLE VALLEY

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL8	Engineering Services	External Audits of Stellenbosch Waste Disposal Facilities (4 quarterly and 1 external audits)	Number of Audits completed. Reports by external consultant	All	5
TL9	Engineering Services	Review the Waste Management By-Law and submit it to a Committee of Council/Mayco by June	Drafted Waste Management By-Law submitted to a Committee of Council/Mayco by June	All	1
TL10	Planning and Economic Development	Number of building applications processed within the prescribed/legislated period and reported to a Committee of Council/Mayco	Number of building plan applications Status report submitted to a Committee of Council/Mayco	All	4
TL11	Engineering Services	70% Weighted Average effluent quality achieved in terms of requirements as regulated by the water use license for all Waste Water Treatment Works	% effluent quality as reported on Ignite and using reports from an external laboratory	All	70%

Table 3.22 Service Delivery Priority 2018/19: Green and Sustainable Valley

3.1.15.3 SAFE VALLEY

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL12	Community and Protection Services	Revised Disaster Management Plan submitted to a Committee of Council/Mayco by June annually	Revised Plan submitted to a Committee of Council/Mayco by June annually	All	1
TL13	Community and Protection Services	Revised the Safety and Security Strategy submitted it to a Committee of Council/Mayco by June annually	Revised Strategy submitted to a Committee of Council/Mayco by June annually	All	1

Table 3.23 Service Delivery Priority 2018/19: Safe Valley

3.1.15.4 DIGNIFIED LIVING

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL14	Engineering Services	Number of new sewer connections meeting minimum standards	Number of waterborne toilets facilities provided by 30 June	All	20

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL15	Planning and Economic Development	Land identified for emergency housing	Report with recommendations submitted to a Committee of Council/Mayco by 30 June	All	1
TL17	Financial Services	Number of units to indigent households for free basic water per month (kiloliter of water)	Number of households receiving kiloliters of water from municipal infrastructure network per month	All	6
TL18	Financial Services	Number of indigent households with access to free basic services (water, electricity, sanitation and solid waste removal)	Number of indigent account holders receiving free basic water, sanitation, electricity and refuse removal per month i.t.o. the indigent policy of the municipality	All	6000
TL19	Financial Services	Number of units to indigent households for free basic electricity per month (kWh)	Number of indigent households with access to free basic electricity per month i.t.o. the indigent policy of the municipality	All	100
TL20	Financial Services	Limit unaccounted for electricity to less than 10% annually $\{(Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated - Number\ of\ Electricity\ Units\ Sold(incl.\ Free\ basic\ electricity)) / Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated\} \times 100\}$	12 Month moving average used. Losses calculated on the total consumption and purchases of current month plus 11 preceding months as reported on Ignite and using reports from SAMRAS	All	9%
TL21	Engineering Services	90% Weighted Average water quality achieved as per micro, chemical, operational and physical determinants in terms of the Blue Drop requirements regulated by SANS 241 for all Water Treatment Works	% Average water quality achieved as per micro, chemical, operational and physical determinants as reported on Ignite and using reports from an external laboratory	All	90%
TL22	Engineering Services	Limit unaccounted water to less than 25% by June annually	Percentage of unaccounted for water calculated in terms of standard IWA formula as reported on Ignite. (Unaccounted means unbilled water plus losses) (Quarterly reporting information of the previous quarter from the months April to March)	All	20%
TL23	Planning and Economic Development	Alignment of Municipal and Provincial Government housing waiting lists by June	Aligned Waiting lists submitted to the Director	All	1

Table 3.24 Service Delivery Priority 2018/19: Dignified Living

3.1.15.5 GOOD GOVERNANCE AND COMPLIANCE

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL16	Financial Services	Provide consumer accounts iro clean piped water, sanitation/sewerage, electricity and solid waste to formal residential properties which are connected to a municipal infrastructure network as at 30 June annually	Number of consumer accounts iro formal residential properties receiving piped water on a monthly basis	All	24000
TL24	Financial Services	Financial viability measured in terms of Cost Coverage ratio	Cost coverage as at 30 June annually ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	All	4
TL25	Financial Services	Achieve an average payment percentage of 96% by 30 June annually (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	All	96%
TL26	Financial Services	Ensure that the percentage of the Municipality's capital budget spent on capital projects by June annually, in line with the annual target	% of the Municipality's capital budget spent by 30 June annually {(Total Actual capital Expenditure/Approve of Capital Budget) x 100}	All	90%
TL27	Office of the Municipal Manager	The percentage of people from employment equity target groups employed (to be appointed) in the three highest levels of management in compliance with the municipality's approved employment equity plan	Number of appointments made in the three highest levels of management in compliance with the municipality's approved employment equity plan	All	75%
TL28	Strategic and Corporate Services	The percentage of actual payroll budget spent on implementing the municipal Workplace Skills Plan	% of municipality's payroll budget actually spent on implementing its workplace skills plan ((Total Actual Training Expenditure/ 1% of Total Annual payroll Budget) x100)	All	0.95%
TL29	Financial Services	Financial Viability measured in terms of Debt Coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	All	15
TL30	Financial Services	Financial Viability measured in terms of Service Debtors	% of outstanding service debtors (Total outstanding service debtors/ revenue received for services)	All	27%

Ref	Directorate	KPI	Unit of measurement	Wards	Annual target
TL31	Office of the Municipal Manager	Revise the Risk based audit plan and submit to the Audit Committee by 30 June annually	Reviewed RBAP submitted to the Audit Committee by 30 June annually	All	1
TL32	Office of the Municipal Manager	Approved Audit Action Plan by 28 February annually to address the issues raised in the Audit Report for the relevant financial year	Audit action plan developed and approved by 28 February annually	All	1
TL33	Office of the Municipal Manager	Revise the risk register submitted to the Risk Management Committee by 30 June annually	Reviewed risk register submitted to the Risk Management Committee by 30 June annually	All	1
TL34	Strategic and Corporate Services	Revise the ICT Backup Disaster Recovery Plan submitted to the ICT Steering Committee by December annually	Reviewed ICT Backup Disaster Recovery Plan submitted to the ICT Steering Committee	All	1
TL35	Strategic and Corporate Services	Revised Strategic ICT Plan submitted to the ICT Steering Committee by 31 May annually	Reviewed Strategic ICT Plan submitted to the ICT Steering Committee by 31 May annually	All	1
TL36	Office of the Municipal Manager	Compile and submit the draft IDP to Council by 31 March annually	Draft IDP compiled and submitted to council by 31 March annually	All	1
TL37	Financial Services	Revise the asset management policy by 30 June annually	Updated policy submitted to the Council annually	All	1
TL38	Financial Services	Implement the Municipal Standard Chart of Accounts.	Report quarterly on the implementation of MSCOA to a Committee of Council/Mayco	All	1
TL39	Strategic and Corporate Services	Development of a Centralised Customer Care strategy submitted to a Committee of Council/Mayco by 28 February	Developed strategy submitted to a Committee of Council/Mayco by 28 February	All	1
TL41	Engineering Services	Revise the Electrical Master Plan by June (dependent of SDF approval) submitted to a committee of council/mayco	Review Electrical Master Plan by June (dependent of SDF approval)	All	1
TL42	Engineering Services	Curtail domestic and industrial water consumption by 45% measured in terms of the equivalent average consumption of 5 years.	Domestic and industrial water consumption curtailed by 45%, measured in terms of the equivalent average consumption of 5 years from 2010/11 until 2014/15 (Quarterly reporting)	All	-45%

Table 3.25 Service Delivery Priority 2018/19: Good Governance and Compliance

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

3.1.16 National Key Performance Indicators – Basic Service Delivery and Local Economic Development

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.

KPA and Indicators	2014/15	2015/16	2016/17	2017/18
Basic Service Delivery				
The number of households with access to free basic services and that are earning less than R6 000 (from 2017/18) and less than R3 000 per month (2014/15) - (service for water, sanitation and refuse removal)	5 757	6 486	5 686	6 453
Service for water, sanitation and refuse removal	5 757	7 042	5 686	6 453
Local Economic Development				
The number of jobs created through municipality's Local Economic Development initiatives including capital projects	EPWP Job Creation 613	EPWP Job Creation 745	EPWP Job Creation 747.48 FTE's	EPWP Job Creation 695 FTE's

Table 3.26 National KPIs – Basic Service Delivery and Local Economic Development

3.1.17 Water Provision

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

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

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

Due to on-going drought and very low rainfall recorded in recent years, the municipalities in the Western Cape had to enforce water restrictions.

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

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

The total population supplied with water in the Stellenbosch Municipal area amount to approximately 168 737 people. Water is also supplied to a fairly extensive industrial area.

Stellenbosch Local Municipality manages three water treatment works, namely Idas Valley, Paradyskloof and Franschhoek. The potable water supply from these works amounts to 16.76 Ml/d on average and a further 7.69

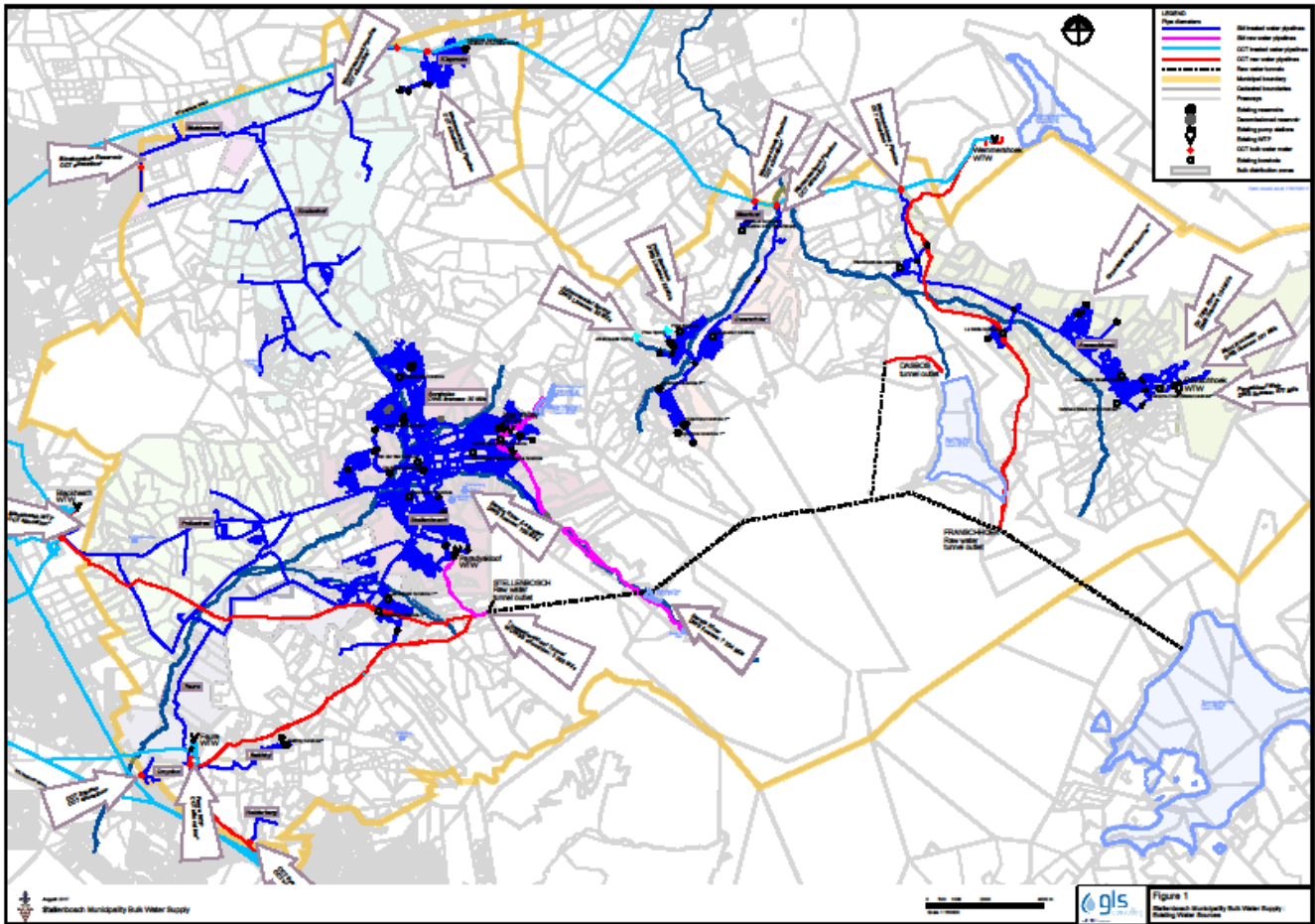
MI/d was obtained from the City of Cape Town during the financial year, ensuring a supply of approximately 24.46 MI/d to the Municipality's area of responsibility.

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

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

The bulk water input into the water network for 2017/18 was 8 661 MI, with an annual average daily demand of 23 729 kl/day. 40% of the water supplied is purified from own water sources at the Ida's Valley and Franschhoek water treatment plants. The balance is supplied by the City of Cape Town and the Paradyskloof water treatment plant, where raw water supplied by the Department of Water and Sanitation is purified. Potable water supplied from the City of Cape Town is analysed on a monthly basis by the City of Cape Town.

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



During the 2017/18 financial year, the municipality recorded 21.7% non-revenue water.

The table below 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 the water loss. This is combined with a monitoring system installed on all bulk water supply points to determine and ensure accurate data of water provided. The consumptions data for all water users is drawn from the SAMRAS system with a regular data download to determine the total water sold. The table below 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 following diagrams were used to calculate the water balance.

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 includes water pipe replacement program, indigent domestic leak repair and meter replacement programme, Stellenbosch water meter audit and Stellenbosch in-house water services operation and maintenance.

In Stellenbosch more stringent water restrictions in line with a level 3 water restrictions were imposed with effect from 1 December 2016 due to the lower than normal dam levels. Water restrictions in line with Level 3B were

implemented 1 February 2017 and the proposal evaluated to include on the spot fines for transgressions of the water restrictions.

The severity of the drought and with guidance from DWS and CoCT, level 6B Water Restrictions were implemented 17 February 2018.

According to Stellenbosch Municipality water savings and restrictions must be seen as necessary in the light of the decreased supply dam levels, specific for the Western Cape. The Stellenbosch Municipality in Stellenbosch town itself, sparingly consumed water from the Idas Valley 1 and 2 dams during the peak of the drought that resulted in the two Idas Valley dams not dropping to below approximately 80%. Stellenbosch Municipality also implemented water restrictions in line with that of City of Cape Town (Level 6B).

Day "0" Estimate

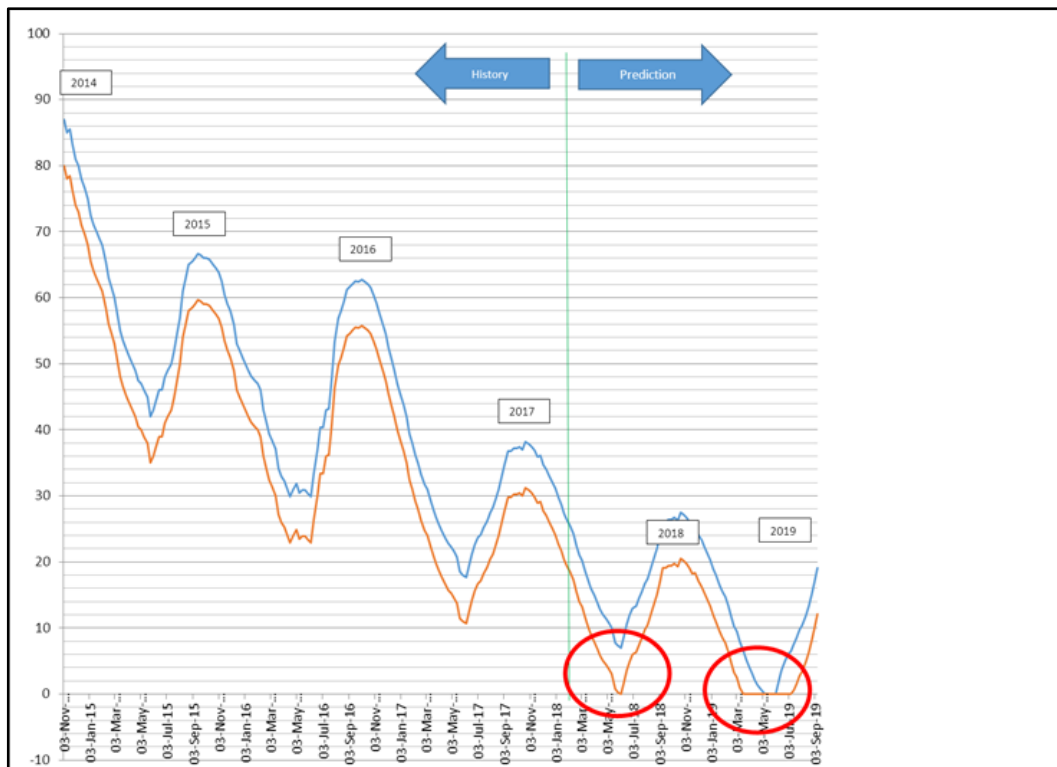


Figure 3.2 Day "0" Estimate

The severity of the Drought has also triggered the Municipality to embark on a comprehensive water master plan study that takes a new look at available water resources and investigate alternative water sources to augment the Municipal's existing water supply, in the **face of the persistent drought conditions**.

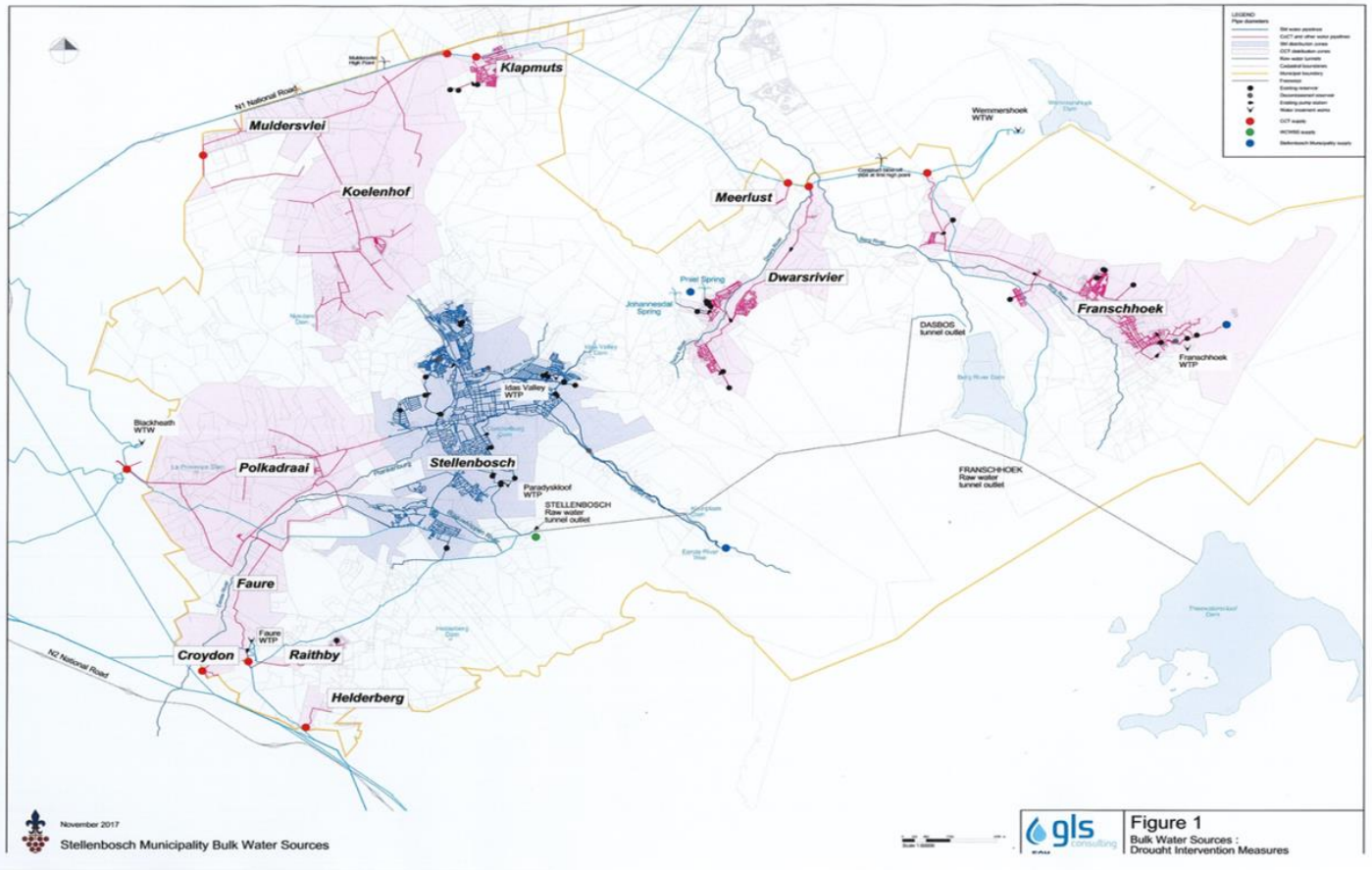


Figure 3.3 Stellenbosch Bulk Water Supply network

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

Borehole Drilling in WC024

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



3.1.18 Service Statistics – Water Services

The table below outlines water usage totals per category:

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%

Table 3.27 Total use of water by category (Mℓ)

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

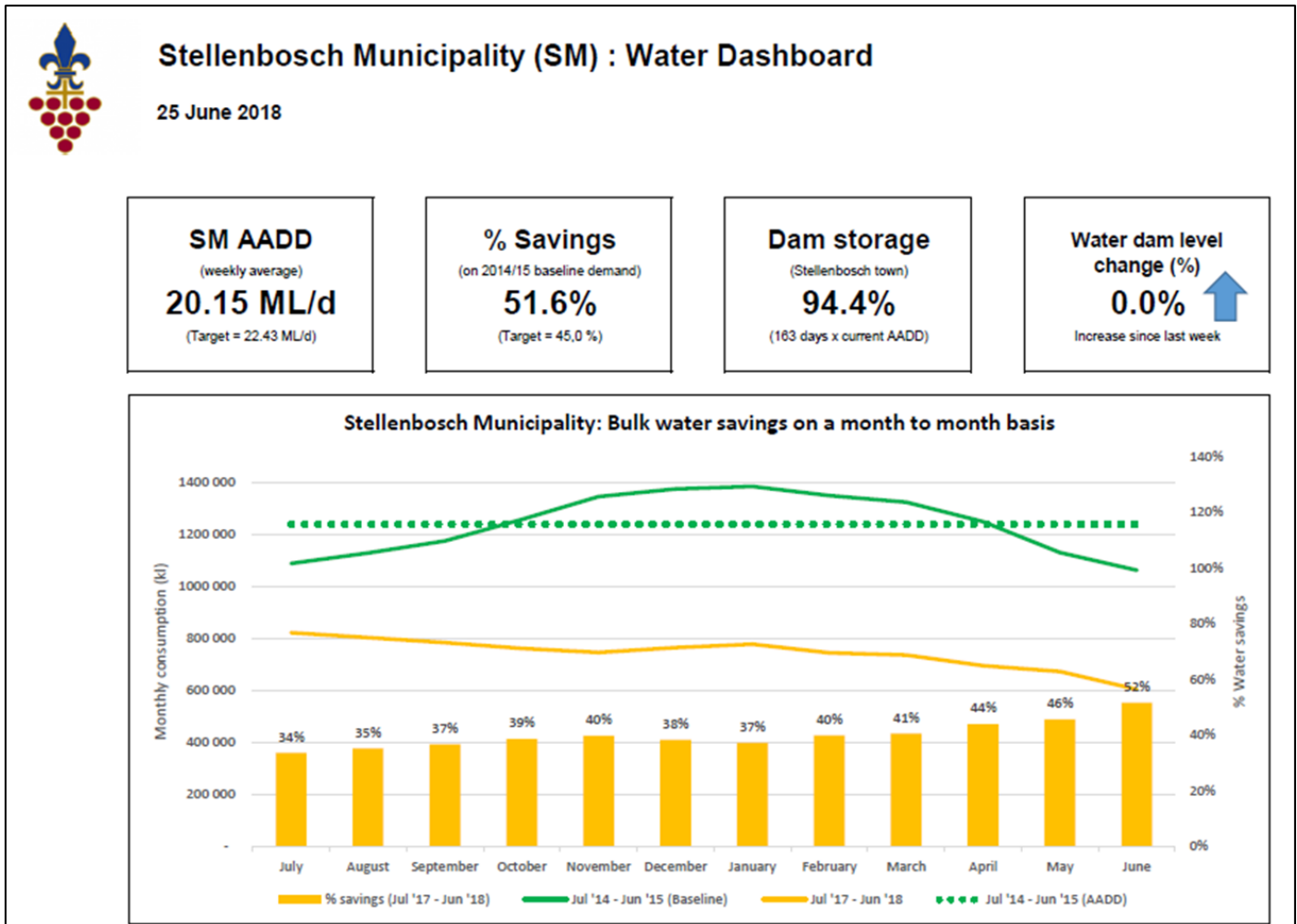


Table 3.28 Age Annual Water consumption

3.1.19 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) wherever it is practical, provided it is financially viable and sustainable to do so.

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

The 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 works 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 the houses (higher level of service).

Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. The Municipality takes note of the fact that communal standpipes represent probably the weakest part of a network's water supply services. Standpipes are often constructed in ways that cannot withstand excessive use (and abuse) and are often neglected in terms of operation and maintenance, adversely affecting the health of their already vulnerable and poor users.

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

Below is a table that specifies the different water service delivery levels per households:

Description	2013/14 (audited)	2014/15 (audited)	2015/16 (audited)	2016/17 (audited)	2017/18
Household					
Water: (above minimum level)					
Piped water inside dwelling	18 946	31 437	37 902	37 989**	38 027**
Piped water inside yard (but not in dwelling)	Not applicable	3 517	3 596	3 596	3 596
Using public tap (within 200m from dwelling)	14 903	6 231	8 491	9 238	9 699
Other water supply (within 200m)	Not applicable	Not Applicable	Not applicable	Not applicable	Not applicable
Minimum Service Level and Above Sub-Total	33 849	41 185	49 989	50 823	51 323
Minimum Service Level and Above Percentage	99.63	94.85	99.75	99.75	99.75
Water: (below minimum level)					
Using public tap (more than 200m from dwelling)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Other water supply (more than 200m from dwelling)	125	1 830	125	Not applicable	Not applicable
No water supply	Not applicable	405	405	Not applicable	Not applicable
Below Minimum Service Level Sub-Total	125	2 235	530	0	0
Below Minimum Service Level Percentage	0.37	5.15	1.06	0	0
Total Number Of Households (formal and informal)	33 974	43 420	48 002	48 002	52 374

Table 3.29 Water Service Delivery Levels

* Metered Properties ** Households

3.1.20 Capital Expenditure – Water Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
106 Bulk Water Supply Pipe Reservoir: Dwars Rivier (Johannesdal / Kylemore / Pniel)	18 100 000	19 087 651	5.46%
103 Bulk Water Supply Pipeline and Reservoir - Jamestown	4 498 490	4 150 387	-7.74%
109 Water Treatment Works: Paradyskloof	21 200 000	20 016 699	-5.58%
117 Water Conservation and Demand Management	69 002 314	69 456 930	0.66%
Relocation/Upgrading main water supply line	7 600 000	4 853 202	-36.14%
<i>Only the 5 largest capital projects are listed</i>			

Table 3.30 Capital Expenditure as at 30 June 2018: Water Services

Water Services have spent, **95.83%** of the capital budget for the financial year.

3.1.21 Total employees – Water and sanitation

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	1	0	0%
15 – 13	21	0	0	0%
12 – 10	52	11	2	4%
9 – 7	12	33	3	25%
6 – 4	9	6	0	0%
3 – 0	2	28	37	0%
Total	197	79	42	21%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.31 Total Employees – Water Services

3.1.22 Waste water (sanitation) provision

The main focus for the 2017/18 financial year was to complete the upgrade of the existing Stellenbosch Wastewater Treatment Works (WWTW), Klipmuts Wastewater Treatment Works identify and resolve operational issues of the new Wemmershoek Wastewater Treatment Works. The construction of the new Plankenbrug Outfall Sewer is also in process.

The extension of the Stellenbosch WWTW from a 20MI/day to a 35MI/day plant commenced in April 2015. This completed plant made use of Membrane Bioreactor Technology to ensure that current and future demand flows 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. This project is nearly complete and is in the commissioning phase.

The construction of Phase 1 of the new Plankenbrug Outfall Sewer commenced in October 2015 and was completed in June 2017. The total value of Phase 1 was R42 million and consist of a new 1200 mm diameter HDPE lined concrete pipe that is laid from the Stellenbosch WWTW up to Bosman's Crossing. The construction for Phases 2 and 3 have commenced and will result in additional sewer capacity for future development and address current demand in the Adam Tas/ Plankenbrug drainage area to Stellenbosch WWTW which includes Kayamandi and the Northern extension..

The construction for the upgrade to Klapmuts WWTW commenced in January 2016 and was completed in December 2016. This upgrade provided additional capacity at the plant for future development and address current demand in the Klapmuts drainage area to Klapmuts WWTW. The total construction value of this project was R33 million. The project was funded by the Stellenbosch Municipality and Department of Water and Sanitation (DWS) through its Municipal Infrastructure Grant (MIG) initiative. This project is complete.

One of the major challenges facing the municipality is the need for replacement/ upgrading of existing assets which have aged and deteriorated to the point where the majority of the sewer infrastructure has been "consumed". The bulk of the backlog is made up of the sewer reticulation assets and the Stellenbosch WWTW which is currently being upgraded.

3.1.23 Sanitation Service Delivery Levels

The table below specifies the different sanitation service delivery levels per households for the financial years 2013/14, 2014/15 2015/16, 2016/17 and 2017/18:

Description	2013/14 (audited)	2014/15 (audited)	2015/16 (audited)	2016/17 (audited)	2017/18
Household					
Sanitation/sewerage: (above minimum level)					
Flush toilet (connected to sewerage)	18 408*	37 804**	37 902**	37 939**	38 027
Flush toilet (with septic tank)	+/-1 100	1 709	1 079	1 079	1 079
Chemical toilet	138	321	321	114	94
Pit toilet (ventilated)	0	209	209	0	0
Other toilet provisions (above minimum service level)	0	1 038	1 038	0	0
Minimum Service Level and Above Sub-Total	19 646	41 081	40 549	39 132	39 252
Minimum Service Level and Above Percentage	99.58	92.75	94.86	97.51	97.01%
Sanitation/sewerage: (below minimum level)					
Bucket toilet	100	1 137	125	0	0
Other toilet provisions (below minimum service level)	0	1 038	1 038	0	0
No toilet provisions	0	1 035	1 035	0	0
Below Minimum Service Level Sub-Total	100	3 210	2 198	1 193	1 173
Below Minimum Service Level Percentage	0.43	7.25	5.14	2.49	0
Total Number of Households	18 946	44 291	42 747	40 325	52 374

Table 3.32 Sanitation Service Delivery Levels

3.1.24 Capital Expenditure – Sanitation Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
112 New Plankenburg Main Outfall Sewer	27 387 494	29 044 760	6.05%
115 Idas Valley Merriman Outfall Sewer	2 561 250	1 198 904	-53.19%
152 Upgrade of WWTW Wemmershoek	2 664 177	1 967 787	-26.14%
Upgrade of WWTW: Klapmuts	3 964 040	3 330 891	-15.97%
153 Extention Of WWTW: Stellenbosch	40 715 000	39 375 203	-3.29%
<i>Only the 5 largest capital projects are listed</i>			

Table 3.33 Capital Expenditure as at 30 June 2018: Sanitation Services

Sanitation Services have spent, **96.62%** of the capital budget for the financial year.

3.1.25 Major projects implemented

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
WATER CONSERVATION AND WATER DEMAND MANAGEMENT (WC/WDM) INITIATIVES				
Water Pipe Replacement Program	Replacement of aging water mains in the WC024 network using Prioritisation Programme	R10M / annum	Assist with long-term water security Reduction in water losses. Reduction in number of regular pipe breaks and leakages Replace approx. 6 600m of water mains Replace 306 water meters Contribute to the decrease in number of burst mains from average 4/day to 1/day	This multi-year program is set to continue for many years. The budget allocation has increased from R 500 K/annum to R10 M/annum over the past 8 years
Stellenbosch Water Meter Audit	The audit of all water meters in the Dwarsriver and Franschoek area is in progress.	R3.5M	Implementation of WC/WDM strategies Improve accuracy of billing and revenue collection Reduce water losses	This multi-year program. The completion of study in certain areas in Stellenbosch is complete and the study in other areas will commence soon.
Stellenbosch In-House Water Services Operation and Maintenance	On-going operation and maintenance work to the existing water networks	R2.5M /annum on-going	Replacement of water meters Repaired burst mains, Repaired house connection and other leaks Repaired and replaced hydrants and valves. Replaced 100m deteriorating water mains	Significant reduction from 4 leak repairs/day to average 1/day over the past 5 years
Planning of New Cloetesville Reservoir	A consultant was appointed for the design of a new reservoir in Cloetesville to address the current and future demand requirements in this area.	R500 000	Eradicate previous problems with insufficient water supply and storage capacity in Cloetesville. Increased capacity for future demand.	This project is in design phase. The project is expected to be completed in 2019.
Planning of Bulk Water Supply Lines, Pump stations and Reservoir for Dwarsriver Area	New supply pipelines, pump stations and reservoirs are constructed in Dwarsriver Area to address the current and future demand requirements in this area.	R36.2M	Eradicate previous problems with insufficient water supply and storage capacity in Dwarsriver area. Increased capacity for future demand.	This project is currently in tender phase. A Contractor will be appointed in 2017/18 FY to commence with construction.
Bulk Water Supply Pipeline Jamestown	The construction of a new bulk water pipeline	R15.4M	Eradicate previous problems with insufficient water supply and storage capacity in Jamestown area.	A Contractor was appointed in 2016 and construction to be

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
	from Paradyskloof water treatment works to Jamestown		Increased capacity for future demand.	completed in 217/18 FY
Water Treatment Works Paradyskloof	Upgrading of the existing works to increase the current treatment capacity.	R42.2	Various upgrades and modifications to treatment works to be made to increase treatment capacity.	Contractor was appointed and the project is currently underway.
Update Water and Sewer Master Plan and IMQS	Updating of the existing water and sewer master plan to incorporate changes since the last update. These changes and updates is also updated on IMQS	R2.3M	Various updates and modifications to the existing Water and Sewer Masterplan	
Extension of the Stellenbosch Waste Water Treatment Works (SWWTW).	The extension of the Stellenbosch Waste Water Treatment Works (SWWTW) is one of the largest projects in Stellenbosch history.	R480M	Increased Treatment capacity to 35 Ml/day Resolves the critical need for present and future WWT demand in the area. Enable economic development in the area Support the housing provision pipeline	Classified as the number 1 priority in the administration. Currently moratorium on further development until completion of current phase. Phase 1 consist of constructing new 27MI/day MBR lane. Phase 2 the existing plant will be upgraded to BNR (Biological Nutrient Removal) system with capacity of 8MI/day. Project has reached 50% completion.
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)	R2.7M	Ensure allowance for future demand and economic growth and development of the greater Franschhoek and surrounding areas Increase capacity from 1.8ML/day to 7ML/day and eradicate Franschhoek WWTW challenges Allow decommissioning of existing Franschhoek WWTW.	Moratorium was placed on development, lifted after completion of new works. Staff is constantly trained to operate this plant which is highly technical.

Project Name	Scope	Project Cost	Benefit, Impacts and Goals achieved	Other Comments
Upgrade of Klapmuts WWTW	The upgrade of existing WWTW Phase 2	R3.3M	Phase 1: Capacity increased to 1.5Ml/day Phase 2: Capacity increase to 2.4Ml/day	Future upgrades will be phased in 2.4Ml/day modules up to a total of 7.2Ml/day. Activated sludge process with Belt press
New Plankenburg Outfall Sewer	The contract is in construction stage of Phase 1 of the new Plankenburg main sewer outfall. A new 1.2m concrete HDPE lined pipeline is being installed.	R22M	Increase capacity and ensure needs for future demand is met New main sewer outfall to tie into the newly extended Stellenbosch WWTW	Currently moratorium on further development until completion of phases 2 and 3

Table 3.34 Major projects implemented

3.1.26 Electricity

Eskom confirmed to have generation capacity in excess of the consumer demand. Recently load shedding was experienced due to the Eskom Industrial Strike and was not related to Electricity network constraints.

Stellenbosch Municipality contributed to Eskom's electricity supply stability, mainly with the following projects:

- The demand side management project was completed and is currently being used with great success.
- An Energy Efficiency and Demand Side Management project was implemented since 2009, to replace inefficient street light fittings with energy efficient (LED) fittings. More energy efficient technologies will be implemented at pump stations and municipal office buildings.
- Electricity supply is available to all formal households. Structures that were recently erected must have approval from the Department of Informal Settlements, before electricity can be installed. The supply of electricity within informal settlement areas is a priority for the Electricity Department. In some informal areas it is extremely difficult or impossible to supply electricity. In the absence of formal electricity connections, illegal connections are made from houses or informal structures already equipped with electrical supply, which give rise to unsafe situations. Prohibiting such unsafe connections is difficult to achieve since removed illegal connections are being replaced almost instantly.
- Free basic electricity (100 kWh) is supplied to all qualifying indigent households and residents in informal structures.

The electrical network was well maintained and unplanned power outages were kept to a minimum. Copper and metal theft was still experienced during the 2017/18 financial year. Forced entry is gained into municipal substations and mini-substations. Vandalism of the electrical infrastructure is experienced on a daily basis. The safety of staff is also in jeopardy when working in high risk areas and special arrangements must be made to ensure their safety. Access to the network is restrained due to structures being erected haphazardly as well as objects being installed on electrical poles (DSTV satellites, Telkom boxes etc.).

The main reasons discovered for vandalism of infrastructure and forced entry into substations and mini-substations are:

- For copper and metal theft; and
- To connect illegal and unsafe connections.

In the past, the Electrical Services department made several attempts to have the illegal and unsafe connections removed, unfortunately without success. The main contributing factors for the draw backs was the unavailability and capacity of Law Enforcement to safeguard and protect employees during the removal operations.

This challenge has been brought under the attention of the inspector of labour at the Department of Labour. A meeting between Department of Labour and Stellenbosch Municipality has been arranged on 8 August 2018 at 09h30.

On 8 January 2018, a seven year old female child was injured when she made contact with live parts of a medium voltage (MV) side of a mini-substation. The mini-substation was forcefully opened which is a serious act of vandalism. Since the incident, Stellenbosch Municipality investigated the fencing of mini substations for safety precautions and awareness in future. Three mini substations were fenced including the mini substation in 13th Street, Kayamandi, Stellenbosch. The fencing tender has been evaluated. Once the tender has been awarded substations and mini in residential areas will be prioritised for installation.

Vandalism of electrical infrastructure results in:

1. Power failures that negatively impact many consumers in the area;
2. Illegal connections contribute to power outages due to electric network overload; and
3. Poses serious safety risks to the general public as evidenced the incident of the 8th January 2018, where a seven year old female child was damaged after an electricity box was vandalised.

Performance achieved in relation to electricity supply is an estimated availability rate of +95% with minimum unforeseen failures during the year.

3.1.27 Electricity Service Delivery Statistics

Major Towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Stellenbosch	60	0	60.6
Franschhoek	10	0.1	9
Cloetesville	16	0	10.66

Table 3.35 Electricity Notified Maximum Demand

The maximum demand for electricity did not increase much due to a setback in economic growth. The electricity losses were 5.7% and the acceptable industry standard is 11%. The Department is continuously working towards reducing electricity losses.

The department is understaffed and is experiencing difficulty in attracting suitably qualified and competent persons. It is vital for the effective functioning of electricity services to be able to attract competent, skilled

and sufficiently experienced personnel. Resolving the staff shortages will improve the current working conditions of staff.

3.1.28 Electricity Service Delivery Levels

Description	2013/14	2014/15	2015/16	2016/17	2017/18
Household	audited	audited	audited	audited	unaudited
Energy: (above minimum level)					
Electricity (at least minimum service level)	4 121	5 576	6 486	6 486	6 453
Electricity - prepaid (minimum service level)	23 416	20 711	17 504	17 504	25 946
Minimum Service Level and Above Sub-Total	27 537	26 287	23 990	23 990	32 399
Minimum Service Level and Above Percentage	85.68	87.25	79.67	86.7	80.08
Energy: (below minimum level)					
Electricity (< minimum service level)	0	0	0	0	0
Electricity - prepaid (< min. service level)	4 021	5 757	4 460	4 460	6 453
Other energy sources	N/A	N/A	N/A	N/A	N/A
Below Minimum Service Level Sub-Total	4 021	6 707	4 460	4 460	6 453
Below Minimum Service Level Percentage	12.75	20.33	13.27	13.27	12.32
Total Number Of Households	31 558	32 994	48 002	48 002	52 374

Table 3.36 Electricity Service Delivery Levels

During the 2017/18 financial year the Electrical Department concentrated on the renewal and upgrading of old equipment. In Idas Valley old overhead networks were replaced by underground cables. The replacement of old overhead networks with underground cables must be extended to prevent the further ageing of the electrical infrastructure.

A grant from the Department of Energy enabled the replacement of streetlights with more efficient energy lamps. This should bring about a considerable saving on the streetlight consumption expenditure. Projects on capital budget were satisfactory completed in the 2017/18 financial year.

3.1.29 Capital Expenditure – Electricity Services

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Energy Efficiency and Demand Side Management	7 235 890	7 047 405	-2.60%
General Systems Improvements - Stellenbosch	18 721 127	17 531 873	-6.35%
Infrastructure Improvement - Franschhoek	1 898 542	1 897 977	-0.03%
Integrated National Electrification Programme	8 848 130	7 062 550	-20.18%
Specialised Vehicles	3 182 129	2 962 544	-6.90%

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
<i>Only the 5 largest capital projects are listed</i>			

Table 3.37 Capital Expenditure as at 30 June: Electricity Services

Electricity Services have spent, **91.79%** of the capital budget for the financial year.

3.1.30 Total employees – Electricity

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	9	2	0	0%
15 – 13	19	2	0	0%
12 – 10	9	13	2	22%
9 – 7	15	6	1	7%
6 – 4	9	18	1	11%
3 – 0	1	0	0	0%
Total	62	41	4	6%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.38 Total Employees – Electricity

3.1.31 Waste management Refuse collections waste disposal and recycling

3.1.31.1 SOLID WASTE MANAGEMENT

The Solid Waste Management Department experienced a number of challenges and highlights over the 2017/18 financial year. The department experienced growth in its organisational structure by virtue of the Area Cleaning Services Unit being transferred from Community Services to this department in January 2018. The merger has had a number pro's and some growing pains which will need attention going forward. To address the vacancies experienced, a number of Extended Public Works Programme (EPWP) staff was acquired, in the interim, to assist in this regard. The focal areas were the informal settlements, such as Enkanini, Langrug, and Mandela City, to name a few, which were previously in a poor condition with regards to cleanliness, with illegal dumping being one of the main contributors. Access to some of the areas was also a challenge, due to inaccessible spaces for plant and equipment to effectively clean the area.

This department continued to initiate a number of projects. The successful establishment of the Swopshop concept culminated in the procuring of a trailer, wherein the goods were stored and traded from. Other highlights included the Environmental Management training of 25 community participants, through a project funded by the Department: Environmental Affairs, which constituted of classroom theoretical training (12 March 2018 – 30 May 2018) and in-service practical experience (1 June 2018 – 30 November 2018). Participants received an accredited certificate at the end of the programme, in addition to receiving a daily

allowance of R110/day on the programme. A second accredited training programme on Waste Management was also initiated in April 2018, for 22 community participants, which will conclude in mid-August 2018.

Most of the capital projects were a continuation of from the previous years' work. The Final Basic Assessment Report (FBAR) was submitted to Department: Environmental Affairs and Development Planning in November 2017, in order to be granted a Closure Licence for the closed landfill cells, which will enable the municipality to proceed with the rehabilitation and capping of Cells 1 and 2.

A feasibility study was conducted regarding the potential of utilising the 1.6 hectare ground adjacent to the landfill as an area where pickers could use the space for agricultural purposes, as a means of food security and entrepreneurship. Indications are that this could be successfully implemented, subject to mitigation of challenges listed. National and Provincial governments' target of reducing 50% of all organic waste to landfill by 2022 was communicated to all municipalities, and this will be written into the permit/license conditions of all disposal facilities. In order to prepare for this target, this department appointed an environmental consultant to conduct specialist studies in order to prepare the draft basic assessment report, and an engineering consultant for the design and planning for the intended organic waste transfer station in Stellenbosch.

A number of waste minimisation projects were implemented, and others continued, in order to curb the steady stream of waste to the Devon Valley Landfill Site for disposal. These included the shredding of garden greens, crushing of builders' rubble, the on-going separation-at-source programme in selected wards, the appointment of a service provider to not only collect the separated recyclables, but also process same at the mini Materials Recovery Facility, the Swopshops in the informal areas and a household hazardous waste collection day in Stellenbosch. This approach was very positively received by members of the public, culminating in the successful collection of electronic waste accepted at the landfill site and benefited by a registered service provider. This was necessitated by the pressure of the Devon Valley Landfill Site, as the site has 17 months of airspace remaining for disposal.

Due to the critical remaining airspace at the landfill site, a Municipal Systems Act Section 78(1) and (2) process was undertaken and approved by Council to extend the footprint of the landfill site. This is possible should Eskom relocate some of the overhead 66kV and 132kV overhead power-lines. Discussions were initiated with Eskom to execute such relocation, commencing in the 2018/19 financial year. This has the potential to provide an additional 18 years of airspace at current disposal rates, but with more aggressive waste minimisation as recommended in the draft 3rd Generation Integrated Waste Management Plan, this could be extended to 40 years.

The previous National Government Youth Jobs in Waste Programme came to an end in March 2018. Employees were offered contracts to continue with Education and Awareness programmes within the WCO24 region. The Principal Technician: Waste Minimisation and Disposal, who was the coordinator of the Swopshops, resigned in April 2018. These vacancies resulted in the Swopshops being placed on temporary hold, until these positions are filled in the near future.

3.1.31.2 REFUSE COLLECTION

The Refuse Compactors have on average lifted 120 137 wheelie bins a month in 2017/18 financial year. This is significantly more than the 76 000 reported in the previous financial year, and this increase is largely due to

the additional fleet procured which has data loggers; this was not the case when vehicles were hired previously.

	Monday	Tuesday	Wednesday	Thursday	Friday
CL 64272	475	472	923	674	465
CL 45835	695	766	788	944	585
CL 31479	973	470	818	644	295
CL 64779	422	571	549	715	422
CL 71677	435	702	717	730	365
CL 81138	755	800	832	996	605
CL 27923	620	521	377	370	266
CL 27347	600	740	697	761	416

Table 3.39 SWM Refuse Compactors weekly lifts



Waste bags collected in Enkanini Collection of 240l wheelie bins Black Bag Distribution:

R400 000 was spent on black bags which was distributed to all informal areas to improve refuse collection. The black bag distribution is scheduled and rolled out in Kayamandi (which include Enkanini, the Taxi Rank and Zone O) and Klipmuts (which include Hop Huis and New Houses), where distribution time is normally a week to complete the entire area. Scheduled distribution also occurs in the informal settlements of Jamestown, Vloffenburg and Langrug, where it takes approximately three days per area to complete the distribution. A three year tender has been awarded for the continuous provision of black bags, which is an improvement on the formal quotation system previously in place.

Skips:

R400 000 was spent on new skips to increase the refuse collection footprint in Klipmuts, Franschoek, Vloffenburg and Jamestown.



New skips delivered to Stellenbosch Municipality Placement of skip in area

3.1.31.3 WHEELIE BIN ROLL-OUT

The Department has issued on 973 new bins to recipients in the 2017/18 financial year, of which 328 were replacement bins as a result of theft/loss.

Repairs and Maintenance

The Department has spent R 458 175.04 on repairs and maintenance from December 2017 to June 2018. From December 2017 the RT46 tender was utilised from National Treasury, and although there are a few challenges experienced which need to be resolved, a huge improvement is the accurate record-keeping of the system, which did not exist before.

Disposal of assets

No assets were disposed of in the 2017/18 financial year.

Acquisition of new assets

The department acquired 3 new 4 ton trucks for Area Cleaning (Hino 300), 2 Nissan LDVs, a UD 10 ton tipper truck and a digger loader were procured and added to the SWM fleet. The table below reflects the registration number, year model, asset procured, month of arrival and cost of asset:

Reg no	Year	Descriptions	Delivered	Value
CL 51075	2017	Hino 300 815 Crew Cab 6A 11	Nov-17	R 698 235.18
CL 83193	2018	Hino 300 815 Crew Cab 6A 11	May-18	R 698 235.18
CL 83195	2018	Hino 300 815 Crew Cab 6A 11	May-18	R 698 235.18
CL 83198	2018	Nissan NP200 1.6i	May-18	R163 634.79
CL 83197	2018	Nissan NP200 1.6i	May-18	R163 634.79
CL 52034	2018	Hino 300 815 Crew Cab 6A 11	Apr-18	R 698 235.18
CL 83465	2018	MST Digger Loader	Jun-18	R 918 177.55
CL 83483	2018	UD 10 Ton Tipper Truck	Jun-18	R1 075 087.11

Table 3.40 New area cleaning trucks



Hino 300, MST Digger Loader and Nissan NP200 LDV

3.1.31.4 WASTE DISPOSAL AND WASTE MINIMISATION:

The Department generated R 56 003 998 in refuse collection levies. The Devon Valley Landfill Site received the following quantities of waste which was recorded by the weighbridge at the site:

	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18
Industrial Refuse (Ton)	483	467	505	455	598	507	445	423	467	343	384	444
Domestic Refuse (Ton)	2 987	3 112	3 132	3 310	3 506	3 258	3 114	3 243	3 036	3 015	3 291	3 099
Green Refuse (Ton)	434	1103	350	322	357	366	381	344	317	485	626	486
Builders Rubble (Ton) to Landfill	1 110	572	175	1 143	1 701	994	1 237	2 509	1 866	2 419	4 057	2 492
Builders Rubble (Ton) Stockpiled	37	0	3	74	72	230	3 960	5 432	3 750	1 797	1 593	1 145
Clean cover/Soil (Ton)	1 382	937	845	881	1 065	980	1 007	772	503	663	666	1 328
Soil for Berms(Ton)	243	440	206	284	524	320	1 676	7 712	10 539	4 789	4 305	1 359
Area Cleaning (Ton)	64	166	145	226	678	628	483	400	269	463	618	769
Illegal Dumping (Ton)	170	207	114	216	57	14	78	151	176	156	157	140
Tailings from MRF (Ton)	23	8	5	7	83	51	42	71	25	19	19	17
Mixed Waste (Ton)	531	251	160	115	77	92	12	0	0	0	0	68
Green Jobs (Tons)	4	12	30	56	25	46	49	35	42	43	46	35
Miscellaneous (Ton)	8	29	10	96	90	93	*1 891	*1 968	*1 211	341	126	125
TOTAL	7 476	7 304	5 680	7 185	8 833	7 579	14 375	23 060	22 201	14 533	15 888	11 507

Table 3.41 Landfill statistics for incoming waste for 2017/18 financial year

(*higher values due to berm construction)

The table above refers only to incoming waste which was captured over the weighbridge as in-coming loads, and not what went off-site:

- "Green Jobs" refer to the tons cleared from Moloks stationed in Kayamandi and Langrug;
- "Tailings from MRF" are the non-recyclables found in the separation-at-source clear bags collected and processed by Resource Innovations;
- "Area Cleaning" and "Illegal Dumping" reflects work done by the Area Cleaning component;
- "Clean cover/Soil" was previously referred to as "Cover-to-Waste" is the amount of soil utilised as waste cover, whilst the rest is stockpiled as clean cover/soil. The service provider bills the municipality for waste handled and not stockpiled, and it is for this reason that a clear distinction is made between the two categories.

The total waste received at the landfill site was 145 621t in the 2017/18 financial year. This is a 9.93% decrease when compared to the corresponding period a year ago, when 161 681 tons entered the facility. This is the first time that a decrease in the quantity of waste had been experienced since a weighbridge had been installed and is operational at the landfill. This is primarily due to the fact that strict controls are in place ensuring that only waste generated from within the WC024 is accepted at the site. The waste streams that had major declines include builders rubble (3290t) and soil (15742t); this could imply a decline in construction work over the past financial year, or the fact that a number of contractors that used to bring this waste stream from outside the WCO24 were prevented from using this site. Another waste stream that experienced a major decline was green waste (2138t), and this can be attributed to the drought conditions and subsequent water restrictions that were put in place. Although the figures above reflects incoming waste-streams, not all of the waste was disposed of, as green waste was chipped and removed for composting, and a large component of builder's rubble was not only stockpiled, but crushed and removed off-site by the appointed service provider. In total the number of users had decreased from 46 993 in the 2016/17 year to 39 991.

Projects continued in the 2017/18 financial year but initiated in previous financial year(s):

The crushing, screening and laboratory testing of builders' rubble is a project that was initiated in the previous financial year. The project was appointed to not only crush the material, but to also screen the material and have some material laboratory tested in order to meet the civil engineering standards, for reuse in this industry. This is a pioneering project in this country. Not only does it give the recipient a guarantee of performance, but it is obtainable at half the cost, as compared to virgin material from a quarry. The 13 801 tons taken off-site represents a 36% beneficiation and diversion from landfill.



Rubble crushed and screened on site Crushed stone stockpile

Environmental Authorisation for the Closure of the Landfill site (Cells 1, 2 and 3)

Aurecon was appointed to obtain a waste closure license for all three cells, although Cell 3 is still operational (this will prevent duplication when Cell 3 is eventually full in future). The Final Basic Assessment Report (FBAR) was submitted to the authorities in November 2017.

By June 2018 there had been no response by the authorities in terms of acceptance, hence no rehabilitation or capping work could be done, not until the closure license is issued. This concern was raised by the department, and it is hoped that the license will be issued early in the 2018/19 financial year, as it is long overdue.

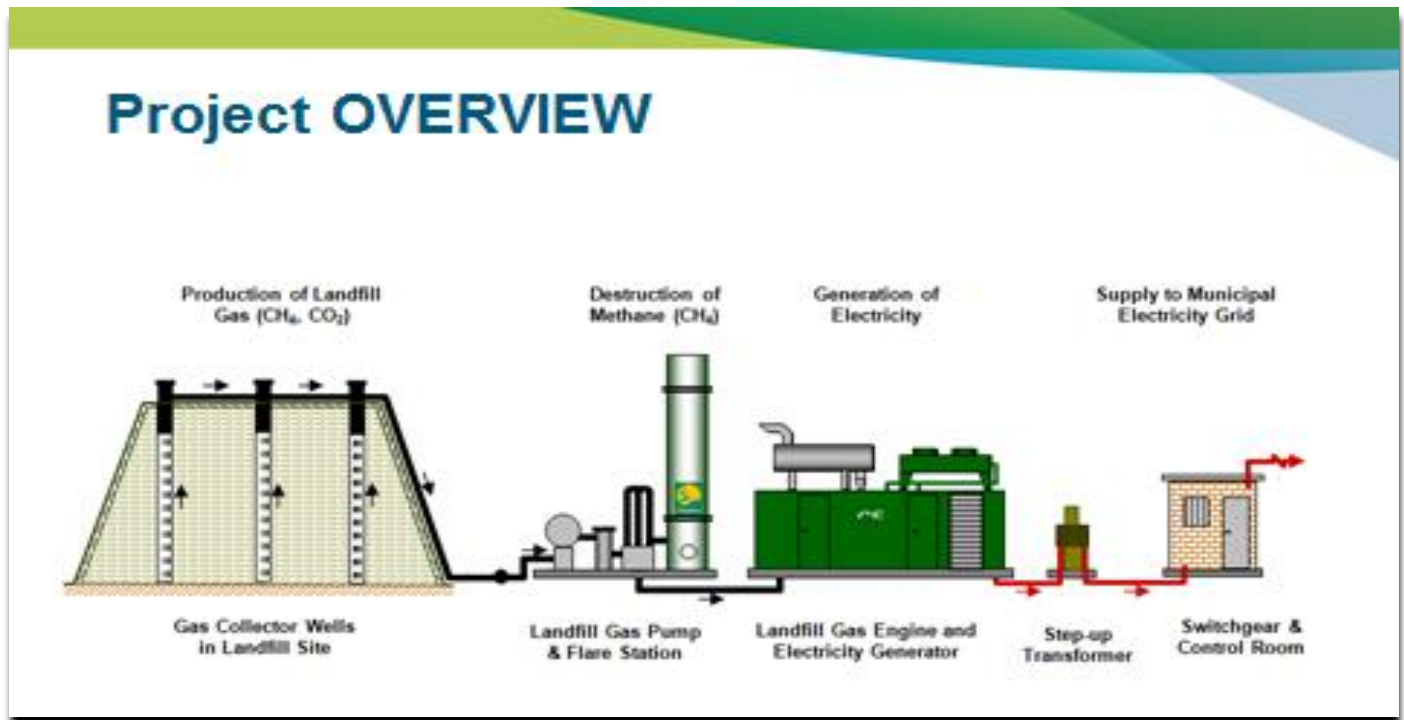


Figure 3.4 Schematic of landfill gas extraction system

Design and Planning of a Materials Recovery Facility (MRF) for Stellenbosch

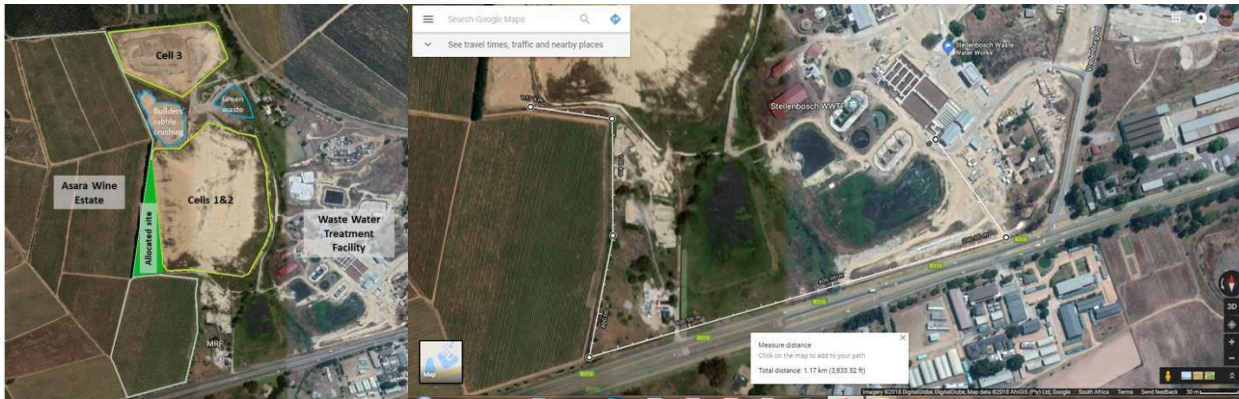
Aurecon was appointed for the design and planning of the MRF for Stellenbosch Municipality. This process was completed in this financial year. The construction of the MRF and public drop-off is to be advertised to appoint a contractor, and it is envisaged that this construction process will take approximately 10 months, commencing in January 2019 until October 2019.



Waste –to–Food Feasibility Study

Bergstan was appointed in the 2016/17 financial year to do a pre-feasibility study to assess whether it would be advisable to proceed with a waste-to-food programme, where salvagers could be trained to become small-scale farmers for own food security needs, as well as potentially selling all excess produce on a local farmers market as a means of supplementing an income. This was in preparation of the Provincial Government target of 50% organic waste diversion to landfill by 2022, which would have an impact on the pickers' livelihood.

Tomorrow Matters Now (TOMA-NOW) was appointed to conduct the feasibility study, and after extensive engagements with stakeholders on socio, socio-economic and technical matters, provided the municipality with key outcomes and recommendations. Tunnel farming focusing on vegetable and herb production seems most feasible in terms of sustainability, and should ideally operate as an out-grower initiative. It would require extensive capital outlay, hands-on training and mentorship support. A significant amount of upskilling would be required to provide formal employment opportunities to the waste pickers. A commercial partnership would be more beneficial than a co-operative arrangement from solely government departments, as the latter would result in this purely being a development project and might not derive the sustained economic potential envisaged.



IDENTIFIED SITE IN GREEN

SUGGESTED PIPE RETICULATION FROM WWTF FOR IRRIGATION

3.1.31.5 NEW PROJECTS UNDERTAKEN IN THE 2017/18 FINANCIAL YEAR

Area Cleaning

Area Cleaning was transferred from Community and Protection Services Directorate to Engineering Services Directorate in January 2018. This division now resorts under the Solid Waste Management Department, thereby ensuring that all solid waste related issues are consolidated.

The bulk of the area cleaning work is undertaken by EPWP staff, who are supervised by two contract Assistant Superintendents, one for the Stellenbosch region, and the other for the outer-lying areas such as Klappmuts, Franschhoek, Raithby and Pniel, amongst others. In addition to the regular programmed cleaning, a special project was also initiated to clean the stream in Enkanini, which has been littered for years with waste. This same team also does the regular cleaning in Enkanini and Kayamandi. This project is still in operation, and it is hoped that a significant improvement will be made towards the end of the 2018/19 financial year. Should this prove successful, this dedicated approach to the problem areas will be rolled out in other informal areas. Besides the informal areas, formal areas and public open spaces had also received greater attention, and complaints are gradually converting into compliments. Inoculations and personal protective clothing were issued to the staff to undertake this activity.

This unit procured new vehicles to boost the fleet component, both in terms of removing the loads, and contract supervisors monitoring the areas the EPWP staff had to clean. More focus is needed to capacitate the unit through filling existing vacancies.

As the Area Cleaning unit is more appropriately supervised, it has yielded positive results. This can be corroborated by the decreasing levels of complaints, and increasing compliments from the public. The amount of waste collected has also increased substantially, and this is evident at the increased tonnages received at the landfill as compared to the previous financial year. Complaints are dealt with within 24 hours where possible, and this is the standard which this department would like to maintain.



Upgrading mini drop-off in Franschhoek

The mini drop-off facility in Franschhoek received a major boost when the wendy hut and fence line around the perimeter of the site was replaced. With the new fence in place, no unauthorised access had been experienced, particularly from the vagrants that used to frequent the facility after hours.



Launch of Swopshop Trailer

The customised Swopshop trailer serves as a kiosk where residents can trade their separated recyclables for useful household necessities and/or clothes with tokens received for handing in their recyclables. The Executive Mayor of Stellenbosch Municipality, Adv. Gesie van Deventer was the guest speaker at the launch and thanked the community of Klapmuts for their continuous recycling efforts. She was pleased at the dual benefits of not only ensuring essentials for needy communities, but simultaneously keeping the area clean of litter as well.

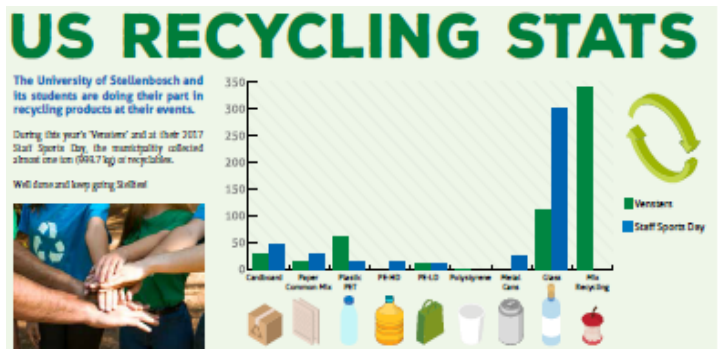


Events Management

Stellenbosch Municipality continued to host numerous events in the WC024 region, and it is mandatory that event organisers must have a waste management plan in place prior to hosting events in order to minimise any waste generated from the event unnecessarily being landfilled. The municipality encourages events to be green in terms of the environmental footprint, which is also advantageous for the event organisers as a positive marketing mechanism. Event meetings are held weekly on Wednesday mornings at the Law Enforcement offices, and although the primary focus for such meeting was on safety and security, that has now evolved to include traffic, noise, logistics and environmental issues.

Household Hazardous Waste (HHW) Collection Day

A Household Hazardous Waste Collection Day was held in Stellenbosch on 16 September 2017. More than 100 Stellenbosch residents disposed of their electronic waste (E-Waste), which included old computers, printers, ink cartridges, batteries, fridges, washing machines, power tools and small household appliances. Other HHHW that were dropped off included insecticides, pesticides, fertilisers, paints and chemicals.



The event was not only well-attended, but was complimented by many residents who stated that they appreciated the opportunity to safely dispose of their HHHW items. Due to the positive outcome, a special container was placed at the Devon Valley Landfill site where residents could continue to dispose of this waste stream at no cost.



Figure 3.5 Recycling Statistics from two Stellenbosch University events

Utter Rubbish Newsletter

The fourth issue of the Solid Waste Management Department's newsletter, Utter Rubbish, was published in December 2017, and focused on best practices and recognition the municipality received in the field of waste management. A number of waste minimisation and recycling initiatives were also featured in this edition.

3.1.31.6 REFUSE REMOVAL (SOLID WASTE) SERVICE DELIVERY LEVELS



Figure 3.6 Front cover December 2017

In conclusion, the Solid Waste Management Department had a challenging year, with the departure of staff and the additional workload of Area Cleaning. However, it continues to strive for service excellence, whilst at the same time ensuring legal compliance in rendering the services. At the 2017 Greenest Municipality Competition, Stellenbosch Municipality received 4 awards, and these included two awards for Innovation (the Recycle cycle and Molok concepts), and another two for Most Improved Municipality in Waste Management and Water Management.

Despite the awards, recognition and compliments, there are still many challenges that still need to be addressed. The staffing structure needs to be completed and vacant posts filled, as this department can only improve once all resources are in place.

The table below indicates the different refuse removal service delivery level standards within the urban edge area of the municipality:

Description	2013/14	2014/15	2015/16	2016/17	2017/18
Household	audited	audited	audited	audited	unaudited
Refuse Removal: (Minimum level)					
Removed at least once a week	30 291	38 824	40 264	37 207	49 072
Minimum Service Level and Above Sub-Total	30 291	38 824	40 264	37 207	49 072
Minimum Service Level and Above Percentage	92.7	90.9	90.2	78.7	93.7
Refuse Removal: (Below minimum level)					
Removed less frequently than once a week	1 064	1 064	1 064	1 064	1 064
Using communal refuse dump	2 377	N/A	N/A	N/A	N/A
Using own refuse dump	N/A	2 058	2 058	5 358	6 453
Other rubbish disposal	N/A	766	766	766	N/A
No rubbish disposal	N/A	N/A	N/A	N/A	N/A
Below Minimum Service Level Sub-Total	2 377	3 888	3 888	7 188	7 517
Below Minimum Service Level Percentage	7.3	9.1	8.81	8.80	11.66
Total Number of Households	32 668	42 712	44 152	44 493	52 374

Table 3.42 Refuse removal service delivery level standards

3.1.31.7 CAPITAL EXPENDITURE – WASTE MANAGEMENT SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrade Refuse disposal site (Existing Cell)- Rehab	1 075 000	649 770	-39.56%
Vehicles	7 365 307	5 313 566	-27.86%
Skips (5,5kl)	369 580	331 568	-10.29%
Stellenbosch WC024 (MRF/Drop Off) - Construct	729 769	722 995	-0.93%
Transfer Station: Stellenbosch Planning and Design and Construction	534 986	503 151	-5.95%
<i>Only the 5 largest capital projects are listed</i>			

Table 3.43 Capital Expenditure as at 30 June: Waste Management Services

Waste Management Services have spent, **74.85%** of the capital budget for the financial year.

3.1.31.8 TOTAL EMPLOYEES – WASTE MANAGEMENT

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	43	1	0	0%
15 – 13	1	1	1	100%
12 – 10	10	1	0	10%
9 – 7	2	8	0	0%
6 – 4	2	0	0	0%
3 – 0	1	0	0	0%
Total	59	11	1	2%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.44 Total Employees – Waste Management

3.1.32 Housing

3.1.32.1 NEW HOUSING

Idas Valley Housing Project

a) Erf 9445

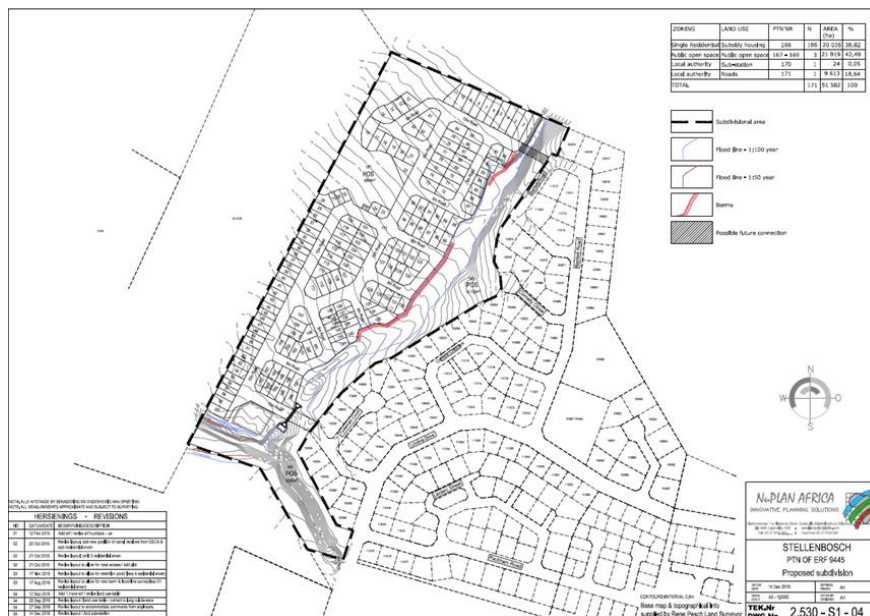


Figure 3.7 Approved layout of the Ida's Valley Housing Project

Construction started during June 2017 in order to rehabilitate the river adjacent to the development on Erf 9445. The DEA and DP issued a pre-compliance notice to inform the Municipality that they are concerned that construction in the watercourse is taking place and requested all activities in the watercourse to cease. The allegation was reported by the member of the public which is currently under investigation. The DEA&DP confirmed that this investigation does not stop the housing development on Erf 9445. A 24G application will be submitted to DEA&DP in order to obtain approval for the river rehabilitation work.

The MPT approved the application on 3 November 2017, where after an appeal period followed. An objection was received from one of the Interested and Affected parties. The report was compiled by the external Town Planner from DEA&DP and the appellants had an opportunity to peruse the document during April 2018.

The appeal authority evaluated the appeal and ruled in favour of the development. The finalisation of the water license is currently being evaluated by the relevant National Department.

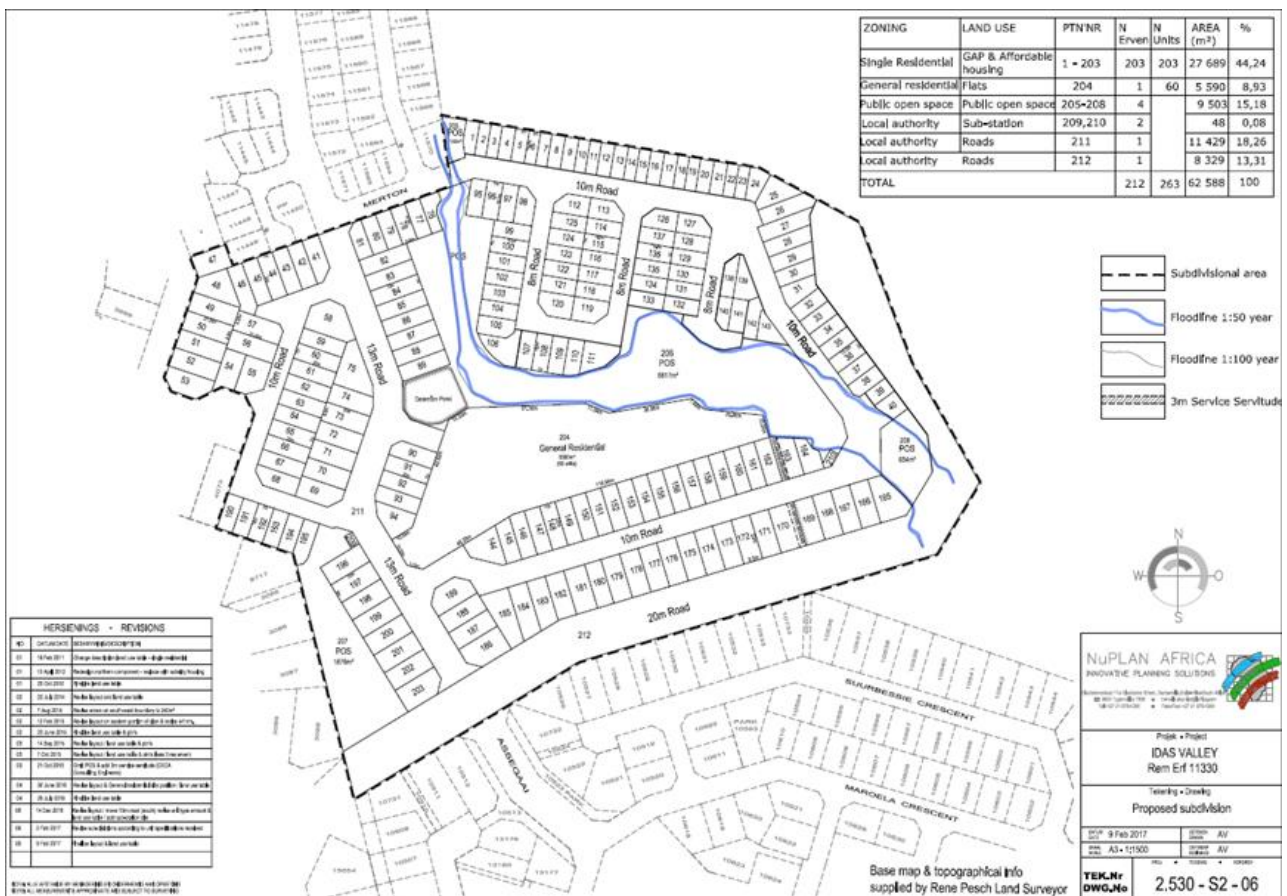


Figure 3.8 Approved layout of the Ida's Valley Housing Project

Construction is currently in progress on site and all the plans for the internal civil services were submitted to the Engineering Department for approval. Engineering drawings were approved and site hand-over for the bulk earthwork, relocation of the water pipes and other related services.

Kayamandi Town Centre (Kayamandi Hostels)

The Municipality intends to redevelop the current Kayamandi Town Centre to establish a mixed-use development. The area consists of informal and semi-formal housing structures and hostels in dire need of redevelopment.

Development of Kayamandi Town Centre

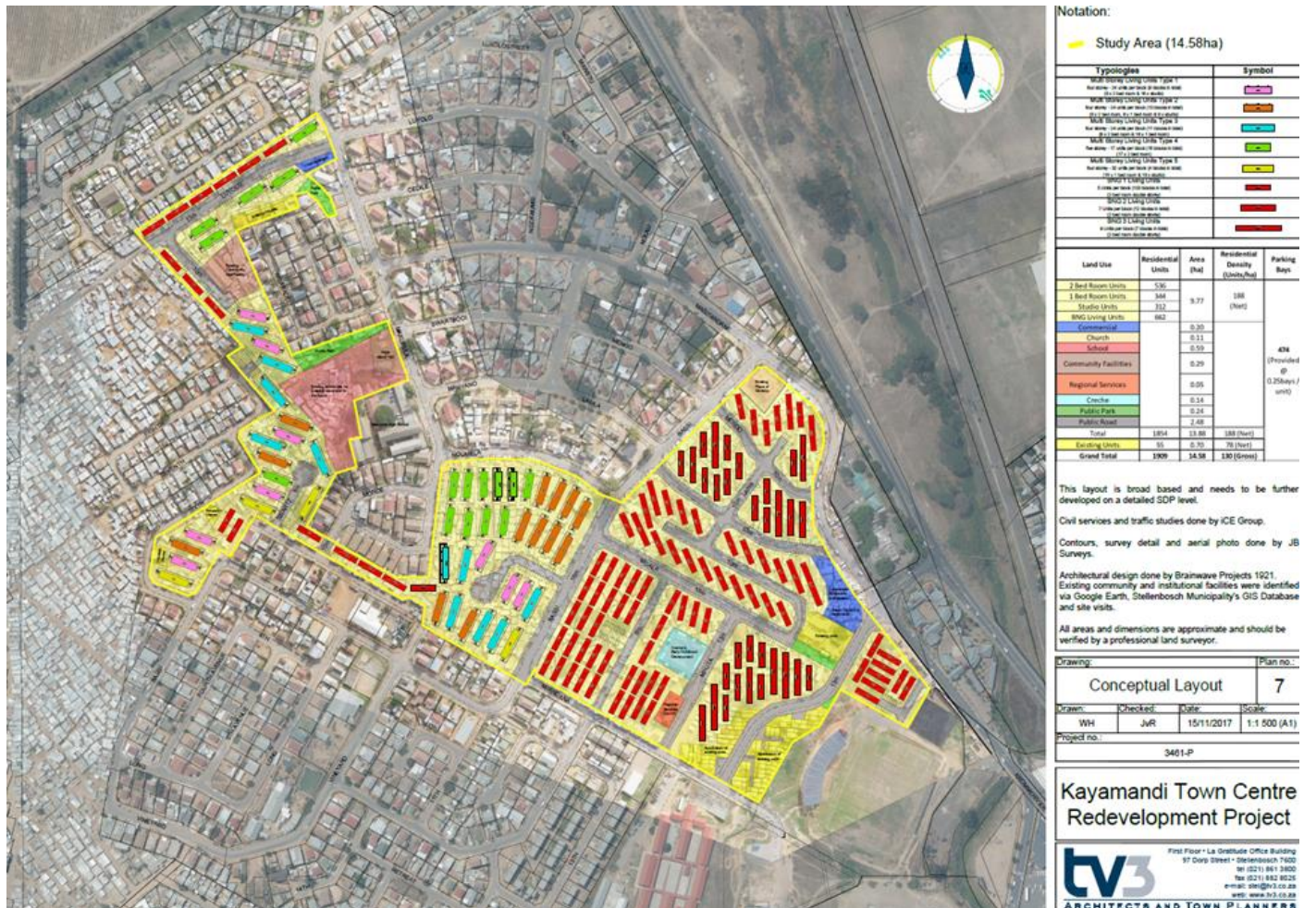
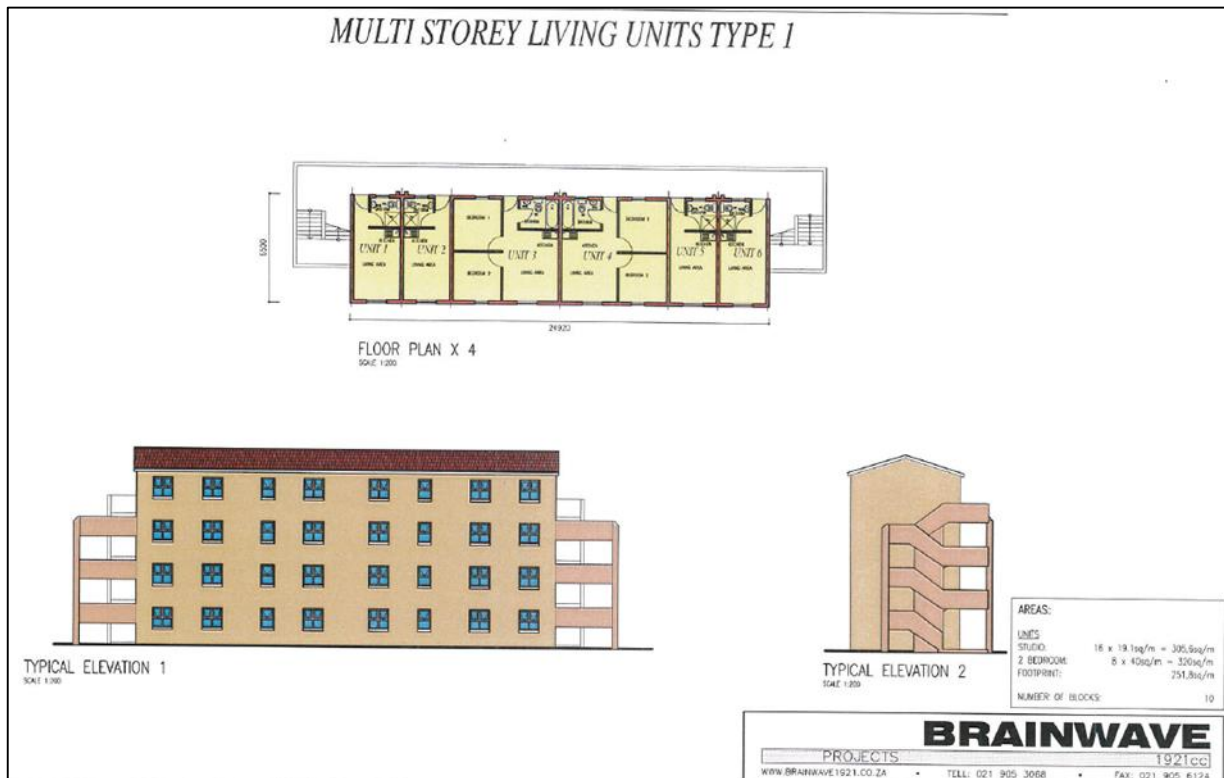
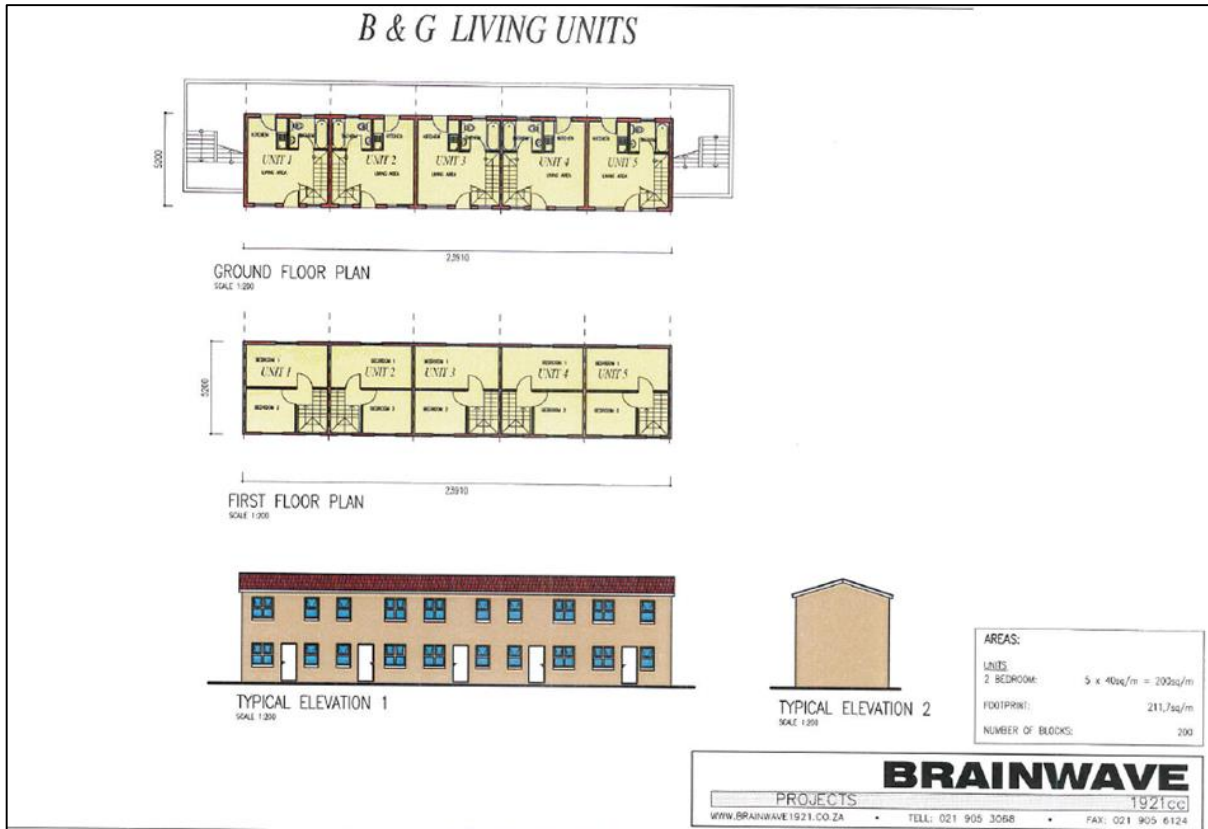
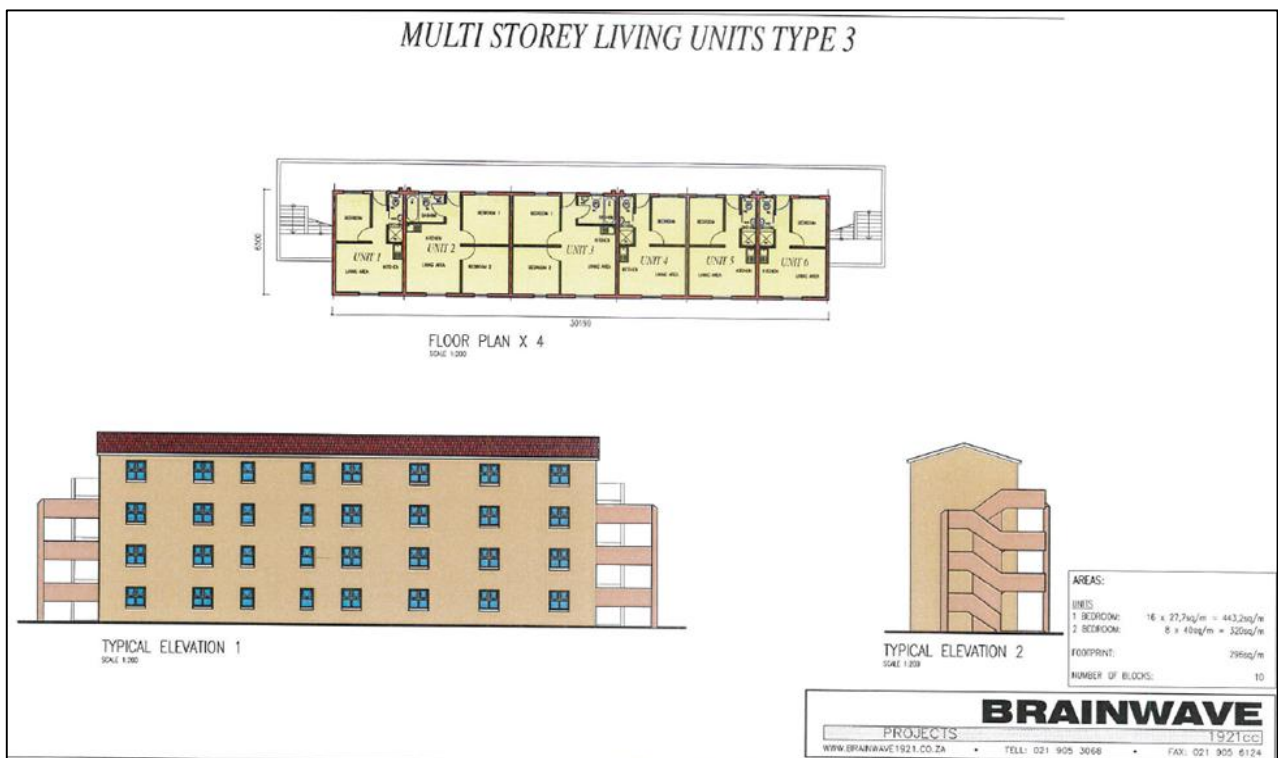
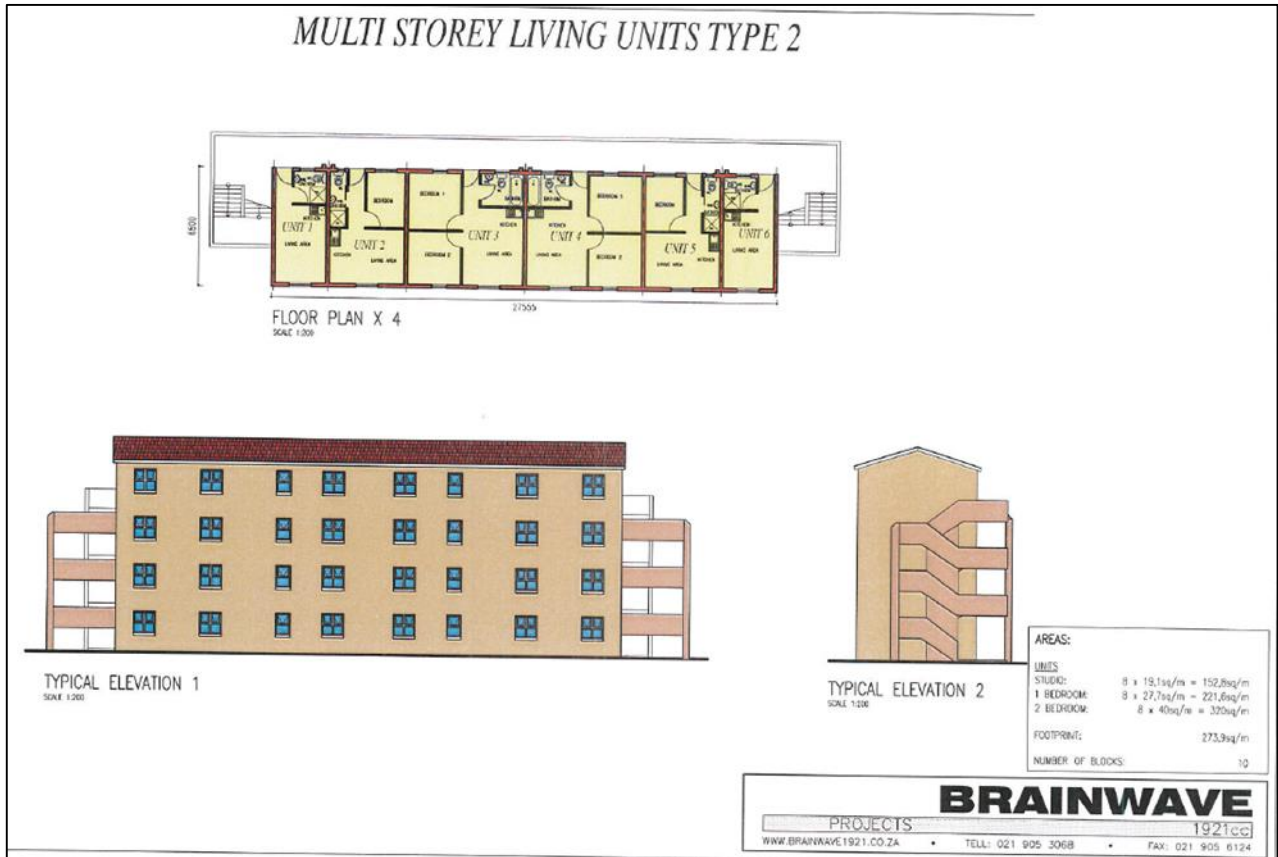


Figure 3.9 Development of Kayamandi Town Centre

The appointed consultant prepared a draft Site Development Plan which indicates a densification model with the following uses:

- Institutional housing;
- Community Rental Units;
- Sectional title apartments; and
- High density subsidy housing (due to funding constraints an alternative will be prepared for subsidy housing if feasible).

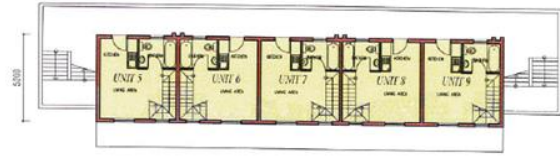




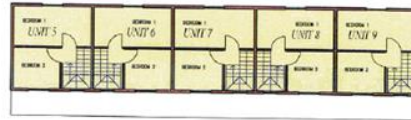
MULTI STOREY LIVING UNITS TYPE 4



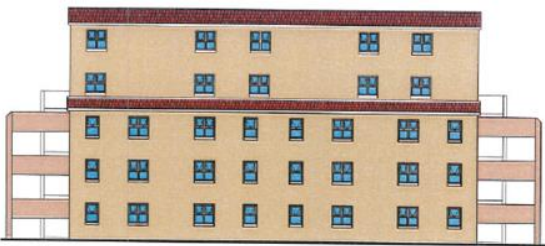
FLOOR PLAN X 3
SCALE 1:200



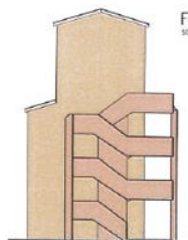
THIRD FLOOR DOUBLE STOREY UNITS
SCALE 1:200



FOURTH FLOOR DOUBLE STOREY UNITS
SCALE 1:200



TYPICAL ELEVATION 1
SCALE 1:200

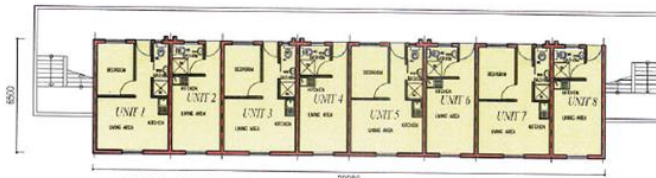


TYPICAL ELEVATION 2
SCALE 1:200

AREAS:	
UNITS:	2 BEDROOM: 17 x 40sq/m = 680sq/m
FOOTPRINT:	247,7sq/m
NUMBER OF BLOCKS:	10

BRAINWAVE
 PROJECTS 1921cc
 WWW.BRAINWAVE1921.CO.ZA • TELL: 021 905 3068 • FAX: 021 905 6124

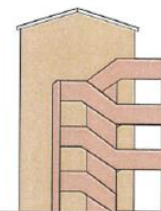
MULTI STOREY LIVING UNITS TYPE 5



FLOOR PLAN X 4
SCALE 1:200



TYPICAL ELEVATION 1
SCALE 1:200



TYPICAL ELEVATION 2
SCALE 1:200

AREAS:	
UNITS:	STUDIO: 16 x 19,1sq/m = 305,6sq/m
	1 BEDROOM: 16 x 27,7sq/m = 443,2sq/m
FOOTPRINT:	286,5sq/m
NUMBER OF BLOCKS:	4

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3.1.32.2 KAYAMANDI HOUSING PROJECTS

Watergang Housing

During February 2017, a request to use Provincial Department of Human Settlements (PDoHS) panel of contractors under tender for the construction of 17 houses was approved by the Municipal Manager.

The project has funding approval for construction of all 187 units. The Municipality has completed 167 units and 20 units were under construction.

During community unrest on 22 May 2018, 14 houses were vandalised after 6 units have been handed-over to the beneficiaries on 11 May 2018. The department had to inform the contractors to move off-site until further notice.



Estimated project damage value due to community unrest is estimated at ±R900 000, and would take approximately 3 months to reconstruct.

Zone O

The consultants completed the layout plan. The layout plan consists of 703 housing opportunities incorporating the N2 gateway model. All houses will be semi-detached double or triple storey buildings. The consultants are preparing other options in order to increase the density even more to accommodate as many as possible families. Once a final layout is agreed upon the Land Use Planning Application (LUPA) application will be submitted.

332 TRA

During the 2016/17 financial year, a consultant was appointed for the construction of 332 temporary housing units in Watergang, Kayamandi.

The construction was well in progress but behind schedule due to various reasons. There were several strikes on site due to labour unrest but these concerns were resolved.

Ninety units were built and the other units were in various stages of construction. On 22 May 2018 all units were destroyed due to community unrests and the department had to inform the contractors to move off-site until further notice. Estimated project damage value due to community unrest is estimated at ±R5.8 million, and would take approximately 6 months to reconstruct.



Erf 2181, Klapmuts (Upgrading of Mandela City, Klapmuts)



The project was initiated to develop the remainder of the 219 sites that was approved by the Provincial Department of Human Settlements during 2012. The Department: Informal Settlements appointed consultants for the densification of the existing sites to 295 sites. The application for the subdivision was submitted to Directorate: Planning and Economic Development.

The subdivision was advertised in terms of the By-law on 22 September 2016 and the public had thirty (30) days to comment (closed 22 October 2016). During the MPT meeting of 8 May 2017 the application was considered for approval after the site inspection conducted by the MPT members.



Figure 3.10 Approved sub-divisional plan for Erf 2181, Mandela City, Klapmuts.

The Department: New Housing advertised the tender for the installation of civil engineering services which was approved by the Bid Adjudication Committee (BAC) to the successful bidder during May 2017. The subdivision was advertised in terms of the By-law and approved by the Municipal Planning Tribunal (MPT) on 8 May 2017.

A site hand over meeting was held on 7 June 2017. Site establishment took place and the installation of services is in progress. Several meetings were held in Klapmuts to keep the residents of Mandela City and Ward Committee updated on the process of re-location and the various construction phases.

A housing committee was also elected to represent the community and to keep them abreast of any challenges. The rephrasing of the project and the required funding is approved by PDoHS.

As mentioned, several meetings were held in Klapmuts to keep the residents of Mandela City updated of the process of relocation and the various construction phases. Notwithstanding the public meetings and the

community stop the project and the contractor had no other option but to cease all construction activity on site.

The installation of services for phase 1 is 100% completed. One of the challenges is the re-location of the families to electrified structures. The Klapmuts area is supplied by Eskom and Stellenbosch's Electricity Department is currently intervening in order to find a solution for this matter.



During these meetings with the Mandela City community, it became evident that they were unhappy with the original Site Development Plan (SDP). Numerous changes were done to the SDP and communicated with the community. After the last meeting with the community, they agreed with the last proposal. Construction will commence as soon as the re-routing of the civil services are addressed to accommodate the new layout.

La Motte Old Forest Station (329 BNG and 122 BNG Units)

Development rights application at DEA&DP is still in process. CK Rumboll was appointed to finalise the outstanding requirements by Heritage Western Cape in order to obtain approval from DEA&DP with respect to the land use rights.

The objections that were received from the Interested and Affected parties were compiled and the comments from the user department were sent to DEA&DP for information.

Jamestown Housing Project Phase 2 and 3

The departments, New Housing and Property Management compiled an item which served before Council on 29 November 2017. The main purpose of this item is for Council to consider:

- The disposal of municipal land, a portion of Portion 4 of Farm No 527 and a portion of the Remainder of Farm No 527, located at Jamestown, Stellenbosch through a Land Availability Agreement (LAA); and
- Allowing the Municipal Manager to commence the process of appointing a Turn-key Developer to facilitate the delivery of a range of housing option; on the land adjacent to the current housing development that is owned by Council.

The Department must now commence with a procurement process to appoint a Turn-Key Developer through a Call for Proposals.

The Call for Proposal document was finalised and sent to the Bid Specification Committee for approval in order to advertise the tender. The tender will be advertised during the 2018/19 financial year.

Faire Donne Estate, Franschhoek

In accordance with a Council decision, the Municipality embarked on a marketing strategy for the Medium Cost Housing development.

Herewith below an extract of the approved Council Resolution:

“(b) that the new proposed criteria outlined below, be approved;

- potential beneficiaries must reside or work in the Franschhoek Valley or be in the service of Stellenbosch Municipality for at least for 3 years;*
- preferential treatment will be given to First Time Home Owners;*
- preferential treatment will begin to previously disadvantaged individuals in the allocation process, if they qualify in term of 3.3.1; and*
- 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 beneficiary;”*

In order to give emphasis to the Council Resolution, the Department: New Housing conducted a property search on Windeed to determine the ownership status of every applicant/s. Thereafter, first time home owners residing longest in Franschhoek as well as the employees with the longest employment at Stellenbosch Municipality were grouped. The department then took the information provided on the application forms to distinguish the previously disadvantaged individuals and allocated the available plots to those that conformed to (i), (ii) and (iii) of the Council resolution above.

Thereafter the department received a total of 136 applications i.r.t. only 50 available vacant plots. In accordance with the Sales Agreements, the potential beneficiary has two (2) months to secure the necessary funding.

The status as at the end June 2018

Total properties registered at deeds office (during 2016/17 FY and 2017/18 FY)	33
Beneficiaries that could not secure the necessary funding	17
Total erven	50

* Amount of Sales Agreement to be finalised (round 3 – during 2018/19 FY) – 17 erven

The Govan Mbeki Awards

The Govan Mbeki Awards demonstrate and showcase excellence, best practice and healthy competition amongst Provinces in their quest to improve the quality of lives for millions of South Africans. The Provincial Department of Human Settlements in partnership with its institutions encourages all stakeholders to participate in the Govan Mbeki Awards 2017. Stellenbosch Municipality at Provincial Level entered two housing projects whereby in both categories Stellenbosch Municipality came first, namely:

1. Integrated Residential Development Programme (IRDP) *Jamestown Project, Stellenbosch – Winner.*
2. Best Upgrading of Informal Settlements Programme (UISP) *Watergang, Stellenbosch – co- winners with Rosevalley and Oudtshoorn.*

Stellenbosch Municipality competed at the National level in both categories and achieved the 1st Runner-up (Integrated Residential Development Programme (IRDP)) for the Jamestown Housing project. In essence it means that in South Africa, Stellenbosch has the 2nd best IRPD project that was developed in Jamestown, for 2017.



Criteria used:

- Innovative: Is a practice or project new or exceptional;
- Effectiveness: How deep and wide is the impact of this practice or project;
- Efficiency: Is the practice cost and time effective? Does it require a lot of resources (human, time, finances) or not;

- Replicability: Is it possible to replicate this practice in its entirety or partly elsewhere;
- Sustainability: The extent to which the practice can be maintained or sustained; and
- Context: The extent to which the innovation is exceptional considering the political, environmental, social, technological, legal and economic circumstances of the municipality or project. These are factors over which the municipality or province does not have substantial control.

3.1.33 Capital Expenditure – New Housing

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Idas Valley (11330)	17 015 000	14 282 119	-16.06%
Idas Valley (440) IRDP / FLISP	2 000 000	1 999 995	0.00%
Kayamandi Town Centre	334 294	334 294	0.00%
Kayamandi: Watergang and Zone O	16 246 500	6 067 864	-62.65%
Klapmuts: Erf 2181 (298 serviced sites)	12 800 000	6 578 765	-48.60%
<i>Only the 5 largest capital projects are listed</i>			

Table 3.45 Capital Expenditure as at 30 June: New Housing

New Housing spent, **60.49%** of the capital budget for the financial year.

3.1.33.1 TOTAL EMPLOYEES – NEW HOUSING

Job Level*	Posts*	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	1	0	0%
15 – 13	2	1	0	0%
12 – 10	14	3	0	0%
9 – 7	6	11	0	0%
6 – 4	7	5	0	0%
3 – 0	6	0	0	0%
Total	54	23	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.46 New Housing Employee Totals

Housing statistics

Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2012/13	43 420	24 416	56.3%
2013/14	43 420	24 554	65.3%
2014/15	46 003	15 000	32 %
2015/16	49 904	16 112	37 %
2016/17	37 554	24 554	65.3%
2017/18	52 374	26 506	50.60%

Table 3.47 Households with Access to Basic Housing

The following table shows the **decrease** in the number of people on the housing waiting list. There are currently approximately **16 482** applicants on the waiting list.

Year	Nr of people on Housing waiting list	% Housing waiting list increase
2012/13	17 600	6.9% (Decrease due to allocation in Klapmuts, as well as sanitation of list)
2013/14	18 954	7.7% (Increase based on the previous year's "sanitised" figures. This is as a result of new applications received)
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)

Table 3.48 Housing waiting list as at 30 June
3.1.33.2 HOUSING ADMINISTRATION
Transfer of housing stock

During the period under review the Department embarked on a process to deal with historic backlog and transfer properties to beneficiaries of state subsidised houses. A process action plan was devised in terms of which administrative procedures would be streamlined. Panel attorneys were appointed to transfer the properties identified. A total of 170 title deeds were transferred but only 119 were handed over in February 2018.

The Municipality partnered with an NGO called Free Market Foundation 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.

Waiting list administration

The department commenced with the “data-cleaning” process pertaining to applications that appear on the waiting list where vital information was outstanding. An area-based approach was used where staff members went out to the various areas and invited applicants to workshops during the course of which the applicant’s information was updated. Areas completed during this period are Kylemore and Franschoek

On 14th February 2017 the Municipal Manager signed a Memorandum of Agreement that enabled the Western Cape Department of Human Settlements to assist with the data clean-up of the Stellenbosch Municipal Waiting list. The waiting list is being updated and verified on a regular basis 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.

There are a total of 16 482 applicants in the system of which a total of 12 917 applications were cancelled as a result of during duplications discovered whilst sanitising the database; this was mainly due to death or prior assistance with a housing subsidy.

The municipality is also planning to develop an online housing demand database system which will have a mobile app so that people can be able to submit applications via their smartphones in the comfort of their own homes. This new online database system and the mobile app will be launched in February 2019.

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 collaboration between stakeholder departments within the municipality. The purpose of the policy is to ensure effective management of well-maintained assets that will improve the quality of life for residents.

Housing consumer education (HCE)

A total of twenty workshops were held with beneficiaries who had recently acquired homes within the Kayamandi and Klapmuts areas as well as tenants of public rental stock across the municipal area to advise them of their rights and responsibilities and the role of the municipality. The HCE workshops are also used to address issues around anti-social behaviour in the public rental flats.



Policy Documents / Items to Portfolio Chairperson: 2017/18

During the financial year under review the following Draft Staff Rental Housing Policy was submitted to the Municipal Manager for consideration.

Job Creation

Housing Administration started the roll out of a job creation program via the EPWP project. The purpose of the project is:

- Creation of job opportunities
- Reduction of unemployment statistics at Rental units, as most of the beneficiaries of this project, is the dependents of Tenants at Municipal rental stock.
- The decrease in complaints received from tenants as our grounds are in a neater state.
- 2 temporary staff members were also appointed to assist with the transfer of state subsidised houses

3.1.33.3 CAPITAL EXPENDITURE – HOUSING ADMINISTRATION

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Furniture, Tools and Equipment: Housing Administration	30 000	40 645	135.48%
Only the capital projects are listed			

Table 3.49 Capital Expenditure as at 30 June: Housing Administration

Housing Administration have spent, **135.48%** of the capital budget for the financial year:

3.1.33.4 TOTAL EMPLOYEES – HOUSING ADMINISTRATION

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	1	0	0%
15 – 13	1	1	0	0%
12 – 10	2	2	0	0%
9 – 7	1	1	0	0%
6 – 4	1	1	0	0%
3 – 0	0	0	0	0%
Total	6	6	0	0%

** Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.*

Table 3.50 Employee totals: Housing Administration

3.1.34 Informal Settlements

Background

The Informal Settlements Department was established in 2011 as a direct result of the rampant growth number of inhabitants and structures in the informal settlements in the Stellenbosch Municipal area. From the onset it was realised to give effect to: "improve informal settlements incrementally and to create a better-quality living environment, rather than merely providing shelter", a clear and concise strategy had to be developed that is implementable, but more importantly acceptable to all stakeholders. In essence the strategy needed to address the informal settlement value chain (included hereunder).

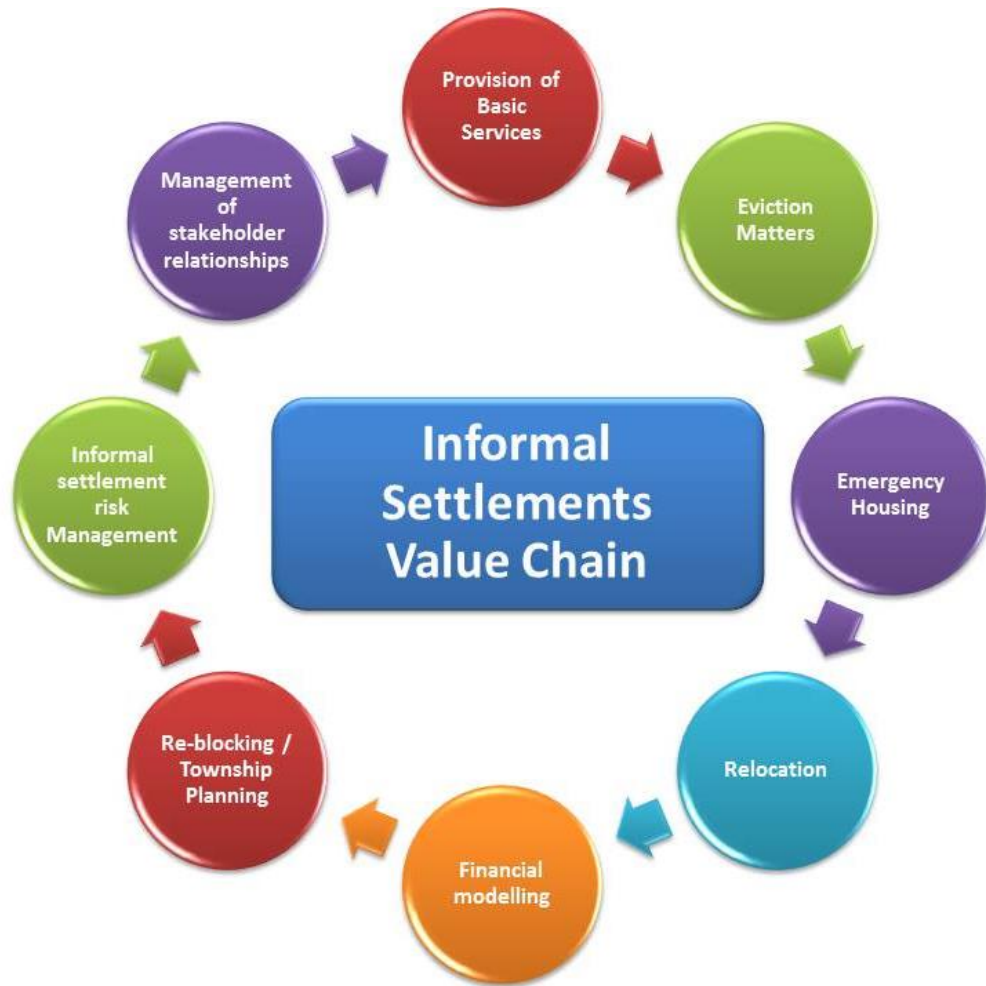


Figure 3.11 Informal Settlements Value Chain

Informal Settlement Upgrading Strategy

The Informal Settlement Strategy was developed to address the general upgrading and management of informal settlements (hereunder extract).

Cluster	Category and Priority	Intervention	Priority actions	Integrated Development Plan	Spatial Development Plan	Housing Pipeline	Urban Edge
Enkanini	B1	Enkanini inSitu upgrading	Revise upgrading plan for Enkanini annually	Enkanini (Planning s and services)	Yes	Yes	Yes
Zone O Kayamandi	B1 & C	Decanting area at UISP Phase 3 upgrading (possible).	Layout plan (compiled) Install Full Services	Upgrading of Zone O	Yes	Yes	Yes
Kayamandi Town Centre	B1	Upgrading of Kayamandi Town Centre Precinct plan	Compile Upgrading Plan and Strategy Hostel Precinct Plan	Upgrading of Kayamandi Town Centre	Yes	Yes	Yes

Table 3.51 General upgrading and management of informal settlements

Access to Basic Services (ABS) Project

The ABS project is a continuous programme which deals with the upgrading and installation of communal services (waterborne and chemical ablution facilities as well as taps) in informal settlements.

All informal settlements have access to basic services such as toilets (chemical or waterborne) and potable water. One of the biggest challenges that the Informal Settlements Department faces relates to space within a settlement where these services can be installed. The provision of basic services is made significantly more difficult due to the lack of sufficient and appropriate space for this infrastructure and associated amenities.

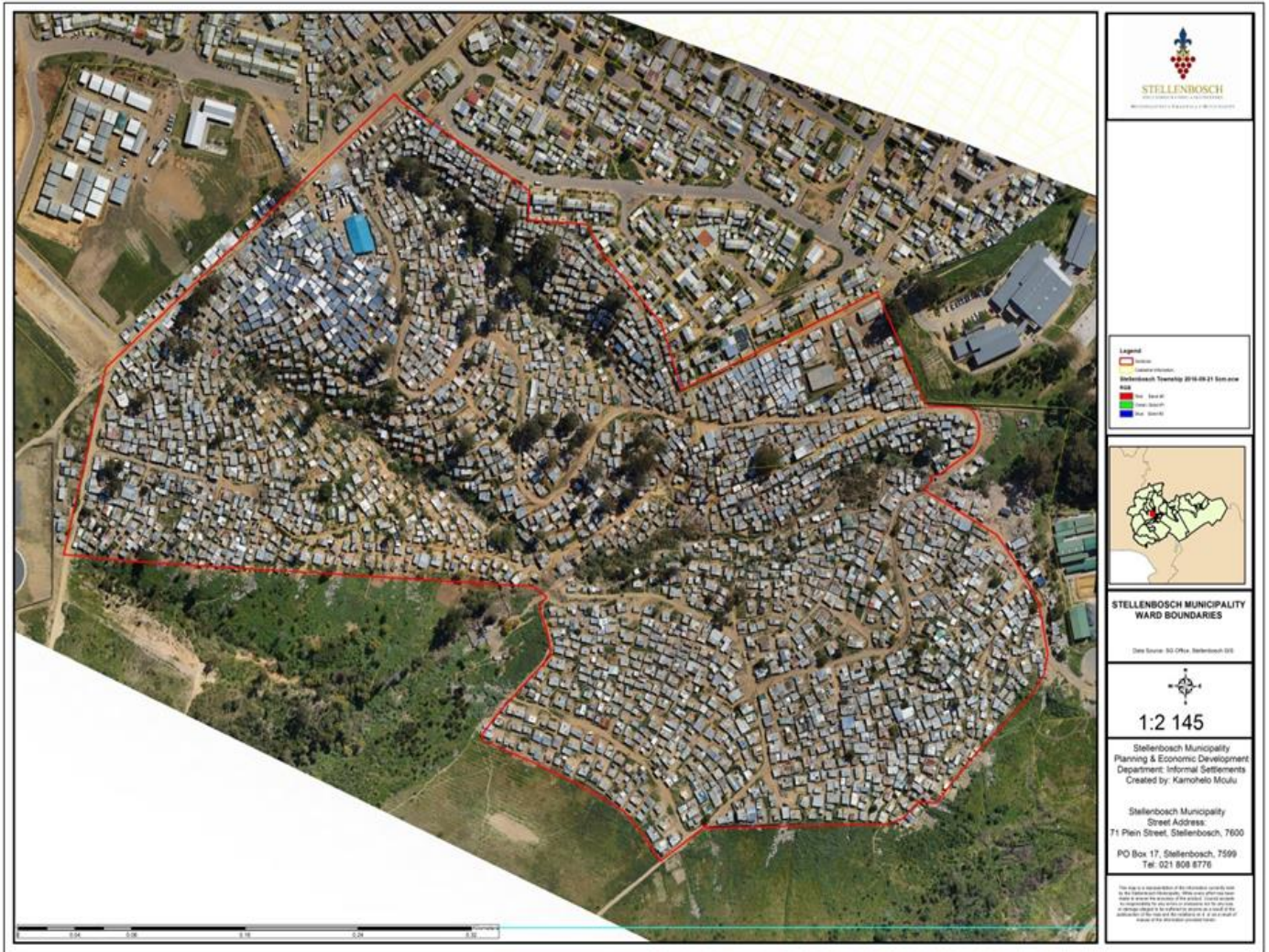


Figure 3.12 Aerial of density in Enkanini

Fifty (50) waterborne toilets and water taps were installed in the 17/18 financial year. The areas that the projects were in are:

- Langrug; and
- Zone O, Kayamandi.

Emergencies (Evictions / Fires)

There were about 539 emergency incidents (fire/flood/strong winds etc.) that were reported by the Department: Disaster Management at informal settlements and backyard structures during the 2017/18 financial year. In terms of the Emergency Housing and Assistance Policy, the Department: Informal Settlements responded to the emergency incidents and enumerated 254 households residing at informal settlements and backyard structures by verifying the information of the affected households in order to provide the emergency relief assistance to the victims of incidents.

Enumerations during fire and flood incidents at various Informal Settlements and backyard structures

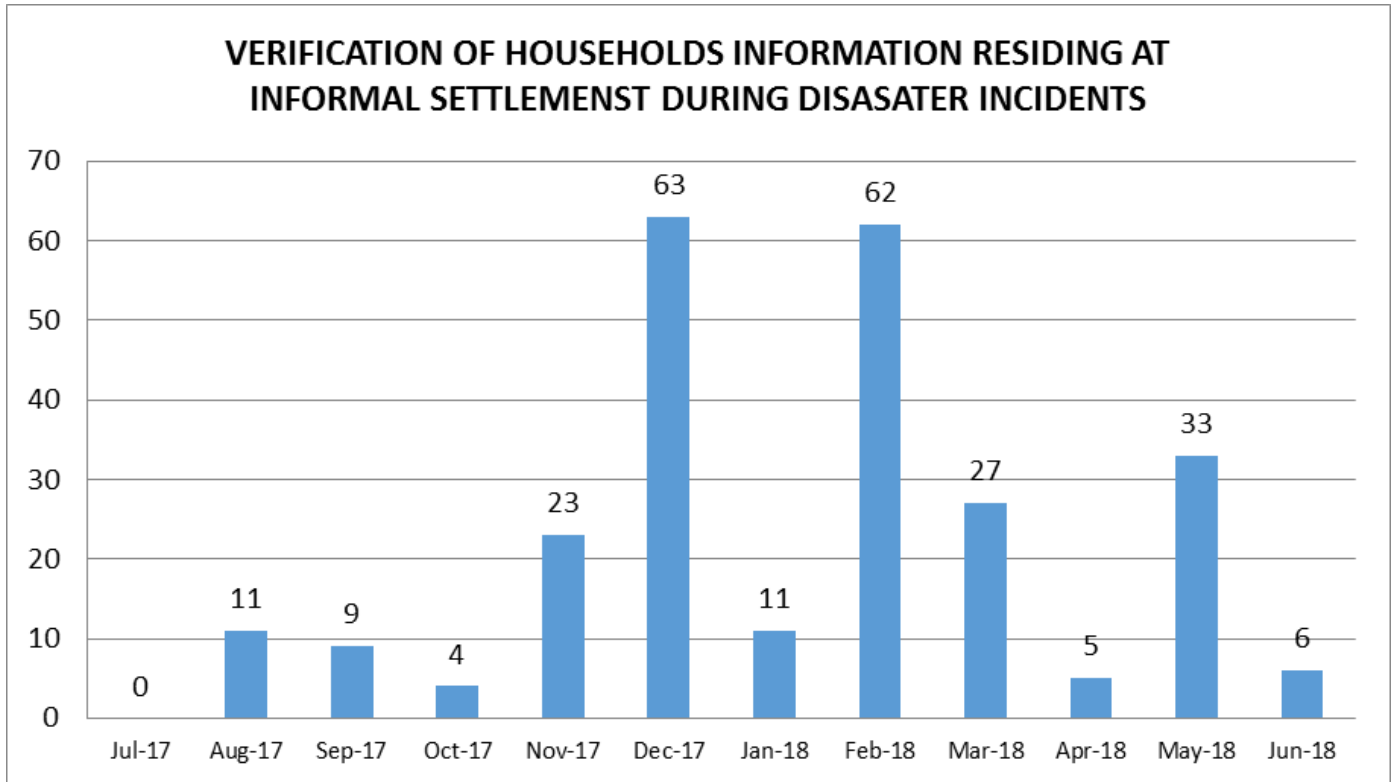


Figure 3.13 Enumeration of informal settlements per month

Enumerations of households residing at informal settlements

The Department: Informal Settlements has to compile and/or update a registry/database containing household information residing at informal settlements within the Municipal area on an annual basis and or when a need arise.

The purpose of community surveys is to:

- i. Keep / have an up to date record of households residing at informal settlements;
- ii. Determine and understand community needs and dynamics to inform future interventions relating to housing provision and service delivery;
- iii. Make determinations of level of basic services delivery at informal settlements (i.e. waterborne toilets, standpipes, electricity and solid waste removal);
- iv. Verify information of affected households during emergency incidents; and
- v. Align household information with existing municipal databases such as indigents, housing waiting list (Municipal and National databases, electricity etc.).

During the financial year of 2017/18, the Department: Informal Settlements enumerated approximately 7 213 households residing at informal settlements. The most notable community surveys were at Enkanini and Langrug Informal Settlements conducted by Ikatatada. Temporary employment opportunities and skills development transfer were created for unemployed local youth at the respective settlements for data collection and verification.

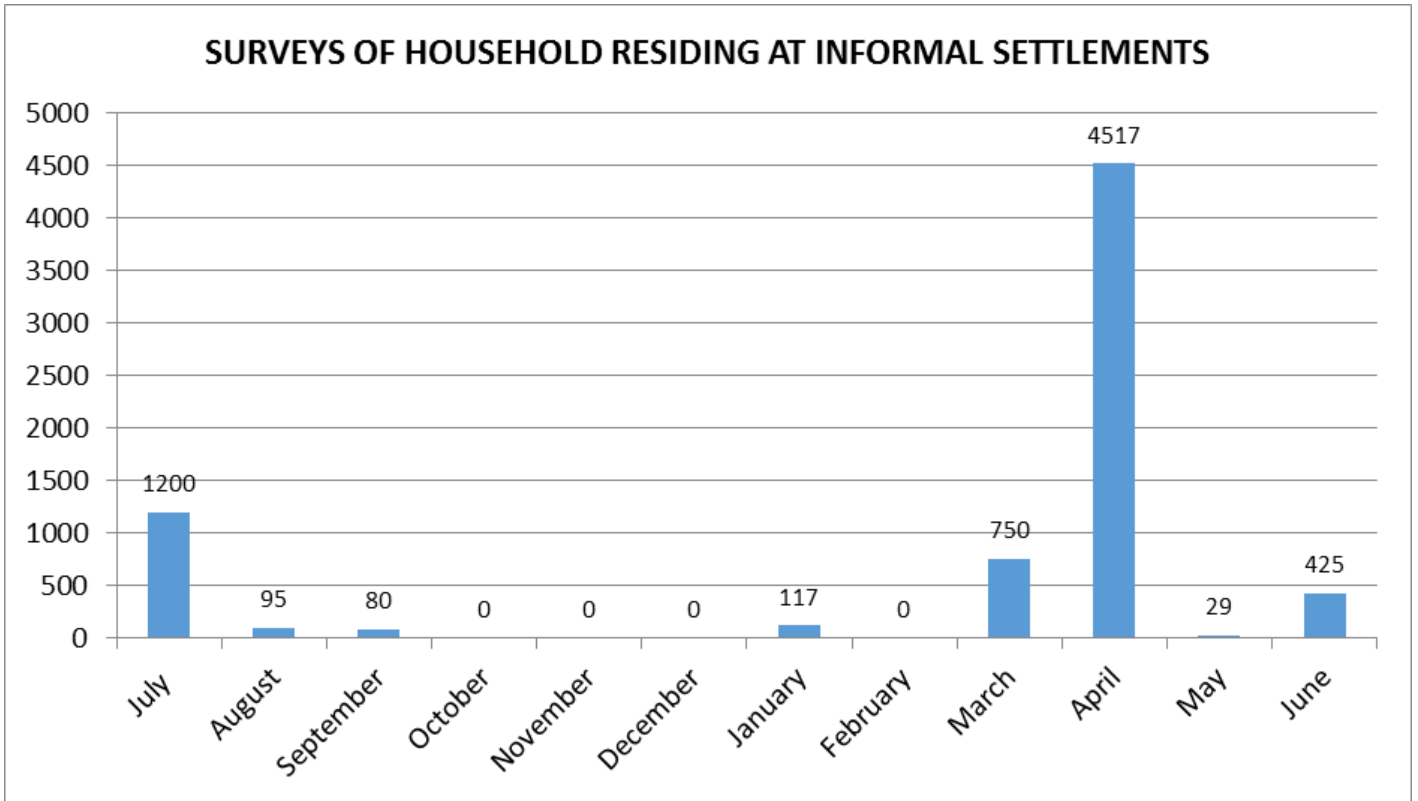


Figure 3.14 Total enumerations conducted

Evictions

The number of eviction orders that are granted by the courts has initially increased, but have plateaued over the years. The granted evictions places a strain on Municipal resources. A number of cases of evictions (57) were reported to the Informal Settlement Department during the 2017/18 financial year alone.

Graph below represents the historic trend in evictions cases from 2009 – 2017

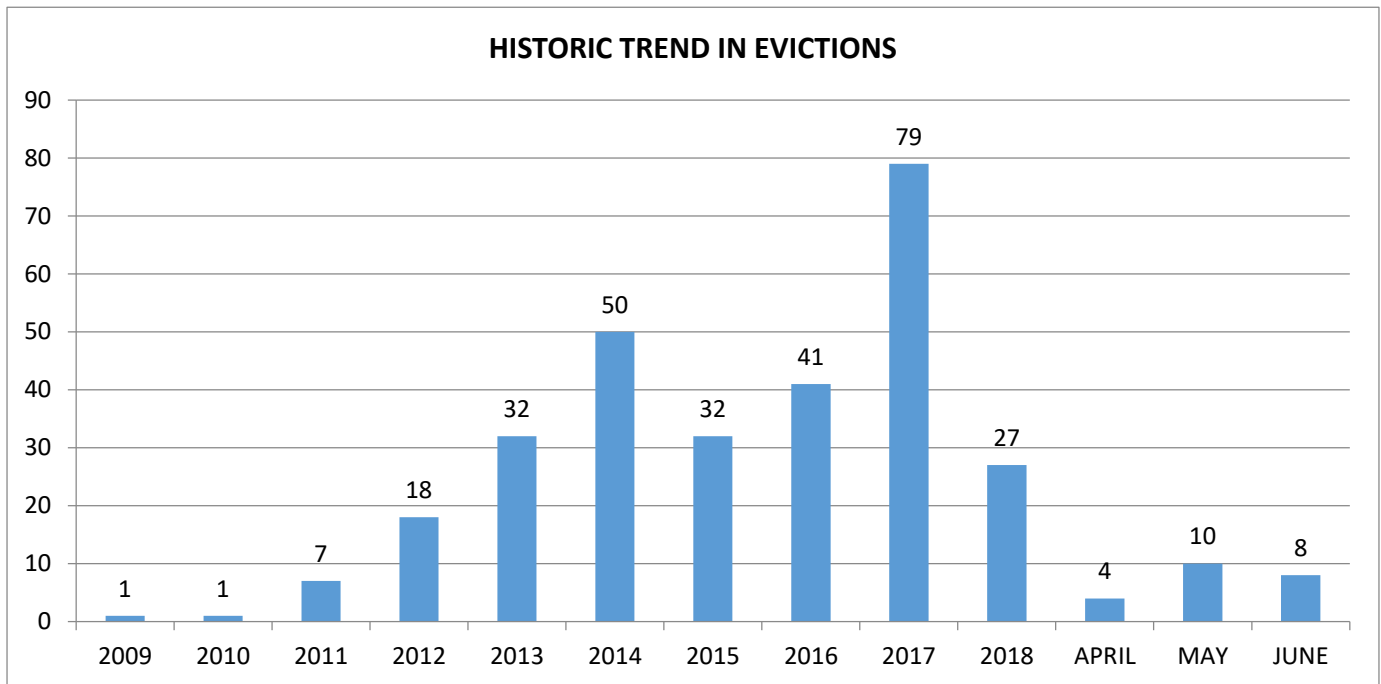


Figure 3.15 Historic trend of evictions

Meaningful Engagements

One of the processes in dealing with evictions is meaningful engagements. Forty four (44) meaningful engagements were held during the period July 2017 – June 2018. Supply, delivery and installation of 59 Wendy Houses were provided for individuals that were evicted during the 17/18 financial year. Mediation processes has been commenced with to resolve the issues between the community, municipality and the proposed inhabitants of the Wendy houses.

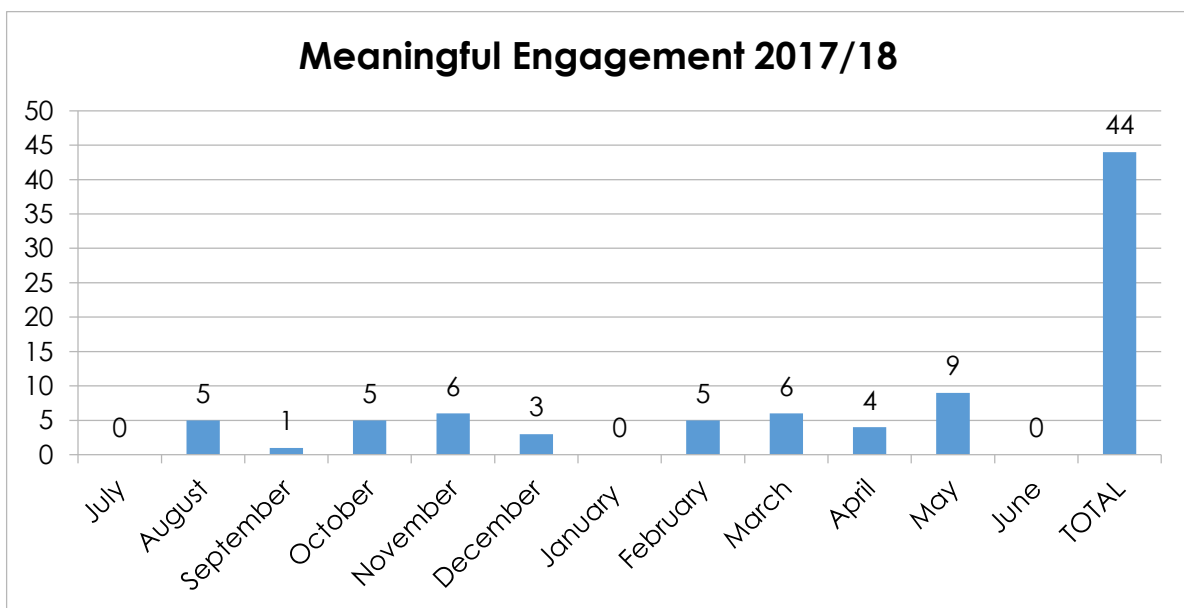


Figure 3.16 Historic trend of meaningful engagements

Projects 2017/18
Enkanini Electricity

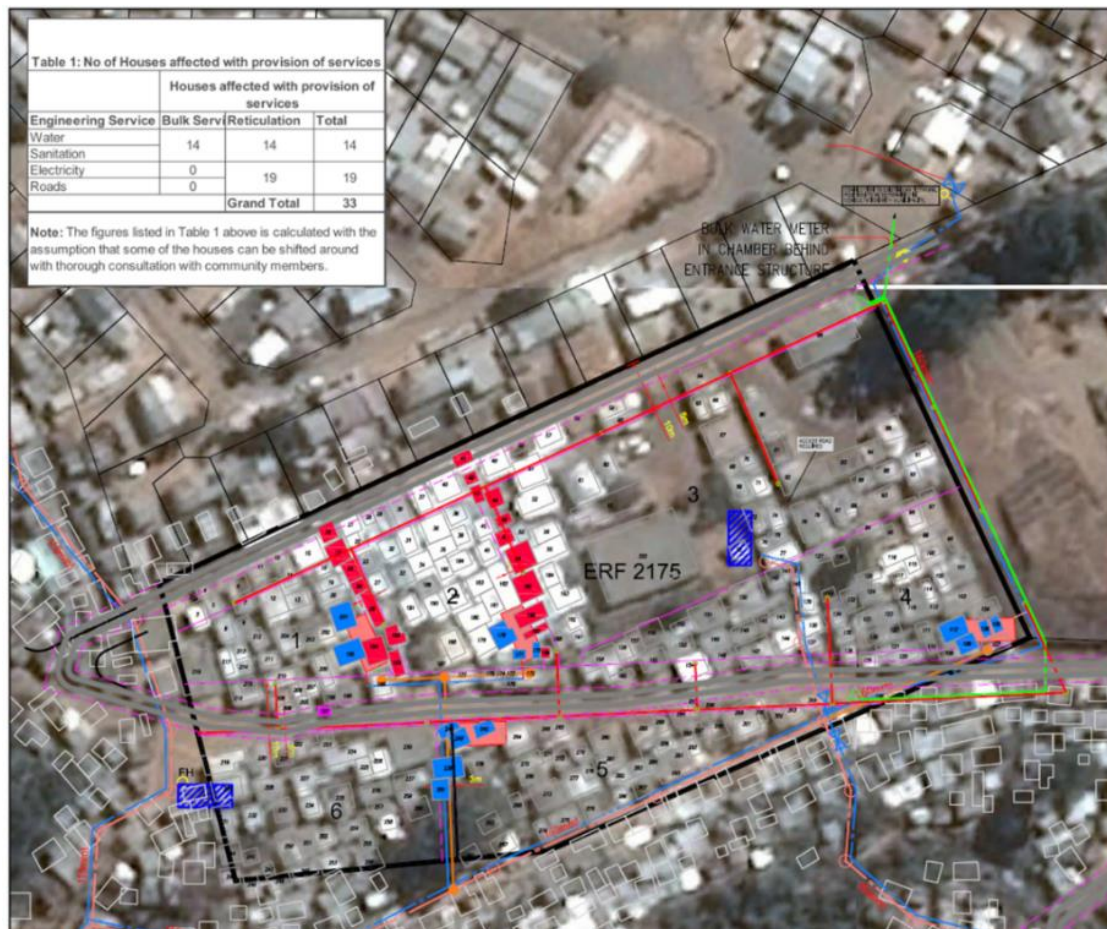


Figure 3.17 Future electrification approved for 2017/18 financial year

The electrification of a portion of Enkanini informal settlement has been approved for implementation during the 2017/18 financial year. This project also includes the upgrading of access roads, water and sanitation. Three hundred households will be electrified. Fifty additional waterborne toilets and water taps were installed. The project includes the relocation of 79 families who were obstructing the installation of services.

The main contractor made use of local labour and local sub-contractors resulting in job creation directly benefitting the community. Skills transfer also took place when the retaining wall was constructed. The project cost for civil and electrical works was R9m.

Zone O Enumeration and Relocation

The Zone O development comprises of various components. The role of the Informal Settlement Department is to enumerate inhabitants and the development of a relocation strategy.

The image below is an illustration of the proposed temporary relocation of Zone O and the movement back to Zone O once it has been developed.



Figure 3.18 Zone O relocation process

Socio Economic Profile: Stellenbosch Municipality

Year	Total households (including formal and informal settlements)	Households in informal settlements	Percentage of households in informal settlements
2013/14	45 000	13 000	29%
2014/15	46 003	15 000	33%
2015/16	49 904*	16 112	37%
2016/17	52 374*	17 829	34%
2017/18	52 374	10 965*	21%

Table 3.52 Socio – Economic Profile* Physical survey count

Enumeration 2017

Enkanini Community Enumeration 2017

A community survey was conducted at Enkanini informal settlements in order to inform the planning and upgrading excise underway in the settlement. According to the data obtained from the residents, there are:

- 2431 dwellings
- 2534 households
- 5551 individuals
- 130 ablution facilities
- 32 stand pipes



Langrug Community Enumeration 2017

A community survey was conducted at Langrug informal settlements in order to update the database and determine level of service delivery. According to the data obtained from the residents, there are:

- 1807 dwellings
- 1955 households
- 4864 individuals
- 140 ablution facilities
- 57 stand pipes



The informal settlement statistics as follows:

	Cluster	1					2														3			4		5			TOTALS	
		Transit Camp (Devon Valley)	Longlands Vloffenburg Triangle	Mountain view (Jamestown)	Jonkershoek / Fisheries Compound / Asegoalbos / The Settlement	Ma Tops	Enkamini Kayamandi	Azania	Zone A	Zone D	Zone F	Zone I	Zone J	Zone K	Zone k L	Zone M	Zone P	Zone O	Slabtown (under the bridge)	Siyahlala	Erf 64 Kylemore	Ghiff P.niel	Meerlust Simondium	La Rochelle	Mandela City	Moolwater Office	Klein Moolwater	Langrug		
Demographic	Ward	11	20	21	5	21	12	12	12	12	14	14	14	15	15	15	15	12,14, 15	14	12	4	4	3	18	18	1	1	18.2		
	Land Ownership	M	P	M	P	M	M	P	M	M	M	M	M	M	M	M	M	M	M	M	DPW	P	P	M	M	M	M	M		
	Population	59	67	427	354	6	5551	1792	3129	196	323	288	1110	404	404	122	91	3928	78	255	29	33	42	72	1018	80	202	4864	24924	
	No of informal dwellings	18	39	164	128	1	2413	982	606	107	183	160	425	196	241	50	59	1427	26	120	8	13	13	33	512	24	64	1807	9819	
	Households	18	39	164	128	1	2534	1187	1043	120	205	209	425	203	277	49	77	1427	26	120	8	13	15	33	600	25	64	1955	10965	
Basic Services	Chemical toilets	0	9	94	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0	0	0	0	1	4	0	114		
	Waterborne toilets	10	0	40	10	3	160	0	164	4	37	41	73	11	52	21	12	103	10	14	0	0	0	40	20	5	16	150	996	
	Sewer Required	4	8	33	25	1	507	48	209	24	41	42	85	40	55	24	15	285	15	24	2	3	3	7	120	5	13	391	2029	
	Sewer shortfall / surplus	6	1	7	-15	2	-347	-238	-45	-20	-4	-1	-12	-29	-3	-3	-3	-182	3	10	4	-3	-3	18	-100	1	7	-251	-1200	
	Toilet ratio	2	4	1:4	13	2	1:15	0	1:6	1:30	1:6	1:5	1:5	1:18	1:5	1:5	1:6	1:13	1:6	1:9	1	0	0	1	30	4	3	14	114	
	Communal Stand pipe	2	0	40	4	3	63	0	81	3	21	17	39	6	22	13	5	86	8	7	2	0	0	14	11	2	8	94	551	
	Water Required	1	2	7	5	1	101	0	42	5	8	8	17	5	11	2	3	54	1	5	1	1	1	1	24	1	3	78	388	
	Water Shortfall	1	-2	33	-1	2	-38	-48	39	-2	13	9	22	1	11	11	2	32	7	2	1	-1	-1	13	-13	1	5	16	115	
	Ratio	1:1	0	1:4	1:32	1:2	44	0	1:13	1:40	1:10	1:12	1:10	1:34	1:13	1:4	1:15	1:16	3	17	4	0	0	2	55	13	8	34	181	
	Electricity (Y /N)	Y	N	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	N	Y	Y	Y	Y	Y	20
	Access Roads	Y	Y	Y	N	Y	y	N	Y	Y	Y	Y	Y	Y	N	N	Y	N	N	Y	Y	N	N	Y	Y	Y	Y	Y	Y	19
	Storm water	N	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	N	N	2	
Solid Waste	N	Y	Y	N	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	N	N	N	N	N	N	Y	Y	Y	Y	N	15		

Table 3.53 Informal settlement statistics

3.1.34.1 CAPITAL EXPENDITURE – INFORMAL SETTLEMENTS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Basic Improvements: Langrug	1 900 000	775 248	-59.20%
Enkanini Planning	4 448 985	2 004 550	-54.94%
Enkanini subdivision, consolidation and rezoning	2 070 000	1 080 000	-47.83%
Klapmuts ABS	804 452	400 659	-50.19%
Mountainview - Installation of water and sewer services - Jamestown	3 900 000	1 784 540	-54.24%
<i>Only the largest capital projects are listed</i>			

Table 3.54 Capital Expenditure as at 30 June: Informal Settlements

Informal Settlements spent, **45.20%** of the capital budget for the financial year.

3.1.34.2 TOTAL EMPLOYEES – INFORMAL SETTLEMENTS

Job Level*	Posts*	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	1	0	0%
15 – 13	2	2	0	0%
12 – 10	3	3	0	0%
9 – 7	2	2	0	0%
6 – 4	0	0	0	0%
3 – 0	0	0	0	0%
Total	8	8	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.55 Employee totals: Informal Human Settlements

3.1.35 Property Management

This Department 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. On a policy level, the approval of the policy on the management of council-owned property can be regarded as a highlight, as this process took the best part of 4 years to be completed. This policy will now set the scene for a policy based approach when it comes to property transactions, as appose to an ad-hoc approach to date.

This Department was also instrumental in approving the following transactions:

- Disposal of a portion of Erf 9190, Technopark to Capitec;

- Disposal of a portion of Farm 1 653, La Motte to the Provincial Government of the Western Cape (School); and
- Disposal of a portion of erf 342, Klapmuts to the Provincial Government of the Western Cape (Clinic).

3.1.35.1 FACILITIES MANAGEMENT – PROPERTY MANAGEMENT

This section is 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 the Klapmuts Multi-purpose centre at a cost of R26.6M;
- Completion of the Groendal Library at a cost of R8.7M; and
- Fencing in Cloetesville next to the R44 at a cost of R1m.

Two of the biggest challenges facing the Department are the fact that no decision has yet been taken on the long term acquisition or construction of additional office buildings and the fact that the Maintenance Budget dealing with historic buildings is insufficient.

The planning (Tender specifications) of the following projects were also completed, to enable the implementation thereof in the next financial year:

- Kayamandi Corridor upgrade;
- Kayamandi Police Station upgrade;
- Pniel Library and Admin Building upgrade;
- Franschhoek Admin Building and Town upgrade;
- Cloetesville flats: interior upgrade and Dorpstreet flats painting; and
- Cloetesville: Eikehall landscaping.

3.1.35.2 SERVICE STATISTICS – PROPERTY MANAGEMENT

Details	2013/14	2014/15	2015/16	2016/17	2017/18
Encroachment Agreements: New	36	32	23	22	16
Encroachment Agreements: Renewals	24	8	7	5	0
Lease Agreements: New	2	10	4	1	0
Lease Agreements: Renewals	5	4	-	2	2
Sales Agreements	1	2	2	3	0
Servitudes	20	21	29	-	0
Poster applications	85	6	81	30	25

Table 3.56 Service Data for Property Management

3.1.35.3 CAPITAL EXPENDITURE – PROPERTY MANAGEMENT

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Furniture Tools and Equipment: Property Management	1 572 099	1 430 103	-9.03%
Groendal Library	4 699 723	4 107 928	-12.59%
New Community Hall Klapmuts	9 384 343	8 467 626	-9.77%
Purchasing of land	7 000 000	299 308	-95.72%
Structural Improvement: General	1 517 474	1 202 176	-20.78%
Only the 5 largest capital projects are listed			

Table 3.57 Capital Expenditure as at 30 June: Property Management

Property management have spent, **65.03%** of the capital budget for the financial year.

3.1.35.4 TOTAL EMPLOYEES – PROPERTY MANAGEMENT

Job Level*	Posts*	Employees*	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	1	0	0%
15 – 13	2	2	0	0%
12 – 10	2	2	0	0%
9 – 7	3	3	0	0%
6 – 4	2	2	0	0%
3 – 0	0	0	0	0%
Total	9	9	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.58 Employee Totals: Property Management

3.1.36 Free Basic Services and Indigent Support

The following table indicates the percentage of 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 indigent households receiving 100 kWh from the municipality and where the electricity distribution is conducted by ESKOM and the Drakenstein Municipality. In accordance with the approved indigent policy of the municipality, all households earning less than R6 000 per month will receive the free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's indigent policy.

3.1.36.1 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	%
2013/14	33 974*	5 095*	26.20	5 117*	26.20	5 117*	12.07	5 095*	26.20
2014/15	43 420*	5 757	13.26	5 757	13.26	5 757	13.26	5 757	13.26
2015/16	48 008	6 486	13.51	6 486	13.51	7 042	14.66	6 486	13.51
2016/17	48 008#	5 686	11.84	5 686	11.84	3 801	7.92	5 686	11.84
2017/18	52 374	6 453	12.32	6 453	12.32	6 453	12.32	6 453	12.32
<i>Average for the year</i>									
# Calculations made for households earning less than R 6 000 per month during 2017/18									

Table 3.59 Access to Free Basic Services

The percentage is based on indigent household access compared to a total of 52 374 households.

Services subsidised are:

- Water - basic charge + 10 kl (previously 6 kl);
- Electricity - basic charge + 100 kWh;
- Sanitation - based on a 250m² erf; and
- Refuse - one removal per week.

3.1.36.2 FREE BASIC SERVICES PER BASIC SERVICE

The access to free basic services is summarised into the different services as specified in the following table:

Electricity			
Financial year	Indigent Households		
	No. of HH	Unit per HH (kwh)	Value R'000
2013/14	5 117*	60	2 759
2014/15	5 757	60	3 218
2015/16	7 042	60	3 818
2016/17	7 537	60	4 740
2017/18	6 453	100	6 216
<i>Average for the year</i>			

Table 3.60 Free basic Electricity Services to Indigent Households

Water			
Financial year	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
<i>Average for the year</i>			

Table 3.61 Free Basic Water Services to Indigent Households

Sanitation			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value
			R'000
2013/14	5 117*	73.36	10 016
2014/15	5 757	73.40	5 702
2015/16	6 486	87.48	6 808
2016/17	5 686	94.48	6 447
2017/18	6 453	102.98	8 330
<i>Average for the year</i>			

Table 3.62 Free Basic Sanitation Services to Indigent Households

Refuse Removal			
Financial year	Indigent Households		
	No. of HH	Service per HH per week	Value
			R'000
2013/14	5 095*	1	10 147
2014/15	5 757	1	5 905
2015/16	6 486	1	7 250
2016/17	5 686	1	6 704
2017/18	6 453	1	8 662
<i>Average for the year</i>			

Table 3.63 Free Basic Refuse Removal Services to Indigent Households

3.2 COMPONENT A: ROAD TRANSPORT

This component includes: roads, transport, traffic engineering and waste water (storm water drainage).

3.2.1 Roads

Transport

Transportation planning and analysis is required on road networks, sidewalk networks, public transport facilities and public transport operations to identify shortcomings and opportunities for improvement.

The Transport Working Group has been replaced by a new Mobility Forum. Discussions on all municipal roads and transport strategies and initiatives (including NMT) are tabled at the forum. The forum is facilitated by the Director Engineering Services and is attended by representatives of interested and affected parties such as the Rate Payer Associations and other organisations, district and provincial government officials, representatives of Stellenbosch University and representatives of the public transport industry namely - rail, bus and taxi associations.

Stellenbosch Municipality's Roads Master Plan (RMP), currently being updated, aims to assist in the planning the road infrastructure. The Comprehensive Integrated Transport Plan (CITP), also being updated, considers all modes of transport and aims to identify the issues and concerns surrounding the various modes. The RMP and CITP, together with the Municipality's Spatial Development Framework, assist with short, medium and long term planning, as well as the development of strategies for roads and transport infrastructure.

A Transit Orientated Development (TOD) feasibility study has been carried out and concept designs compiled. These concept designs, along with the challenges and recommendations will be tabled at relevant senior management and council meetings for consideration.

The Municipality received assistance from the Provincial Transport Department through its Provincial Sustainable Transport Program (PSTP). Funding received was allocated to the provision of public transport facilities, i.e. the provision of pedestrian walkways in Groendal and improvements to Kayamandi taxi rank.

The Stellenbosch Municipality commissioned the commencement of approval processes and designs 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.

During the 2017/18 financial year, sidewalks have been constructed in various residential areas, namely Groendal, Uniepark, Mostertsdrift, Stellenbosch CBD, Idasvalley and Cloetesville. The upgrade of the Bergzicht taxi rank and the construction of the civil works on Klapmuts Taxi rank had been completed. Construction of Kayamandi taxi rank commenced and is currently in progress.

<p>Dalsig / Brandwacht / Welgelegen</p> <ul style="list-style-type: none"> • Van Reede • Constantia • Stellenberg • Dorpsig • Buitekring • Kolbe • Eldorado Letitia • Culemborg 	<p>Kayamandi:</p> <ul style="list-style-type: none"> • Masitandane • Sokuqula • Mengo • 2nd Avenue • Bassi • Portion of Mdala Road and Close • Road U • Vineyard • Various other short roads
<p>Die Boord:</p> <ul style="list-style-type: none"> • Marina • Lovell • Forelle • Woltemade • Rhodes North • Peeka 	<p>Groendal:</p> <ul style="list-style-type: none"> • Mark Street • Blossom • Keerom • La Provence • Park • CDS School • Lower Lea Smith • Angelier
<p>Stellenbosch CBD:</p> <ul style="list-style-type: none"> • Marais • Banhoek • Hamman 	<p>Franschhoek CBD:</p> <ul style="list-style-type: none"> • Cabriere • Akademie • Tuin • Aalwyn

Table 3.64 Rehabilitated and resealed roads

Other transportation initiatives that commenced are in progress:

- Large Employer Trip Reduction Programme (LETRP): The LETRP promotes private company bus services to transport employees to and from work and ride-sharing amongst colleagues.
- Tour bus study: A tour bus study was conducted to assess existing operations and make recommendations for improvements.
- Parking Strategy: The planning and implementation of a parking strategy was performed to alleviate the parking shortage in the CBD.

Storm Water

The update of the Municipality's Storm Water Master Plan is currently in progress and will be completed in the 2018/2019 financial year.

Traffic Engineering

Traffic congestion remains a major challenge within Stellenbosch. To assist with the alleviation of congestion, and to improve traffic flow at intersections, the following was carried-out:

- Traffic Signal Optimisation Study has been conducted on all major road intersections. The aim is to ensure that intersections operates efficiently, maximise green time for priority movements. The findings and recommendation will be implemented during the 2018/19 financial year.
- Intersection upgrades implemented:

R44 / Van Rheeede Intersection
- Double left turning.
Improvements of bell mouth radius to Die Boord.
R44 / Bird Street Intersection
- Increase lane width capacity.
Additional turning lanes.
R310 / Lelie Intersection
- New signalised intersection.
Traffic Circle at Intersection of Hammanshand and Ryneveld Streets
R310 / Cluver / Rustenberg Intersection
- Construction in progress, to be completed in the 2018/2019 financial year.

Stellenbosch Municipality, in collaboration with Stellenbosch University, had commenced with studies and investigations to develop a Traffic Signal Phase Management System, with the aim of controlling all traffic signal phasing at intersections within the CDB from a central point.

3.2.2 Roads statistics

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

3.2.2.1 TARRED (ASPHALTED) ROADS

Financial year	Total km tarred roads	Km of new tar and paved roads	Km existing tar roads re-tarred	Km existing tar roads re-sheeted	Km tar roads maintained
2012/13	328	0	9	0	319*
2013/14	328	8	11	3	322*
2014/15	336	2	18	0	320*
2015/16	337	2	10	0	325*
2016/17	341	3	10	0	328*
2017/18	345	1.2	12	0	332

*Note: * Total network maintained, maintenance carried out where required*

Table 3.65 Tarred (Asphalted) Roads

3.2.2.2 GRAVELLED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar/block paving	Km gravel roads graded/maintained
2012/13	30	0	0	30
2013/14	30	0	0	30
2014/15	30	0	1.5	28.5
2015/16	21.5	0	1.8	20
2016/17	19.7	0	1.2	18.5
2017/18	18.5	0	1	17.5

Table 3.66 Gravelled Roads

3.2.2.3 CAPITAL EXPENDITURE: ROADS AND STORMWATER

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Reconstruction Of Roads - WC024	8 667 600	8 052 756	-7.09%
Reseal Roads - Groendal and Surrounding	2 500 000	2 500 000	0%
Reseal Roads - Kayamandi and Surrounding	2 500 000	2 500 000	0%
Upgrade Gravel Roads - Johannesdal, Pniel, Kylemore	3 666 734	3 597 256	-1.89%
Upgrade Gravel Roads - Klapmuts : Section 1	4 001 437	3 703 915	-7.44%

Only the 5 largest capital projects are listed

Table 3.67 Capital Expenditure as at 30 June: Roads

Roads spent, 94.89% of the capital budget for the financial year.

3.2.3 Stormwater drainage

Flooding events that had occurred over the past 6 years resulted in a number of river bank collapses along the Stiebeuel-, Plankenburg-, Eerste- and Krom Rivers. The River Bank Rehabilitation programme was implemented to stabilise and construct gabion boxes along affected river banks.

3.2.3.1 STORMWATER INFRASTRUCTURE

The table below shows the total kilometres of stormwater infrastructure maintained and upgraded as well as the kilometres of new stormwater pipes installed:

Financial year	Total km stormwater infrastructure	Km new storm-water infrastructure	Km stormwater infrastructure upgraded	Km stormwater infrastructure maintained
2012/13	122	0.4	0	120
2013/14	128.1	6.1	0.01	128.1
2014/15	134.2	0	0	134.2
2015/16	134.2	2	0	136.2
2016/17	136.2	1	0	136.2
2017/18	137.2	0	0	137.2

Table 3.68 Stormwater Infrastructure

3.2.3.2 TOTAL EMPLOYEES – ROADS AND STORMWATER

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	49	1	0	0%
15 – 13	14	1	0	0%
12 – 10	15	12	0	0%
9 – 7	7	3	0	0%
6 – 4	2	22	0	0%
3 – 0	4	2	2	50%
Total	91	41	2	2%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.69 Total Employees – Roads and Stormwater

3.2.3.3 DEVELOPMENT SERVICES AND PROJECT MANAGEMENT

The Manager: Development Services comments on behalf of the Directorate: Engineering Services on all land-use applications, 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 are evaluated in terms of the availability of bulk services. Should Council be in a position to supply such services, an application is supported. If not, then an application for a land-use change will not be supported by the Directorate: Engineering Services. It is essential that any planned development be brought under the attention of Development services to determine if bulk services will be available and if not by when the budget will allow for such bulk infrastructure to be implemented.

To give perspective to the above the figures for the different functions for the 2017/18 financial year amounted to the following:

Activity	2017/18												Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	Jun	
Building Plans- Received	138	119	138	97	129	52	59	105	111	95	69	39	1 151
Building Plans- Commented on	138	119	138	97	129	52	59	105	111	95	69	39	1 151
Land-use Applications - Received	11	34	16	32	15	8	15	28	19	12	11	17	218
Land-use Applications - Commented on	13	18	24	13	39	10	18	11	26	17	16	9	214
BICLS received for completed developments	Excluding VAT - R 15 996 534.99												
Wayleave Applications - Received	17	17	25	12	34	5	11	9	29	25	16	29	229
Wayleave Applications - Commented on	9	14	13	19	10	6	10	13	3	8	9	8	122
Total of aforementioned requests received													1 598
Total of aforementioned requests commented on													1 487
% completion to date:													107%

Table 3.70 Land-use Applications

The Department is responsible to co-ordinate and approve the final handover of newly serviced stands through the approval of engineering services clearance certificates.

The project management function ensures that developer created infrastructure is done according to Engineering standards and guidelines. The MIG programme management also falls under the project management function.

3.3 COMPONENT B: PLANNING AND DEVELOPMENT

3.3.1 Town- and Spatial Planning

The Directorate: Planning and Economic Development includes the following functions:

- Local Economic Development (LED);
- Building Development Management;
- Land-Use Management;
- Spatial Planning, Heritage and Environment;
- Customer Interface and Administration; and
- Community Development.

The focus of the directorate for the past financial year was to develop new policies and By-Laws, implement fundamentals that would improve administrative efficiencies, service delivery and to increase growth of the local economy. Some of the actions and initiatives (for more information see highlights) embarked on include:

- Promoting universal access by reaching a common understanding on what Universal Access and Universal Design is; the Executive Mayor and the Municipal Manager signed a commitment towards achieving Universal Access;
- Implementation of the River Stewardship Program, an innovative initiative that consists of a formal partnership between the municipality and private organisations in Stellenbosch with the two parties sharing the responsibility for the cleaning and maintenance of all rivers in the municipal area on a permanent basis, amongst others through the use of the EPWP;
- The implementation of SPLUMA. The new planning dispensation was implemented on 1 December 2015 by repealing old order legislation and replacing it with the Spatial Planning Land Use Management Act (2013), the Land Use Planning Act (2014) and the Stellenbosch Municipal Land Use Planning By-Law (2015);
- Improving the competency levels of all managers in the directorate by participating in the Municipal Financial Competency programme;
- The increase in efficiencies to process building plan applications and approvals;
- The establishment of a corporate GIS in the municipality;
- Coordinating the different GIS layers to create one usable layer linked to the financial system;
- GIS mapping of all local ECD's within the municipality;
- Access to municipal agricultural land by the development of a policy to manage municipal agricultural land; and
- Creation of a new Integrated Zoning Scheme By-Law, Air Quality Management By-Law and Noise Control By-Law.

The paragraphs below set out the main elements of Stellenbosch Planning Strategies:

The public participation process around the finalisation of the new generation municipal SDF is ongoing and minor amendments were made and submitted to Council in May 2018 to ensure its alignment with the IDP and Budget. The Spatial Development Framework (SDF) forms a key component of the IDP as it indicates the spatial location and opportunities to achieve the various objectives and meet the demands of the local communities. The SDF is further translated into the Integrated Zoning Scheme By-Law (IZS), through which the municipality intends to proactively create development opportunities in keeping with the spatial development policies approved by Council when approving of the spatial development framework or its amendment from time to time.

The Stellenbosch Municipality SDF addresses a rapidly transforming spatial environment, primarily due to the influx of job seekers, residents and investors from other centres and major changes in the means of production and wealth creation. It is acknowledged that growth, expansion and innovation have to date taken place within the spatial layout of Stellenbosch's unique ecological and built environment. However, this spatial layout is partly the result of historical patterns of race- and class-based development; partly the result of specific planning frameworks that have been implemented over the decades; and partly the result of ad hoc decisions driven by property developers or desperate homeless households. The prevailing reality therefore begs transformative change.

Future growth, expansion and innovation cannot be allowed to unfold in haphazard ways as this is likely to result in expensive outward low density sprawl and the related destruction of valuable eco-system and agricultural resources. The purpose of the SDF is to provide maximum certainty to everyone. The SDF is being developed and integrated with other policies to provide everyone with a strategic vision of the future development of a given urban area. The SDF must answer the following questions:

"How is Stellenbosch going to develop over the next ten to thirty years?"

What kind of development will take place and where will it take place?"

Specific issues addressed in the current SDF:

- Amendment of the urban edges;
- Adjustments to include the northern extension to Stellenbosch as per Council decision;
- Adjustments to include the Jamestown housing development to the south of Jamestown;
- Infill and development areas;
- Major transport infrastructure; and
- Institutional development and facilities.

Traffic congestion is one of the main concerns in the municipal area, together with the indicated lack of economic growth to counter the effects of the significant population growth in the predominantly lower income categories. The Municipality is revising its Roads Master Plan (RMP) to be aligned with the SDF. The RMP is integrated with various other strategic plans, such as the Comprehensive Integrated Transport Plan (CITP), Non-Motorised Transport Plan (NMT) and Integrated Public Transport Networks (IPTN). It is essential to plan, manage and implement transportation infrastructure to ensure sustainable, economic and socially acceptable transport services to those living in the Stellenbosch Municipal area.

The draft WC024 Spatial Development Framework was approved at the Council meeting on 28 February 2013. Current projects undertaken include:

- Finalisation of the new integrated zoning scheme regulations;
- Drafting of the Stellenbosch Town SDF;
- Drafting of the air regulations is underway;
- Ongoing updating of cadastral information database and electronic zoning information and updating the zoning information register;
- Implementing the collaborator workflow management system to track and administer all land-use applications and building plan applications;
- Finalising the integrated zoning scheme;
- Finalising the Planning by-law is in progress;
- Preparing SDFs for all urban nodes as well as the rural area in line with the WC024 SDF;

- Re-evaluating and capacitating the Building Control Section so as to ensure proper functioning, and proper law enforcement so as to be compliant and ready for developments to come;
- Continually ensuring timeous consideration of land-use applications in order to streamline development processes ; and
- Municipality to strengthen integrated planning, spatial planning and economic planning.

Future projects

- Preparation of Spatial Development Frameworks for all urban nodes, as well as for the rural area, in line with the WC024 SDF; and
- Re-evaluate and capacitate the Building Control Section to ensure proper functioning and law enforcement so as to be compliant for future development.

Continually ensure timeous consideration of land-use applications in order to streamline development processes. Municipality to strengthen integrated development planning, spatial planning and economic planning.

1. CAPITAL EXPENDITURE – PLANNING AND DEVELOPMENT

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Furniture, Tools and Equipment	184 062	189 503	2.96%
Informal Traders	500 000	125 785	-74.84%
Offices: Relocation Costs	192 229	138 537	-27.93%
Purchase of Land- Cemeteries	914 109	664 396	-27.32%
Sound Level Meter and Calibrator	105 000	100 482	-4.30%
<i>Only the capital projects are listed</i>			

Table 3.71 Capital Expenditure as at 30 June: Planning and Development

Planning and Development have spent, **46.32%** of the capital budget for the financial year.

2. TOTAL EMPLOYEES – PLANNING

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	4	1	100%
15 – 13	5	11	0	0%
12 – 10	1	7	0	0%
9 – 7	17	3	1	6%
6 – 4	16	0	0	0%
3 – 0	4	0	0	0%
Total	44	25	2	5%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.72 Total Employees – Planning

3.3.2 Local Economic Development

Achievement/Highlight	Description
Enterprise Development	Entrepreneurial Open Days Successfully hosted an Entrepreneurial Open Day in May 2018 in collaboration with SEDA, CIPC, NYDA and Nedbank
	Number of business interventions for the financial year (857):
	Business registrations 24
	Municipal Database Registrations 19
	Advice to walk-ins 387
	Workshops 12
	Business Licences 13
Mentorship	Liquor licences applications received 209
	Comments forwarded to the Liquor Board 193
Funding	Fourteen entrepreneurs successfully completed a mentorship programme hosted by the Stellenbosch Municipality in partnership with Exchange, a Belgian based non profitable organisation consisting of retired businessmen, committed to assist businesses outside the borders of Belgium.
Access to municipal agricultural land	The department successfully applied for funding from respectively the National Department of Small Business and the Department of Rural Development and Land Affairs.
	National Department of Small Business Development approved R 4.3 m for the establishment of Traders Markets Department of Rural Development and Land Affairs approved R11m towards the development of emerging farmers over a period of three (3) years.
	After negotiating complex administrative processes in the form of asset regulations, inter-governmental departmental funding and farmer support commitments, 11 pieces of municipal agricultural land was advertised to provide access to municipal land to emerging farmers. Applications are in the process of been evaluated.

Achievement/Highlight	Description
Catalytic interventions	<p>Development of Pniel River Park as a community and tourism asset A topline business plan has been developed outlining a possible development framework for the park and the river banks, with a view to connecting with private sector initiatives in Kylemore. It is possible to connect Kylemore to Pniel, and possibly Allee Bleue with a NMT route, with opportunities for small businesses and community spaces that work as tourism assets.</p> <p>Mountain bike trail between Stellenbosch and Franschhoek The department prepared a vision statement and consulted with multiple role-players; obtained promising buy-in from local and provincial role players to develop multi-purpose trails, starting with a route from Stellenbosch around Idas Valley dam through the Dwarsrivier Valley to Franschhoek, with an alternate route back to Dwarsrivier Valley through an old hiking trail. Positive support from DEDAT. Second phase development will extend the route from Franschhoek to Theewaterskloof through the nature reserves and back to Stellenbosch. This route will be 180km in length and will create jobs through trail building and maintenance, guiding, bike maintenance, camping accommodation, food and beverage and general support.</p>

Table 3.73 Achievements within Local Economic Development

3.3.2.1 LED CHALLENGES

The table below gives a brief description of all the challenges within local economic development during 2017/18:

Description	Actions to address
More prominence of Local Economic Development in the Municipality	Position Local Economic Development in such a fashion that its strategies and initiatives are articulated in the SDF to ensure sustainable economic growth and economic development in the municipal area.
The unfavourable Economic Conditions: Global, National and Local	Slow growth globally, and a troubled political and policy environment nationally have a negative impact on local business prospect. Address red tape issues to ensure a responsive and effective administration that can be a catalyst for investment at a town level.
Insufficient interaction with Local Economic Development stakeholders and role-players	Develop a platform for continuous interaction between business sectors, political leadership, the administration and community to build a common understanding on Local Economic Development objectives and outcomes linked to the IDP.
Non-permanency of EPWP administrative staff.	There exists a need to have permanent data capturing staff for EPWP in order to ensure the continuous performance of the function in terms of compliance and job creation targets.
Current entrepreneurship development initiatives shows to minimal or minor impact on new venture creation	Provide collaboration spaces such as the – e.g. Woodstock exchange. Formalise and agree thinking on the desirability and practicality, identify possible partners and funders, in both public and private sector.
Lack of projects management resources to construct traders markets	Provide projects managers to ensure the construction of traders markets are on schedule.

Table 3.74 Challenges within Local Economic Development

3.3.2.2 EPWP JOB CREATION 2017/18

Over the years, the EPWP (Expanded Public Works Programme) has increased its capacity to provide more jobs due to increasing awareness by the project's managers of the contribution they could make to job creation. The appointment of four contract data capturers also increased the quality of reporting to the National Department of Public Works. Below are the projects and number of jobs that have been created through EPWP.

EPWP Projects		Number of jobs created	
Environmental Projects			
Biomass Reduction		9	
CBD area cleaning		33	
Cleaning of open erven		8	
Eco officers		1	
Enkanini area cleaning		94	
Area Cleaning		187	
Cemetries		10	
Cleaning and Greening		14	
Parks		6	
Rivers		9	
Sports		7	
Invasive Alien Clearing		20	
Jonkershoek cleaning		8	
Ornamental horticulture		16	
Park Wardens		4	
Parks and Rivers Cleaning		3	
Plantation Monitors		20	
Rehabilitation Project		6	
Waste minimisation		5	
Integrated fire management		11	
Hockey Astro Turf		10	
Parks Grass cutting		8	
Total Projects	22	Total Jobs	496
Social Projects			
Cleaning of informal toilets (5/18)		25	
Cleaning of informal toilets (6/18)		11	
Filters and Reservoir		8	
Klapmuts roads		17	
Storm water Debrri		8	
Informal trading site Idas valley		3	

EPWP Projects		Number of jobs created	
Installation waterborne sanitation		16	
Kayamandi housing erf 2183		4	
Klapmuts housing erf 2181		16	
Lanquedoc Ablution Facilities		4	
New Bulk water supply pipeline		10	
Plankenburg new main sewer outfall		11	
Service Warriors water leaks		8	
Wemmershoek WWTW		4	
Plankenburg Kayamandi Section		13	
Klapmuts Taxi rank		9	
Waste Characterisation		5	
Cleaning of Ablution facilities		31	
Total Projects	18	Total Jobs	203
Social Projects			
Cleaner book mender Jamestown		1	
Cleaning of fire service		1	
Community service Admin/office support		1	
Electrical servicer meter reading admin		2	
Halls		5	
Community Development		7	
Fire Disaster		9	
LED EPWP		28	
Law Enforcement		94	
School Safety		8	
Industrial Influent Database		1	
KETC Cleaning		3	
Law Enforcement EPWP		7	
SCM Admin		3	
Neighbourhood Revitalisation		16	
Learner fire		12	
Total Projects	16	Total Jobs	198
Total Projects Overall	56	Total Projects Overall	887

Table 3.75 Job Creation through EPWP* Projects

3.3.2.3 TOTAL EMPLOYEES – LED

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	1	0	0%
15 – 13	5	4	1	20%
12 – 10	0	0	0	0%
9 – 7	1	1	0	0%
6 – 4	3	1	2	67%
3 – 0	0	0	0	0%
Total	10	0	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.76 Total Employees – LED

3.3.2.4 TOURISM

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 and social development.
- Ensure co-ordination of the activities of the funded entities.
- Ensure efficient oversight of funding and outcomes.
- Acknowledge and leverage private sector and independent initiatives.
- Develop own of 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.
- A transparent ability to quantify return on investment into events and funded entities.

Challenges: Tourism

- Fostering and enabling market access for emerging businesses in the sector.
- Countering seasonal nature of the tourism sector
- Development of Strategic Tourism products that require support and integration of multiple three spheres of government, parastatals and SOEs, and which the Municipality is better positioned to drive and coordinate than the private sector.
- Improving alignment and coordination of the activities of the funded Local Tourism Organisations
- The Municipality needs to develop a professionalised marketing approach to its support of tourism.
- It must manage the overall Stellenbosch tourism brand, with recognition of the strategic advantages and market positioning of the regional sub-brands, including town specific offices, e.g. Stellenbosch 360, Franschhoek Wine Valley; industry sectors such as wine tourism Stellenbosch Wine Routes; the

development of business tourism, and the development of strategic plans for new tourism products that maintain competitive advantage and consumer desirability, through which SMMEs can become participants in the tourism sector.

Highlights: Tourism

- Attended the Tourism Transformation Conference at Kopanong insights into National Tourism Sector Strategy and funding opportunities.
- Attended the Tourism Indaba in Durban to gain new insight, make strategic contacts, and develop a more informed framework to contextualise local tourism.

3. CAPITAL EXPENDITURE – LOCAL ECONOMIC DEVELOPMENT AND TOURISM

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Establishment of informal trading markets Cloetesville	2 975 549	349 591	-88.25%
Establishment of Informal Trading Sites: George Blake Street	901 767	97 339	-89.21%
Establishment of Informal Trading Markets	2 346 749	2 089 468	-10.96%
Establishment of Informal Trading Markets	2 264 454	495 446	-78.12%
Vehicles	1 005 000	929 416	-7.52%
<i>Only the capital projects are listed</i>			

Table 3.77 Capital Expenditure as at 30 June: Local Economic Development and Tourism

Local Economic Development and Tourism have spent, **42.64%** of the capital budget for the financial year.

3.4 COMPONENT C: COMMUNITY AND SOCIAL SERVICES

3.4.1 Libraries

The service provided by the Stellenbosch Public Libraries within the Municipality is the result of a partnership between the Stellenbosch Municipality and the Western Cape Provincial Library Service.

There are currently nine Public Library Service points within the Stellenbosch Municipality. These are located at Stellenbosch Town, Kayamandi, Cloetesville, Ida's Valley, Franschhoek, Jamestown, Klappmuts, Pniel and Groendal.

Together with Provincial Library Services, all the libraries within Stellenbosch provide a wide range of resources and facilities to the public. These include books, Magazines, newspapers, CD's and DVD's. Other services include a housebound service, inter-library loans, free internet and computer access, photocopying and printing facility and activity room.

Libraries have changed and will continue to evolve as new formats develop. We know it is important for a community to be educated and have the necessary skills for future employment and decision making. The majority of our community continues to enjoy reading print materials as evidenced by the large numbers of these types of materials being checked out.

Some Challenges Stellenbosch libraries faces are:

- Safety and security: Library staff is exposed to various threats in the community for example gang fights and robberies.
- Distances to libraries are too far from homes for children to visit unaccompanied.
- Promotion of Indigenous Languages. Members are reluctant to read in these languages.
- Reluctance of school libraries to collaborate with public libraries.
- Outreach campaigns: funding needed for execution of literacy projects successfully.
- Study space/ Children section: Libraries need upgrading to cater for increased study space/ children's ECD section.
- Funding need to provide both educational and academic e-resource material. The challenges faced by libraries to execute these services effectively are:
 - Transport: Currently three vehicles are shared between nine libraries. Availability of transport for the libraries to perform their numerous outreach programs is a challenge.
 - Budget: Insufficient budgets to acquire resources and effectively execute outreach activities.
 - Availability of Skilled staff: All two-year contract staff, does not have any formal library qualifications or training. This has impacted greatly on the delivery of an effective and efficient library service and the promotion of literacy.

Transformation Highlights

- The Reference Department provides guidance to patrons for information; teaches them how to find information; selects materials for the Library; and they connect patrons with internet resources that they're interested in. Even in the age of Google, people still need on-on-one guidance to information.
- The Plein Street Library Houses a very valuable Africana Collection with a total value of R1, 5 million.

- The challenge faced with this collection is the restoration, preservation as well as the security of the collection.
- Digital Services in the Library is dedicated to bridging the digital divide and expanding online access for its members. Provincial Library Service has assisted us with the first steps by making available to our members the Britannica Online and the Mzanzi online Project which includes a variety of Soft and hardware.
- The Plein Street and Cloetesville libraries have been identified by the South African National Library and Provincial Library Service as the recipients of the Mzanzi Online Project which is funded by the Bill and Melinda Gates Foundation. This Project is currently being rolled out in South Africa by the South African National Library.

The libraries in the Stellenbosch area participated in outreach programs such as Youth day, Arbor Day and Mandela day. Class visits, storytelling sessions, reading and craft programmes and housebound services.

- Libraries partnered with the Parks Department to celebrate Arbor Day.
- Franschhoek and Pniel Libraries collaborated with the Pniel Museum during the Adam Small festival and the with community organisations to celebrate the Wordfees.

Our goals are:

To increase Library usage, promotion and development of literacy as well as Early Childhood Development by working with the different departments within the municipality and local communities.

With the move towards e-resources, our next step is to take our patrons into the realm of e-books for recreational and academic reading.

To increase the circulation of information in audio, digital and printed word formats. To extend rural and community library outreach programs and services.

The following graph displays registered users per library

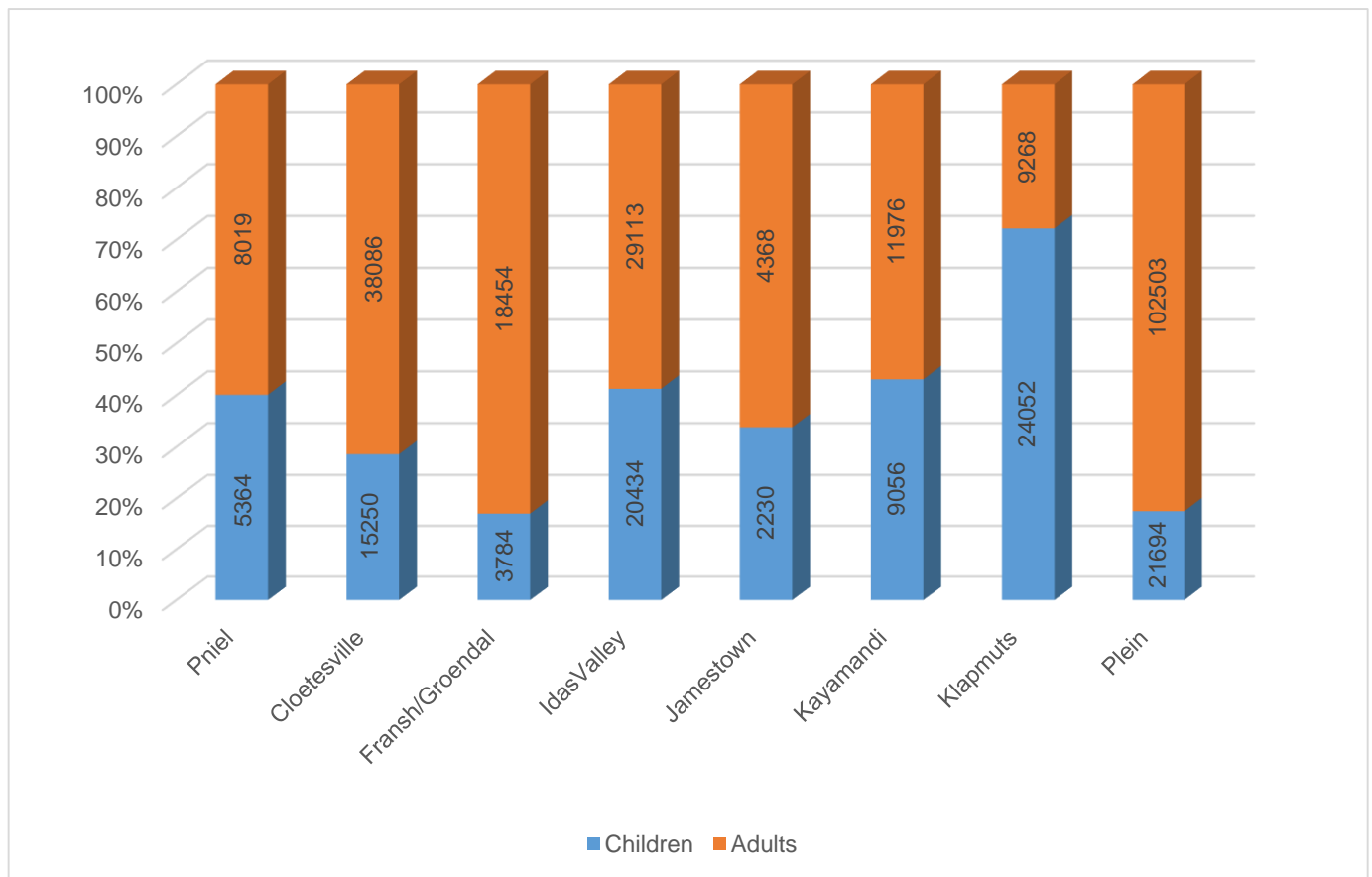


Figure 3.19 Users per library

3.4.1.1 SERVICE STATISTICS – LIBRARIES

Type of service	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Libraries						
Number of libraries	9	9	9	9	9	9
Library members	10 043	14 113	14 710	311 832	547 250	323 651
Books circulated	343 694	356 247	331 018	311 832	336 864	305 275
Exhibitions held: Adults	468	471	520	355	341	334
Exhibitions held: Children	0	0	0	269	799	257
Internet access points	32	32	32	32	32	32
Internet sessions granted to library users	0	0	0	44 892	52 413	43 790
Children programmes	72	73	108	188	212	258
Number of children attending programmes	0	0	0	1 890	4 813	5 045
Visits by school groups	35	42	36	43	51	185

Type of service	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Libraries						
Book group meetings for adults – old age homes	0	0	324	410	745	1 119
Primary and Secondary Book Education sessions	41	35	72	49	341	1 378
Patrons visits @ Library	N/A	N/A	N/A	N/A	590 985	403 219
Library Hall usage	N/A	N/A	N/A	N/A	425	387

Table 3.78 Service Statistics: Libraries

3.4.1.2 CAPITAL EXPENDITURE – LIBRARIES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Library Books	171 644	112 578	-34.41%
Pniel: Furniture, Tools and Equipment	54 348	30 120	-44.58%
Upgrading: Idas Valley Library	96 700	96 700	0%
Upgrading: Pniel Library	278 000	45 074	-83.79%
Upgrading: Cloetesville Library	59 242	14 800	-75.02%
<i>Only the 5 largest capital projects are listed</i>			

Table 3.79 Capital Expenditure as at 30 June: Libraries

Libraries Services have spent, **52.73%** of the capital budget for the financial year.

3.4.1.3 TOTAL EMPLOYEES – LIBRARIES

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	1	0	0	0%
15 – 13	12	0	0	8%
12 – 10	14	5	0	7%
9 – 7	6	0	0	0%
6 – 4	0	7	0	0%
3 – 0	0	1	1	0%
Total	33	13	1	3%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.80 Total employees- Libraries

3.4.1.4 CEMETERIES

Stellenbosch Municipality is responsible for the maintenance and management of six cemeteries in the greater Stellenbosch. Currently Jamestown, Pniel and Groendal cemeteries are reaching its maximum capacity, whilst Wemmershoek and Franschoek South and North are fully operational. Onder Papegaaiberg Cemetery is full to capacity [only reserve graves are available]. A new cemetery at Kylemore is currently being established.

CK Rumboll and Associates were appointed (3-year project) during 2016 to assist Stellenbosch Municipality with the identification and planning of one or more regional cemetery sites to address the critical need for burial space within the municipality.

The objective of the cemeteries department 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.

Our challenges remain to be:

- the shortage of burial space;
- to convert burial records to electronic soft copies (in progress as per the five plan);
- to promote alternative burial methods such as cremations amongst various religious groups

3.4.1.5 SERVICE STATISTICS - CEMETERIES

Type of service	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Pauper Burials	25	4	3	0	2	0

Table 3.81 Cemeteries Service Statistics

3.4.1.6 INCOME – CEMETERIES

Gravesite locations	2015/16		2016/17		2017/18	
	Number of Burials	Income	Number of Burials	Income	Number of Burials	Income
Onder Papegaaiberg	46	R72 280	36	R577 197.50	74	R33291
Jamestown	398	R889 572.50	42	R55 830	527	R775 831
Pniel	20	R17 050	7	R5 960	15	R9 615
Wemmershoek	6	R5 525	5	R1 895	17	R15 633
Franschhoek North	116	R117 060	85	R44 642.50	161	R105 489
Franschhoek South	2	R620	6	R6 475	16	R21 010

Table 3.82 Cemeteries Service - Income
3.4.1.7 CAPITAL EXPENDITURE – CEMETERIES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Cemeteries: Purchase of Specialised Equipment	21 329	18 773	-11.98%
Cemeteries Beautification of Open Spaces In Graveyards	11 591	10 265	-11.44%
Extension of Cemetery Infrastructure	728 545	621 112	-14.75%

Table 3.83 Capital Expenditure as at 30 June: Cemeteries

Cemeteries have spent, 85.38% of the capital budget for the financial year

3.4.1.8 TOTAL EMPLOYEES – CEMETERIES

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	14	0	0	0%
15 – 13	0	0	0	0%
12 – 10	1	0	0	0%
9 – 7	1	1	0	0%
6 – 4	0	2	0	0%
3 – 0	0	0	0	0%
Total	16	3	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.f.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.84 Total Employees – Cemeteries

3.4.2 Child Care; Aged Care; Social Programmes– Community Development

3.4.2.1 SERVICE STATISTICS – CHILD CARE, AGED CARE, SOCIAL PROGRAMMES

Type of service	
Early Childhood Development Services/ Children	<p>ECD Policy</p> <p>The Draft ECD Policy was advertised for public comment and work shopped with all ECD forums and stakeholders. Extensive comments were received and considered prior to policy approval in March 2018.</p> <p>ECD GIS Database updates: Thirty two ECD Facilities contact and registration status information were updated.</p> <p>Capacity Building of ECD Practitioners</p> <p>Development of Constitutions and internal policies. Environmental Health in partnership with CWDM to identify health problems in the surrounding environment and how to address the issues. Health in and around cooking areas: To ensure hygienic spaces for food preparation. Mosaic: M&E training to 20 Child Protection Organisations.</p> <p>Awareness programmes for ECD's</p> <p>Child Protection Day: Kayamandi reaching 516 children. Child Protection Day: Franschoek reaching 334 children. Finances: Exploring the relation between having financial resources and attitudes and values towards money. Early Years FAS training for practitioners.</p>

Type of service

		<p>Early Years Parenting Workshop for 20 practitioners.</p> <p>ECD Registration Compliance Workshop/ Programmes: Four workshops were planned for the financial year. The content included the following: 77 ECD practitioners attended the registration workshop relating to internal planning processes, DSD processes. Practitioners were able to meet officials responsible for the functions in order to build better relations between the public and officials. Two smaller working groups in partnership with CWDM Health Practitioner on requirements to obtain health approval.</p> <p>Strengthening and Establishing ECD Forums</p> <p>Draft ECD Policy workshop to ensure in depth discussion of the proposed policy and to incorporate comments from the sector. Bi-Monthly engagements with all ECD forums.</p> <p>Transversal /Adhoc programmes</p> <p>Introducing Asha to Franschhoek ECD forum as a service provider focusing on servicing ECD practitioners through knowledge and skills in child stimulation. Annual engagement between JAM and their recipients within WCO24 and Stellenbosch Municipality. 577 ECD learners participated in the Spring Walk at the Bergrivier Dam 16 Days of Activism: Safety awareness campaign mostly focusing of ECD facilities in rural communities reaching 1560 children International Children's Day: 100 farms children participated at the Eco Centre in a traffic safety programme.</p> <p>Grant in Aid 2018/19</p> <p>15 ECD's were approved for GIA funding.</p>
<p>Persons with Disabilities</p>	<p>Awareness programmes Universal Access Grant in Aid Donations</p>	<p>International Day of Persons with Disabilities: 25 November 2017</p> <p>Theme: WALK WITH DISABILITY Focus was social inclusion and emphasis for everyone to walk with people with disabilities. A march was organised by Disability Network with supporting organisations and the municipality. A memorandum was handed to Cllr Frazenburg which focused on universal access for persons with disabilities. The municipality participated in the Casual Day Campaign with proceeds going to Dorothea School in Cloeteville.</p> <p>Grant in aid Donations</p> <p>6 Non-profit organisations servicing people with disabilities were approved for Grant in Aid donations among which an ECD for children with disabilities.</p>
<p>Older Persons</p>	<p>Golden Games Transversal Committees/ Adhoc programmes Older Persons Forums</p>	<p>Golden Games</p> <p>Stellenbosch Active Games was hosted on 21 March reaching 238 elderly from across the municipal area. The purpose was to bring elderly persons from different communities together and to promote active lifestyles. 12 April: Club representative training 7 May: Regional Games <u>The National Golden Games took place from the 23rd to the 27th of October 2017. Stellenbosch participants came third in the relay event.</u></p>

Type of service

		<p>Older Persons Forums</p> <p>Capacity building session for local elderly clubs on governance and how to successfully run your organisation. This workshop was done in partnership with DSD whose objective is to assist organisations with registration and compliance. The clubs represent the following areas: Raithby, Kayamandi, Cloetesville, Klappmuts, Idas Valley, Kylemore, Pniel, Lynquedoc, La Motte, Wemmershoek, Groendal, and Mooiwater/Langrug.</p> <p>Awareness Programme:</p> <p>Elderly Abuse awareness and protection mechanisms were hosted in Cloetesville reaching 110 persons.</p> <p>National Elderly Week is celebrated from the 24th of September to the 01st of October 2017. The 01st of October being grandparents' day. The different elderly clubs had different programs within their areas. The fire department presented a life skills program, where they were made aware of the different signs and symptoms of a possible heart attack, stroke and self-defence.</p> <p>On the 10th and 11th of October Cape Winelands Municipality hosted a regional elderly summit in partnership with the Western Cape Older persons forum which took place in Tulbagh. The purpose of the summit was to address the realities and challenges facing elderly people and old age homes in the District. Stellenbosch participated in the summit.</p>
Gender	Special Events	<p>Women's Day</p> <p>Women's Week included the following activities:</p> <ul style="list-style-type: none"> • Mother and Daughter Dialogue/Session • Inter-gender teenage Dialogue • Women's Day march • Miss Role Model 2017 <p>Other programmes included:</p> <p>Fatherhood Programmes Our heritage – her voice 16 Days of Activism</p> <ul style="list-style-type: none"> • Widow's Empowerment Programme
Youth	<p>Youth Empowerment programmes</p> <p>Youth Capacity Building</p> <p>Transversal committees/ Adhoc programmes</p> <p>Grant in aid Donations</p>	<p>JPI 27</p> <p>In collaboration with Department of Education and DCAS Two schools were chosen to pilot programme. Pniel Primary and Kayamandi Secondary. Progress are made at Pniel Primary School.</p> <p>At the start of building a partnership with the Rupert Foundation which indicated interest in developing the after school care programme as part of the MOD centre.</p> <p>Youth Capacity Building</p> <p>Mayoral Youth Skills Development programme originated from the high unemployment rate among local youth and the need for access to skills development. Stellenbosch also has employment opportunities for artisan trained persons in a number of local industries as evident in the research report produced by a Belgian student as part of her internship at the municipality. Successful candidates received free access to an accredited skills 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</p>

Type of service

		<p>along with a job preparedness program focussing on life-skills. 26 Youth participated in the Basic Cooking Skills programme.</p> <p>Transversal committees/ Adhoc programmes</p> <p>Cape Winelands Drama Festival. Franschhoek participants reached the finals and performed at the Suidooster Fees in the Baxter Theater. They walked away with the following awards:</p> <ul style="list-style-type: none"> Best Supporting Actress Best Director Youth in Foster Care Programme Family Planning and Environmental Health Water Awareness Annual Career Expo and Agri Career Expo Job Preparedness EPWP Artisan placement in Maintenance Department Indigenous Games Youth Day Fatherhood Programme Teen Camp Finding your future locally Youth Forums (Franschhoek) <p>The department is providing continuous support to the forum and also its initiatives in their areas.</p> <p>Grant in aid Donations</p> <p>Non-profit organisations were approved for youth grant in aid donations. They vary from sports to career skills.</p>
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Table 3.85 Community Development

3.5 COMPONENT D: ENVIRONMENTAL PROTECTION

3.5.1 Pollution Control, Bio-Diversity, Landscape, Open Spaces, Parks

Stellenbosch Municipality is continually 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, in the last financial year, Stellenbosch Municipality has developed the Stellenbosch Environmental Management Framework, a municipal strategic environmental management policy that responds to and complies with the relevant statutes and directives. An Air Quality Control By-Law and Noise Control Policy has been developed, to be brought before Council for approval, and an Air Quality / Noise Control Officer appointed and designated for the implementation and regulation the above. Stellenbosch Municipality are one of a handful of municipalities nationally that has completed an Invasive Alien Plant Management Plan in the last year, as required in terms of the National Environmental Management: Biodiversity Act, 10 of 2004.

Stellenbosch Municipality has competed in the national Greenest Municipality Competition for the last four years running, receiving recognition for various exemplary projects in environmental protection and rehabilitation. One such project is the Stellenbosch River Stewardship Action, an initiative that responds to the stated objective of Stellenbosch Municipality River Business Plan, 2011, namely...to extend/transfer 'ownership' of the natural resource by forming sustainable partnerships with business, interested and affected groups and jointly taking care of river health. The rationale of the Stellenbosch River Stewardship Action is that defined sections of the river system be designated to, or be adopted by the various partners in terms of a set of stewardship undertakings and commitments. This is a voluntary initiative which builds on the goodwill and commitment of the various 'partners'. Since the implementation of the initiative various business and private organisations have committed themselves to the initiative.

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. Four such incidents have been dealt with this past year.

3.6 COMPONENT E: SECURITY AND SAFETY

3.6.1 Law Enforcement

Stellenbosch Municipality has an approved, comprehensive safety plan that is reviewed annually and addresses all the aspects of safety, from road safety and crime to dealing with disasters and fires. This safety plan was compiled with the input of all relevant stakeholders from the community and safety disciplines. Safety is the responsibility of all residents of Stellenbosch and all citizens of South Africa. The socio-economic challenges of inequality, poverty and unemployment is a major contributor to unsafe situations.

With this Comprehensive Safety plan the Stellenbosch Municipality and all the relevant role-players and the residents of the Greater Stellenbosch, commit themselves to maintain and promote a zero tolerance approach to crime and safety.

Safety needs to be approached from different angles as no entity on its own will be able to successfully ensure the safety of the communities of the Greater Stellenbosch. Therefore instead of working in silos, a combined strategy has been implemented to increase the capacity of manpower in order to assist SAPS in combatting crime. The safety initiative known as the Stellenbosch Safety Initiative (SSI) has been established during 2014. The successful implementation of the SSI establishes more co-operation and trust amongst the different stakeholders and opens opportunities in attracting more resources from the public and private sectors including the community.

Highlights:

- Approved Safety Plan and Safety Stakeholders Forum.
- Established Stellenbosch Safety Initiative (SSI) in place.
- SSI task team which meets bi-weekly to plan and execute joint operations with SAPS as key role-player.
- Special Operations Unit established in terms of Safety Plan.
- Safety Plan reviewed annually.
- MOU in place between University of Stellenbosch and Stellenbosch Municipality on the grounds of CCTV.
- MOU in place between the Security Cluster, Campus Control and Municipality on the grounds of Safety and Security matters.
- Special Safety Task Team established.
- Centralised Control Room and CCTV monitoring at Fire Station (Phase 1 completed).
- The expansion of the Control Room is in progress (Phase 2).
- Phase 1 completed of LPR camera installation.
- Phase 2 of LPR cameras to equip all entrances/ exits to Stellenbosch and Franschhoek towns will be completed at December 2018.

Challenges:

- To render a 24/7 Law Enforcement patrol service.
- Provide appropriate security of assets and facilities.
- Increase and maintain surveillance of key places.
- Prevent land invasion.
- Dedicated Liquor Unit.

- Dedicated Informal Traders Unit.
- Sufficient staff to be able to meet challenges.
- Additional vehicle fleet to fulfil its mandate for a safer environment.
- Centralised offices to accommodate the entire department.

The Law Enforcement department attended to the following incidents:

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Arrest	18	19	32	82	21	24	85	25	34	48	14	4	406
Vagrants removed	333	889	574	1 897	473	276	406	254	515	450	458	758	7 283
Drinking in public	11	39	70	319	188	73	178	27	47	138	168	214	1 472
Illegal car guard	179	532	240	1 117	303	165	142	116	205	206	194	121	3 520
Beggars removed	113	457	262	1 133	152	151	130	118	167	298	234	365	3 580
Illegal hawkers	39	79	29	81	17	10	8	4	1	43	0	14	325
Warnings	4	29	33	197	227	117	85	248	50	221	113	144	1 468
Disorderly behaviour	0	1	5	23	38	45	33	4	23	23	471	400	1 066
Noise Complaint	12	23	14	162	87	45	30	34	34	64	37	48	590
341 notices	135	271	150	12	0	0	0	1	0	0	29	1	599
Fines issued	34	45	10	45	44	20	19	16	70	56	0	32	391
Illegal structures demolished	18	43	38	115	33	22	80	32	34	59	66	89	629
Illegal extensions	0	3	4	24	11	3	11	10	9	13	5	11	104
Car wash	6	0	0	3	1	0	0	1	0	0	6	2	19
Goods impounded	3	6	0	0	56	29	0	0	67	0	5	5	171
Notices served	7	10	0	4	11	66	34	4	134	0	0	0	270

Table 3.86 Law enforcement incidents responded to

3.6.1.1 CAPITAL EXPENDITURE – LAW ENFORCEMENT

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Install and Upgrade CCTV Cameras In WC024	3 864 491	3 853 156	-0.29%
Install Computerised Access Security Systems and CCTV Cameras At Municipal Buildings	676 719	519 007	-23.31%
Law Enforcement Tools and Equipment	548 281	546 526	-0.32%
Law Enforcement: Vehicle Fleet	470 000	459 414	-2.25%
Ward 11: Safety Cameras	213 745	166 510	-22.10%
<i>Only the 5 largest capital projects are listed</i>			

Table 3.87 Capital Expenditure as at 30 June: Law Enforcement

Law Enforcement have spent, **93.82%** of the capital budget for the financial year.

3.6.2 Traffic Law Enforcement

Local Traffic Services has implemented the National Road Safety Strategy which provides an all year round road safety initiatives. The department has increased educational safety programs and campaigns in collaboration with stakeholders and affected parties, Automatic Number-plate Recognition actions to ensure compliance in an attempt to reduce lawlessness.

On-going objectives are to improve road user behaviour; reduce the incidence of traffic offences; including speeding; drunk-driving and drug-driving; dangerous overtaking; the removal of unfit road users from traffic; roadworthiness of vehicles; public transport compliance wrt 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.

In the past financial year, the department commenced with the first phase of renovation to establish a more user-friendly environment to clients and ensure safety to staff and public. The Department managed to improve its parking space in front of the Admin building. Alcohol Screeners, mobile radios, replacement of patrol vehicles were acquired to improve performance/response and ensure accuracy to prosecutions.

Highlights for Traffic Law Enforcement:

- Stop and checks for the previous financial year of 25 were exceeded with a record total of 156.;
- Awareness initiatives on Public Safety in 2016/17 were 120 and 211 were achieved during the 2017/18 financial year;
- A total of 10 fatal on pedestrians accidents occurred during the 2016/17 financial year and 6 pedestrians fatalities during 2017/2018; and
- In previous financial year, a total number of 21 fatal accidents was reported and 11 were reported in 2017/18.

3.6.2.1 SERVICE STATISTICS – TRAFFIC SERVICES

Details	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of Traffic Officers in the field on an average day	25	22	24	22	21	21	21
Number of Traffic Officers on duty on an average day	31	27	32	27	28	28	28
Motor vehicle licenses processed	31 778	41 049	65 496	66 816	150 040	153 119	80 472
Learner driver licenses processed	2 834	4 264	8 288	3 900	5 212	5 200	4 560
R-value of fines collected	14 025 207	19 215 035	21 337 940	19 158 488	21 638 767	28 652 120	23 773 325
Operational call-outs	Not registered	Not registered	Not registered	Not registered	Not registered	Not registered	Not registered
Roadblocks held	112	213	33	34	22	25	156
Complaints attended to by Traffic Officers	269	319	389	1 219	730	6 000	6 388
Special Functions – Escorts	154	188	275	108	113	144	157

Details	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Awareness initiatives on public safety	378	457	90	64	192	120	211

Table 3.88 Service Data for Traffic Services

Description	Total 2014/15	Total 2015/16	Total 2016/17	July to Sep 2017	Oct to Dec 2017	Jan to March 2018	April to Jun 2018	Total 2017/18
Accidents								
Fatal	13	21	21	3	4	1	3	11
Serious injuries	36	76	76	17	17	14	18	66
Slight injuries	319	517	517	104	76	86	64	330
No injuries	2 650	2 551	2 551	820	777	828	720	3 145
Reckless/careless: case docket	11	48	48	18	14	11	9	52
Culpable homicide: case docket	4	17	17	5	5	3	5	18
Pedestrians: fatal	7	10	10	0	2	1	3	06
Pedestrians: serious injuries	15	29	29	2	4	15	13	34
Pedestrians: slight injuries	73	106	106	3	25	18	22	68
Learner's licences								
Appointments	5 923	5 212	5 200	1 319	766	1 366	1 109	4 560
Applications passed	3 098	3 015	2 958	762	730	597	740	2 829
Duplicate request	117	127	112	35	32	43	26	136
Applicants tested	4 512	4 580	4 462	1 241	1 116	891	898	4 146
Applicants failed	2 094	1 855	1 890	409	386	371	435	1 601
Applicant absent	541	628	644	123	129	83	123	335
Driver's licences								
Appointments	2 520	2 216	2 382	608	554	528	633	2 323
Conversions	9 307	8 228	9 018	2 513	2 362	2 234	2 383	9 492
Applicants tested	2 049	1 896	1 615	486	341	422	391	1 640
Driving licenses issued (temp)	4 357	4 357	4 492	1 306	1 169	1 034	1 183	4 692
Applicants passed	802	817	824	203	212	172	142	729
Applicants failed	1 247	1 079	988	449	223	250	168	1 090
Applicants absent	379	287	374	84	68	84	48	284
Applications instructors	3	9	6	4	3	2	1	10
Issued instructors	1	6	5	1	2	0	3	6
Application/issued PRDP	1 815	1 602	1 686	376	441	414	466	1 697

Description	Total 2014/15	Total 2015/16	Total 2016/17	July to Sep 2017	Oct to Dec 2017	Jan to March 2018	April to Jun 2018	Total 2017/18
Testing centre: roadworthy certificates								
Motor vehicles	577	628	637	229	225	182	126	762
Light delivery vehicles	87	121	124	35	29	30	34	128
Heavy delivery vehicles (trucks)	19	52	78	14	21	17	7	45
Trailers	67	39	77	20	22	15	7	44
Taxis	15	32	65	23	19	8	14	41
Busses	4	7	10	5	7	2	3	17
Motorbikes	134	114	90	10	16	12	15	53
Motor vehicle registration								
Duplicate registrations cert.	1558	28913	1478	392	435	378	434	1639
Registration only	14 588	122 631	14 591	3 689	3 535	3 640	3 568	14 432
Licence fees (12%) (renew)	65 496	66 816	83 219	19 572	20 719	19 836	20 345	80 472
Temporary permits	236	1 4061	236	60	59	43	50	212
Special permits	275	1 890	380	104	138	107	87	436
Specific registration number	743	739	702	181	159	184	187	711
RTMC	44 001	216 044	51 083	12 581	13 479	13 109	13 222	52 391
Traffic offences								
Vehicle defective/faulty	822	972	834	335	239	311	209	1 094
Moving violations	2 026	2 154	19 994	1 658	2 875	4 894	5 234	14 661
Parking offences/violations/mobile	8 144	9 258	7 055	4 589	4 873	6 359	8 147	23 968
Speed camera/mobile traffic - TMT	65 823	7 228	233 711	131 789	130 389	189 745	121 416	573 339
Speed camera digital, fix and rvl (TMT)	254 203	62413	58 458	4 769	4 447	5 379	4 838	19 433
General	10 637	9 493	8 789	n/a	n/a	n/a	n/a	n/a

Table 3.89 Additional Service Data of Traffic Services

3.6.2.2 CAPITAL EXPENDITURE – TRAFFIC SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Alcohol Screeners	30 000	-255 752	-952.51%
Furniture, Tools and Equipment	187 065	136 876	-26.83%
Replacement of Patrol Vehicles	967 485	951 322	-1.67%
Upgrading Traffic Building	359 916	9 916	-97.24%
Upgrading Traffic Parking Area	138 450	138 450	0%
<i>Only the 5 largest capital projects are listed</i>			

Table 3.90 Capital Expenditure as at 30 June: Traffic Services

Traffic Services have spent, 58.28% of the capital budget for the financial year.

3.6.2.3 TOTAL EMPLOYEES – TRAFFIC AND LAW ENFORCEMENT SERVICES

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	0	2	0	0%
15 – 13	4	4	0	0%
12 – 10	67	37	0	0%
9 – 7	35	24	0	0%
6 – 4	4	4	4	100%
3 – 0	2	0	0	0%
Total	112	71	4	4%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.f.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.91 Total Employees – Traffic and Law Enforcement

3.6.2.4 FIRE AND DISASTER MANAGEMENT

A municipality has the executive authority and right to administer the provision of fire fighting services as stated in Schedule 4B to the Constitution. In relation to a local municipality, "fire fighting" means the following in terms of the Local Government Powers and Functions – Definitions and Norms and Standards as published by the Municipal Demarcation Board:

"Any function not included in the definition applicable to a district municipality, including fighting and extinguishing of all fires; the rescue and protection of any person, animal or property in emergency situations not covered by other legislation or powers and functions.

This may include the following:

- (a) preventing the outbreak or spread of a fire;
- (b) fighting or extinguishing a fire;
- (c) the protection of life or property against a fire or other threatening danger;
- (d) the rescue of life or property from a fire or other danger;
- (e) subject to the provisions of the Health Act, the rendering of an ambulance service as an integral part of the fire brigade service; or
- (f) The sub-division of the fire fighting services function and powers in terms of Schedule 4B to the Constitution, by the MSA, has in effect led to a “shared fire fighting service function” between district – and local municipalities. Within this realm we operate cohesively to render an unbiased effective and efficient service to the community.

Objectives: Disaster management

To maintain a highly functional Disaster Management Unit by initiating the following:

- Promoting institutional capacity within Stellenbosch Municipality;
- Promoting a culture of prevention, preparedness and resilience at all levels through knowledge, innovation and education;
- Ensuring implementation of disaster risk reduction initiatives, community safety programs and campaigns to promote safe resilient sustainable communities;
- Establishing efficient early warning systems backed by responsive and fail-safe communication with information technology support;
- Ensuring efficient mechanism for identification, assessment and monitoring of disaster risks;
- Improving emergency preparedness in vulnerable communities;
- Ensuring appropriate response by relevant services to emergencies and disasters; and
- Mainstreaming disaster management into the developmental planning process.

Highlights: International Risk Reduction Day Commemoration

- Occupation of the new Klapmuts fire station.
- Acquisition of two new rapid responds, all-terrain vehicles.
- Refurbishment of our fire water tanker.
- Approval of budget for the procurement of a hydraulic ladder platform.
- Upgrading of fire alarms – completed.
- Initiation of planning towards a centralised control centre.
- More than 5 000 reached through continuous fire, flood and drought awareness campaigns.
- More than 1 000 smoke alarms installed.
- On-going ward based risk assessment for the entire WC024 area.

3.6.2.5 SERVICE STATISTICS – FIRE AND DISASTER MANAGEMENT

Details	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total fires attended in the year	1 492	564	425	817	794	647	1 011
Total of other incidents attended in the year	1 492	860	866	1 953	555	1952	1 655
Average turnout time - urban areas (minutes)	11,5	7,5	8.25	8.25	8.25	8.25	8.25
Average turnout time - rural areas (minutes)	24,6	21	20.5	22.75	22.75	22.75	20.5
Fire fighters in post at year end	43	43	42	43	56	52	57
Total fire appliances at year end	11	12	9	11	9	10	11
Average number of appliance off the road during the year	4	4	4	2	2	3	2
Total operational call-outs	1 492	1 424	1 291	2 770	1 349	2 704	2 666
Immediate relief to victims	256	2 015	Not available	552	1 021	831	849
Emergency flood kits	253	470	567	116	411	300	184
Emergency housing kits	56	1 650	53	299	341	277	190
Meals (food parcels)	-	-	-	215	349	327	180
Blankets	-	-	-	297	699	315	526

Table 3.92 Service Data for Fire and Disaster Management
3.6.2.6 CAPITAL EXPENDITURE – FIRE AND DISASTER MANAGEMENT

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Upgrading of fire station	1 000 000	765 805	
Mobile JOC/Land cruiser	1 582 084	1 524 021	
Rescue equipment	111 000	110 219	
Upgrading/Replacement of fire alarms	608 000	493 145	
Replacement of extension ladders	91 000	90 455	
<i>Only the 5 largest capital projects are listed</i>			

Table 3.93 Capital Expenditure as at 30 June: Fire and Disaster Management

Fire and Disaster Management have spent, **85, 69%** of the capital budget for the financial year.

3.6.2.7 TOTAL EMPLOYEES - FIRE AND DISASTER MANAGEMENT

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	0	1	0	0%
15 – 13	0	3	0	0%
12 – 10	5	6	0	0%
9 – 7	34	0	1	3%
6 – 4	5	1	0	0%
3 – 0	1	0	0	0%
Total	45	11	1	2%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.94 Total Employees – Fire Services

3.7 COMPONENT F: SPORT AND RECREATION

3.7.1 Holiday resorts and camp sites

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site. The Jonkershoek Picnic 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. The site provides outdoor leisure for visitors, catering for braai and picnics alongside the river course.

3.7.1.1 SERVICE STATISTICS – HOLIDAY RESORTS AND CAMPSITES

Type of service	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of resorts	1	1	1	1	1	1
% Occupation for the year for Jonkershoek picnic site (open from 1 September to 30 April)	PAX: 16 000 CARS: 4100	PAX: 17 127 CARS: 4 827	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

Table 3.95 Service Statistics –Holiday Resorts and Campsites

3.7.1.2 SERVICE STATISTICS – HOLIDAY RESORTS AND CAMPSITES

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen sports grounds in its municipal area. These grounds are surrounded by the scenic beauty of the Stellenbosch mountains. Ten 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.

This year, these facilities hosted various national, provincial and local tournaments, for Cubs Cricket Week (national), Netball Tournament 2017 (internal), Olympic Day (Cape Winelands Sport Council and DCAS) and Blakes Easter Sports Tournament 2017 (local sporting codes).

The Department of Community Services aligned its strategic focus with the National Sports and Recreation Plan and the National Development Plan, which encourages mass sports participation through recreation. The department had its Sport Facilities Management Plan adopted by Council in June 2016, lease agreements was prepared for each Sports Council and the category it resided in. Lease agreements to be adopted by Council in the second quarter of 2017.

A borehole was installed at Lanquedoc Sports Ground to assist with the drought conditions of the Western Cape as an alternative water source for irrigation. Annually boreholes for Sports Grounds will be budgeted for.

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.

3.7.1.3 SERVICE STATISTICS SPORT - GROUNDS AND SWIMMING POOLS

Type of service	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of sport grounds/fields	17	17	17	17	17	17	17
Number of swimming pools	1	1	1	1	1	1	1
Number of stadiums	10	10	10	10	10	10	10

Table 3.96 Service Statistics Sport Grounds and Swimming Pool

3.7.1.4 CAPITAL EXPENDITURE – SPORT GROUNDS AND SWIMMING POOLS

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Building Ablution Facilities: Lanquedoc Sports grounds	1 214 692	982 651	-19.10%
Re-Surface of Netball/Tennis Courts	468 506	362 734	-22.58%
Sport: Community Services Special Equipment	198 088	182 564	-7.84%
Upgrade of Sport Facilities	6 979 855	7 494 109	7.37%
Vehicle Fleet	525 408	442 891	-15.71%
<i>Only the 5 largest capital projects are listed</i>			

Table 3.97 Capital Expenditure as at 30 June: Sport Grounds and Swimming Pools

Sport grounds have spent, **99.74%** of the capital budget for the financial year.

3.7.1.5 TOTAL EMPLOYEES – SPORT GROUNDS AND SWIMMING POOLS

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	9	0	0	0%
15 – 13	17	0	0	6%
12 – 10	5	1	0	0%
9 – 7	0	0	0	0%
6 – 4	2	2	0	0%
Total	33	3	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.98 Total Employees – Sport Grounds and Swimming Pools

3.7.1.6 COMMUNITY HALLS AND FACILITIES

Stellenbosch is the proud owner of two top-class town halls and nine community facilities that cater for local 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.

3.7.1.7 TOTAL EMPLOYEES - COMMUNITY HALLS AND FACILITIES

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	0	0	0	0%
15 – 13	1	1	0	0%
12 – 10	2	0	0	0%
9 – 7	1	1	0	0%
6 – 4	0	1	0	0%
3 – 0	0	2	0	0%
Total	13	4	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.99 Total Employees – Community Halls and Facilities

3.8 COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services and property services.

3.8.1 Financial Services

3.8.1.1 SERVICE STATISTICS

Details of the types of account raised and recovered	2017/18		
	Billed in Year	Actual for accounts billed in year	Proportion of value of accounts billed that were collected
	R		%
Property Rates	272 342 253	274 274 151	100
Electricity	357 648 520	352 419 292	98.5
Water	150 566 997	131 269 405	87
Sanitation	52 685 360	50 056 794	95
Refuse	40 593 832	37 483 752	92

Table 3.100 Service Statistics for Financial Services

3.8.1.2 TOTAL EMPLOYEES - FINANCE

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	6	6	0	0%
15 – 13	13	5	0	0%
12 – 10	48	9	2	4%
9 – 7	19	8	2	0%
6 – 4	12	3	3	25%
3 – 0	8	0	0	0%
Total	100	31	7	7%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.e. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.101 Total Employees – Finance

3.8.2 Human Resource Services

Stellenbosch Municipality views the Human Resources Management component as the governance of the organisation's employees. More commonly, human resources per se refers 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 Human Resources Department 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 Human Resources Management Department 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. We will seek and provide solutions to workplace issues that support and optimise the operating principles of the organisation.

The Human Resources Management Department 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 to the fullest the employee's job satisfaction and self-actualisation.
- Developing and maintaining quality of work life.
- Being ethically and socially responsive to the needs of the community.
- Developing overall personality of each employee in its multidimensional aspect.
- Enhancing employee's capabilities to perform the present job.
- 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 Human Resource Department, who provides policies, guidelines, support, systems and specialised inputs.

Main focus priorities for HR Services in 2017/18 were:

- Implementation of the biometric time and attendance system;
- Finalisation of Human Resources management policies;
- Implementation of the TASK Job Evaluation System; and
- Finalisation of historical human resources issues.

The highlights for the Human Resources Department in 2017/18 were the following:

- The appointment of a service provider for the Minimum Competency Training as prescribed by legislation;
- 8 employees completed the Minimum Competency Training,
- The appointment of a service provider to assist in the placement of advertisements;
- The finalisation of historical resources issues;
- The finalisation of the Human Resources and Development Framework and standards;
- The introduction of a new induction programme;
- 72.47% of the Training Budget was spent. However we are not sure if all invoices are paid.

The challenges for the Human Resources Department in 2017/18 were the following:

- Rolling out/implementation of biometric system to all user departments;
- Data cleansing process on mSCOA; and
- Outstanding Human Resources Policies and Standard Operating Procedures.

3.8.2.1 TOTAL EMPLOYEES – HR

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	3	2	1	33.3%
15 – 13	2	1	1	50%
12 – 10	5	5	0	0%
9 – 7	1	1	0	0%
6 – 4	3	0	3	100%
3 – 0	1	0	1	100%
Total	15	9	6	40%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.f.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.102 Total Employees – HR

3.8.2.2 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT department committed its time in the 2017/18 financial year to purchasing and replacing computer software and hardware to improve the efficiency of the various municipal business units. Capital Projects in the form of a Firewall Hardware and Data Storage Tender were completed as well as the renewal of the Network Infrastructure Support Contract. The ICT department achieved a total spend of 92.99% of the Capital Budget.

The department successfully procured the services of SITA to assist with the drawing up of the Disaster Recovery Plan and the ICT Strategy plan as our focus moved toward a strategic enabling department. The implementation of the ICT Steering Committee further took place with the aim of aligning ICT with the municipal goals.

Highlights:

- Firewall Project was extended by way of procuring additional hardware devices for our critical sites. These newly procured items will act as secondary firewalls synchronising with the main firewall at our Data Centre, this will be implemented during the 2018/2019 financial year.
- The Municipality's Data Storage for ICT systems was further capacitated by procuring an additional Tintri VMstore T850 hybrid-flash solution. Tintri's VM-aware storage speeds performance 6x to save us time and packs storage 10x more densely to save us money.
- Matopie High site is one of the Municipality's key ICT service centres feeding the Pniel and Franschoek offices. It was with this in mind that we embarked on securing the site with the installation of Uninterruptable Power Supply securing uptime of ICT services. Matopie High site will also be secured with proper fencing in order to address possible risks of damage and vandalism.
- The Municipality successfully procured a new IP based PABX with Switchboard capabilities for a 3 year period. The setup and commission of the solution will take place in the first quarter of the new financial year 2018-2019.
- The 2017-2018 financial year saw the Municipality embark on the constructing and implementing of a new Data Centre for the Stellenbosch Municipality. The aim is to ensure that the main business operations of the Municipality are stable and to provide capacity for the growing needs of the Municipality. This initiative will also be implemented in the second quarter of the 2018/2019 financial year.
- The upgrade of the Backup Infrastructure to accommodate and include all critical systems to ensure sustainability of the ICT services.
- Disaster Recovery Centre project was successfully completed by Avalon Technology Group and the current DR centre is at TERACO in Claremont and meets all the AG requirements.
- The ICT Strategy Plan of the Stellenbosch Municipality 2018/2019 was also reviewed by Nexia SAB@T to align ICT to business strategic goals.
- A Geospatial Forum was established.
- The ICT department further procured and roll-out 44 laptops for all Stellenbosch Municipality Councillors.
- Biometric project was revived and municipal officials are clocking in. Additional clocks were procured and will be installed during the 2018/2019 financial year. A SQL Server will be upgraded by the 30 July 2018.

- With the implementation of the Next Generation Firewall, the use of the Internet has been ever since tightly controlled via strict access firewall policies.
- Threat management has been implemented by way of hardening the firewall access policies to best safeguard the Municipal data. ICT to conduct vulnerability assessment and implement a threat protection solution.

Challenges:

- ICT structure does not align to best practices and thus cannot be agile enough to support the municipality.
- Lack of system integration.
- After hours system maintenance resources to ensure continued service provision, especially after load shedding/power failure.

3.8.2.3 SERVICE STATISTICS – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Details	2013/14	2014/15	2015/16	2016/17	2017/18
	%				
Ensure the availability of the network to ensure effective ICT systems for municipal processes	98	98	98	99.9	99.9
Provide ICT support to all municipal departments by attending to requests within 4 working days	97	97	98	98	98
Connecting all municipal sites to the ICT network	100	100	100	100	100

Table 3.103 Service Data for Information and Communication Technology (ICT) Services
3.8.2.4 CAPITAL EXPENDITURE – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Capital Projects	Adjustment Budget	Actual Expenditure	Variance from Adjustment Budget
	R		
Public WI-FI Network	405 467	398 685	-1.67%
Purchase and Replacement of Computer/software and Peripheral devices	1 759 984	1 755 194	-0.27%
Upgrade and Expansion of IT Infrastructure Platforms	6 189 840	4 294 749	-30.62%

Table 3.104 Capital Expenditure as at 30 June: Information and Communication Technology (ICT) Services

ICT have spent, **77.18%** of the capital budget for the financial year.

3.8.2.5 TOTAL EMPLOYEES – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
19	1	1	0	0%
18 – 16	2	2	0	0%
15 – 13	4	4	0	0%
12 – 10	2	2	0	0%
9 – 7	0	0	0	0%
6 – 4	0	0	0	0%
3 – 0	0	0	0	0%
Total	9	9	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.105 Total Employees – ICT

3.8.3 Legal Services

The Legal Services Department in conjunction with user departments ensures and manages the implementation, monitoring, evaluation and reporting on sequences of outcomes associated with programmes designed to accomplish key service delivery objectives with respect to Legal Services.

The main objectives are the following:

- All new legislation and proclamations for comment;
- Advising Council on items submitted to meetings;
- To ensure by-laws are promulgated after consultation with user departments and Council; and
- To provide legal opinions and input on policies, contracts, agreements, legislation, by-laws and authorities.

Challenges:

- To deal with urgent requests for legal input to Portfolio and Council Committees.
- To deal with disciplinary matters for Councillors and Section 56 Managers.
- Attending to 200 transfers which had been outstanding for more than 20 years.
- Lack of skilled administrative support to senior legal advisors. Availability of well-maintained legal library and reference resources.

3.8.3.1 TOTAL EMPLOYEES – LEGAL SERVICES

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	2	2	0	0%
15 – 13	0	0	0	0%
12 – 10	0	0	0	0%
9 – 7	0	0	0	0%
6 – 4	0	0	0	0%
3 – 0	0	0	0	0%
Total	2	2	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.106 Total Employees – Legal Services

3.8.3.2 MUNICIPAL COURT – ADDITIONAL COURT - STELLENBOSCH

“Justice in process”

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; and
- Building and Land Use Regulations, and all other By- Law contraventions.

Mission Statement

Our aim is to:-

- promote Justice and service delivery;
- enhance revenue to invest in our 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 448 760 with a number of 10,605 cases on our court role.

We are also looking into having an Ad Hoc Court in Franschhoek / Klapmuts in the near future. This could be another boost for our Municipal Court service to the community. Prosecuting some of our 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.

3.8.3.3 STATISTICAL REPORT – CASE LOAD

Months:	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Cases on the role	894	572	473 473	751 751	1 190	990	914	87 1871	422	740	1385	1 403
Withdrawn	0	74	5	0	1	2	73	148	120	214	177	120
Struck of the role	181	70	75	117	250	162	10	3	3	0	216	339
Warrants authorised	649	411	373 373	559	905	776	759	668	287	498	908	875
Deferment	1	0	0	0	0	5	0	9	4	3	0	0
Payments	63	14	20	67	30	45	66	43	8	25	84	66
Postponed	0	0	0	8	4	0	6	0	0	0	0	3
Mediations	0	3	0	0	0	0	0	0	0	0	0	0

Table 3.107 Statistical Report Case load

3.8.3.4 FINANCIAL REPORT

	Traffic Fines	Saps Fines	Law Enforcement Fines	Contempt of Court Fines	Provincial Fines	Building	Total Amount
Jul	227 900			R3 500	R3 500		R265 900
Aug	173 300		1 000	R2 400	R500	R2 000	R205 700
Sep	163 500			R20 100			R183 600
Oct	201,500			R11 100			R212 600
Nov	225 000			R34 500			R259 500
Dec	218 750			R44 400			R263 150
Jan	204 000	180	300	R43 800	R3 550		R251 830
Feb	258 900			R38 100			R297 000

	Traffic Fines	Saps Fines	Law Enforcement Fines	Contempt of Court Fines	Provincial Fines	Building	Total Amount
Mar	296 680		600	R28 500			R325,780
Apr	434 210			R19 200			R453 410
May	372 420			R23 100			R395 520
June	293 670			R26 100		R15 000	R334 770

Table 3.108 Financial Report of the Municipal Court

3.8.3.5 TOTAL EMPLOYEES – MUNICIPAL COURT

Job Level*	Posts*	Employees*	Vacancies (full time equivalents)	Vacancies (as a % of total posts)
Number				%
18 – 16	0	0	0	0%
15 – 13	0	1	0	0%
12 – 10	0	0	0	0%
9 – 7	0	0	0	0%
6 – 4	0	0	0	0%
3 – 0	0	0	0	0%
Total	0	1	0	0%

* Employee statistics will be imprecise due to the 2011 structure, partial implementation of the 2017 structure, the TASK gradings of 2015 and the revised TASK gradings currently used by the Human Resources Department which are based on actual evaluations or benchmarking against industry norms. The difference between gradings implemented up to 2015 and the new gradings on the Municipality's payroll system creates some anomalies i.t.o. accurate figures on job and occupation levels. The Municipality is busy rectifying these anomalies through the implementation of the new structure and with the implementation of standard industry norms and TASK gradings.

Table 3.109 Total Employees – Municipal Court

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

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 National Key Performance Area – Municipal Transformation and Organisational Development.

KPA and INDICATORS	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
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	2	1	4	13	4	50%*
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.009%*	0.006%*	0.83%	0.97%	0.94%	72%**
*The unit of measurement changed from number to percentage for the employment equity target. ** Percentage was calculated using the total personnel budget as in terms of the Skills Development Act. The aforementioned percentage for the 2016/17 financial year is based on the Total Annual Payroll as depicted in the SDBIP.						

Table 4.1 National KPIs – Municipal Transformation and Organisational Development

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

Stellenbosch Municipality currently employs **1 144** officials (excl. Councillors) (**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.

4.2.1 Employment Equity

The Employment Equity Act (1998), Chapter 3, section 15 (1), states that affirmative action measures are measures designed to ensure that suitable 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 June 2018.

	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
2014/15	358	324	90,50%	533	650	121,95%	29	3	10,34%	172	115	66,86%
2015/16	334	361	92.52%	497	676	73.52%	28	3	9.33%	83	111	74.77%
2016/17	334	368	90.76%	497	671	74.06%	23	5	4.60%	75	103	72.81%
2017/18	334	378	113%	497	671	74.06%	23	4	17%	75	110	146%

Table 4.2 EE Targets/Actual by Racial Classification

	Male			Female			Disability		
	Target June	Actual June	Target reached	Target June	Actual June	Target reached	Target June	Actual June	Target reached
2014/15	536	744	138,43%	556	348	62.58%	0	0	n/a
2015/16	425	783	54.27%	518	368	71.04%	0	0	n/a
2016/17	681	782	78.87%	670	363	54.18%	0	10	n/a
2017/18	681	785	115%	670	378	56%	10	10	100%

Table 4.3 Targets/Actual by Gender Classification

4.2.1.1 OCCUPATIONAL CATEGORIES - RACE

The table below categorises the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management and Councillors	5	13	0	11	6	8	0	6	49
Senior management	2	10	1	4	1	2	0	1	21
Professionally qualified and experienced specialists and mid-management	6	27	2	12	8	16	0	8	79
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	48	140	1	37	61	104	0	22	413
Semi-skilled and discretionary decision making	103	176	0	5	32	60	0	4	380
Unskilled and defined decision making	87	95	0	0	19	20	0	0	221
Total permanent	251	461	4	69	127	210	0	41	1 163
Non- permanent employees (incl. EPWP, Conditional Grants, Provincial Grants)	7	14	0	1	11	13	1	2	49
Grand total	258	475	4	70	138	223	1	43	1 212

Table 4.4 Occupational Categories – Race

4.2.1.2 DEPARTMENTS - RACE

The following table categorises the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Mayor	4	12	0	9	6	7	0	5	43
Office of the Municipal Manager	1	3	0	0	1	4	0	2	11
Financial Services	7	29	1	4	15	37	0	6	99
Planning	3	9	0	8	11	11	0	9	51
Human Settlements and Property Management	7	25	0	1	8	11	0	1	53
Strategic and Corporate Services	6	16	1	2	15	22	0	4	66
Community and Protection Services	79	122	1	26	53	90	0	11	382
Engineering services	144	245	1	19	18	28	0	3	458
Total permanent	251	461	4	69	127	210	0	41	1 163
Non-permanent (incl. EPWP, Conditional Grants, Provincial Grants)	7	14	0	1	11	13	1	2	49
Grand total	258	475	4	70	138	223	1	43	1 212

Table 4.5 Department – Race

4.2.2 Vacancy Rate

The approved organogram for the Municipality had **1 120** (funded) posts for the 2017/18 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. A total of **155** posts were vacant at the end of 2017/18, resulting in a vacancy rate of 6.16%. Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
Top Management (MM and MSA section 57 Managers)	6	1
Senior Management	21	1
Middle management	79	17
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	413	45
Semi-skilled	380	52
Unskilled and defined decision making	221	39
Total	1 120 (Excluding Councillors)	155
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Office of the Mayor	43	0

PER POST LEVEL		
Post level	Filled	Vacant
Office of the Municipal Manager	11	1
Financial Services	99	11
Planning and Economic Development	51	12
Human Settlements and Property Management	53	7
Strategic and Corporate	66	24
Community and Protection Services	382	27
Engineering Services	458	73
Total	1163 (Including Councillors)	155

Table 4.6 Vacancy rate per post and functional level

4.2.3 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 four years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	Number of terminations during the year	Turn-over Rate
2013/14	1 066	77	53	4.64%
2014/15	1 092	86 (excl. promotions)	63	5,76%
2015/16	1 110	136	71	6.4%
2016/17	1 144	100	36	3.14%
2017/18	1 120	42	69	6.16%

Table 4.7 Turn-over Rate

4.2.4 Managing the Municipal Workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.2.4.1 INJURIES

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 a **decrease** for the 2016/17 financial year from 130 **employees** to **120 employees** in the 2017/18 financial year. The table below indicates the total number of injuries within the different directorates:

Directorates	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Office of the Municipal Manager	0	1	2	0	2	1	1
Financial Services	1	2	1	3	2	3	0
Planning and Economic Development Services	2	3	1	1	0	0	3
Strategic and Corporate Services	3	2	4	1	2	1	1
Community and Protection Services	10	38	36	42	40	54	73
Engineering Services	17	49	68	63	86	64	42
Human Settlements and Property Management	0	3	0	4	4	7	5
Total	33	98	112	114	136	130	120

Table 4.8 Injuries as at 30 June

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.2.4.2 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 2017/18 financial year shows a decrease of 2936.50 working days when comparing it to the 2016/17 financial year.

The table below indicates the total number of sick leave days taken within the different directorates:

Department	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Office of the Municipal Manager	135	137	35	342	96	66
Financial Services	790	666	592	1339.5	908.50	631
Planning and Economic Development	907	783	427	1244.5	501	267
Strategic and Corporate Services	630	444	653	808.43	727	410
Community and Protection Services	1 329	1 458	2 867.50	3 758.5	2 726	1 562
Engineering Services	3 364	3 373	4 042	5 230	3 633	2 730
Human Settlements and Property Management	1 888	1 434	474	8	455	444
Total	9 043	8 295	9 090.50	12 730.93	9 046.50	6 110

Table 4.9 Sick Leave as at 30 June

4.2.4.3 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:

Name of policy	Date approved/ revised
Recruitment and Selection	29 November 2012
Leave Policy Guideline and Procedures	29 November 2012
Overtime and Standby Policy Guidelines and Procedures	29 November 2012
Occupational Health and Safety Policy	29 November 2012
HIV AIDS Policy	29 November 2012
Guidelines for Official Parking	August 2008
Staff Attraction and Retention Policy	August 2008
Smoking Policy	August 2008
Skills Development Policy	August 2008
Minimum Service Level Agreement on Essential Services	August 2008
Recruitment and Selection	29 November 2012
Employee Assistance Programme	25 February 2015
Education, Training, Development Policy	25 February 2015
Attendance and Punctuality Policy	25 February 2015
Evaluation of Probationary Periods Policy	25 February 2015
Whistleblowing Policy	25 February 2015
New Occupational Health and Safety Policy	25 February 2015
Substance Abuse Policy	25 February 2015
Succession Planning and Career Patching Policy	25 February 2015
Unpaid leave policy	25 February 2015
Work Related Functions Policy	25 February 2015
Nepotism Policy	25 February 2015
External Bursary Aid Policy	25 February 2015

Table 4.11 Approved Policies

Policies still to be developed	
Name of policy	Proposed date of approval
HIV AIDS Policy (Review)	31 December 2017
Smoking Policy (Review)	31 December 2017

Table 4.10 HR Policies and Plans

The Human Resources department submits policies to the Local Labour Forum on a regular basis for review purposes.

4.2.5 Capacitating the Municipal Workforce

Section 68(1) of the Municipal Systems Act (MSA) states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 1999 (Act No. 28 of 1999).

4.2.5.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

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	1	3
Legislators, senior officials and managers	Female	1	1
	Male	1	2
Professionals	Female	7	13
	Male	6	14
Associate professionals and Technicians	Female	5	24
	Male	78	60
Community and Personal Services	Female	1	4
	Male	0	1
Clerks	Female	39	32
	Male	7	5
Service and sales workers	Female		25
	Male		55
Plant and machine operators and assemblers	Female	0	0
	Male	20	0
Elementary occupations	Female	11	24
	Male	148	178
Sub-total	Female	89	124
	Male	316	329
Total		405	453

Table 4.12 Skills Matrix

4.2.5.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act (2000), require that employers supply employees with the necessary training in order 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.

Occupational categories	Gender	Learnerships		Skills programmes and other short courses		Total	
		Actual	Target	Actual	Target	Actual	Target
MM and S57	Female	0	0	0	0	0	0
	Male	0	0	1	0	1	0
Legislators, senior officials and managers	Female	0	0	1	2	1	2
	Male	0	0	2	8	2	8
Professionals	Female	0	0	13	15	13	15
	Male	0	0	12	35	12	35
Technicians and associate professionals	Female	3	1	1	27	4	28
	Male	14	22	63	304	77	326
Clerks	Female	1	1	61	95	62	96
	Male	1	1	12	29	13	30
Service and sales workers	Female	0	0	31	81	31	81
	Male	0	0	66	133	66	133
Plant and machine operators and assemblers	Female	1	1	0	0	1	1
	Male	3	2	22	109	25	111
Elementary occupations	Female	6	7	18	31	24	38
	Male	25	25	239	347	264	372
Sub-total	Female	11	10	125	251	136	261
	Male	43	50	417	965	460	1 015
Total		11	11	54	60	542	1 216

Table 4.13 Skills Development Training provided

4.2.5.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 4 919 000** allocated to the workplace skills plan and that **72%** of the total amount was spent in the 2017/18 financial year:

Year	Total personnel budget	Total Allocated	Total Spend	% Spent
	R	R	R	
2012/13	260 883 962	3 242 848	2 371 911	73
2013/14	280 637 485	2 450 170	1 776 397	73
2014/15	324 832 04	2 743 370	2 716 719	99
2015/16	416 062 658	3 420 000	3 406 325	99
2016/17	407 801 472	3 400 000	3 204 069	94
2017/18	444 578 881	4 919 000	3 541 680	72

Table 4.14 Budget allocated and spent for skills development

4.2.6 Managing the Municipal Workforce Expenditure

4.2.6.1 PERSONNEL EXPENDITURE

The percentage 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 within the national norm of between 35 to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R	R	%
2013/14	282 932	1 047 586	27
2014/15	313 819	1 150 240	27
2015/16	367 463	1 254 937	29
2016/17	407 801	1 307 335	31
2017/18	444 579	1 345 677	33

Table 4.15 Personnel Expenditure as % of Total Operating Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2016/17		2017/18	
Description	Actual	Original Budget	Adjusted Budget	Actual
Councillors (Political Office Bearers plus Other)				
Salary	10 746 503	10 022 292	10 022 292	11 325 801
Pension Contributions	384 908	1 816 963	1 816 963	204 379
Medical Aid Contributions	201 945	172 598	172 598	505 090
Motor Vehicle Allowance	3 703 826	4 025 109	4 025 109	4 060 066
Cell Phone and Other Allowances	1 057 267	1 254 435	1 423 526	1 357 101
Sub-Total - Councillors	16 094 449	17 291 398	17 460 489	17 452 437
% Increase/(Decrease) on Actual	2%	7%	7%	7%
Other Municipal Staff				
Basic Salaries and Wages	283 522 383	306 815 482	306 815 482	291 071 777
Pension and UIF Contributions	40 290 248	44 698 098	44 698 098	44 645 034
Medical Aid Contributions	18 811 926	27 062 133	27 062 133	20 026 902
Overtime	22 551 545	25 684 563	25 684 563	32 633 229
Performance Bonus	29 341	-	-	322 731
Motor Vehicle Allowance	10 400 536	11 916 920	11 916 920	9 918 888
Cellphone Allowance	674 325	658 387	658 387	943 753
Housing Allowances	2 123 385	2 088 891	2 088 891	2 232 675
Other benefits and allowances	21 537 094	29 620 709	29 620 709	42 783 892
Payments in lieu of leave	-	-	-	-
Long service awards	-	-	-	-
Post-retirement benefit obligations	-	25 055 296	25 055 296	-
Sub-Total - Other Municipal Staff	399 940 782	473 600 479	473 600 479	444 578 881
% Increase/(Decrease)	11%	18%	18%	11%
Total Municipality	416 035 231	490 891 877	491 060 968	462 031 318
% Increase/(Decrease)		18%	18%	11%

Table 4.16 Councillor and staff benefits

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 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.

5.1.1 Financial Summary

The table below indicates the summary of the financial performance for the 2017/18 financial year:

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Financial Performance						
Property rates	290 028	313 009	313 009	309 989	-0.97	-0.97
Service charges	795 176	774 407	841 409	862 001	10.16	2.39
Investment revenue	56 219	37 999	48 999	61 958	38.67	20.92
Transfers recognised - operational	122 568	128 342	143 935	133 057	3.54	-8.18
Other own revenue	165 178	174 189	170 187	166 136	-4.85	-2.44
Total revenue (excluding capital transfers and contributions)	1 429 169	1 427 946	1 517 539	1 533 142	6.86	1.02
Employee costs	409 575	485 607	494 889	444 579	-9.23	-11.32
Remuneration of councillors	16 094	17 293	17 462	17 308	0.09	-0.89
Depreciation and asset impairment	149 559	168 339	195 881	163 948	-2.68	-19.48
Finance charges	19 627	28 622	18 077	18 775	-52.44	3.72
Materials and bulk purchases	347 828	346 143	385 607	329 683	-4.99	-16.96
Transfers and grants	6 933	6 250	6 314	6 261	0.18	-0.85
Other expenditure	366 771	434 422	457 027	366 207	-18.63	-24.80
Total Expenditure	1 316 387	1 486 676	1 575 255	1 346 761	-10.39	-16.97
Surplus/(Deficit)	112 783	(58 730)	(57 717)	186 381	131.51	130.97
Transfers recognised - capital	105 184	60 137	98 513	77 198	22.10	-27.61
Contributions recognised - capital and contributed assets	–	–	–	280	100	100
Surplus/(Deficit) after capital transfers and contributions	217 967	1 407	40 797	263 858	99.47	84.54
Capital expenditure and funds sources						
Capital expenditure						

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Transfers recognised - capital	94 329	60 137	92 661	80 137	24.96	-15.63
Public contributions and donations	–	–	8 414	280	100	-2 909.17
Borrowing	–	160 000	–	–		
Internally generated funds	316 234	197 920	398 781	353 265	43.97	-12.88
Total sources of capital funds	410 562	418 057	499 855	433 682	3.60	-15.26
Financial position						
Total current assets	945 688	599 478	762 897	920 735	34.89	17.14
Total non-current assets	5 151 150	5 458 984	5 376 694	4 889 276	-11.65	-9.97
Total current liabilities	432 642	278 234	278 234	420 649	33.86	33.86
Total non-current liabilities	471 694	576 842	576 842	457 152	-26.18	-26.18
Community wealth/equity	4 930 628	5 203 385	5 320 386	5 194 083	-0.18	-2.43
Cash flows						
Net cash from (used) operating	435 610	191 451	238 677	349 172	45.17	31.64
Net cash from (used) investing	(504 542)	(414 557)	(496 355)	(359 218)	-15.41	-38.18
Net cash from (used) financing	(12 766)	145 216	(13 784)	(13 208)	1199.45	-4.36
Cash/cash equivalents at the year end	128 187	419 542	225 969	299 431	-40.11	24.53
Cash backing/surplus reconciliation						
Cash and investments available	621 906	419 542	419 542	528 680	26.01	26.01
Application of cash and investments	423 972	336 814	210 864	287 100	-14.67	36.15
Balance - surplus (shortfall)	197 934	82 727	208 677	241 580	192.02	15.77
Asset management						
4 885 763	5 456 978	5 409 459	5 148 991	-5.98	-5.06	4 885 763
149 559	168 339	195 881	163 948	-2.68	-19.48	149 559
274 367	28 350	71 352	13 409	-111.42	-432.10	274 367
58 260	263 799	95 459	43 056	-512.69	-121.71	58 260
Free Services						
Cost of Free Basic Services provided	58	58	58	58	0	0
Revenue cost of free services provided	60 915	61 225	61 225	59 371	-3.03	-3.03
Households below minimum service level						
Water:	2	2	2	2	0	0
Sanitation/sewerage:	2	2	2	2	0	0

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Energy:	3	3	3	3	0	0
Refuse:	5	5	5	5	0	0

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned

Table 5.1 Financial Performance

The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2013/14	1 165 349	1 200 732	35 383	3.04%	1 009 108	1 047 587	38 479	3.81%
2014/15	1 179 649	1 154 899	-24 750	-2.10%	1 159 839	1 132 013	-27 826	-2.40%
2015/16	1 349 945	1 416 703	66 758	5	1 284 671	1 265 567	19 104	1%
2016/17	1 490 495	1 534 354	43 859	3	1 450 845	1 316 387	134 459	9%
2017/18	1 616 052	1 610 340	(5 713)	0	1 575 255	1 346 761	228 494	15%

Table 5.2 Performance against Budgets

5.1.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the revenue collection performance by vote:

Vote Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Municipal Manager	-	240	240	-	0	0
Planning and Development	10 267	12 348	16 723	11 402	-8.30	-46.68
Human Settlements and Property Management	38 679	24 263	67 503	36 272	33.11	-86.10
Engineering Services	967 695	926 931	996 551	1 001 139	7.41	0.46
Community and Protection Services	128 157	132 907	132 207	142 447	6.70	7.19
Strategic and Corporate Services	2 090	143	323	3 810	96.25	91.53
Financial Services	387 466	391 250	402 505	415 271	5.78	3.07
Total Revenue by Vote	1 534 354	1 488 083	1 616 052	1 610 340	7.59	-0.35

Table 5.3 Revenue by Vote: Personnel Expenditure

5.1.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2017/18 financial year:

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjustment s Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
Property rates	290 028	313 009	313 009	309 989	-0.97	-0.97
Service Charges	795 176	774 407	841 409	862 001	10.16	2.39
Rentals of facilities and equipment	16 906	17 994	17 994	14 992	-20.02	-20.02
Interest earned - external investments	56 219	37 999	48 999	55 110	31.05	11.09
Interest earned - outstanding debtors	6 451	7 664	7 664	6 849	-11.91	-11.91
Dividends received	-	-	-	-	-	-
Fines	102 817	97 064	97 064	114 767	15.43	15.43
Licences and permits	5 735	9 913	9 913	6 571	-50.86	-50.86
Agency services	6 400	2 514	2 514	2 365	-6.32	-6.32
Transfers recognised - operational	122 568	128 342	143 935	133 057	3.54	-8.18
Transfers recognised - capital	105 184	60 137	98 513	77 477	22.38	-27.15
Other revenue	26 140	37 598	33 596	26 734	-40.63	-25.66
Gains on disposal of PPE	729	1 441	1 441	427	-237.57	-237.57
Total Revenue (excluding capital transfers and contributions)	1 534 354	1 488 083	1 616 052	1 610 340	7.59	-0.35

Table 5.4 Revenue by Source

5.1.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the operational services performance for the 2017/18 financial year:

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Operating Cost						
Water	97 706	143 279	143 279	89 778	-59.59	-59.59
Waste Water (Sanitation)	77 637	116 430	116 430	85 392	-36.35	-36.35
Electricity	410 593	453 087	453 087	405 007	-11.87	-11.87
Waste Management	46 318	97 609	97 609	47 700	-104.63	-104.63
Housing	35 694	50 029	50 029	30 521	-63.92	-63.92
Component A: sub-total	667 949	860 433	860 433	658 398	-30.69	-30.69
Roads and Stormwater	79 087	87 770	87 770	88 167	0.45	0.45
Component B: sub-total	79 087	87 770	87 770	88 167	0.45	0.45
Town Planning and Spatial Planning	37 084	40 622	40 622	34 040	-19.34	-19.34
Local Economic Development	6 162	10 845	10 845	9 537	-13.71	-13.71
Component C: sub-total	43 245	51 467	51 467	43 577	-18.11	-18.11
Libraries	12 393	24 653	24 653	13 239	-86.21	-86.21
Cemeteries	3 285	5 118	5 118	3 439	-48.81	-48.81
Community development	12 982	9 318	9 318	6 771	-37.62	-37.62
Component D: sub-total	28 660	39 089	39 089	23 449	-66.70	-66.70
Environmental Protection	-	-	-	-	-	-
Component E: sub-total	-	-	-	-	-	-
Traffic services	103 202	140 179	140 179	124 799	-12.32	-12.32
Fire Services and Disaster Management	30 588	34 222	34 222	34 772	1.58	1.58
Component F: sub-total	133 791	174 402	174 402	159 572	-9.29	-9.29
Holiday Resorts and Campsites	252	249	249	206	-20.85	-20.85
Sport grounds, parks, swimming pools	62 470	84 236	84 236	76 662	-9.88	-9.88
Community Halls, Facilities and thusong Centres	3 890	4 136	4 136	3 697	-11.87	-11.87
Component G: sub-total	66 612	88 621	88 621	80 566	-10.00	-10.00
Office of the MM	7 113	10 925	10 925	10 758	-1.56	-1.56
Financial Services	95 908	84 266	84 266	57 539	-46.45	-46.45
Administration	118 490	124 314	124 314	127 212	2.28	2.28
Property and contract management	27 561	35 254	35 254	28 835	-22.26	-22.26
HR	21 017	33 875	33 875	28 553	-18.64	-18.64
IT	19 066	21 509	21 509	19 414	-10.79	-10.79

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
	R'000					%
Internal Audit	10 142	12 252	12 252	10 303	-18.92	-18.92
Legal Services	18 510	12 832	12 832	10 973	-16.94	-16.94
Free Basic Services	-	-	-	-	-	-
Component H: sub-total	317 807	335 228	335 228	293 587	-14.18	-14.18
Total Expenditure	1 337 151	1 637 010	1 637 010	1 347 316	-21.50	-21.50

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.

Table 5.5 Operational Services Performance: Personnel Expenditure

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.2.1 Water Services

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	(205 388)	(154 543)	(154 543)	(256 843)	39.83
Expenditure:					
Employees	23 649	24 880	24 880	26 631	6.57
Repairs and Maintenance	5 393	9 419	9 419	1 781	-428.94
Other	68 664	108 979	108 979	61 366	-77.59
Total Operational Expenditure	97 706	143 279	143 279	89 778	-59.59
Net Operational (Service)	(107 681)	(11 264)	(11 264)	(167 065)	93.26

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.6 Financial Performance: Water Services

5.2.2 Sanitation Services

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(143 512)	(137 727)	(137 727)	(110 546)	-24.59
Expenditure:					
Employees	31 313	33 190	33 190	38 997	14.89
Repairs and Maintenance	7 265	16 091	16 091	7 850	-105
Other	39 060	67 148	67 148	38 546	-74.21
Total Operational Expenditure	77 637	116 430	116 430	85 392	-36.35
Net Operational (Service)	(65 875)	(21 297)	(21 297)	(25 154)	15.33

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.7 Financial Performance: Sanitation Services

5.2.3 Electricity Services

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(546 211)	(530 482)	(530 482)	(553 809)	4.21
Expenditure:					
Employees	23 029	35 170	35 170	25 499	-37.93
Repairs and Maintenance	11 766	14 962	14 962	7 734	-93.46
Other	375 798	402 955	402 955	371 773	-8.39
Total Operational Expenditure	410 593	453 087	453 087	405 007	-11.87
Net Operational (Service)	(135 618)	(77 395)	(77 395)	(148 803)	47.99

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.8 Financial Performance: Electricity Services

5.2.4 Waste Management Services (Refuse collections, Waste disposal and Recycling)

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(68 725)	(104 627)	(104 627)	(75 510)	-38.56
Expenditure:					
Employees	14 514	15 983	15 983	15 936	-0.30
Repairs and Maintenance	1 724	2 997	2 997	1 672	-79.28
Other	30 081	78 629	78 629	30 092	-161.29
Total Operational Expenditure	46 318	97 609	97 609	47 700	-104.63
Net Operational (Service)	(22 407)	(7 018)	(7 018)	(27 811)	74.76

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.9 Financial Performance: Waste Management Services (Refuse Collections, Waste Disposal, and Recycling)
5.2.5 Housing

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(28 695)	(50 772)	(50 772)	(32 714)	-55.20
Expenditure:					
Employees	16 914	21 268	21 268	21 297	0.14
Repairs and Maintenance	858	1 047	1 047	121	-763.02
Other	17 922	27 715	27 715	9 103	-204.45
Total Operational Expenditure	35 694	50 029	50 029	30 521	-63.92
Net Operational (Service)	6 998	(743)	(743)	(2 193)	66.10

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.10 Financial Performance: Housing Personnel Expenditure

5.2.6 Roads and stormwater

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(4 205)	(1 832)	(1 832)	(4 429)	58.64
Expenditure:					
Employees	20 988	22 645	22 645	24 193	6.40
Repairs and Maintenance	7 829	13 972	13 972	6 765	-106.54
Other	50 270	51 154	51 154	57 209	10.59
Total Operational Expenditure	79 087	87 770	87 770	88 167	0.45
Net Operational (Service)	74 882	85 939	85 939	83 737	-2.63

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.11 Financial Performance: Roads and Stormwater
5.2.7 Town Planning and Spatial Planning

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(8 285)	(6 815)	(6 815)	(9 793)	30.42
Expenditure:					
Employees	25 329	30 045	30 045	25 717	-16.83
Repairs and Maintenance	17	29	29	4	-728.97
Other	11 738	10 547	10 547	8 319	-26.78
Total Operational Expenditure	37 084	40 622	40 622	34 040	-19.34
Net Operational (Service)	28 799	33 807	33 807	24 246	-39.43

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.12 Financial Performance: Town Planning and Spatial planning

5.2.8 LED

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 981)	(194)	(194)	(231)	16.13
Expenditure:					
Employees	4 048	3 708	3 708	4 859	23.69
Repairs and Maintenance	262	0	0	67	99.91
Other	1 852	7 137	7 137	4 612	-54.75
Total Operational Expenditure	6 162	10 845	10 845	9 537	-13.71
Net Operational (Service)	4 180	10 651	10 651	9 306	-14.45

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.13 Financial Performance: LED
5.2.9 Libraries

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(10 601)	(13 169)	(13 169)	(14 846)	11.30
Expenditure:					
Employees	10 416	21 900	21 900	11 824	-85.22
Repairs and Maintenance	494	373	373	119	-214.31
Other	1 483	2 380	2 380	1 297	-83.52
Total Operational Expenditure	12 392	24 653	24 653	13 239	-86.21
Net Operational (Service)	1 791	11 485	11 485	(1 606)	814.92

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.14 Financial Performance: Libraries

5.2.10 Community Development

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	-	(1 377)	(1 377)	(1 377)	0.00
Expenditure:					
Employees	4 305	4 550	4 550	3 179	-43.13
Repairs and Maintenance	6	-	-	-	#DIV/0!
Other	8 671	4 768	4 768	3 592	-32.75
Total Operational Expenditure	12 982	9 318	9 318	6 771	-37.62
Net Operational (Service)	12 982	7 941	7 941	5 393	-47.23

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.15 Financial Performance: Community Development

5.2.11 Traffic Services

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(112 002)	(112 920)	(112 920)	(124 130)	9.03
Expenditure:					
Employees	26 467	28 932	28 932	28 881	-0.18
Repairs and Maintenance	572	721	721	627	-15.11
Other	76 163	110 526	110 526	95 291	-15.99
Total Operational Expenditure	103 202	140 179	140 179	124 799	-12.32
Net Operational (Service)	(8 799)	27 260	27 260	670	-3970.79

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.16 Financial Performance: Traffic Services

5.2.12 Fire Services and Disaster Management

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(265)	(1 893)	(1 893)	(1 955)	3.15
Expenditure:					
Employees	27 061	27 906	27 906	29 513	5.45
Repairs and Maintenance	834	782	782	1 001	21.86
Other	2 694	5 534	5 534	4 258	-29.96
Total Operational Expenditure	30 588	34 222	34 222	34 772	1.58
Net Operational (Service)	30 324	32 329	32 329	32 818	1.49

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.17 Financial Performance: Fire Services and Disaster Management Personnel Expenditure
5.2.13 Holiday Resorts and Campsites

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(494)	(499)	(499)	(445)	-12.05
Expenditure:					
Employees	142	160	160	156	-2.63
Repairs and Maintenance	13	-	-	-	-
Other	97	90	90	51	-77.01
Total Operational Expenditure	252	249	249	206	-20.85
Net Operational (Service)	(242)	(250)	(250)	(239)	-4.45

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.18 Financial Performance: Holiday Resorts and Campsites

5.2.14 Sport grounds, Parks and Swimming Pools

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(1 827)	(7 292)	(7 292)	(2 588)	-181.76
Expenditure:					
Employees	36 854	46 423	46 423	41 203	-12.67
Repairs and Maintenance	14 573	15 046	15 046	8 018	-87.65
Other	11 043	22 766	22 766	27 441	17.04
Total Operational Expenditure	62 470	84 236	84 236	76 662	-9.88
Net Operational (Service)	60 643	76 944	76 944	74 075	-3.87

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.19 Financial Performance: Sport Grounds, Parks and Swimming Pools
5.2.15 Community Halls and Thusong Centres

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(497)	(431)	(431)	(384)	-12.31
Expenditure:					
Employees	3 094	3 250	3 250	2 958	-9.88
Repairs and Maintenance	74	38	38	11	-244.62
Other	721	847	847	728	-16.42
Total Operational Expenditure	3 890	4 136	4 136	3 697	-11.87
Net Operational (Service)	3 393	3 705	3 705	3 313	-11.82

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.20 Financial Performance: Community Halls and Thusong Centres

5.2.16 Office of the Municipal Manager

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	-	(360)	(360)	-	-
Expenditure:					
Employees	6 495	8 493	8 493	5 888	-44.24
Repairs and Maintenance	-	11	11	1	-748.02
Other	617	2 422	2 422	4 869	50.26
Total Operational Expenditure	7 113	10 925	10 925	10 758	-1.56
Net Operational (Service)	7 113	10 565	10 565	10 758	1.79

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.21 Financial Performance: Office of the Municipal Manager

5.2.17 Human Resource Services

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(809)	(636)	(636)	(1 347)	52.82
Expenditure:					
Employees	8 982	10 472	10 472	6 252	-67.50
Repairs and Maintenance	10	45	45	-	-
Other	12 026	23 357	23 357	22 301	-4.74
Total Operational Expenditure	21 017	33 875	33 875	28 553	-18.64
Net Operational (Service)	20 208	33 239	33 239	27 206	-22.18

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.22 Financial Performance: Human Resource Services

5.2.18 Information and Communication Technology (ICT) Services

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	6 467	7 031	7 031	7 099	0.96
Repairs and Maintenance	183	453	453	206	-120.10
Other	12 416	14 025	14 025	12 109	-15.82
Total Operational Expenditure	19 066	21 509	21 509	19 414	-10.79
Net Operational (Service)	19 066	21 509	21 509	19 414	-10.79

Variations are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.23 Financial Performance: Information and Communication Technology (ICT) Services
5.2.19 Legal Services

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(3)	(3)	(3)	(3)	10.47
Expenditure:					
Employees	4 868	5 013	5 013	5 649	11.26
Repairs and Maintenance	-	23	23	-	-
Other	13 642	7 796	7 796	5 324	-46.44
Total Operational Expenditure	18 510	12 832	12 832	10 973	-16.94
Net Operational (Service)	18 507	12 830	12 830	10 970	-16.95

Variations are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.24 Financial Performance: Legal Services

5.2.20 Property management

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(7 792)	(5 951)	(5 951)	(3 558)	-67.28
Expenditure:					
Employees	6 781	7 598	7 598	7 669	0.92
Repairs and Maintenance	8 525	6 616	6 616	5 451	-21.38
Other	12 255	21 040	21 040	15 715	-33.88
Total Operational Expenditure	27 561	35 254	35 254	28 835	-22.26
Net Operational (Service)	19 769	29 303	29 303	25 277	-15.93

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.25 Financial Performance: Property and Contract Management

5.2.21 Financial Services

Description	2016/17	2017/18			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	(388 187)	(391 745)	(391 745)	(412 225)	4.97
Expenditure:					
Employees	42 978	48 303	48 303	47 168	-2.41
Repairs and Maintenance	688	1 649	1 649	1 252	-31.71
Other	52 242	34 314	34 314	9 119	-276.29
Total Operational Expenditure	95 908	84 266	84 266	57 539	-46.45
Net Operational (Service)	(292 279)	(307 479)	(307 479)	(354 686)	13.31

Variances are calculated by dividing the difference between the actual and original budget by the actual.

Table 5.26 Financial Performance: Financial Services

5.3 GRANTS
5.3.1 Grant Performance

The Municipality had a total amount of R 128 million for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2017/18 financial year. The performance in the spending of these grants are summarised as follows:

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
	R'000				%	
National Government:	99 065	117 001	117 001	117 001		
Equitable Share	95 982	110 631	110 631	110 631	100%	100%
Financial Management Grant	1 325	1 550	1 550	1 550	100%	100%
Municipal Systems Improvement	-					
EPWP	1 758	4 820	4 820	4 820	100%	100%
Energy Efficiency and Demand Side Management	8 000 000	9 236 000	7 236 000	7236000	100%	100%
Provincial Government:	20 145	11 341	22 596	14 487	-	-
Provincial Government PHP Top Structure	8 943		10 820	3 116	0%	29%
Library Services Support	10 009	11 045	11 045	11 045	100%	100%
CDW Support	73	56	56	56	100%	100%
LG FMG	220		255	255	0%	100%
Integrated Transport Plan	-	-	-	-	0%	0%
Financial Management Capacity Building Grant	-	240	360	-	0%	0%
LG Graduate Internship	-	-	60	15	0%	25%
Maintenance and Construction of Transport Infrastructure	-	-	-	-	0%	0%
Spatial development framework grant	900	-	-	-	0%	0%
District Municipality:	300	-	-	-	-	-
Hosting of Cultural events	300	-	-	-	0%	0%
Other Grant Providers:	3 057	-	4 339	1 569	-	-
Public contributions and donations	3 057		4 339	1569	0%	36%
Total Operating Transfers and Grants	122 567	128 342	143 936	133 057	-	-

Table 5.27 Grant Performance

5.3.2 Level of Reliance on Grants and Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2014/15	139 590	1 175 909	12.79
2015/16	227 268	1 411 274	11.87
2016/17	227 752	1 534 354	16.10
2017/18	237 699	1 610 619	15%

Table 5.28 Reliance on Grants

5.4 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 the Municipal Finance Management Act (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.

Those assets are valued and accounted for in accordance with a statement of GRAP.

5.5 REPAIRS AND MAINTENANCE

Description	2016/17	2017/18		2017/18 Variance	
	Actual	Original Budget	Adjustment Budget	Budget variance	
	R'000				%
Repairs and Maintenance Expenditure	58 260	263 799	95 459	43 056	55

Table 5.29 Repairs and Maintenance Expenditure

5.6 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.6.1 Liquidity Ratio

Financial Ratios Based on Key Performance Indicators

Description	Basis of calculation	2014/15	2015/16	2016/17	2017/18
Current Ratio	Current assets/current liabilities	2.54	2.72	2.18	2.19
Current Ratio adjusted for aged debtors	Current assets - debtors > 90 days/current liabilities	1.92	2.6	2.18	2.19
Liquidity Ratio	Monetary Assets/Current Liabilities	2.50	2.61	1.51	1.28

Table 5.30 Liquidity Ratio

5.6.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2014/15	2015/16	2016/17	2017/18
Cost Coverage	(Available cash + investments)/monthly fixed operational expenditure	9.89	1.4	5.71	4.80
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	18.22	10.22	18.09	0
Debt Coverage	(Total operating revenue - operating grants)/debt service payments due within financial year)	42.45	0.6413	4.95	5.84

Table 5.31 Financial Viability of Indicators

5.6.3 Borrowing Management

Description	Basis of calculation	2014/15	2015/16	2016/17	2017/18
Capital Charges to Operating Expenditure	Interest and Principal Paid /Operating Expenditure	2.36%	1.6%	1.21%	1.39%

Table 5.32 Borrowing Management

5.6.4 Employee costs

Description	Basis of calculation	2014/15	2015/16	2016/17	2017/18
Employee costs	Employee costs/(total revenue - capital revenue)	28.60%	28.10%	26.84%	29%

Table 5.33 Employee Costs

5.6.5 Repairs and Maintenance

Description	Basis of calculation	2014/15	2015/16	2016/17	2017/18
Repairs and Maintenance	R&M/(total revenue excluding capital revenue)	5.16%	4.36%	4.15%	2.81%

Table 5.34 Repairs and Maintenance

5.7 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7.1 Capital Expenditure

5.7.1.1 CAPITAL EXPENDITURE BY ASSETS PROGRAMME

Description	2017/18		
	Original Budget	Adjustment Budget	Actual Expenditure
R'000			
Capital Expenditure by Asset Class			
Infrastructure	324 418	349 790	346 272
Roads Infrastructure	49 717	72 235	77 963
Roads	37 867	60 509	59 732
Road Structures	9 650	9 340	16 163
Road Furniture	2 200	2 385	2 068
Storm water Infrastructure	1 200	1 599	1 233
Storm water Conveyance	1 200	1 599	1 233
Electrical Infrastructure	46 168	54 902	49 104
HV Substations	400	1 943	361
MV Switching Stations	2 000	3 241	297
MV Networks	20 632	36 682	35 697
LV Networks	20 736	11 236	10 891
Capital Spares	2 400	1 800	1 858
Water Supply Infrastructure	79 050	118 731	131 140
Dams and Weirs	1 000	1 000	
Boreholes	300	36 300	
Reservoirs	34 400	27 782	19 088
Water Treatment Works	26 850	23 633	20 365
Bulk Mains	2 000	1 500	19 135
Distribution	14 500	28 016	72 552
Capital Spares	–	500	
Sanitation Infrastructure	137 483	95 616	83 059
Pump Station	500	324	8

Description	2017/18		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Reticulation	2 200	–	2 127
Waste Water Treatment Works	85 527	66 614	47 329
Outfall Sewers	48 856	28 279	33 507
Toilet Facilities	200	200	88
Capital Spares	200	200	
Solid Waste Infrastructure	8 500	3 752	2 278
Landfill Sites	4 500	2 500	1 373
Waste Transfer Stations	500	500	503
Waste Drop-off Points	3 000	353	69
Waste Separation Facilities	500	243	333
Capital Spares	–	156	
Information and Communication Infrastructure	2 300	2 955	1 494
Data Centres	2 300	2 300	1 494
Capital Spares	–	655	
Community Assets	34 921	50 432	29 010
Community Facilities	27 817	41 641	
Halls	9 000	9 396	9 904
Centres	1 550	1 650	596
Fire/Ambulance Stations	250	318	1 878
Testing Stations	1 250	1 250	138
Theatres	200	200	
Libraries	2 760	4 424	201
Cemeteries/Crematoria	1 400	2 409	1 595
Police	350	4 636	
Public Open Space	–	162	1 851
Stalls	1 370	6 653	3 158
Taxi Ranks/Bus Terminals	5 287	6 067	
Capital Spares	4 400	4 476	32
Sport and Recreation Facilities	7 104	8 791	
Outdoor Facilities	7 104	8 791	9 657
Heritage assets	1 600	1 600	1 337
Historic Buildings	250	250	
Conservation Areas	1 350	1 350	1 337
Investment properties	7 000	7 242	28 912
Revenue Generating	1 100	1 342	
Improved Property	1 100	1 000	171

Description	2017/18		
	Original Budget	Adjustment Budget	Actual Expenditure
	R'000		
Unimproved Property	–	342	
Non-revenue Generating	5 900	5 900	
Improved Property	1 900	1 900	904
Unimproved Property	4 000	4 000	27 837
Other assets	25 150	62 383	23 193
Operational Buildings	5 050	4 012	
Municipal Offices	1 550	1 742	598
Yards	200	200	138
Stores	1 500	280	125
Training Centres	800	800	
Manufacturing Plant	1 000	1 000	
Depots	–	–	766
Capital Spares	–	–	14 457
Housing	20 100	58 371	
Social Housing	20 100	58 371	7 110
Biological or Cultivated Assets	1 330	1 130	120
Biological or Cultivated Assets	1 330	1 130	120
Intangible Assets	650	300	50
Licences and Rights	650	300	
Computer Software and Applications	650	300	50
Computer Equipment	3 525	6 625	4 295
Computer Equipment	3 525	6 625	4 295
Furniture and Office Equipment	2 351	2 661	
Furniture and Office Equipment	2 351	2 661	
Machinery and Equipment	16 392	15 423	493
Machinery and Equipment	16 392	15 423	493
Transport Assets	720	2 270	
Transport Assets	720	2 270	
Total Capital Expenditure	418 057	499 855	433 682

Table 5.35 Capital Expenditure by asset programme

5.7.1.2 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2017/18 financial year:

Details	2017/18				
	Original Budget (OB)	Adjustment Budget	Actual	Adjustment Budget Variance	Adjustment Budget Variance
	R'000				%
Source of finance					
External Loans	160 000		–	-100	0
Public Contributions and Donations		8 414	280	0	0
Grants and Subsidies	60 137	92 661	80 137	54.08	-20.82
Other	197 920	398 781	353 265	101.49	-23
Total	418 057	499 855	433 682	19.57	-15.83
Source of finance					
External Loans	38	0	0	-100	0
Public Contributions and Donations	0	2	0	0	0
Grants and Subsidies	14	19	18	28.87	-0.41
Own Funding	47	80	81	68.51	3.54
Source of finance					
Water and Sanitation	216 383	216 388	206 609	0.00	-4.52
Electricity	49 448	56 650	53 473	14.56	-6.43
Housing	34 822	71 219	36 336	104.52	-100.18
Roads and Stormwater	51 922	78 281	73 325	50.77	-9.54
Other	65 482	77 317	63 939	18.07	-20.43
Total	418 057	499 855	433 682	19.57	-15.83
Source of finance					
Water and Sanitation	52	43	48	-16.36	8.41
Electricity	12	11	12	-4.18	8.43
Housing	8	14	8	71.06	-70.47
Roads and Stormwater	12	16	17	26.09	10.04
Other	16	15	15	-1.25	-4.63

Table 5.36 Capital Expenditure by Funding Source

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2017/18:

Name of Project	2017/18			Variance 2016/17	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
	R			%	
Extension of WWTW: Stellenbosch (Phase 1)	81 277	40 715	39 375	52	-3
New Plankenburg Main Outfall Sewer	23 856	27 387	29 045	-22	6
Water Treatment Works: Paradyskloof	20 000	21 200	20 017	0	-6
Bulk Water Supply Pipe Reservoir: Dwars Rivier (Johannesdal / Kylemore / Pniel)	19 000	18 100	19 088	0	5
Kayamandi: Watergang and Zone O	21 082	16 247	6 068	71	-63

Table 5.37 Capital Expenditure on the 5 Largest Projects

5.9 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 provision will be made accordingly.

The service level above minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside 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 current provision of water and sanitation.

5.10 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Details	Budget	Adjustment Budget	Actual	Variance
	R'000			Budgets
				%
New ML reservoir : Cloetesville	100			-
Bulk Water Supply Pipeline and Reservoir – Jamestown	2 449	2 449	2 449	-
Bulk Water Supply Reservoir : Dwarswater (Johannesdal/Kylemore/Pniel)	6 888	6 888	6 888	-
Idas Valley Merriman Outfall Sewer	1 000	1 000	1 000	-
Bulk Sewer Outfall : Jamestown	1 000	827	827	-
New Plankenburg Main Outfall Sewer	12 676	12 940	12 940	-
Klapmuts Public Transport Interchange	4 299	4 299	4 299	-
Upgrade of Sport Facilities	5 270	5 270	5 270	-
Klapmuts Upgrade WWTW	2 695	2 695	2 695	-

Table 5.38 Municipal Infrastructure Grant (MIG)
5.11 CASH FLOW

Description	2016/17	2017/18		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash Flow from Operating Activities				
Receipts				
Ratepayers and Other	1 087 671	1 137 889	1 198 224	1 145 831
Government Grants	264 644	188 479	242 448	237 699
Interest	56 219	45 356	56 356	55 110
Payments				
Employee Costs	-395 548	-1 145 401	-1 233 960	-436 154
Suppliers	-557 749	-28 622	-18 077	-634 537
Finance Costs	-19 627	-6 250	-6 314	-18 775
Net Cash from/(Used) Operating Activities	435 610	191 451	238 677	349 174
Cash Flow from Investing Activities				
Receipts				
Proceeds on Disposal of PPE	2 198	3 500	3 500	998
Proceeds on Disposal of Biological Assets	45			409
Movement in Non-Current Receivables				3 249
Payments				

Description	2016/17	2017/18		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
R'000				
Purchase of PPE	-410 203	-418 057	-499 855	-433 675
Movement in Non-Current Receivables	-1 164			
Movement in Investments	-95 418			69 801
Net Cash from/(Used) Investing Activities	-504 542	-414 557	-496 355	-359 218
Cash Flow from Financing Activities				
Receipts				
Proceeds from Other Financial Liabilities		160 000		
Increase in consumer deposits				
Payments				
Repayment of Borrowing	-11 908	-14 784	-13 784	-13 084
Prior period error	-858			-124
Net Cash from/(Used) Financing Activities	-12 766	145 216	-13 784	-13 208
Net Increase/(Decrease) in Cash Held	-81 699	-77 890	-271 462	-23 252
Cash/Cash Equivalents at the Year-Begin:	128 016	621 906	621 906	46 317
Cash/Cash Equivalents at the Year-End:	46 317	544 016	350 444	23 065

Table 5.39 Cash Flow

5.12 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Trading services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
(R'000)						
2015/16	32 546	79 347	31 768	24 049	135 506	267 450
2016/17	33 364	160 171	35 220	23 150	136 874	388 779
Difference	818	80 824	3 452	-899	1 368	121 329
% growth year on year	3%	102%	11%	-4%	1%	45%
2017/18	37 123	199 311	42 441	24 242	190 279	439 396
Difference	3 795	39 140	7 221	1 091	53 406	104 617
% growth year on year	11%	24%	21%	5%	39%	27%

Table 5.40 Gross Outstanding Debtors per Service

Note: Figures exclude provision for bad debt.

5.13 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)					
2015/16	69 604	11 168	10 664	9 044	190 677	291 157
2016/17	154 377	13 233	11 156	7 891	202 121	388 779
Difference	84 773	2 065	493	-1 153	11 444	97 622
% growth year on year	122%	18%	5%	-13%	6%	34%
2017/18	188 747	16 564	17 223	12 447	258 386	493 369
Difference	34 370	3 332	6 066	4 584	56 256	104 617
% growth year on year	22%	25%	54%	58%	28%	27%

Table 5.41 Debtors Age Analysis

Note: Figures exclude provision for bad debt.

5.14 BORROWING AND INVESTMENTS

The municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements is invested on a monthly basis at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

5.14.1 Actual Borrowings

Instrument	2014/15	2015/16	2016/17	2017/18
	R'000			
Long-Term Loans	159 439	198 294	186 386	173 302

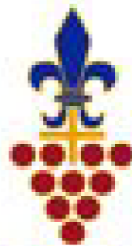
Table 5.42 Actual Borrowings

5.14.2 Municipal Investments

Investment type	2014/15	2015/16	2016/17	2017/18
	R'000			
Deposits - Bank	592 648	600 239	575 418	505 618

Table 5.43 Municipal Investments

ANNEXURE A: AUDITED FINANCIAL STATEMENTS 2017/18



STELLENBOSCH
STELLENBOSCH • STIEL • FRANSCHEGHE

MUNICIPALITY • UMASHIPALA • MUNISIPALITEIT

Stellenbosch Municipality
Annual financial statements
for the year ended 30 June 2018

Auditor-General of South Africa
Chartered Accountants (S.A.)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

General Information

Mayoral committee

Executive Mayor	GMM Van Deventer
Deputy Executive Mayor	N Jindela
Speaker	DD Joubert
Executive Councillors	PW Biscombe

JN De Villiers
AR Frazenburg
E Groenewald
XL Mdemka
SA Peters
JP Serdyn
Q Smit
F Adams
DS Arends
FJ Badenhorst
NG Bakubaku-Vos
FT Bangani-Menziwa
PR Crawley
A Crombie
MB De Wet
R Du Toit
A Florence
E Fredericks
JG Hamilton
A Hanekom
DA Hendrickse
JK Hendriks
LK Horsband
MC Johnson
NS Louw
N Mananga-Gugushe
C Manuel
LM Maqeba
MC MC Ombring
RC Nalumango
N Olayi
MD Oliphant
WC Peterson
MM Pietersen
WF Pietersen
SR Schäfer
N Sinkinya
P Sitshoti
LL Stander
E Vermeulen

Councillors

Grading of local authority

Councillors Grade 4
Personnel Grade 4

Accounting Officer

G Mettler
Tel: 021 808 8025

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

General Information

Chief Finance Officer (CFO)	M Wüst Tel: 021 808 8528
Registered office	Plein Street Stellenbosch 7600
Business address	Plein Street Stellenbosch 7600
Postal address	P O Box 17 Stellenbosch 7599
Bankers	ABSA NEDBANK
Auditors	Auditor-General of South Africa Chartered Accountants (S.A.)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

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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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CRR	Capital Replacement Reserve
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

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 were 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 me to meet these responsibilities, I set 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 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 annual financial statements have been prepared on the going concern basis, is hereby certified.

Geraldine Mettler
Accounting Officer

31 August 2018

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Current Assets			
Cash and cash equivalents	3	23 062 587	46 317 058
Short term investments	4	505 617 672	575 418 314
Receivables from exchange transactions	5	214 466 298	167 905 262
Receivables from non-exchange transactions	6	77 128 197	65 436 671
Other receivables from exchange transactions	7	6 209 038	7 780 747
Inventories	8	46 990 515	40 568 844
VAT receivable	9	45 660 337	40 139 579
Long term receivable	15	1 600 207	2 121 452
		920 734 851	945 687 927
Non-Current Assets			
Property, plant and equipment	10	4 710 275 480	4 443 174 059
Investment property	11	423 252 024	423 622 558
Intangible assets	12	8 368 154	9 434 575
Biological assets that form part of an agricultural activity	13	6 321 448	8 808 121
Heritage assets	14	774 002	724 002
Long term receivable	15	2 158 458	3 512 953
		5 151 149 566	4 889 276 268
Total Assets		6 071 884 417	5 834 964 195
Liabilities			
Current Liabilities			
Payables from exchange transactions	21	239 903 566	282 087 477
Unspent conditional grants and receipts	22	101 602 890	74 438 584
Employee benefit obligation	17	47 887 911	47 015 418
Other financial liabilities	19	14 501 990	13 083 928
Consumer deposits	16	15 673 925	14 577 025
Operating lease liability	18	1 079 160	1 439 270
		420 649 442	432 641 702
Non-Current Liabilities			
Employee benefit obligation	17	219 186 792	220 222 839
Other financial liabilities	19	158 800 148	173 302 139
Provisions	20	79 165 186	78 169 144
		457 152 126	471 694 122
Total Liabilities		877 801 568	904 335 824
Net Assets		5 194 082 849	4 930 628 371
Accumulated surplus	23	5 194 082 849	4 930 628 371

* See Note 61

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017
Revenue			
Revenue from exchange transactions			
Service charges	24	862 001 445	795 176 331
Rental of facilities and equipment	25	14 992 251	16 905 750
Interest earned - outstanding receivables	26	6 848 597	6 451 330
Agency services	27	2 364 609	6 400 483
Licences and permits	28	6 571 243	5 735 114
Other income	29	26 734 436	25 194 947
Investment revenue	30	55 109 631	56 218 546
Total revenue from exchange transactions		974 622 212	912 082 501
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	31	309 988 786	290 028 243
Transfer revenue			
Government grants & subsidies	32	210 534 572	227 751 997
Fines, penalties and forfeits	33	114 767 168	102 816 625
Total revenue from non-exchange transactions		635 290 526	620 596 865
Total revenue		1 609 912 738	1 532 679 366
Expenditure			
Employee related costs	34	(444 578 881)	(409 575 108)
Remuneration of councillors	35	(17 307 557)	(16 094 449)
Contribution to/from provisions	36	(996 043)	(1 536 603)
Contribution to employee benefits	37	(11 727 667)	(6 953 305)
Depreciation and amortisation	38	(157 549 555)	(149 139 446)
Impairment of non cash generating assets	10	(6 398 337)	(419 484)
Finance costs	39	(18 775 322)	(19 626 895)
Lease rentals on operating lease		(8 312 432)	(13 205 278)
Debt Impairment	40	(47 970 580)	(82 169 287)
Contribution to allowance for doubtful debt	41	(52 961 613)	(4 522 848)
Bulk purchases	42	(329 681 698)	(347 827 571)
Contracted services	43	(123 010 472)	(149 157 904)
Transfers and Subsidies	44	(6 261 185)	(6 932 896)
General Expenses	45	(120 236 562)	(109 076 349)
Total expenditure		(1 345 767 904)	(1 316 237 423)
Operating surplus		264 144 834	216 441 943
Gain on disposal of assets and liabilities		335 771	729 008
Fair value adjustments	46	(795 806)	945 220
Gain on sale biological assets and agricultural produce		91 149	(104 086)
Inventories (losses/write-downs)/ reversal of write downs		(197 322)	(45 009)
		(566 208)	1 525 133
Surplus for the year		263 578 626	217 967 076

* See Note 61

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	4 690 202 176	4 690 202 176
Adjustments		
Prior year adjustments	23 317 177	23 317 177
Balance at 01 July 2016 as restated*	4 713 519 353	4 713 519 353
Changes in net assets		
Surplus for the year	217 967 079	217 967 079
Prior period error	(858 087)	(858 087)
Total changes	217 108 992	217 108 992
Restated* Balance at 01 July 2017	4 930 628 374	4 930 628 374
Changes in net assets		
Surplus for the year	263 578 626	263 578 626
Prior period error	(124 151)	(124 151)
Total changes	263 454 475	263 454 475
Balance at 30 June 2018	5 194 082 849	5 194 082 849
Note(s)		

* See Note 61

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Cash Flow Statement

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 145 830 619	1 087 670 967
Grants		237 698 878	264 644 379
Interest income		55 109 631	56 218 546
		<u>1 438 639 128</u>	<u>1 408 533 892</u>
Payments			
Employee costs		(436 154 406)	(395 548 416)
Suppliers		(634 537 310)	(557 748 991)
Finance costs		(18 775 322)	(19 626 895)
		<u>(1 089 467 038)</u>	<u>(972 924 302)</u>
Net cash flows from operating activities	47	<u>349 172 090</u>	<u>435 609 590</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(432 960 732)	(406 171 835)
Proceeds from sale of property, plant and equipment	10	998 250	2 198 409
Purchase of other intangible assets	12	(664 396)	(4 031 366)
Purchases of heritage assets	14	(50 000)	-
Movement in non-current receivables		3 249 048	(1 164 341)
Proceeds from sale of biological assets that form part of an agricultural activity	13	408 708	45 122
Purchase of short term investments		-	(95 418 314)
Movement in investments		69 800 642	-
Net cash flows from investing activities		<u>(359 218 480)</u>	<u>(504 542 325)</u>
Cash flows from financing activities			
Movement in other financial liabilities		(13 083 929)	(11 908 295)
Prior period error		(124 151)	(858 087)
Net cash flows from financing activities		<u>(13 208 080)</u>	<u>(12 766 382)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(23 254 470)</u>	<u>(81 699 117)</u>
Cash and cash equivalents at the beginning of the year		46 317 058	128 016 153
Cash and cash equivalents at the end of the year	3	<u>23 062 588</u>	<u>46 317 036</u>

* See Note 61

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

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
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	841 409 296	-	841 409 296	862 001 445	20 592 149	
Rental of facilities and equipment	17 993 960	-	17 993 960	14 992 251	(3 001 709)	BD1
Interest earned - outstanding receivables	7 663 970	-	7 663 970	6 848 597	(815 373)	BD2
Agency services	2 514 110	-	2 514 110	2 364 609	(149 501)	BD3
Licences and permits	9 913 460	-	9 913 460	6 571 243	(3 342 217)	BD4
Other income	33 595 700	-	33 595 700	26 734 436	(6 861 264)	BD5
Investment revenue	48 998 780	-	48 998 780	55 109 631	6 110 851	BD6
Total revenue from exchange transactions	962 089 276	-	962 089 276	974 622 212	12 532 936	

Revenue from non-exchange transactions

Taxation revenue

Property rates	313 009 130	-	313 009 130	309 988 786	(3 020 344)	
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Transfer revenue

Government grants & subsidies	242 448 335	-	242 448 335	210 534 572	(31 913 763)	BD7
Fines, Penalties and Forfeits	97 064 330	-	97 064 330	114 767 168	17 702 838	BD8

Total revenue from non-exchange transactions	652 521 795	-	652 521 795	635 290 526	(17 231 269)	
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Total revenue	1 614 611 071	-	1 614 611 071	1 609 912 738	(4 698 333)	
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Expenditure

Employee related costs	(469 833 281)	-	(469 833 281)	(444 578 881)	25 254 400	
Remuneration of councillors	(17 461 674)	-	(17 461 674)	(17 307 557)	154 117	
Contribution to/from provisions	(2 841 030)	-	(2 841 030)	(996 043)	1 844 987	BD9
Contribution to employee benefits	(25 055 296)	-	(25 055 296)	(11 727 667)	13 327 629	BD10
Depreciation and amortisation	(187 101 073)	-	(187 101 073)	(157 549 555)	29 551 518	BD11
Impairment loss/ Reversal of impairments	(8 779 460)	-	(8 779 460)	(6 398 337)	2 381 123	BD12
Finance costs	(18 076 732)	-	(18 076 732)	(18 775 322)	(698 590)	
Operating leases	-	-	-	(8 312 432)	(8 312 432)	BD13
Debt impairment	(84 700 000)	-	(84 700 000)	(47 970 580)	36 729 420	BD14
Contribution to allowance for doubtful debt	(33 483 382)	-	(33 483 382)	(52 961 613)	(19 478 231)	BD15
Collection Costs	(2 936 333)	-	(2 936 333)	-	2 936 333	BD16
Bulk purchases	(354 142 560)	-	(354 142 560)	(329 681 698)	24 460 862	
Contracted Services	(211 762 893)	-	(211 762 893)	(123 010 472)	88 752 421	BD17
Transfers and Subsidies	(6 314 185)	-	(6 314 185)	(6 261 185)	53 000	BD18
General Expenses	(152 767 573)	-	(152 767 573)	(120 236 562)	32 531 011	BD19

Total expenditure	(1 575 255 472)	-	(1 575 255 472)	(1 345 767 904)	229 487 568	
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Operating surplus	39 355 599	-	39 355 599	264 144 834	224 789 235	
Gain on disposal of assets and liabilities	1 419 020	-	1 419 020	335 771	(1 083 249)	BD20

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

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						
Fair value adjustments	-	-	-	(795 806)	(795 806)	BD21
Gain on biological assets and agricultural produce	22 130	-	22 130	91 149	69 019	BD22
Inventories (losses/write-downs) / reversal of write downs	-	-	-	(197 322)	(197 322)	BD23
	1 441 150	-	1 441 150	(566 208)	(2 007 358)	
Surplus before taxation	40 796 749	-	40 796 749	263 578 626	222 781 877	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	40 796 749	-	40 796 749	263 578 626	222 781 877	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

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
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Cash and cash equivalents	18 895 647	-	18 895 647	23 062 587	4 166 940	BD24
Short term investments	400 645 893	-	400 645 893	505 617 672	104 971 779	BD25
Receivables from exchange transactions	94 691 283	-	94 691 283	214 466 298	119 775 015	BD26
Receivables from non-exchange transactions	56 586 995	-	56 586 995	77 128 197	20 541 202	BD27
Other receivables from exchange transactions	112 452 578	-	112 452 578	6 209 038	(106 243 540)	BD28
Inventories	38 000 000	-	38 000 000	46 990 515	8 990 515	BD29
VAT receivable	41 624 743	-	41 624 743	45 660 337	4 035 594	BD30
Long term receivable	-	-	-	1 600 207	1 600 207	BD31
	762 897 139	-	762 897 139	920 734 851	157 837 712	

Non-Current Assets

Property, plant and equipment	4 908 623 262	-	4 908 623 262	4 710 275 480	(198 347 782)	
Investment property	422 979 163	-	422 979 163	423 252 024	272 861	BD32
Intangible assets	15 741 345	-	15 741 345	8 368 154	(7 373 191)	BD33
Biological assets that form part of an agricultural activity	12 875 138	-	12 875 138	6 321 448	(6 553 690)	BD34
Heritage assets	12 875 138	-	12 875 138	774 002	(12 101 136)	BD35
Long term receivable	3 600 000	-	3 600 000	2 158 458	(1 441 542)	BD31
	5 376 694 046	-	5 376 694 046	5 151 149 566	(225 544 480)	

Total Assets

6 139 591 185 - **6 139 591 185** **6 071 884 417** **(67 706 768)**

Liabilities

Current Liabilities

Payables from exchange transactions	196 635 485	-	196 635 485	239 903 557	43 268 072	BD36
Unspent conditional grants and receipts	13 033 176	-	13 033 176	101 602 890	88 569 714	BD37
Employee benefit obligation	38 605 744	-	38 605 744	47 887 911	9 282 167	BD38
Other financial liabilities	16 983 512	-	16 983 512	14 501 990	(2 481 522)	BD39
Consumer deposits	12 976 467	-	12 976 467	15 673 925	2 697 458	BD40
Operating lease liability	-	-	-	1 079 160	1 079 160	BD41
	278 234 384	-	278 234 384	420 649 433	142 415 049	

Non-Current Liabilities

Other financial liabilities	314 867 242	-	314 867 242	158 800 148	(156 067 094)	BD39
Employee benefit obligation	219 728 105	-	219 728 105	219 186 792	(541 313)	BD38
Provisions	42 246 874	-	42 246 874	79 165 186	36 918 312	BD42
	576 842 221	-	576 842 221	457 152 126	(119 690 095)	

Total Liabilities

855 076 605 - **855 076 605** **877 801 559** **22 724 954**

Net Assets

5 284 514 580 - **5 284 514 580** **5 194 082 858** **(90 431 722)**

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

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						
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	5 284 514 580		- 5 284 514 580	5 194 082 858	(90 431 722)	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

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
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Figures in Rand

Cash Flow Statement

Cash flows from operating activities

Receipts

Sale of goods and services	1 198 223 482	-	1 198 223 482	1 145 830 619	(52 392 863)	
Grants-operation	143 935 009	-	143 935 009	143 940 753	5 744	
Interest income	56 356 191	-	56 356 191	55 109 631	(1 246 560)	
Grant- capital	98 513 326	-	98 513 326	93 758 125	(4 755 201)	
	1 497 028 008		- 1 497 028 008	1 438 639 128	(58 388 880)	

Payments

Suppliers and employee costs	(1 233 959 610)	-	(1 233 959 610)	(1 070 691 716)	163 267 894	CF1
Finance costs	(18 076 732)	-	(18 076 732)	(18 775 322)	(698 590)	
Transfers and Grants	(6 314 185)	-	(6 314 185)	-	6 314 185	CF2
	(1 258 350 527)		- (1 258 350 527)	(1 089 467 038)	168 883 489	

Net cash flows from operating activities	238 677 481		- 238 677 481	349 172 090	110 494 609	
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Cash flows from investing activities

Purchase of property, plant and equipment	(499 555 135)	-	(499 555 135)	(432 960 732)	66 594 403	CF3
Proceeds from sale of property, plant and equipment	3 500 000	-	3 500 000	998 250	(2 501 750)	CF4
Purchase of other intangible assets	(300 000)	-	(300 000)	(664 396)	(364 396)	CF5
Purchase of heritage assets	-	-	-	(50 000)	(50 000)	CF6
Movement in long term receivables	-	-	-	3 249 048	3 249 048	CF7
Proceeds from sale of biological assets	-	-	-	408 708	408 708	CF8
Movement in investments	-	-	-	69 800 642	69 800 642	CF9
Net cash flows from investing activities	(496 355 135)		- (496 355 135)	(359 218 480)	137 136 655	

Cash flows from financing activities

Borrowing long term /refinancing	(13 783 512)	-	(13 783 512)	(13 083 929)	699 583	
Prior period error	-	-	-	(124 151)	(124 151)	CF10

Net cash flows from financing activities	(13 783 512)		- (13 783 512)	(13 208 080)	575 432	
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Net increase/(decrease) in cash and cash equivalents	(271 461 166)	-	(271 461 166)	(23 254 470)	248 206 696	
Cash and cash equivalents at the beginning of the year	621 906 213	-	621 906 213	46 317 058	(575 589 155)	
Cash and cash equivalents at the end of the year	350 445 047		- 350 445 047	23 062 588	(327 382 459)	

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1. Basis of Preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

Accounting policies for material transactions, events or conditions not covered by the GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

These accounting policies are consistent with the previous period, except for the changes set out in note Changes in accounting policy.

1.1 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.2 Internal reserves

Capital replacement reserve (CRR)

In order to finance the acquisition of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Self insurance reserve

The municipality has a Self-insurance reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Accumulated surplus

The accumulated surplus/deficit represent the net difference between the total assets and the total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Revenue recognition

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

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

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of financial assets

Accounting Policy 1.9: Financial Instruments, referring to the paragraph on impairment of financial assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the annual financial statements.

Useful lives of property, plant and equipment and intangible assets

As described in Accounting Policy 1.6 and 1.7 the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful life, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge. The review of useful life and residual values of assets are only reviewed if one of the indicators of potential review is triggered.

Employee benefit obligations

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

Impairment of non-financial assets

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

It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1.3 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.

Provisions

Provisions are raised and management determines an estimate based on the information available. Additional disclosures of these estimates of provisions are included in note 20 - Provisions.

Allowance for slow moving, damaged and obsolete stock

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management 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.

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 receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 Biological assets that form part of an agricultural activity

The municipality recognises a biological assets that form part of an agricultural activity or agricultural produce when, and only when:

- the municipality controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Biological assets that form part of an agricultural activity are measured at their fair value less costs to sell.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1.4 Biological assets that form part of an agricultural activity (continued)

A gain or loss arising on initial recognition of biological assets that form part of an agricultural activity or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological assets that form part of an agricultural activity, is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable, is used to determine fair value.

Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Item	Useful life
Trees in a plantation forest	Indefinite

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services; or for
- administrative purposes; or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that is associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is, subsequent to initial measurement, carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - buildings	30-99 years
Property - land	indefinite

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

The nature OR type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 11).

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Stellenbosch Municipality

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Accounting Policies

1.6 Property, plant and equipment (continued)

Property, plant and equipment is recognised as an asset when:

- it is probable that the future economic benefits or service potential that are associated with the property, plant and equipment will flow to the municipality; and
- the cost or fair value of the item can be determined reliably.

Measurement

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the municipality is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is ready to be used.

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable service amount, it is written down immediately to its recoverable service amount and an impairment loss is charged to the statement of financial performance.

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

The useful lives of items of property, plant and equipment have been assessed as follows:

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Accounting Policies

1.6 Property, plant and equipment (continued)

Item	Average useful life
Buildings	
• Land	indefinite
• Buildings	30-99
Infrastructure assets	
• Roads and paving	10-100
• Electricity	10-50
• Water	10-100
• Sewerage	10-100
• Housing	30
Community assets	
• Improvements	30
• Recreational facilities	20-30
• Security	5
Capital restoration asset	
• Landfill site	5-30
Other property, plant and equipment	
• Watercraft	15
• Specialised plant and equipment	10-15
• Other plant and equipment	2-5
• Specialised vehicles	10
• Office equipment	1-7
• Bins and containers	5

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.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

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).

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Accounting Policies

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 years
Capital development	30 years
Other intangible assets	5 years

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 12).

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1.7 Intangible assets (continued)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.8 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 14).

The municipality discloses relevant information relating to assets under construction or development, 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.

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).

Stellenbosch Municipality

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Accounting Policies

1.9 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..

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:

Class

Receivables from exchange transactions
Receivables from non-exchange transactions
Cash and cash equivalents
Other receivables from exchange transactions

Category

Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost
Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

Payables from exchange transactions
Consumer deposits
Other financial liabilities
Operating lease liability

Category

Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost
Financial liability measured at amortised cost

Initial recognition

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes a party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Stellenbosch Municipality

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Accounting Policies

1.9 Financial instruments (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.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The calculation in respect of the impairment of fines receivable (receivables from non-exchange transactions) is based on an assessment of the past history of fines per category.

Stellenbosch Municipality

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Accounting Policies

1.9 Financial instruments (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.

Financial liabilities

The municipality removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another municipality by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Stellenbosch Municipality

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Accounting Policies

1.10 Leases (continued)

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.

1.11 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.

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Accounting Policies

1.12 Landfill site

Site restoration and dismantling cost - The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes:

- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located;
- changes in the measurement of an existing decommissioning, restoration and similar liability that result from change in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in discount rate; and
- the obligation the municipality incurs for having used the items during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.13 Impairment of cash-generating assets

Cash-generating assets are assets 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.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

[Specify judgements made]

Identification

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

Stellenbosch Municipality

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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

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

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);

Stellenbosch Municipality

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Accounting Policies

1.13 Impairment of cash-generating assets (continued)

- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

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

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

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

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

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1.14 Employee benefits

Short term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accrued leave pay

Liabilities for annual leave are recognised as they accrue to employees. Liability is based on the total accrued leave days owing to employees and is reviewed annually.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a municipality provides post-employment benefits for one or more employees.

Multi-employer plans

The municipality classifies a multi-employer plan as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

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

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

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

Post-employment benefits: Defined contribution plans

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1.14 Employee benefits (continued)

Defined contribution plans are post-employment benefit plans under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the municipality recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the resulting asset at the lower of:

- the amount determined above; and

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Accounting Policies

1.14 Employee benefits (continued)

- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, the municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, the municipality attributes benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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Accounting Policies

1.14 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Other long term employee benefits

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

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost; and
- the effect of any curtailments or settlements.

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Accounting Policies

1.14 Employee benefits (continued)

Termination benefits

The municipality recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The municipality is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than twelve months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

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Accounting Policies

1.15 Provisions and Contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

As the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period;
- the amount deducted from the cost of the asset does not exceed 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.

Stellenbosch Municipality

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Accounting Policies

Provisions and contingencies (continued)

Provision for constructive obligations

A constructive obligation to restructure arises only when the municipality:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

A contingent liability is a:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality;
- present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 52.

Grant-in-aid contributions

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

1.16 Revenue from exchange transactions

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.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

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Accounting Policies

1.16 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 average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Pre-paid electricity

Revenue from the sale of electricity prepaid units is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest earned

Interest earned on investments is recognised in the statement of financial performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Stellenbosch Municipality

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Accounting Policies

1.16 Revenue from exchange transactions (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

1.17 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

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Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Property rates

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources.

Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognises revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting municipality.

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Accounting Policies

1.17 Revenue from non-exchange transactions (continued)

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind that are significant to the municipality's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality discloses the nature and type of services in-kind received during the reporting period.

Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transactions will flow to the municipality; and
- the amount of revenue can be measured reliably; and to the extent that there has been compliance with the relevant legal requirements (if applicable).

1.18 Value Added Tax

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

1.19 Cash and cash equivalents

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

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

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

1.20 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of the Standard of GRAP on Statutory Receivables) means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality will recognise statutory receivables as follows:

if the transaction is an exchange transaction using GRAP 9

Stellenbosch Municipality

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Accounting Policies

1.20 Statutory receivables (continued)

if the transaction is a non exchange transaction using GRAP 23

if the transaction is not within the scope of the Standards of GRAP listed in (a) or (b) 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.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognises the receivable; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The municipality considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.21 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.

1.22 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note and 60 for detail.

1.23 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Impairment of non-cash-generating assets

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

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

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

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

Depreciated replacement cost approach

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

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

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1.26 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

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

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

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

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

1.27 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an municipality after deducting all of its liabilities.

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.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by Municipal Manager.

Management are those persons responsible for planning, directing and controlling the activities of the municipality including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

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 2018

Accounting Policies

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 where the municipality commits itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.31 Budget information

The approved budget is prepared on the accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2017/07/01 to 2018/06/30.

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.

1.32 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.

1.33 Additional Note

The annual financial statements have been prepared on the basis that the municipality is a going concern and will continue in operation for the foreseeable future.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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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:

2.2 Standards and Interpretations early adopted

The municipality has chosen to early adopt the following standards and interpretations:

GRAP 12 (as amended 2016): Inventories

Amendments to the Standard of GRAP on Inventories resulted from 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 12 on Inventories (IPSAS 12) as a result of the IPSASB's 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 (paragraph .12)
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality has early adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is not material.

GRAP 16 (as amended 2016): Investment Property

Amendments to the Standard of GRAP on Investment Property 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 IAS 40 on Investment Property (IAS 40) as a result of the IASB's amendments on Annual Improvements to IFRSs 2011 – 2013 Cycle issued in December 2013.

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 (paragraph .12); 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.
- IASB amendments: To clarify the interrelationship between the Standards of GRAP on Transfer of Functions Between Entities Not Under Common Control and Investment Property when classifying investment property or owner-occupied property.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality has early adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is not material.

GRAP 17 (as amended 2016): Property, Plant and Equipment

Amendments to the Standard of GRAP on Property, Plant and Equipment 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.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

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 (paragraph .12); 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 an item of property, plant, and equipment is revalued; To clarify acceptable methods of depreciating assets; To align terminology in GRAP 17 with that in IPSAS 17. The term "specialist military equipment" in IPSAS 17 was replaced with the term "weapon systems" and provides a description of what it comprises in accordance with Government Finance Statistics terminology; and To define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality has early adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is not material.

GRAP 21 (as amended 2016): Impairment of non-cash-generating assets

Amendments to the Standard of GRAP on Impairment of Non-cash Generating Assets resulted from changes made to IPSAS 21 on Impairment of Non-Cash-Generating Assets (IPSAS 21) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality has early adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is not material.

GRAP 26 (as amended 2016): Impairment of cash-generating assets

Amendments Changes to the Standard of GRAP on Impairment of Cash Generating Assets resulted from changes made to IPSAS 26 on Impairment of Cash-Generating Assets (IPSAS 26) as a result of the IPSASB's Impairment of Revalued Assets issued in March 2016.

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality has early adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is not material.

GRAP 27 (as amended 2016): Agriculture

Amendments to the Standard of GRAP on Agriculture resulted from changes made to IPSAS 27 on Agriculture (IPSAS 27) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

- **IPSASB amendments:** To define a bearer plant and include bearer plants within the scope of GRAP 17, while the produce growing on bearer plants will remain within the scope of GRAP 27. In addition to the changes made by the IPSASB, a consequential amendment has been made to GRAP 103 on Heritage Assets. The IPSASB currently does not have a pronouncement on this topic.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality has early adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

GRAP 31 (as amended 2016): Intangible Assets

Amendments to the Standard of GRAP on Intangible Assets resulted from 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 31 on Intangible Assets (IPSAS 31) as a result of the IPSASB's Improvements to IPSASs 2014 issued in January 2015.

The most significant changes to the Standard are:

- **General improvements:** To add 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 (paragraph .12); 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 an item of intangible assets is revalued; and To clarify acceptable methods of depreciating assets

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality has early adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

GRAP 103 (as amended 2016): Heritage Assets

Amendments to the Standard of GRAP on Heritage Assets resulted from 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 editorial changes to the original text.

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 (paragraph .12); 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

The effective date of the amendment is for years beginning on or after 01 April 2018.

The municipality has early adopted the amendment for the first time in the 2018 annual financial statements.

The impact of the amendment is set out in note Changes in Accounting Policy.

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 2018 or later periods:

GRAP 34: Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

It furthermore covers Definitions, Preparation of separate financial statements, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 35: Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

To meet this objective, the Standard:

- requires an entity (the controlling entity) that controls one or more other entities (controlled entities) to present consolidated financial statements;
- defines the principle of control, and establishes control as the basis for consolidation;
- sets out how to apply the principle of control to identify whether an entity controls another entity and therefore must consolidate that entity;
- sets out the accounting requirements for the preparation of consolidated financial statements; and
- defines an investment entity and sets out an exception to consolidating particular controlled entities of an investment entity.

It furthermore covers Definitions, Control, Accounting requirements, Investment entities: Fair value requirement, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 37: Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet this objective, the Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

It furthermore covers Definitions, Joint arrangements, Financial statements and parties to a joint arrangement, Separate financial statements, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 38: Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and
- the effects of those interests on its financial position, financial performance and cash flows.

It furthermore covers Definitions, Disclosing information about interests in other entities, Significant judgements and assumptions, Investment entity status, Interests in controlled entities, Interests in joint arrangements and associates, Interests in structured entities that are not consolidated, Non-qualitative ownership interests, Controlling interests acquired with the intention of disposal, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The municipality expects to adopt the standard for the first time when the Minister sets the effective date for the standard.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 110 (as amended 2016): Living and Non-living Resources

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 amendment is for years beginning on or after 01 April 2020.

The municipality expects to adopt the amendment for the first time in the 2020 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 18 (as amended 2016): Segment Reporting

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 amendment is for years beginning on or after 01 April 2019

The municipality expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment.

The adoption of this amendment is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that 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. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The standard furthermore states that 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.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard 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.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard 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.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard 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.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard 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.

The impact of this standard is currently being assessed.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the interpretation is not yet set by the Minister of Finance.

The municipality expects to adopt the interpretation for the first time when the Minister sets the effective date for the interpretation.

It is unlikely that the interpretation will have a material impact on the municipality's annual financial statements.

IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The municipality expects to adopt the interpretation for the first time in the 2019 annual financial statements.

The impact of this interpretation is currently being assessed.

2.4 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2018 or later periods but are not relevant to its operations:

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand **2018** **2017**

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	13 150	14 150
Trust and charitable bank	22 275	15 190
Call accounts	10 396 986	29 681 153
Bank balances	12 630 176	16 606 565
	<u>23 062 587</u>	<u>46 317 058</u>

Call accounts

Investec	-	8 351 491
Standard bank	-	21 329 662
Nedbank	10 396 986	-
	<u>10 396 986</u>	<u>29 681 153</u>

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2018	30 June 2017	30 June 2016	30 June 2018	30 June 2017	30 June 2016
Nedbank - primary account - 1152271679	10 498 115	-	-	12 630 176	-	-
Nedbank- municipal services account - 115 227 1679	-	-	-	-	-	-
Nedbank - municipal traffic account - 115 227 1695	-	-	-	-	-	-
ABSA bank - current account - 410 188 031	1 569 981	15 888 554	7 116 052	-	16 606 566	7 939 387
ABSA bank - municipal services account - 407 007 5635	-	-	-	-	-	-
ABSA bank - municipal traffic account - 407 157 9787	-	-	-	-	-	-
Total	<u>12 068 096</u>	<u>15 888 554</u>	<u>7 116 052</u>	<u>12 630 176</u>	<u>16 606 566</u>	<u>7 939 387</u>

Included in cash and cash equivalents, an amount of R 200 000 is held as guarantee at the Post Office.

The management of the municipality is of the opinion that the carrying value of bank balances, cash and cash equivalents recorded at amortised cost in the annual financial statements approximate their fair values.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

4. Short term investments

Short term investments

Fixed deposits	505 617 672	575 418 314
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Short term investments include all other investments for a a period of 1-12 months that are not included in cash and cash equivalents. The interest rates for these investments range between 8.2% and 8.75%

Short term investments consists of the following:

ABSA - Investments

Opening balance	152 308 603	120 461 096
Movement for the year	(152 308 603)	31 847 507
	<u>-</u>	<u>152 308 603</u>

FNB - Investments

Opening balance	102 083 164	120 406 849
Movement for the year	101 384 178	(18 323 685)
	<u>203 467 342</u>	<u>102 083 164</u>

Nedbank - Investments

Opening balance	180 604 685	120 461 096
Movement for the year	19 389 342	60 143 589
	<u>199 994 027</u>	<u>180 604 685</u>

Standard Bank - Investments

Opening balance	140 421 863	201 203 671
Movement for the year	(38 265 562)	(60 781 808)
	<u>102 156 301</u>	<u>140 421 863</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
5. Receivables from exchange transactions		
Gross balances		
Electricity	99 111 698	88 154 763
Water	100 199 018	72 015 952
Sewerage	22 801 193	16 363 723
Refuse	19 639 669	16 726 055
Housing rental	24 241 851	23 150 442
Sundry	9 227 033	12 399 339
	275 220 462	228 810 274
Less: Allowance for impairment		
Electricity	(3 278 189)	(1 848 904)
Water	(22 529 260)	(21 764 159)
Sewerage	(4 813 267)	(7 195 366)
Refuse	(5 958 153)	(8 312 054)
Housing rental	(19 609 760)	(17 871 941)
Sundry	(4 565 535)	(3 912 588)
	(60 754 164)	(60 905 012)
Net balance		
Electricity	95 833 509	86 305 859
Water	77 669 758	50 251 793
Sewerage	17 987 926	9 168 357
Refuse	13 681 516	8 414 001
Housing rental	4 632 091	5 278 501
Sundry	4 661 498	8 486 751
	214 466 298	167 905 262
Electricity		
Current (0 -30 days)	93 951 423	83 840 864
31 - 60 days	187 555	268 438
61 - 90 days	214 740	231 240
91 - 120 days	172 366	74 328
121 - 365 days	1 202 058	970 809
> 365 days	3 383 556	2 769 084
	99 111 698	88 154 763
Water		
Current (0 -30 days)	45 826 854	32 139 531
31 - 60 days	2 382 623	1 609 025
61 - 90 days	2 827 909	1 259 783
91 - 120 days	2 604 587	1 404 020
121 - 365 days	16 581 632	7 939 541
> 365 days	29 975 413	27 664 052
	100 199 018	72 015 952
Sewerage		
Current (0 -30 days)	8 714 528	4 066 450
31 - 60 days	483 949	237 989
61 - 90 days	373 598	227 655
91 - 120 days	372 138	217 655
121 - 365 days	2 690 204	1 820 852
> 365 days	10 166 776	9 793 122
	22 801 193	16 363 723

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
5. Receivables from exchange transactions (continued)		
Refuse		
Current (0 -30 days)	3 704 813	2 884 016
31 - 60 days	377 679	267 753
61 - 90 days	356 344	262 281
91 - 120 days	370 867	250 759
121 - 365 days	3 035 105	2 164 523
> 365 days	11 794 861	10 896 723
	19 639 669	16 726 055
Housing rental		
Current (0 -30 days)	679 204	588 147
31 - 60 days	262 431	181 215
61 - 90 days	1 003 386	168 987
91 - 120 days	242 811	164 226
121 - 365 days	1 501 457	982 186
> 365 days	20 552 562	21 065 681
	24 241 851	23 150 442
Sundry		
Current (0 -30 days)	597 491	2 736 862
31 - 60 days	210 084	126 595
61 - 90 days	92 186	802 579
91 - 120 days	164 296	157 506
121 - 365 days	1 028 918	1 141 619
> 365 days	7 134 058	7 434 178
	9 227 033	12 399 339
Reconciliation of allowance for impairment		
Balance at beginning of the year	(60 905 012)	(63 100 252)
Contributions to allowance	150 848	2 195 240
	(60 754 164)	(60 905 012)

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.

As at 30 June 2018, receivables from exchange transactions of R52 547 437 (2017: R 55 267 102) were past due not impaired.

Credit quality of consumer debtors

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

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.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017		
5. Receivables from exchange transactions (continued)				
Government debt as at 30 June 2018				
Department responsible for debt	Services	Interest	Sundry	Total
Nat. dept of Public Works	1 557 411	124 867	16 289	1 698 567
Prov. dept of Transport and Public Works	456 994	19 804	4 041	480 839
Western Cape education department	2 112 942	52 486	677	2 166 105
Health	59 414	396	60	59 870
Dept of local government and housing	7 056	1 437	620	9 113
Other government departments	310 666	-	-	310 666
	4 504 483	198 990	21 687	4 725 160
6. Receivables from non-exchange transactions				
Capital receivables represent funding that Council is awaiting from external institutions for capital 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				
Government grants and subsidies			5 376 716	7 531 063
Property rates			37 123 078	33 364 438
Fines			175 675 416	116 943 209
Other receivables			4 960 800	493 315
			223 136 010	158 332 025
Less: Allowance for impairment				
Property rates			(4 482 896)	(4 842 457)
Fines			(141 524 917)	(88 052 897)
			(146 007 813)	(92 895 354)
Net balances				
Government grants and subsidies			5 376 716	7 531 063
Other receivables			4 960 800	493 315
Property rates			32 640 182	28 521 981
Fines			34 150 499	28 890 312
			77 128 197	65 436 671
Fines				
Current (0 -30 days)			16 672 243	11 076 586
31 - 60 days			11 960 668	7 963 586
61 - 90 days			11 755 462	7 826 957
91 - 120 days			7 914 304	5 269 458
121 - 365 days			60 643 850	40 377 556
> 365 days			66 728 889	44 429 066
			175 675 416	116 943 209
Capital receivables				
Current (0 -30 days)			1 637 889	3 792 235
> 365 days			3 738 827	3 738 828
			5 376 716	7 531 063

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
6. Receivables from non-exchange transactions (continued)		
Property rates		
Current (0 -30 days)	16 962 930	13 252 525
31 - 60 days	699 286	448 101
61 - 90 days	599 738	377 964
91 - 120 days	632 848	352 595
121 - 365 days	4 636 112	3 462 360
> 365 days	13 592 164	15 470 893
	37 123 078	33 364 438
Reconciliation of allowance for impairment for receivables from non-exchange transactions		
Opening balance	(92 895 353)	(88 950 984)
Reversals to allowance	359 561	343 290
Amounts written off as uncollectible	-	-
Unused amounts reversed	-	-
Contribution to allowance	(53 472 020)	(4 287 659)
	(146 007 812)	(92 895 353)
7. Other receivables from exchange transactions		
Prepayments	3 741 658	3 082 270
Deposits	1 006 508	958 652
Public safety account	949 296	949 296
Special rating area debtor	239 221	217 788
Other receivable	170 839	2 474 031
Parking debtor	101 516	98 710
	6 209 038	7 780 747
8. Inventories		
Consumable stores	2 802 059	2 778 059
Maintenance materials	25 744 082	20 605 554
Fuel (Diesel, Petrol)	7 531	286 863
Water	2 766 318	489 639
Land inventory	15 670 525	16 408 729
	46 990 515	40 568 844
<p>The amount of inventory reversed / (written down) is R(197 322) (2017: R (45009) and is recognised as an expense and an 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.</p>		
<p>The net transfer of GRAP 12 inventory to property, plant and equipment amounted R 3 350 304 (2017: R 6 340 857). Refer to note 10.</p>		
<p>Inventory expensed for the year is R 21 430 939 (2017: R 39 836 374).</p>		
<p>No inventories were pledged as security for liabilities.</p>		
9. VAT receivable		
VAT	45 660 337	40 139 579

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

10. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	416 769 324	(20 922 500)	395 846 824	416 768 324	(20 921 500)	395 846 824
Buildings	327 604 393	(42 005 753)	285 598 640	327 604 393	(38 076 477)	289 527 916
Machinery and equipment	33 671 133	(20 339 084)	13 332 049	31 780 573	(19 177 612)	12 602 961
Furniture and office equipment	38 537 245	(24 059 925)	14 477 320	32 271 577	(22 805 062)	9 466 515
Transport assets	121 522 012	(43 139 700)	78 382 312	104 227 736	(35 642 242)	68 585 494
Security measures	63 746 470	(29 004 285)	34 742 185	58 437 938	(24 821 103)	33 616 835
Computer equipment	36 413 134	(18 957 176)	17 455 958	31 628 624	(14 828 297)	16 800 327
Community assets	124 986 943	(25 046 052)	99 940 891	87 218 194	(15 537 100)	71 681 094
Other property, plant and equipment	49 342 465	(24 148 882)	25 193 583	42 653 574	(21 409 264)	21 244 310
Capital restoration asset	14 821 186	(13 918 720)	902 466	14 821 186	(10 910 498)	3 910 688
Electrical infrastructure	842 221 207	(194 476 968)	647 744 239	795 747 597	(173 315 613)	622 431 984
Water supply infrastructure	1 586 891 981	(307 383 462)	1 279 508 519	1 447 431 255	(271 554 712)	1 175 876 543
Solid waste infrastructure	36 536 940	(6 712 048)	29 824 892	36 536 940	(5 698 479)	30 838 461
Roads infrastructure	1 363 511 052	(410 149 395)	953 361 657	1 288 657 820	(359 522 012)	929 135 808
Libraries	7 485 535	(41 665)	7 443 870	3 258 854	(35 187)	3 223 667
Sanitation infrastructure	911 664 077	(101 331 004)	810 333 073	830 960 568	(89 210 095)	741 750 473
Stormwater infrastructure	60 871 681	(44 684 679)	16 187 002	60 108 776	(43 474 617)	16 634 159
Total	6 036 596 778	(1 326 321 298)	4 710 275 480	5 610 113 929	(1 166 939 870)	4 443 174 059

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Land	395 846 824	-	-	-	-	-	395 846 824
Buildings	289 527 916	-	-	-	(3 929 276)	-	285 598 640
Machinery and equipment	12 602 961	3 505 938	(125 586)	-	(2 651 264)	-	13 332 049
Furniture and office equipment	9 466 515	6 969 277	(60 998)	-	(1 897 474)	-	14 477 320
Transport assets	68 585 494	17 648 928	(354 628)	-	(7 497 482)	-	78 382 312
Security measures	33 616 835	5 478 189	(65 983)	-	(4 286 856)	-	34 742 185
Computer equipment	16 800 327	4 939 774	(53 025)	-	(4 231 118)	-	17 455 958
Community assets	71 681 094	37 768 748	-	-	(3 441 087)	(6 067 864)	99 940 891
Other property, plant and equipment	21 244 310	6 818 910	(2 259)	-	(2 867 378)	-	25 193 583
Capital restoration asset	3 910 688	-	-	-	(3 008 222)	-	902 466
Electrical infrastructure	622 431 984	44 565 950	-	1 907 661	(21 161 356)	-	647 744 239
Water supply infrastructure	1 175 876 543	144 718 691	-	(5 257 965)	(35 498 277)	(330 473)	1 279 508 519
Solid waste infrastructure	30 838 461	-	-	-	(1 013 569)	-	29 824 892
Roads infrastructure	929 135 808	74 853 232	-	-	(50 627 383)	-	953 361 657
Libraries	3 223 667	4 226 681	-	-	(6 478)	-	7 443 870
Sanitation infrastructure	741 750 473	80 703 509	-	-	(12 120 909)	-	810 333 073
Stormwater infrastructure	16 634 159	762 905	-	-	(1 210 062)	-	16 187 002
	4 443 174 059	432 960 732	(662 479)	(3 350 304)	(155 448 191)	(6 398 337)	4 710 275 480

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Impairment loss	Total
Land	395 846 824	-	-	-	-	-	-	395 846 824
Buildings	293 108 201	352 304	-	-	-	(3 932 589)	-	289 527 916
Machinery and equipment	9 845 926	4 910 818	(854)	-	-	(2 058 594)	(94 335)	12 602 961
Furniture and office equipment	8 549 723	3 571 846	(480 295)	-	-	(2 113 892)	(60 867)	9 466 515
Transport assets	49 547 974	20 556 002	(958 771)	-	-	(486 917)	(72 794)	68 585 494
Security measures	26 272 954	11 765 944	-	-	-	(4 422 063)	-	33 616 835
Computer equipment	9 168 990	11 151 995	(28 418)	-	-	(3 447 775)	(44 465)	16 800 327
Community assets	57 826 480	17 115 066	-	-	-	(3 260 452)	-	71 681 094
Other property, plant and equipment	25 147 945	(20 981)	(1 063)	-	-	(3 833 589)	(48 002)	21 244 310
Capital restoration asset	6 413 415	-	-	-	62 639	(2 565 366)	-	3 910 688
Electrical infrastructure	593 429 375	54 428 911	-	-	-	(25 426 302)	-	622 431 984
Water supply infrastructure	1 166 953 937	50 122 132	-	(6 340 856)	-	(34 759 653)	(99 017) 1	1 175 876 543
Solid waste infrastructure	30 077 200	2 160 441	-	-	-	(1 399 180)	-	30 838 461
Roads infrastructure	931 567 789	43 415 767	-	-	-	(45 847 748)	-	929 135 808
Libraries	441 592	2 788 543	-	-	-	(6 468)	-	3 223 667
Sanitation infrastructure	570 178 389	183 853 047	-	-	-	(12 280 963)	-	741 750 473
Stormwater infrastructure	17 844 221	-	-	-	-	(1 210 062)	-	16 634 159
	4 192 220 935	406 171 835	(1 469 401)	(6 340 856)	62 639	(147 051 613)	(419 480)	4 443 174 059

Pledged as security

Carrying value of assets pledged as security:

None of the above property, plant and equipment have been pledged as security.

The net transfer of GRAP 12 inventory to property, plant and equipment amounted to R 3 350 304 (2017: R 6 340 856).

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

10. Property, plant and equipment (continued)

Work in progress

Community assets	35 975 603	16 919 812
Computer equipment	787	141 681
Electricity infrastructure	97 657 612	70 147 778
Road infrastructure	60 673 094	26 577 327
Storm water infrastructure	762 905	-
Solid waste infrastructure	1 534 213	1 534 213
Sanitation infrastructure	505 623 704	427 185 701
Water infrastructure	210 302 265	87 749 726
Libraries	7 172 757	3 064 829
Machinery and equipment	1 831 428	1 136 957
Other assets	4 524 766	3 675 775
	926 059 134	638 133 799

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	47 615	-
Electrical infrastructure	7 510 215	-
Furniture and office equipment	5 037 593	-
Other property, plant and equipment	9 704 507	-
Roads infrastructure	5 509 778	-
Sanitation infrastructure	6 219 768	-
Solid waste infrastructure	766 742	-
Storm water infrastructure	160 738	-
Transport infrastructure	6 883 217	-
Water supply infrastructure	1 215 475	-
	43 055 648	58 259 672

As a result of the mSCOA conversion and implementation, comparable corresponding information at asset class level cannot be provided (due to the change in assets classes year-on-year). The 2016/2017 repairs and maintenance incurred on PPE amounted to R 58 259 672.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

11. Investment property

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	439 997 732	(16 745 708)	423 252 024	439 696 767	(16 074 209)	423 622 558

Reconciliation of investment property - 2018

	Opening balance	Depreciation	Total
Investment property	423 622 558	(370 534)	423 252 024

Reconciliation of investment property - 2017

	Opening balance	Depreciation	Total
Investment property	424 265 953	(643 395)	423 622 558

Pledged as security

None of the above investment property have been pledged as security.

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.

12. Intangible assets

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	13 381 914	(5 013 760)	8 368 154	12 717 518	(3 282 943)	9 434 575

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Computer software, other	9 434 575	664 396	(1 730 817)	8 368 154

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Amortisation	Total
Computer software, other	6 847 644	4 031 366	(1 444 435)	9 434 575

Expenditure incurred to repair and maintain intangible assets

Intangible assets	150 556	-
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Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

13. Biological assets that form part of an agricultural activity

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in a plantation forest	6 321 448	-	6 321 448	8 808 121	-	8 808 121

Reconciliation of biological assets that form part of an agricultural activity - 2018

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Total
Trees in a plantation forest	8 808 121	(317 559)	(2 169 114)	6 321 448

Reconciliation of biological assets that form part of an agricultural activity - 2017

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Total
Trees in a plantation forest	8 907 000	(149 208)	50 329	8 808 121

Financial information

2018 Nature and quantities of each biological asset	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop Plantation	3 348 278	(317 559)	(2 169 114)	861 605
Paradyskloof Plantation	5 459 843	-	-	5 459 843
	8 808 121	(317 559)	(2 169 114)	6 321 448

2017 Nature and quantities of each biological asset	Opening Balance	Decrease due to Harvest	Fair value (decrease) /increase	Closing balance
Botmanskop plantation	3 914 000	-	(416 514)	3 497 486
Paradyskloof Plantation	4 993 000	(149 208)	466 843	5 310 635
	8 907 000	(149 208)	50 329	8 808 121

The determination of fair value was as follow:

Principle:

Price determination: was done on the basis of current sale value of the tender for the current year i.e. R500/m³ excluding 15% VAT (2017: 14%). 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 100m³/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

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

13. Biological assets that form part of an agricultural activity (continued)

- | | |
|--------------------------------------|---|
| 1. Botmanskop plantation (Block E) | Some compartments remain which can be harvested at a later stage due to the age of the trees. |
| 2. Paradyskloof plantation (Block G) | Some compartments remain which can be harvested at a later stage due to the age of the trees. |

Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

Restrictions imposed by regulations

The following information relates to biological assets which use or capacity to sell is subject to restrictions imposed by regulations:

14. Heritage assets

	2018			2017		
	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	580 057	-	580 057
Total	774 002	-	774 002	724 002	-	724 002

Reconciliation of heritage assets 2018

	Opening balance	Additions	Total
Collections of rare books, manuscripts and records	143 945	-	143 945
Historical monuments	580 057	50 000	630 057
	724 002	50 000	774 002

Reconciliation of heritage assets 2017

	Opening balance	Total
Collections of rare books, manuscripts and records	143 945	143 945
Historical monuments	580 057	580 057
	724 002	724 002

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

14. Heritage assets (continued)

Heritage assets used for more than one purpose

The following heritage assets are used by the municipality for more than one purpose:

Neethlingshuis and De Withuis	64 128 495	64 486 222
58 - 60 Andringa Street	1 909 036	1 919 137
35B Mark Street	3 167 222	3 176 414
127 Dorp Street, Transvalia, Alma & Bosmanshuis flats	12 772 559	12 803 367
116 - 118 Dorp Street, Voorgelegen - offices	5 618 071	5 638 273
4 Reservoir West, Mooiwater	2 097 228	2 105 309
34 Mark Street, Rynse Komplex : Toy Museum, Tourism	8 272 559	8 303 367
PMU Building, Alexander Street, Burger Huis	1 590 874	1 597 439
Merriman, Bergzicht Training Centre, Oude Libertas Theatre & Restaurant	62 616 217	62 808 743
Die Laan, Landbou Saal	4 363 599	4 370 417
	166 535 860	167 208 688

15. Long term receivable

At amortised cost

Arrangement debtors	3 530 877	5 373 863
Officials: Erven loans	5 415	11 433
Farmers: Water Schemes	222 373	249 109
	3 758 665	5 634 405

Non-current assets

At amortised cost	2 158 458	3 512 953
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Current assets

At amortised cost	1 600 207	2 121 452
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16. Consumer deposits

Electricity	9 506 421	9 101 220
Water	5 645 034	4 950 961
Housing rental	522 470	524 844
	15 673 925	14 577 025

17. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value

Salary Control	4 267 370	4 556 435
Leave gratuity	23 351 369	21 683 647
Bonus accrual	11 084 938	10 546 790
Post-Retirement Gratuity Obligation	-	-
Post employment medical aid benefit	198 749 140	201 981 567
Long service awards	29 621 886	28 469 818
	267 074 703	267 238 257

Net liability

Non-current liabilities	219 186 792	220 222 839
Current liabilities	47 887 911	47 015 418
	267 074 703	267 238 257

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

17. Employee benefit obligations (continued)

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 2018 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)	620	628
Continuation members (Retirees, widow(ers) and orphans)	168	171
Total members	788	799

The liability in respect of past service has been estimated as follows:

In-service members	103 840 969	104 555 306
Continuation members	94 908 170	97 426 261
Total liability	198 749 139	201 981 567

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Rates of Interest

Discount rate	9.54 %	9.61 %
Health care cost inflation rate	7.34 %	7.89 %
Net effective discount rate	2.05 %	1.59 %

ii) Normal retirement age

Expected retirement age - females	63	63
Expected retirement age - males	63	63

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	201 981 567	209 611 270
Current service costs	8 631 985	8 940 124
Interest cost	19 029 154	19 634 924
Actual employee benefits payments	(7 574 537)	(7 553 317)
Actuarial (losses) / gains	(23 319 030)	(28 651 434)
Present Value of Fund Obligation at the end of the Year	198 749 139	201 981 567

The amounts recognised in the Statement of Financial Position are as follows

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

17. Employee benefit obligations (continued)

Net Liability	198 749 139	201 981 567
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The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	8 631 985	8 940 124
Interest cost	19 029 154	19 634 924
Actuarial (gain)/ loss recognised in profit and loss	(23 319 030)	(28 651 434)
	4 342 109	(76 386)

Amounts for the current and previous four periods are as follows:

Present value of unfunded defined benefit

2018	198 749 139
2017	201 981 567
2016	209 611 270
2015	192 290 959
2014	124 717 000

Sensitivity analysis on the Accrued Liability (R Millions)

Assumption	Change	In-service	Continuation	Total	% change
Central assumptions		103.841	94.908	198.749	
Health care inflation	1 %	126.596	103.980	230.575	16 %
	(1)%	85.937	87.024	172.961	(13)%
Discount rate	1 %	86.399	87.237	173.636	(13)%
	(1)%	126.313	103.872	230.185	16 %
Post-retirement mortality	-1 year	107.155	98.508	205.664	3 %
Average retirement age	-1 year	112.983	94.908	207.891	5 %
Continuation of membership at retirement	(10)%	94.176	94.908	189.084	(5)%

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest cost	Total	% change
Central assumptions		8 632 000	19 029 200	27 661 200	
Health care inflation	1 %	10 873 500	22 264 400	33 137 900	20 %
	(1)%	6 920 100	16 423 700	23 343 800	(16)%
Discount rate	1 %	7 020 400	18 196 200	25 216 600	(9)%
	(1)%	10 757 600	19 926 100	30 683 700	11 %
Post-retirement mortality	-1 year	8 919 400	19 727 200	28 646 600	4 %
Average retirement age	-1 year	9 204 800	19 904 400	29 109 200	5 %
Continuation of membership at retirement	(10)%	7 845 900	18 098 000	25 943 900	(6)%

Mortality Rates

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

17. Employee benefit obligations (continued)

Post retirement: PA (90) ultimate Mortality table was used.

Pre-retirement: The SA 85-90 ultimate table adjusted for female lives, was used.

Continuation of Membership

With the appointment of ARCH Actuarial Consulting for the year ending 30 June 2018.

The municipality expects to make a contribution of R18 365 562 to the Defined Benefit Plan during the next financial year.

17.2 Long Service Awards

Total Liability

Opening balance	28 469 818	27 719 640
Additions	4 722 112	4 706 038
Utilised during the year	(1 993 489)	(1 827 861)
Actuarial (gains) losses	(1 576 556)	(2 127 999)
	29 621 885	28 469 818

Current Liability

	2 739 727	2 302 420
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Movement in the present value of Long Service Awards were as follows:

Opening balance	28 469 818	27 719 640
Current service cost	2 362 635	2 383 546
Interest cost	2 359 477	2 322 492
Actuarial (gains) losses	(1 576 556)	(2 127 999)
Benefits paid	(1 993 489)	(1 827 861)
Total included in employee related costs	29 621 885	28 469 818

The amount recognised in the Statement of Financial Position are as follows:

Present value of long service awards	29 621 885	28 469 818
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The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	2 362 635	2 383 546
Interest cost	2 359 477	2 322 492
Actuarial gains (losses)	(1 576 556)	(2 127 999)
Closing balance	3 145 556	2 578 039

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.

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	8.69 %	8.63 %
General salary inflation	6.26 %	6.45 %
Net effective discount rate	2.29 %	2.05 %

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

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:

	2018 R	2017 R	2016 R	2015 R	2014 R
Accrued liabilities	29 621 885	28 469 818	27 719 640	25 716 595	25 036 000

Sensitivity analysis on the Unfunded Accrued Liability (in R Millions)

Assumption	Change	Liability	% change
Central assumptions		29.622	
General salary inflation	1 % (1)%	31.895 27.592	8 % (7)%
Discount rate	1 % (1)%	27.534 32.002	(7)% 8 %
Average retirement age	- 2 years + 2 years	25.836 33.581	(13)% 13 %
Withdrawal rates	(50)%	31.719	7 %

Sensitivity analysis on Current-service and Interest Costs

Assumption	Change	Current-service Cost	Interest Cost	Total	% change
Central assumptions		2 362 600	2 359 500	4 722 100	
General salary inflation	1 % (1)%	2 606 600 2 149 300	2 555 300 2 184 900	5 161 900 4 334 200	9 % (8)%
Discount rate	1 % (1)%	2 164 900 2 592 000	2 432 800 2 267 200	4 597 700 4 859 200	(3)% 3 %
Average retirement age	-2 years 2 years	2 077 900 2 635 700	2 029 300 2 684 700	4 107 200 5 320 400	(13)% 13 %
Withdrawal rates	(50)%	2 712 000	2 543 600	5 255 600	11 %

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	1 439 270	2 073 729
Operating lease expenses recorded	8 345 680	6 143 569
Operating lease revenue realised	(723 360)	(723 360)
Operating lease payments effected	(7 982 430)	(6 054 668)
	1 079 160	1 439 270

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

18. Operating lease liability (continued)

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	6 509 708	6 143 569
2 to 5 years	1 746 814	8 255 136
	<u>8 256 522</u>	<u>14 398 705</u>

Vehicles and Other Equipment

Up to 1 year	-	736 361
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The following payments have been recognised as an expense in the Statement of Financial Performance:

Total operating lease expenses

Minimum lease payments	<u>(8 345 680)</u>	<u>(6 800 029)</u>
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The following amounts have been recognised as revenue in the Statement of Financial Performance:

Total operating lease income

<u>(723 360)</u>	<u>(723 360)</u>
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No restrictions have been imposed on the municipality in terms of the operating lease agreements.

19. Other financial liabilities

At amortised cost

Annuity loans - Development Bank of South Africa Terms and conditions	<u>173 302 138</u>	<u>186 386 067</u>
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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.

Non-current liabilities

At amortised cost	<u>158 800 148</u>	<u>173 302 139</u>
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Current liabilities

At amortised cost	<u>14 501 990</u>	<u>13 083 928</u>
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Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

20. Provisions

Reconciliation of provisions - 2018

	Opening Balance	Additions	Reversed during the year	Total
Rehabilitation of landfill sites	77 875 471	1 289 715	-	79 165 186
Clearing of alien vegetation	293 672	-	(293 672)	-
	78 169 143	1 289 715	(293 672)	79 165 186

Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Total
Rehabilitation of landfill sites	76 290 055	1 585 417	-	77 875 472
Clearing of alien vegetation	6 805 324	-	(6 511 652)	293 672
	83 095 379	1 585 417	(6 511 652)	78 169 144

Clearing of Alien Vegetation

The provision for clearing of alien vegetation relates to the estimated cost for the clearing of alien vegetation from the areas under the jurisdiction of the municipality.

In terms of the Conservation of Agricultural Resources Act, (Act 43 of 1983) the provision for the clearing of alien vegetation was established in 2005/06 as a start to address the backlogs that existed. The municipality eradicated the back-log.

The clearing of alien vegetation as an on-going operational expense and is included in the operational budget.

Rehabilitation of Landfill Sites

In terms of the licensing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R79 165 186 (2017: R77 875 472) to restore the site at the end of its useful life, estimated to be in the 2018/2019 financial year. Provision has been made for the best estimate of costs at the reporting date with reference to the inflation rate.

The unwinding of the provision for landfill site for the current year was R 0 (2017: R0) was included in the contribution to provision figure in the statement of financial performance.

The municipality expects an expenditure outflow of R 0 in the 2018/2019 financial year.

21. Payables from exchange transactions

Accruals at year end	163 706 348	197 934 186
Charitable trust and donations	22 275	15 190
Other creditors	14 110 574	27 290 686
Impounded vehicles	181 925	6 508
Payments received in advanced - contract in process	9 888 914	9 514 270
Prepaid electricity	5 471 811	5 521 954
Retention	45 094 506	40 366 804
Sundry deposits	1 427 213	1 437 879
	239 903 566	282 087 477

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

22. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Developers contribution - refuse	1 583 226	705 093
Developers contribution - La clemence	1 170 940	1 170 940
Developers contribution - community facilities	853 817	-
Developers contribution - electricity	22 447 913	15 915 173
Developers contribution - general	117 753	117 753
Developers contribution - open areas	165 928	165 928
Developers contribution - parking	1 511 442	1 511 442
Developers contribution - roads	20 885 715	7 469 667
Developers contribution - sewerage	11 852 704	6 671 199
Developers contribution - stormwater	3 241 213	1 976 853
Developers contribution - water	9 963 073	4 675 957
Development of sport and recreational facilities	67 669	67 669
Frantevco development rights	3 347 553	3 347 553
Franschhoek low cost housing (phase 2)	301 300	301 300
Housing consumer education	68 010	68 010
Human settlement development grant - capital	15 093 045	18 322 356
Human settlement development grant - operational	7 205 606	7 471 715
LGWSETA training	-	576 143
Libraries support grant - capital	-	1 714 395
National lottery	1 032 768	1 032 768
Other sources	288 184	288 184
Tirelo bosha	-	675 334
Non motorised Public Transport Infrastructure/Integrated Transport	-	13 152
Planning/Fire Services Capacity Building		
WCLG Internship and capacity building grant	405 031	180 000
	<u>101 602 890</u>	<u>74 438 584</u>

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 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

23. Accumulated surplus

Total Accumulated Surplus

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The **Capitalisation Reserve** equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The **Donations and Public Contributions Reserve** equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donations and Public Contributions Reserve ensures consumer equity and is not backed by cash.

The **Government Grants Reserve** equals the carrying value of the items of property, plant and equipment financed from government grants. The Government Grants Reserve ensures consumer equity and is not backed by cash.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

24. Service charges

Sale of electricity	523 067 966	513 225 317
Sale of water	197 306 311	159 539 389
Solid waste	50 008 048	41 059 307
Sewerage and sanitation charges	91 619 120	81 352 318
	<u>862 001 445</u>	<u>795 176 331</u>

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. Rental of facilities and equipment

Premises

Rental Revenue from other facilities	1 707 946	3 469 882
Rental Revenue from buildings	138 598	34 910
Rental revenue from housing schemes	8 327 704	7 800 218
	<u>10 174 248</u>	<u>11 305 010</u>

Facilities and equipment

Rental Revenue from Land	4 818 003	5 600 740
	<u>14 992 251</u>	<u>16 905 750</u>

26. Interest earned- outstanding receivables

Sundry	9 466	531 459
Electricity	582 366	687 637
Water	4 271 764	3 143 842
Waste water management	990 380	983 676
Waste management	994 621	1 104 716
	<u>6 848 597</u>	<u>6 451 330</u>

27. Agency services

Vehicle Registration	<u>2 364 609</u>	<u>6 400 483</u>
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The municipality collects licence fees on behalf of the provincial government western cape and receives a 12% agency fee.

28. Licences and permits (exchange)

Licences and permits	<u>6 571 243</u>	<u>5 735 114</u>
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Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

29. Other income

Application fees	1 451 815	1 078 146
Building clause	253 433	280 800
Building plan fees	7 828 136	6 264 573
Cemetery and burial	849 105	740 274
Entrance fees	550 211	721 073
Insurance	115 623	36 638
Clearance certificates	1 423 838	1 669 554
Staff recoveries	524 809	593 842
Parking revenue	3 691 382	3 487 307
Merchandising, jobbing and contracts	2 561 251	3 314 309
Special rating area	4 637 940	4 510 786
Sundry	2 846 893	2 497 645
	<u>26 734 436</u>	<u>25 194 947</u>

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 woodsales.

30. Investment revenue

Interest revenue		
Bank	4 537 989	6 245 579
Investment deposits	50 571 642	49 972 967
	<u>55 109 631</u>	<u>56 218 546</u>

31. Property rates

Rates received

Residential	167 104 669	137 666 070
Commercial	123 236 395	137 483 192
Agricultural	19 647 722	14 878 981
	<u>309 988 786</u>	<u>290 028 243</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. Two interim valuations were performed during the financial year and implemented accordingly.

The following assessment rates were charged for the period ending June 2018:

R 0.018048 - Non Residential (2017: R 0.01200)

R 0.004512 - Residential (2017: R 0.00599)

R 0.001128 - Agricultural (2017: R 0.00149)

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. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

32. Government grants and subsidies

Operating grants

Equitable share	110 631 000	95 982 000
Arbor city award	300 000	-
Financial management grant	1 550 000	1 325 000
Community development workers	56 000	73 409
LGWSETA training	1 269 193	795 382
Provincial government PHP top structures	3 116 108	8 943 128
Other grants and subsidies operating	-	68 852
Hosting of cultural events	-	300 000
Library services support grant	11 045 000	10 009 000
LG Financial management support grant	14 969	220 000
EPWP support grant	4 820 000	1 758 000
LG Financial management support grant	255 000	-
Spatial development framework grant	-	900 000
Blaauklippen funding	-	2 192 775
	<u>133 057 270</u>	<u>122 567 546</u>

Capital grants

Other sources	-	7 108 949
Municipal infrastructure grant	36 358 000	34 147 000
Integrated national electrification grant	4 000 000	5 000 000
Energy efficiency and demand side management grant	7 236 000	8 000 000
Maintenance and construction	2 176 000	-
Shared economic infrastructure facility	942 377	-
Human settlement and development grant	20 587 782	10 690 183
Public transport: Transport and safety compliance	1 433 152	4 000 000
Library support grant	3 714 395	3 279 319
Financial management grant	-	150 000
Regional bulk infrastructure grant	-	32 809 000
Fire services capacity building grant	800 000	-
Donated assets	229 596	-
	<u>77 477 302</u>	<u>105 184 451</u>
	<u>210 534 572</u>	<u>227 751 997</u>

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.

National government grants- Capital

Current-year receipts	53 964 000	74 882 694
Conditions met - transferred to revenue	(53 964 000)	(74 882 694)
	<u>-</u>	<u>-</u>

The National Government grant includes all the grants that was gazetted in the DORA in 2017/2018. It includes the following grant: Municipal infrastructure grant, Energy Efficiency Demand Side Management, Energy Efficiency Demand Side Management and Regional bulk infrastructure grant.

Capital grant income recognised as revenue represents capital expenditure not reflected through the Statement of Financial Performance.

Municipal infrastructure grant

To provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

32. Government grants and subsidies (continued)

Financial management grant

To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

Energy Efficiency Demand Side Management

To provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency. Outcomes statements

Integrated National Electricity Programme (Municipal) Grant

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.

Expanded public works programme integrated grant for municipalities

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
- social services programmes
- community safety programmes

Provincial government grants- Capital

The Provincial government grant includes all the grants that was gazetted in the Provincial allocations in 2017/2018. It includes the following grants: Human settlement development grant and Library services support grant.

Capital grant income recognised as revenue represents capital expenditure not reflected through the Statement of Financial Performance.

WC Financial Management Support Grant

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.

Human settlements development grant (Beneficiaries)

To provide funding for the creation of sustainable human settlements.

Community Library Services Grant

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.

Maintenance and construction of transport infrastructure

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

32. Government grants and subsidies (continued)

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).

Integrated transport planning

To review and update municipal integrated transport plans in terms of the National Land Transport Act, 2009 (Act No. 5 of 2009)

Public Transport Non-Motorised Infrastructure

To provide Non-Motorised Transport (NMT) infrastructure in both the Municipality of Stellenbosch and the Municipality of Overstrand as part of the Provincial Sustainable Transport Programme (Formerly Provincial Public Transport Institutional Framework)

LG Graduate Internship Grant

To provide financial assistance to municipalities in support of capacity building for the future by means of a graduate internship programme

Community Development Workers (CDW) Operational Support Grant

To provide financial assistance to municipalities to cover the operational costs pertaining to the line functions of the community development workers including regional coordinators

Financial Management Capacity Building Grant

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.

Fire Services Capacity Building Grant

To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services.

Shared Economic infrastructure facility

A programme of the National Informal Business Upliftment Strategy (NIBUS) aimed at contributing to a radical economic transformation through the provisioning of business infrastructure to rural township based enterprises.

Conditions still to be met - remain liabilities. Refer to note 22.

Other sources- Capital

Balance unspent at beginning of year	288 184	288 184
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Conditions still to be met - remain liabilities. Refer to note 22.

Developers contributions- Sewerage

Balance unspent at beginning of year	6 671 199	3 481 660
Current-year receipts	5 214 597	3 189 539
Conditions met - transferred to revenue	(33 092)	-
	<u>11 852 704</u>	<u>6 671 199</u>

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

32. Government grants and subsidies (continued)

Developers contributions- Roads

Balance unspent at beginning of year	7 469 667	5 696 472
Current-year receipts	13 416 048	5 673 195
Conditions met - transferred to revenue	-	(3 900 000)
	<u>20 885 715</u>	<u>7 469 667</u>

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Electricity

Balance unspent at beginning of year	15 915 173	10 872 337
Current-year receipts	6 532 740	6 042 837
Conditions met - transferred to revenue	-	(1 000 001)
	<u>22 447 913</u>	<u>15 915 173</u>

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Water

Balance unspent at beginning of year	4 675 957	3 163 953
Current-year receipts	5 344 310	3 012 004
Conditions met - transferred to revenue	(57 194)	(1 500 000)
	<u>9 963 073</u>	<u>4 675 957</u>

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Open areas

Balance unspent at beginning of year	<u>165 928</u>	<u>165 928</u>
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Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Parking

Balance unspent at beginning of year	<u>1 511 442</u>	<u>1 511 442</u>
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Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- General

Balance unspent at beginning of year	<u>117 753</u>	<u>117 753</u>
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Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

32. Government grants and subsidies (continued)

Developers contributions- La Clemence

Balance unspent at beginning of year	1 170 940	1 071 598
Current-year receipts	-	99 342
	<u>1 170 940</u>	<u>1 170 940</u>

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Frantevco development

Balance unspent at beginning of year	<u>3 347 553</u>	<u>3 347 553</u>
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Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

FHK Low cost housing

Balance unspent at beginning of year	<u>301 300</u>	<u>301 300</u>
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Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed. The unspent funds will remain a liability. Refer to note 22.

Developers contributions- Refuse

Balance unspent at beginning of year	705 093	384 029
Current-year receipts	<u>878 133</u>	<u>321 064</u>
	<u>1 583 226</u>	<u>705 093</u>

Conditions still to be met - remain liabilities (see note 22).

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed.

Developers contributions- Stormwater

Balance unspent at beginning of year	1 976 853	1 186 424
Current-year receipts	<u>1 264 360</u>	<u>790 429</u>
	<u>3 241 213</u>	<u>1 976 853</u>

Conditions still to be met - remain liabilities (see note 22).

Developer contributions are received in respect of the additional impact that their development have on the bulk service. The funds will be utilised when services are developed.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

32. Government grants and subsidies (continued)

Expanded Public Works Programme

Current-year receipts	4 820 000	1 758 000
Conditions met - transferred to revenue	(4 820 000)	(1 758 000)
	<u>-</u>	<u>-</u>

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.

Top structures

Balance unspent at beginning of year	7 471 715	323 000
Current-year receipts	2 850 000	16 121 135
Conditions met - transferred to revenue	(3 116 109)	(8 972 420)
	<u>7 205 606</u>	<u>7 471 715</u>

Conditions still to be met - remain liabilities (see note 22).

To provide funding for the creation of sustainable human settlements

LGW Seta training

Balance unspent at beginning of year	576 143	659 530
Current-year receipts	693 050	711 995
Conditions met - transferred to revenue	(1 269 193)	(795 382)
	<u>-</u>	<u>576 143</u>

Conditions still to be met - remain liabilities (see note 22).

WCLG Internship grant and capacity building grant

Balance unspent at beginning of year	180 000	-
Current-year receipts	240 000	180 000
Conditions met - transferred to revenue	(14 969)	-
	<u>405 031</u>	<u>180 000</u>

Conditions still to be met - remain liabilities (see note 22).

Libraries support grant - capital

Balance unspent at beginning of year	1 714 395	-
Current-year receipts	2 000 000	1 714 395
Conditions met - transferred to revenue	(3 714 395)	-
	<u>-</u>	<u>1 714 395</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

32. Government grants and subsidies (continued)

Non motorised Public Transport Infrastructure/Integrated Transport Planning/Fire Services Capacity Building

Balance unspent at beginning of year	13 152	13 152
Current-year receipts	2 220 000	4 000 000
Conditions met - transferred to revenue	(2 233 152)	(4 000 000)
	<u>-</u>	<u>13 152</u>

Water infrastructure services

Balance unspent at beginning of year	-	1 940 924
Prior period correction	-	(1 940 924)
	<u>-</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 22).

Housing consumer education

Balance unspent at beginning of year	<u>68 010</u>	<u>68 010</u>
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Conditions still to be met - remain liabilities (see note 22).

Community development support grant

Balance unspent at beginning of year	-	17 409
Current-year receipts	56 000	56 000
Conditions met - transferred to revenue	(56 000)	(73 409)
	<u>-</u>	<u>-</u>

Libraries support grant

Current-year receipts	11 045 000	10 009 000
Conditions met - transferred to revenue	(11 045 000)	(10 009 000)
	<u>-</u>	<u>-</u>

Tirelo Bosh

Balance unspent at beginning of year	675 334	-
Current-year receipts	-	675 334
Other	(675 334)	-
	<u>-</u>	<u>675 334</u>

Conditions still to be met - remain liabilities (see note 22).

Spatial Development Framework

Balance unspent at beginning of year	-	500 000
Current-year receipts	-	400 000
Conditions met - transferred to revenue	-	(900 000)
	<u>-</u>	<u>-</u>

To update the Human Settlements HSP as part of the Built.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

33. Fines, Penalties and Forfeits

Municipal Traffic Fines	112 832 375	102 760 055
Other fines	1 934 793	56 570
	114 767 168	102 816 625

34. Employee related costs

Acting allowances	967 432	1 351 870
Basic	291 071 777	270 605 869
Bonus	19 663 049	18 486 320
Car allowance	9 918 888	11 064 774
Cellphone allowance	943 753	750 123
Group insurance	2 932 195	3 608 103
Entertainment	4 390	-
Housing benefits and allowances	2 232 675	2 143 385
Medical aid - company contributions	20 026 902	18 811 925
Performance bonus	322 731	-
Workmen compensation	2 934 237	2 384 420
Overtime payments	32 633 229	22 551 546
Pension fund contribution	42 330 716	39 036 152
Severance package	-	562 710
Standby allowance	11 362 213	10 433 302
Sundry allowance	3 659 056	5 269 645
Bargaining council	232 347	173 628
Travel, motor car, accommodation, subsistence and other allowances	1 028 973	491 944
UIF	2 314 318	1 849 392
	444 578 881	409 575 108

Remuneration of municipal manager

Annual Remuneration	1 367 733	569 390
Car Allowance	130 580	60 000
Performance Bonuses	90 750	-
Contributions to UIF, Medical and Pension Funds	330 713	131 492
Telephone allowance	22 800	11 400
	1 942 576	772 282

Acting allowance paid to Acting Municipal Manager	-	837 650
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Remuneration of chief finance officer

Annual Remuneration	1 489 418	1 432 739
Car Allowance	128 479	127 318
Contributions to UIF, Medical and Pension Funds	28 317	15 218
Telephone allowance	22 800	-
	1 669 014	1 575 275

Remuneration of the Director Human Settlements

Annual Remuneration	992 155	914 282
Car Allowance	125 884	130 031
Performance Bonuses	62 202	-
Contributions to UIF, Medical and Pension Funds	233 630	207 751
Telephone allowance	22 800	15 900
	1 436 671	1 267 964

Stellenbosch Municipality

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Notes to the Annual Financial Statements

34. Employee related costs (continued)

Remuneration of the Director Community & Protection Services

Annual Remuneration	983 232	923 844
Car Allowance	135 224	132 000
Performance Bonuses	62 202	-
Contributions to UIF, Medical and Pension Funds	210 884	188 195
Other	-	29 341
Telephone allowance	22 800	15 900
	<u>1 414 342</u>	<u>1 289 280</u>

Remuneration of the Director Engineering Services

Annual Remuneration	1 186 131	184 979
Car Allowance	120 000	3 800
Contributions to UIF, Medical and Pension Funds	21 127	2 361
Housing allowance	-	20 000
Telephone allowance	22 800	-
	<u>1 350 058</u>	<u>211 140</u>

Acting allowance paid to acting Director(s) Engineering Services	<u>-</u>	<u>77 696</u>
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Remuneration of the Director Strategic & Corporate Services

Annual Remuneration	1 163 279	327 249
Car Allowance	139 200	51 200
Contributions to UIF, Medical and Pension Funds	24 733	36 230
Telephone allowance	22 800	5 300
	<u>1 350 012</u>	<u>419 979</u>

Acting allowance paid to acting Director(s) Strategic and Corporate Services	<u>-</u>	<u>122 193</u>
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Remuneration of the Director Planning & Economic Development

Annual Remuneration	1 048 276	1 085 991
Car Allowance	127 112	159 891
Performance Bonuses	-	14 048
Contributions to UIF, Medical and Pension Funds	20 618	-
Telephone allowance	19 000	15 900
	<u>1 215 006</u>	<u>1 275 830</u>

Acting allowance paid to acting Director Planning and Economic Development	<u>29 723</u>	<u>-</u>
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Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

35. Remuneration of Councillors

Deputy Executive Mayor	398 659	-
Councillors	16 908 898	16 094 449
	<u>17 307 557</u>	<u>16 094 449</u>

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the council.

Executive Mayor	612 044	581 639
Deputy Mayor	456 002	440 352
Speaker	456 002	460 825
Chief whip	441 743	414 244
MPAC Chair	414 977	209 147
S79 Chair	248 503	85 710
Mayoral committee	3 450 293	3 242 655
Councillors	5 246 237	5 311 931
Medical aid contributions	204 379	201 945
Pension fund contributions	505 090	384 908
Travelling allowances	4 060 066	3 703 826
Telephone allowances	1 057 537	902 950
Data cards	154 686	154 317
Klm Tax	-	5 032
Skills Development Levies	144 878	137 015
	<u>17 452 437</u>	<u>16 236 496</u>

36. Contribution to/from provision

Landfill site	996 043	1 536 603
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37. Contribution to employee benefit obligation

Post-retirement healthcare benefit liability	4 342 109	(76 386)
Long service award	3 145 556	2 578 039
Leave gratuity	4 240 000	4 451 652
	<u>11 727 665</u>	<u>6 953 305</u>

38. Depreciation and amortisation

Property, plant and equipment	155 448 205	147 051 613
Investment property	370 533	643 396
Intangible assets	1 730 817	1 444 436
	<u>157 549 555</u>	<u>149 139 445</u>

39. Finance costs

Current borrowings	18 775 322	19 626 895
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Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

40. Debt impairment

Electricity	422 539	922 864
Refuse	2 219 946	2 490 523
Sewerage	1 830 178	2 112 056
Water	8 854 722	6 996 557
Housing rental	3 281 552	3 909 170
Sundries	-	1 390 989
Rates	1 746 333	892 488
Traffic fines	29 615 310	63 454 640
	<u>47 970 580</u>	<u>82 169 287</u>

41. Contribution to allowance to/from provision

Receivable from exchange allowance contribution	(150 848)	578 479
Receivable from non-exchange allowance contribution	53 112 461	3 944 369
	<u>52 961 613</u>	<u>4 522 848</u>

42. Bulk purchases

Electricity	313 552 804	323 673 053
Water	16 128 894	24 154 518
	<u>329 681 698</u>	<u>347 827 571</u>

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom whilst water is purchased from the City of Cape Town and Department of Water and Forestry.

43. Contracted services

Outsourced Services

Cleaning Services	994 050	7 818 674
Litter Picking and Street Cleaning	4 632 094	6 959 893
Refuse Removal	12 062 857	9 560 142
Security Services	8 232 281	7 024 653
Other	5 357 016	7 632 493
Traffic Fines Management	7 919 363	5 941 827

Consultants and Professional Services

Business and Advisory	12 524 701	14 455 962
Infrastructure and Planning	7 183 008	12 747 360
Laboratory Services	1 111 518	1 009 701
Legal Cost	5 194 399	14 909 108

Contractors

Maintenance of Buildings and Facilities	11 985 729	8 501 046
Maintenance of Equipment	1 754 593	2 224 223
Maintenance of Unspecified Assets	28 663 711	29 368 277
Prepaid Electricity Vendors	7 092 895	8 150 604
Other	8 302 257	12 853 941
	<u>123 010 472</u>	<u>149 157 904</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

44. Grants and subsidies paid

Other subsidies

Grant-in-aid tourism	3 714 185	3 829 500
Grant-in-aid animal welfare	1 000 000	931 500
Grant-in-aid sundries	1 547 000	2 171 896
	<u>6 261 185</u>	<u>6 932 896</u>

45. General expenses

Advertising, publicity and marketing	2 965 885	3 493 354
Assets less than capitalisation threshold	846 456	298 028
Auditors remuneration	5 409 490	3 938 129
Bank charges, facility and card fees	1 252 160	869 151
Cellphone cost	5 858 730	5 586 127
Commissions	2 389 781	2 082 844
External computer services	8 248 595	7 466 103
Full time union representative	190 727	21 292
Hire charges	3 450 551	795 129
Honoraria (voluntary workers)	25 700	18 000
Indigent relief	13 818 303	5 585 628
Insurance	4 597 308	4 502 607
Internal consumption	7 837 062	8 491 655
Internal consumption expenses	3 853 769	3 624 985
Inventory - materials and supplies	20 842 813	19 849 091
Inventory - standard rated	5 082 460	4 529 155
Inventory - zero rated	10 209 648	10 537 119
Licence fees	1 075 367	970 757
Management fees	7 389 957	6 161 380
Office decorations	29 075	53 010
Other expenses	1 133 392	10 676 221
Printing, publications and books	840 794	1 107 639
Professional bodies, membership and subscription	5 215 168	3 909 927
Registration fees	2 611 482	599 616
Telephone cost	30 828	22 048
Title deed search fees	565 588	92 311
Uniform and protective clothing	3 353 903	3 463 129
Vehicle tracking	1 111 570	331 914
	<u>120 236 562</u>	<u>109 076 349</u>

The comparative figures were restated. Refer to note 61.20

46. Fair value adjustments

Gain arising from changes in fair value less costs to sell on biological assets	(2 169 114)	50 329
Other financial assets		
• Discounting of long term receivables	1 373 308	894 891
	<u>(795 806)</u>	<u>945 220</u>

Movement in discounting of long term receivables

Opening balance	(3 286 796)	(4 181 687)
Discounting	1 373 308	894 891
	<u>(1 913 488)</u>	<u>(3 286 796)</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

47. Cash generated from operations

Surplus	263 578 626	217 967 079
Adjustments for:		
Depreciation and amortisation	157 549 555	149 139 446
Loss on sale of assets and liabilities	(426 920)	(624 922)
Fair value adjustments	795 806	(945 220)
Impairment deficit	6 398 337	419 484
Debt impairment	47 970 580	82 169 287
Operating lease liability	(360 110)	(634 459)
Movements in retirement benefit assets and liabilities	(163 554)	(658 292)
Movements in provisions	996 042	(4 926 235)
GRAP 12 infrastructure inventory	3 350 304	6 340 856
Change in restoration	-	(62 639)
Changes in working capital:		
Inventories	(6 421 671)	(6 000 601)
Other receivables from exchange transactions	1 571 709	2 910 130
Receivables from exchange transactions	(63 169 973)	(48 405 826)
Receivables from non-exchange transactions	(43 053 169)	(71 364 229)
Payables from exchange transactions	(42 183 920)	80 169 753
VAT	(5 520 758)	(8 119 500)
Unspent conditional grants and receipts	27 164 306	36 849 827
Consumer deposits	1 096 900	1 385 651
	349 172 090	435 609 590

48. Financial assets by category

The financial assets of the municipality are classified as follows:

2018

	Amortised cost	Total
Cash and cash equivalents	23 062 587	23 062 587
Receivables from exchange transactions	214 466 298	214 466 298
Other receivables from exchange transactions	95 824 247	95 824 247
Receivables from non-exchange transactions	10 361 379	10 361 379
Investments	505 617 672	505 617 672
Long term receivables	3 758 665	3 758 665
	853 090 848	853 090 848

2017

	Amortised Cost	Total
Cash and cash equivalents	46 317 058	46 317 058
Receivables from exchange transactions	167 905 262	167 905 262
Other receivables from exchange transactions	80 896 929	80 896 929
Receivables from non-exchange transactions	8 024 378	8 024 378
Investments	575 418 314	575 418 314
Long term receivable	5 634 405	5 634 405
	884 196 346	884 196 346

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

49. Financial liabilities by category

The financial liabilities of the municipality are classified as follows:

2018

	Amortised cost	Total
Consumer deposits	15 673 925	15 673 925
Other financial liabilities	173 302 138	173 302 138
Unspent conditional grants	101 602 890	101 602 890
Payables from exchange transactions	225 095 149	225 095 149
	<u>515 674 102</u>	<u>515 674 102</u>

2017

	Amortised cost	Total
Consumer deposits	14 577 025	14 577 025
Other financial liabilities	186 386 067	186 386 067
Unspent conditional grants	74 438 584	74 438 584
Payables from exchange transactions	267 051 253	267 051 253
	<u>542 452 929</u>	<u>542 452 929</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Company Secretary's Certification

50. Risk management

Capital risk management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the Other financial liabilities disclosed in Note 19, Bank, Cash and Cash Equivalents and Equity in Note 3, comprising Funds, Reserves and Accumulated Surplus as disclosed in the Statement of Changes in Net Assets.

Financial risk management objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

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 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	15 673 925	-	-	-
Other financial liabilities	14 501 990	15 946 207	47 793 625	95 060 316
Payables from exchange transactions	225 095 158	-	-	-
Unspent conditional grants and receipts	101 602 890	-	-	-
At 30 June 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Consumer deposits	14 577 025	-	-	-
Other financial liabilities	13 083 928	14 501 990	47 184 493	111 615 655
Payables from exchange transaction	267 051 253	-	-	-
Unspent conditional grants and receipts	74 438 584	-	-	-

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.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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50. Risk management (continued)

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.

Consumer receivables comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these receivables. Receivables from exchange transactions are presented net of an allowance for impairment.

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.

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.

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.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

Figures in Rand	2018	2017
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50. Risk management (continued)

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.

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.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Cash and cash equivalents	23 062 587	46 317 058
Short term investments	505 617 672	575 418 314
Receivables from exchange transactions	120 636 900	91 535 970
Other receivables from exchange transactions	95 824 247	80 896 929
Receivables from non-exchange transactions	10 361 379	8 024 378
Long term receivable	3 758 665	5 634 405
	<u>759 261 450</u>	<u>807 827 054</u>

Foreign currency risk management

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.

51. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	248 084 443	100 717 109
• Other	37 648 610	40 156 665
	<u>285 733 053</u>	<u>140 873 774</u>

Total capital commitments

Already contracted for but not provided for	<u>285 733 053</u>	<u>140 873 774</u>
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This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

52. Contingencies

Stellenbosch Municipality / Silver Crest Trading 161 (Pty) Ltd and Stellenbosch Municipality / Vinyl Investments (Pty) Ltd

Instruction to stop illegal building works and demolish the illegal building works. Court order was obtained to demolish the illegal building work, but when we proceeded to execute the court order, we established that the property was already transferred into the new owner's name, Vinyl Investments (Pty) Ltd. The attorneys had to give notice to the new property owner and drafted a founding affidavit to institute legal action against the new owner. Reference: G Potgieter/ A Ras

Management's estimate of the financial exposure R50 000.

Stellenbosch Municipality / Francois Jansen

Application for eviction of unlawful occupants from municipal property.

Management's estimate of the financial exposure R 50 000.

Stellenbosch Municipality / Tania Wasmuth And Others

Application for eviction of unlawful occupants from municipal property.

Management's estimate of the financial exposure R50 000.

Stellenbosch Municipality / Cobus Visagie

Approximately R684 000.00 owed by Cobus Visagie for a tender to harvest wood.

Management's estimate of the financial exposure R50 000.

Stellenbosch Municipality / Klapmuts Mediation

Municipality under obligation to provide emergency housing to evictees of various eviction orders in Klappmuts. Klappmuts community has threatened violence against evictees and destruction of property should the municipality proceed to utilise Klappmuts housing facilities for evictees rather than for members of the Klappmuts community. Independent expert mediator appointed to facilitate mediation which is currently pending. 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. Reference: KVDBERG/S613

Management's estimate of the financial exposure R250 000.

Stellenbosch Municipality / T & N Thabo

Application to demolish two illegal nutec structures on the Property. A court order was obtained to demolish the illegal structures, but allows the respondents to demolish the structures themselves or to submit building plans for approval and should they fail to do so, the sheriff be instructed to demolish the illegal structures.

Management's estimate of the financial exposure R50 000.

Stellenbosch Municipality / Orey

Eviction application.

Management's estimate of the financial exposure R40 000.

Stellenbosch Municipality / Visagie & Tromp

Eviction of illegal occupiers on municipal land

Management's estimate of the financial exposure R55 000.

Stellenbosch Municipality / Dillon Carelse

Eviction application of illegal occupiers from municipal land

Management's estimate of the financial exposure R40 000.

Stellenbosch Municipality / Surita Layman

Application to set the sale of property aside

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

52. Contingencies (continued)

Management's estimate of the financial exposure R130 000.

Fredericksburg Landgoed (Pty) Ltd & Others / Stellenbosch Municipality & Others

This matter, an application in terms of the National Environmental Management Act 107 of 1998 to have a directive issued against the Municipality, has now been partly concluded and only legal costs and disbursements for which the Municipality may be liable for have to be taxed. This has not been done for the past 7 years.

This matter does not involve any amounts claimed. Reference: RB Africa / AE Esterhuizen / 1901064 / 1988215

Management's estimate of the financial exposure R200 000.

Fusion properties 233 cc / The Municipality of Stellenbosch

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 are 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 Reference: RB Africa / S Kgomo / 3006430

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 R500 000.00.

Independent Schools Association of Southern Africa / eThekweni Municipality / Stellenbosch Municipality & Others

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 and the parties are in the process of exchanging pleadings.

An interlocutory application brought by the National Minister of Finance and National Minister of Co-operative Governance and Traditional Affairs for the variation and/or rescission of a court order regarding the provision of the record and for certain documents to be excluded from the record was set down and heard on 4 August 2014. Judgment has been delivered and the parties are now in the process of preparing and exchanging supplementary papers.

The Minister for Co-operative Government and the Minister of Finance have filed their answering affidavit to the Municipality's Founding affidavit and supplementary affidavit in the counter application. ISASA has filed its answering affidavit to the Municipality's supplementary affidavit in the counter application. Our attorneys have submitted the Municipality's replying affidavit to both the Minister's and ISASA's answering affidavit. The matter is ready for enrolment.

This matter does not involve any amounts claimed. Reference: RB Africa / AE Esterhuizen / 2083835

Management's estimate of the financial exposure R250 000.

GD Wallace No / Stellenbosch Municipality

Filed notice of intention to defend and Notice of Bar to file their declaration. Haven't received anything from Plaintiff's attorneys so far. Not requesting that matter be placed on roll, as Stellenbosch Municipality is Defendant. Reference: STB1/0110

Management's estimate of the financial exposure R58 000.

Stellenbosch Municipality / Mandisi Parscal Jejane

Illegal structure was erected without approved building plan and the occupiers need to be evicted

Management's estimate of the financial exposure R50 000.

Stellenbosch Municipality / Siyazama Co Constructiuon (Pty) Ltd

Contractor illegally occupied the property leased to a crèche and need to be evicted.

Management's estimate of the financial exposure R50 000.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

52. Contingencies (continued)

Stellenbosch Municipality / E Ross & Others

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of the property at 609 Lavanda Flats, Jan Cillier Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending

Management's estimate of the financial exposure R200 000.

Stellenbosch Municipality / L Bailey & Another

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of the property at 108 Aurora Flats, Jan Cillier Street, Stellenbosch, due to the Respondents actions. The eviction application is still pending

Management's estimate of the financial exposure R200 000.

Stellenbosch Municipality // A De Ruiter & Others

An eviction application was instituted by Stellenbosch Municipality to have the Respondents, evicted from the property, Erf 5281 Idas Valley, due to the Respondents actions. The eviction application is still pending

Management's estimate of the financial exposure R350 000.

Stellenbosch Municipality / J Morgan & Others

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of the property at 12 Weber Street, Idas Valley, Stellenbosch due to the respondents actions. The eviction application is pending.

Management's estimate of the financial exposure is R200 000.

Stellenbosch Municipality / Phumlomo & Others

Stellenbosch Municipality have to institute eviction proceedings against the Respondents of the property at 3 Mjandana Street, Kayamandi, Stellenbosch due to the Respondents actions. The eviction application is still pending.

Management's estimate of the financial exposure is R200 000.

Zenobia Campbell / Stellenbosch Municipality

Applicant for the position of Senior LED Officer: Rural Development instituted a monetary claim against the Municipality for the payment of damages as a result of the fact that she was not employed by the Municipality.

Should the litigation against the Municipality be successful, the estimate financial exposure will be between R8 812 713.16 and R4 614 781.34 together with interest including legal costs and disbursements of approximately R200 000.00.

Stellenbosch Municipality / Stellenbosch Golfklub

This matter relates to a contractual dispute regarding the payment of rates and taxes by the Stellenbosch Golfklub to the Municipality. In terms of the long term lease agreement any dispute must be referred to arbitration.

Management's estimate of the financial exposure R100 000.

John Cloete T/A Jonty Engineering And Trading Sa Cc / Stellenbosch Municipality

Claim for payment of an amount of R298 030.00 for goods and services rendered in terms of an approved tender.

Management's estimate of the financial exposure R350 000.

S Jacobs / Stellenbosch Municipality

Claim for damages for alleged sexual harassment verbal abuse and victimisation, intimidation, harassment and unfair discrimination

Claim for 24 months' salary and maximum compensation for unfair discrimination, harassment and victimisation including sexual harassment and damages for the action of the employer.

Lizelle Moses / Stellenbosch Municipality

Claim of unfair labour practice relating to provisions of benefits in terms of section 186(2)(a) of the Labour Relations Act. Mrs Moses claimed that her benefit should have been upgraded by the implementation of TASK. The ruling needs to be rescinded and set aside.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

52. Contingencies (continued)

Management's estimate of the financial exposure R100 000.

Stellenbosch / Urlan Groenewald & Jacques Francois Swart

Motor vehicle collision in which the municipal traffic lights were damaged

Management's estimate of the financial exposure R50 000.

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 32 and 33 respectively in the annual financial statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

54. Awards to close family members 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	2018	2017
Aurecon South africa (Pty) Ltd	Refer to detail below	Refer to detail below	Spouse, Child and Parent	13 108 894	7 299 908
ARB Electrical Wholesalers (Pty) Ltd	J Modise	Eskom Holdings: Non Executive Director and Road Accident Fund (RAF) CEO	Spouse	40 276	62 065
Bergstan South Africa	C Beukes	Department of Social Development	Spouse	145 920	459 842
Kemanzi (Pty) Ltd	J N Du Toit	City of Cape Town	Spouse	529 330	724 401
CSM Consulting Services	A Vancoillie	Department of Environmental affairs and Development Planning	Child	334 099	214 087
Exeo Khokela Civil	T Meyer	Department of Education	Child	12 438 725	14 223 700
Angra Tours	Z L Cloete	Stellenbosch Municipality	Spouse	-	4 000
Red Hills Electronics	L Hartley	Department of Education	Spouse	4 992 149	1 751 603
Milhon HVAC	J Sampson	Stellenbosch Municipality	Spouse	196 735	241 906
NCC Environmental Servicess (Pty) Ltd	C Rhode	City of Cape Town	Spouse	33 429	11 897
Helderberg Business	N Hitchert	Department of Agriculture	Spouse	11 880	36 384
Rhode Bros Steel Pro	D Rhode	South African Police Service	Child	36 384	400 958
Flowers in the Foyer	E Gunter	Other Government department	Spouse	2 420	8 600
Silver Solutions 1765	D Simpson	Department of Education	Spouse	13 000	25 000
Element Consulting	S Pienaar	Department of Local Government	Spouse	595 298	127 696
Payless Fitment Centre	R Olivier	Department of Social Development	Spouse	7 767	36 982
Idas Valley Cleaning Solutions	G Jonkers	Stellenbosch Municipality	Child	53 230	288 570
	C Jonkers	Department of Local Government			
Idas Valley Service Centre	J Bergstedt	Stellenbosch Municipality	Spouse	105 621	120 108
IKapa Reticulation and flow	S Davids	Department of Education	Child	2 146 549	1 601 234
Isuzu Truck Centre (Pty) Ltd	E Jacobs	Department of Local Government	Spouse	-	46 182
Smec South Africa (Pty) Ltd	Y Phosa	Department of the Premier		81 420	174 648
Altimax (Pty) Ltd	ID Joubert	Department of Education	Spouse	-	531 468
	A Muller	Department of Social Development	Spouse		
	J Muller	Department of Social Development	Parent		
AECOM SA (Pty) Ltd	Refer to detail below	Refer to detail below	Spouse, Child and Parent	5 299 688	4 130 271
Conlog (Pty) Ltd	N Moodley	Department of Health	Spouse	2 475 583	1 806 441

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

54. Awards to close family members in the service of the state (continued)

Rhotec	P Rhode	Department of Education	Spouse	162 657	166 414
EM and EN Caterers	K Davids	Stellenbosch Municipality	Child	-	780
CJV Toilet Paper	Director	Department of Local Government		-	3 863
Steven Happie	F Happie	City of Cape town		111 742	372 890
G and G Maintenance	GB Gabriels	Department of Local Government	Parent	87 017	332 820
Novus3 (Pty) Ltd	M De Vries	Department of Education		1 101 589	1 870 740
	J Scheepers	Council for Medical Services			
Landfill Consult (Pty) Ltd	MM Dube	DICRO		2 601 214	688 661
Man 4 Trading (Pty) Ltd	MS Samuels	Department of Education	Spouse	128 030	93 370
Blue Planet Trading	W De Kock	Stellenbosch Municipality	Parent	196 810	61 382
ARCUS GIBB	B September	City of Cape Town	Spouse	315 453	173 149
ELT B Construction	L Adams	Department of Local Government	Spouse	-	66 670
ME Grow Mega Construction	J Sampson	Stellenbosch Municipality	Aunt	16 400	87 390
Stellenbosch Hospice	L Esau	Department of Local Government	Spouse	40 000	40 000
Massamatic (Pty) Ltd	Mr Barnard	Department of Health	Brother in law	121 635	245 710
Mpumamanzi Group CC	E Bouwers	Department of Health	Parent	253 361	228 528
Appolis Rashaad	J Sampson	Stellenbosch Municipality	Spouse	-	760
EAM 73 Enterprises	Ms Meyer	Department of Education	Spouse	26 550	217 710
MA Johnson T/A TC Events	L Johnson	Other Government Departments	Child	11 970	40 000
MZR Electrical and Building (Pty) Ltd	JD Rosenberg	Department of Local Government	Spouse	13 200	337 600
Sowerby Engineering	J Scheepers	Department of Education	Spouse	-	484 623
SMS ICT CHOCE (Pty) Ltd	Mrs Maqula	Department of Health	Spouse	318 351	1 533 216
Mindspring Computing	R Loghdey	Other Government Departments	Spouse	491 601	73 646
Dennis Moss Vennoots	SW van der Merwe	Stellenbosch Municipality	Spouse	-	4 988
HJ Productions	Director	Department of Agriculture	Spouse	59 410	23 850
Sipakhame Skills Development	NV Drake	Drakenstein Municipality	Spouse	-	414 480
Mubesko Africa (Pty) Ltd	J Niehaus	Department of Health	Spouse	498 663	-
Vuyani Electrical Supplies	M Agulhas	City of Cape Town	Child	530 858	-
LM Supplies (Pty) Ltd	G Hanson	Department of Local Government	Spouse	22 398	-
Du Toit Environmental	F Shariff	Department of Local Government	Spouse	55 050	-
				49 812 356	41 891 191

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

54. Awards to close family members 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	Denel Dynamics; Executive Manager	Parent
CMM Barnard	Gauteng Department of Education, Deputy Principle	Spouse
CJ Barry	City of Cape Town; Head Finance	Spouse
Prof CJG Bender	University of Johannesburg, Professor	Spouse
J Blackmore	Department of Public Works; Project Manager	Parent
T Botha	Oudtshoorn Municipality; Technical Manager	Parent
Councillor JJJ Daniels	West Coast District Municipality; Deputy Mayor	Parent
MC Dunga	South African Navy; Engineer in Training	Spouse
WZ Erasmus	Cape Nature; Programme Manager	Spouse
HG Esterhuysen	West Coast District Municipality; Senior Manager Roads	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	Twaing Municipality: Councillor	Parent
Cr CP Herbst	Dr S Mompoti District Municipality; Councillor	Parent
E Herlodi	Manager Investigation Services; Limpopo Department of Economic Development and Tourism	
A Heyns	Stellenbosch Municipality; Assistant Superintendent	Parent
JH Higgs	SARS; Regional Manager	Spouse
A Hougaard	Department of Correctional Services; Principle Network Controller	Spouse
J Jacobs	Eastern Cape Department of Education; Personal assistant to Chief Director	Spouse
T Kholoanyane	Naledi Local Municipality; Tourism Manager	Spouse
B Kleynhans	Hessequa Municipality; Accountant	Parent
Cr BJ Kriegler	Cape Winelands District Municipality and Breede Valley Municipality; Councillor	Parent
M Marques	Department of Home Affairs; Deputy Director	Spouse
RT Mehlala	Eastern Cape Arts and Culture Council; Chief Executive Officer	Parent
R Meyer	Telkom SA; Project Manager	Parent
AJ Moore	Department of Water affairs; Chief Engineer	Spouse
K Nadasen	National Department of Public Works; Director Key Account Management	Spouse
R Nair	eThekweni Municipality; Building Inspector	Parent
D Ntsebeza	Buffalo City Metropolitan Municipality	Spouse
NH Ntsebeza	Eastern Cape Department of Health	Parent

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

54. Awards to close family members in the service of the state (continued)

SM O'Connell	Sol Plaaityje Municipality; Librarian	Spouse
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	eThekwini 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 2018

Notes to the Annual Financial Statements

55. Events after the reporting date

Management is not aware of any material event which occurred after the reporting date and up to the date of this report.

56. Unauthorised expenditure

Opening balance	2 175	-
Municipal Manager	-	2 175
	<u>2 175</u>	<u>2 175</u>

Overspending on non-cash items namely Depreciation, Debt Impairment and Contributions to Provisions contributed to the overspending per vote for the year under review. These line items were budgeted for but expenditure was more than anticipated, this does not constitute physical outflows of cash but is deemed unauthorised in terms of National Treasury MFMA Circular no 68: Unauthorised, Irregular, Fruitless and Wasteful Expenditure dated 10 May 2013.

57. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure for the year under review.

58. Irregular expenditure

Opening balance	18 513 578	19 285 835
Add: Irregular Expenditure - current year	29 275 088	2 040 980
Less: Amounts written off	(5 975 650)	(2 813 237)
	<u>41 813 016</u>	<u>18 513 578</u>

59. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government - SALGA

Council subscriptions	5 251 450	4 325 993
Amount paid - current year	(4 988 878)	(4 109 693)
Early settlement discount	(262 573)	(216 300)
Additional Inv 2017/2018 based on National Treasury	547 648	-
Balance Unpaid (included in Creditors)	<u>547 647</u>	<u>-</u>

Audit fees

Opening balance	116 174	11 200
Current year Audit Fee	5 300 563	4 501 398
Amount paid - current year	(5 409 490)	(4 385 224)
Amount paid - previous year	(492)	(11 200)
Balance Unpaid (included in Creditors)	<u>6 755</u>	<u>116 174</u>

VAT

VAT receivable	<u>45 660 337</u>	<u>40 139 579</u>
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All VAT returns have been submitted by the due date throughout the year.

The total VAT paid for the year amounts to R 18 389 539 (2017: R 10 028 919)

PAYE and UIF

Current year Payroll Deductions	(67 416 720)	(61 103 642)
Amount paid - current year	<u>67 416 720</u>	<u>61 103 642</u>
Balance Unpaid (included in Creditors)	<u>-</u>	<u>-</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

59. Additional disclosure in terms of Municipal Finance Management Act (continued)

Pension and Medical Aid Deductions

Current year Payroll Deductions and Council Contributions	99 592 332	92 657 686
Amount paid - current year	(99 592 332)	(92 657 686)
Balance Unpaid (included in Creditors)	-	-

Councillors' arrear consumer accounts

No Councillors had arrear accounts outstanding for more than 90 days throughout the financial year ending 30 June 2018.

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:

Distribution Losses	Electricity (KWH)	Water (KL)
Purchases	374 764 358	8 644 602
Sales	(353 276 668)	(6 776 770)
Distribution loss	21 487 690	1 867 832

Electricity losses are calculated as 5.73% . Electricity losses are within the industry norms.
Water losses are calculated as 21.6%. Water losses are within the industry norm.

60. Multi-employer retirement benefit information

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Pension Fund and the South African Municipal Workers Union National Provident Fund are defined contribution plans, whereas the other funds are defined benefit plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

- (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- (iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / 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 **R 11.7 million** (2017: **R 6.9 million**) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement funds have been valued by making use of the discounted cash flow method of valuation.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

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 2016 revealed that the assets of the fund amounted to R13,700,300.00 (30 June 2015 : R13,231,200.00), with funding levels of 100% (30 June 2015: 100%). The highest contribution rate paid by the members was 7.92% and by Council 20.78%..

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 Cape Joint Pension Fund is a multi employer plan and the contribution rate payable is 27%, 9% by the members and 23.06% (period 1 February 2012 - 30 June 2014) and 26.77% (period 1 July 2014 - 30 June 2015) by their Councils. The actuarial valuation report at 30 June 2017 disclosed and actuarial valuation amounting to R 1 859 077 000 (30 June 2016: R 2 037 843 000), with a nett accumulated surplus of R 46 989 000 (2016: R 67 791 000), with a funding level of 102.6% (30 June 2015: 103.5%)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

DEFINED CONTRIBUTION SCHEMES

LA Retirement Fund (Previously Cape Joint Pension Fund)

The actuarial valuation report at 30 June 2017 indicated that the defined contribution scheme of the fund is in a sound financial position, with assets amounting to R 1 911 937 000 (30 June 2016 : R 1 960 970 000), net investment reserve of R 0 (30 June 2016 : R 0) and a funding level of 100% (2016 : 100%).

The actuary concluded that:

- The Pensioner account has a funding level of 102.6% with a surplus of R47.0 million and is in a sound financial condition as at the valuation date.
- There is a surplus of R47.0million in The DB Section excluding The surplus in The Pensioner Account. The surplus has been allocated to The Pensioner Account.
- The overall funding level in respect of the DB Section including the Pensioner Account is 101.3% with a surplus of R47.0 million.
- The DC Section has a funding level of 100% and is in n sound Financial condition..
- Overall the fund is in a sound financial condition with n surplus of R47.0 million and the overall funding level of 102.6%.
- The Trustees awarded a 3.3% pension increase effective 1 January 2018.

It is to be noted that:

- All the active members have now all been converted to the DC Section.
- There is no longer any contribution rate shortfall as this only applied to 29 residual DB Section active members, that have now also converted to the DC Section and
- Both the DC Section and the DB Section were fully funded as at the valuation date.

The actuary certified The Pensioner Account was 102.6% funded with a surplus of R47 million and is in a sound financial condition. The funding level in respect of the DB active members was 102.6% with a surplus of R47 million. The DB Section is in a sound financial condition and the DC Section has a funding level of 100% and is in a sound financial condition. Overall the Fund is in a sound financial condition with a surplus of R47 million and an overall funding level of 102.6%. 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 statutory valuation performed as at 30 June 2016 revealed that the assets of the fund amounted to R 20 075 000 000 (30 June 2015 : R 18 322 177 000), with funding levels of 118% and 100% (30 June 2015 112.1% and 100%) for the Share Account and the Pensions Account respectively. The Preservation Pension Account showed a surplus of R 0 and was 100% funded for both 2016 & 2015. The contribution rate paid by the members (7,50%/9%) and the municipalities (19,50%/18%) 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.

Municipal Councillors Pension Fund

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

60. Multi-employer retirement benefit information (continued)

The Municipal Councilors Pension Fund operates as a defined contribution scheme. The statutory valuation performed as at 30 June 2015 revealed that the assets of the fund amounted to R2,551,861,000 (30 June 2014 : R2,229,410,000), with funding levels of 101.08% (30 June 2014: 98.83%). The contribution rate paid by the members (13,75 %) and council (15 %) 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 2015, 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 Councilors Pension Fund.

After hearing Counsel for the Applicant, 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; 4. The Curator be remunerated as per paragraph 9 of the order dated 19th December 2017; 5. The Curator's report dated 22nd February 2018 be published on the FSB's website; and 6. Costs of the application be costs in the curatorship. Dated at Pretoria on 19th March 2018.

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 2011 : R6,574,75.00), with funding levels of 102.0% (30 June 2014: 111.7%). As a percentage of members' Fund 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' Fund 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 R152.8 million which has been allocated to former members and is awaiting payment. The Fund is therefore in a sound financial position.

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 statutory valuation performed as at 30 June 2017 revealed that the assets of the fund amounted to R10,050,029,000 (30 June 2014 : R10,050,029,000), with funding levels of 100.42% (30 June 2014: 100.10%). The actuary certified that the assets of the fund are sufficient to cover 100.42% 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 2018

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, changes in accounting policies 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
Assets				
Current Assets				
Cash and cash equivalents	299 430 733	(170 839)	(252 942 836)	46 317 058
Receivables from exchange transactions	91 535 970	76 369 292	-	167 905 262
Other receivables from exchange transactions	83 979 200	(76 198 453)	-	7 780 747
Inventories	40 658 710	(89 866)	-	40 568 844
Receivables from non-exchange transactions	66 430 628	(993 957)	-	65 436 671
VAT receivable	40 139 579	-	-	40 139 579
Long term receivable	2 121 452	-	-	2 121 452
Short term investments	322 475 480	-	252 942 834	575 418 314
	946 771 752	(1 083 823)	(2)	945 687 927
Non-Current Assets				
Biological assets that form part of an agricultural activity	8 808 121	-	-	8 808 121
Investment property	423 622 558	-	-	423 622 558
Property, plant and equipment	4 428 174 058	15 000 000	1	4 443 174 059
Intangible assets	9 434 575	-	-	9 434 575
Heritage assets	724 002	-	-	724 002
Long term receivable	3 512 953	-	-	3 512 953
	4 874 276 267	15 000 000	1	4 889 276 268
Total Assets	5 821 048 019	13 916 177	(1)	5 834 964 195
Liabilities				
Current Liabilities				
Consumer deposits	14 577 025	-	-	14 577 025
Employee benefit obligation	46 157 331	858 087	-	47 015 418
Operating lease liability	1 439 270	-	-	1 439 270
Other financial liabilities	13 083 928	-	-	13 083 928
Payables from exchange transactions	282 087 477	-	-	282 087 477
Unspent conditional grants and receipts	88 493 433	(14 054 849)	-	74 438 584
	445 838 464	(13 196 762)	-	432 641 702
Non-Current Liabilities				
Other financial liabilities	173 302 139	-	-	173 302 139
Employee benefit obligation	220 222 839	-	-	220 222 839
Provisions	78 169 144	-	-	78 169 144
	471 694 122	-	-	471 694 122
Total Liabilities	917 532 586	(13 196 762)	-	904 335 824
Net Assets	4 903 515 433	27 112 939	(1)	4 930 628 371
Net Assets				
Accumulated surplus	4 903 515 433	27 112 938	-	4 930 628 371

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.1. Cash and cash equivalents

Balance previously reported	299 430 733
Short term investments - reclassification	(252 942 836)
Other receivables from exchange transactions - prior period error	(170 839)
	<u>46 317 058</u>

Short term deposits are not classified as part of cash and cash equivalents as these investments are not readily convertible to known amounts of cash. The short term investments do not have a short maturity of three months or less from the date of acquisition and do not meet the definition of cash and cash equivalents in accordance with GRAP 2.

The investment with the New Republic Bank is currently under receivership and does not meet the definition of cash and cash equivalents.

61.2 Receivables from exchange transactions

Balance previously reported	91 535 970
Other receivables from exchange transactions	76 369 292
	<u>167 905 262</u>

The accrued income in respect of Water and Electricity services estimated billing in respect of July and August was incorrectly accounted for as Other receivables from exchange transactions

61.3 Other receivables from exchange transactions

Balance previously reported	83 979 199
Cash and cash equivalents	170 839
Receivables from exchange transactions	(76 369 291)
	<u>7 780 747</u>

The investment with the New Republic Bank is currently under receivership and does not meet the definition of cash and cash equivalents

The accrued income in respect of Water and Electricity services estimated billing in respect of July and August was incorrectly accounted for as Other receivables from exchange transactions.

61.4 Receivables from non-exchange transactions

Balance previously reported	66 430 628
Accumulated surplus - prior period error	(993 957)
	<u>65 436 671</u>

It was identified that traffic fines withdrawn and reduced were incorrectly used to reduce revenue from non- exchange transactions

61.5 Inventories

Balance previously reported	40 658 710
Accumulated surplus - prior period error	(89 866)
	<u>40 568 844</u>

Land inventory was overstated.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.6 Short term investments

Balance previously reported	322 475 480
Cash and cash equivalents - reclassification	252 942 834
	<u>575 418 314</u>

Short term deposits are not classified as part of cash and cash equivalents as these investments are not readily convertible to known amounts of cash. The short term investments do not have a short maturity of three months or less from the date of acquisition and do not meet the definition of cash and cash equivalents in accordance with GRAP 2.

61.7 Property, plant and equipment

Balance previously reported	4 428 174 059
Accumulated surplus - prior period error	15 000 000
	<u>4 443 174 059</u>

Vacant land for future development was not accounted for in the fixed asset register.

61.8 Unspent conditional grants and receipts

Balance previously reported	88 493 433
Accumulated surplus - prior period error	(14 054 849)
	<u>74 438 584</u>

The conditional grants was utilised in previous financial years but the related funding was not correctly allocated.

61.9 Employee benefit obligation

Balance previously reported	46 157 331
Accumulated surplus - prior period error	858 087
	<u>47 015 418</u>

The leave provision was adjusted with the temporary employees leave balances.

61.10 Accumulated surplus

Balance previously reported	4 903 515 433
Inventories	(89 866)
Property plant and equipment	15 000 000
Employee benefit obligation	(858 087)
Unspent conditional grants	14 054 832
Receivables from non exchange transactions	(993 967)
	-
	-
	-
	-
	<u>(4 930 628 345)</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 2018

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued) Statement of Financial Performance

	Audited	Prior year adjustments	Reclassifying adjustments	Restated
Revenue				
Revenue from exchange transactions				
Service charges	788 397 454	5 533 888	1 244 989	795 176 331
Rental of facilities and equipment	16 905 749	-	1	16 905 750
Interest received (trading)	6 451 330	-	-	6 451 330
Agency services	6 400 483	-	-	6 400 483
Licences and permits	4 696 952	-	1 038 162	5 735 114
Other income	32 686 226	1	(7 491 280)	25 194 947
Investment revenue	56 218 546	-	-	56 218 546
Total revenue from exchange transactions	911 756 740	5 533 889	(5 208 128)	912 082 501
Revenue from non-exchange transactions				
Taxation revenue				
Property rates	287 664 140	-	2 364 103	290 028 243
Property rates - penalties imposed	2 364 103	-	(2 364 103)	-
Transfer revenue				
Government grants & subsidies	216 896 062	5 647 807	5 208 128	227 751 997
Fines, Penalties and Forfeits	100 441 945	2 374 679	1	102 816 625
Total revenue from non-exchange transactions	607 366 250	8 022 486	5 208 129	620 596 865
Total revenue	1 519 122 990	13 556 375	1	1 532 679 366
Expenditure				
Employee related costs	(407 801 472)	(1 773 636)	-	(409 575 108)
Remuneration of councillors	(16 094 449)	-	-	(16 094 449)
Contribution to/from provisions	(1 536 603)	-	-	(1 536 603)
Contribution to employee benefits	(6 953 305)	-	-	(6 953 305)
Depreciation and amortisation	(149 139 445)	-	(1)	(149 139 446)
Impairment of non cash generating assets	(419 479)	-	(5)	(419 484)
Finance costs	(19 626 895)	-	-	(19 626 895)
Lease rentals on operating lease	-	-	(13 205 278)	(13 205 278)
Debt impairment	(82 169 287)	-	-	(82 169 287)
Contribution to allowance for doubtful debt	(1 154 212)	3 368 636	-	(4 522 848)
Repairs and maintenance	(59 139 800)	-	59 139 800	-
Bulk purchases	(347 827 570)	-	(1)	(347 827 571)
Contracted services	(49 381 226)	-	(99 776 678)	(149 157 904)
Transfers and subsidies	(6 932 896)	-	-	(6 932 896)
Collection costs	(1 921 904)	-	1 921 904	-
General Expenses	(157 236 323)	(5 533 888)	53 693 862	(109 076 349)
Total expenditure	(1 307 334 866)	(7 128 888)	11	(1 316 237 423)
Operating surplus	211 788 124	6 427 487	12	216 441 943
Gain on disposal of assets and liabilities	729 011	(3)	-	729 008
Fair value adjustments	945 220	-	-	945 220
Loss on biological assets and agricultural produce	(104 086)	-	-	(104 086)
Inventories (losses/write-downs)	(45 009)	-	-	(45 009)
	1 525 136	(3)	-	1 525 133
Surplus for the year	213 313 260	6 427 484	12	217 967 076

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.11 Service charges

Balance previously reported	788 397 454
Other income - reclassification	1 244 989
General expenses - prior period error	5 533 888
	<u>795 176 331</u>

Reconnection fees was reclassified to Service charges in terms of the new mSCOA chart of accounts.

Payments relating to free basic services for Indingents were erroneously accounted for as Revenue foregone. The expense relates to Indigent relief and has been corrected accordingly.

61.12 Other Income

Balance previously reported	32 686 227
Government grants and subsidies - reclassification	(5 208 128)
Service charges - prior period error	(2 283 152)
	-
	<u>25 194 947</u>

The other revenue VAT, that lost its conditional nature after the input vat was claimed, was reclassified to government grants and subsidies.

Reconnection fees was reclassified to Service charges in terms of the new mSCOA chart of accounts.

61.13 Government grants & subsidies

Balance previously reported	216 896 062
Other income - reclassification	5 208 128
Recognition of grant expenditure - prior period error	5 647 807
	<u>227 751 997</u>

The other revenue VAT, that lost its conditional nature after the input vat was claimed, was reclassified from Other income.

The accounting transaction for the Government grants and subsidies were incorrectly processed in the comparative year on the financial system.

61.14 Employee related costs

Balance previously reported	(407 801 472)
General expenses - uniform and protective clothing (prior period error)	610 784
General expenses- workman compensation (prior period error)	(2 384 420)
	<u>(409 575 108)</u>

Workmen compensation was incorrectly accounted for as General expenses. It should have been Employee related cost due to the nature of the expenditure being a social security contribution.

Uniform and protective clothing was incorrectly accounted for as employee related costs.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.15 Contribution to allowance for doubtful debt

Balance previously reported	(1 154 212)
Receivables from non-exchange transaction - prior period error	(3 368 636)
	<u>(4 522 848)</u>

It was identified that traffic fines withdrawn and reduced were incorrectly used to reduce revenue from non-exchange transactions

61.16 Repairs and maintenance

Balance previously reported	(59 139 800)
Contracted services - reclassification	43 934 757
General expenditure - reclassification	15 205 043
	<u>-</u>

A data cleansing exercise was done for the classification of expenditure, in accordance with its nature due to the mSCOA implementation.

Repairs and maintenance was reclassified to general expenses and contracted services due to the mSCOA definition and classification of the expense

61.17 Contracted services

Balance previously reported	(49 381 226)
Repairs and maintenance - reclassification	(43 934 757)
General expenditure - reclassification	(70 679 176)
General expenditure - management fee (reclassification)	1 631 977
Lease rentals on operating lease - reclassification	13 205 278
	<u>(149 157 904)</u>

A data cleansing exercise was done for the classification of expenditure, in accordance with its nature due to the mSCOA implementation.

Repairs and maintenance was reclassified to Contracted services due to the mSCOA definition and classification of the expense

General expenditure was reclassified to Contracted services due to the mSCOA definition and classification of the expense

Management fee was reclassified from Contracted services to General expenditure due to the mSCOA definition and classification of the expense.

Lease rentals on operating lease was classified to its own line item on the face of the Statement of Financial Performance due to the nature of the expense.

61.18 Lease rentals on operating lease

Balance previously reported	-
Contracted services	(13 205 278)
	<u>(13 205 278)</u>

Lease rentals on operating lease was classified to its own line item on the face of the Statement of Financial Performance due to the nature of the expense.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

61. Prior period errors and Reclassifications (continued)

61.19 Collection costs

Balance previously reported	(1 921 904)
General expenses - reclassification	1 921 904
	<u>-</u>

Collection cost was reclassified to General expenses due to mSCOA definition and classification of the expense.

61.20 General Expenses

Balance previously reported	(157 236 323)
Repairs and maintenance - reclassification	(15 205 043)
Service charges - prior period error	(5 533 891)
Contracted services - reclassification	70 679 166
Contracted services - Management fee (reclassification)	(1 631 977)
Employee related cost - workman compensation (prior period error)	2 384 407
Employee related cost - uniform and protective clothing (prior period error)	(610 784)
Collection cost - reclassification	(1 921 904)
	<u>(109 076 349)</u>

Repairs and maintenance was reclassified to General expenses due to the mSCOA definition and classification of the expense.

Payments relating to free basic services for Indingents were incorrectly accounted for as Revenue foregone. The expense relates to Indigent relief and has been corrected accordingly.

General expenditure was reclassified to Contracted services due to the mSCOA definition and classification of the expense

Management fee was reclassified from Contracted services to General expenditure due to the mSCOA definition and classification of the expense.

Workmen compensation was incorrectly accounted for as General expenses. It should have been Employee related cost due to the nature of the expenditure being a social security contribution.

Uniform and protective clothing was incorrectly accounted for as employee related costs.

Collection cost was reclassified to general expenses due to the mSCOA definition and classification of the expense.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

62. Budget differences

Material differences between budget and actual amounts

All variances greater than 10% as depicted in the Statement of Comparison of Budget and Actual Amounts are explained below.

Statement of Financial Performance

Revenue

Rental of facilities and equipment (BD1)

The revenue for rental of facilities and equipment declined due to the factors of social change, which is cultural and economic change.

Interest earned - outstanding receivables (BD2)

The budget projection increase was based on the prior period's position of debtors.

Agency services (BD3)

The projected collection was based on historic performance.

Licences and permits (BD4)

The projection was based on the prior period's collection.

Other income (BD5)

The decrease is mainly due to the implementation of mSCOA and the specific categories in the chart

Investment revenue (BD6)

More funds than anticipated were invested during the financial year due to delays in commencement in projects

Government grants & subsidies (BD7)

Some conditional grants have not yet met conditions and not yet recorded as revenue, hence the significant

Fines, Penalties and Forfeits (BD8)

The budget projection for Fines was based on previous performance.

Expenditure

Contribution to / from provisions (BD9)

The difference emanates from the post-retirement benefits and long service awards which is calculated based on information as at year end and subject to certain unpredictable assumptions i.e. Discount rate, expected rate of return, retirement age, etc. This information is not available when the budget is drafted.

Contribution to employee benefits (BD10)

The difference emanates from the post-retirement benefits and long service awards which is calculated based on information as at year end and subject to certain unpredictable assumptions i.e. discount rate, expected rate of return, retirement age, etc. This information is not available when the budget is drafted.

Depreciation and amortisation (BD11)

The capital expenditure for the period was not met thus not all assets were completed at year end, which lead to depreciation being over budgeted.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

62. Budget differences (continued)

Impairment loss/ Reversal of impairments (BD12)

No assets were impaired/ reversed for impairment during the year.

Operating leases (BD13)

Operating leases were previously accounted for as part of contracted services. This is the first period that the operating leases are being disclosed as a separate line item and will be appropriately accounted for in the statement in the next period

Debt Impairment (BD14)

The projection was based on historical data

Contribution to allowance for doubtful debt (BD15)

The projection was based on historic performance of debtors' accounts

Collection costs (BD16)

Collection costs are now included as part of general expenditure and not disclosed as an individual item.

Contracted Services (BD17)

Re-classification of other general expenses resulted in the actual amount increasing

Transfers and Subsidies (BD18)

Less applications for the grant in aid were received than projected.

General Expenses (BD19)

Implementation of cost-cutting measures and re-classifying some general expenses as contracted services and external loan not being taken

Gain on disposal of assets and liabilities (BD20)

The municipality cannot estimate what value it will receive for items disposed during the auction.

Fair value adjustments (BD21)

These adjustments are based on estimates that cannot be budgeted for.

Gain on biological assets and agricultural assets

The gain is based on the growth of the biological assets and cannot be calculated before hand for budget purposes.

Inventories (losses/write downs)

The write downs are based on the occurrence of specific activities during the period, for example stock take, and can thus not be budgeted for.

Statement of Financial Position

Assets

Cash and cash equivalents (BD24)

Due to unspent conditional grants, there was more cash to invest on a short-term basis.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

62. Budget differences (continued)

Short term investments (BD25)

Due to cash flows, some short term investments were converted into cash & cash equivalents

Receivables from exchange transactions (BD26)

The municipality implemented higher water tariffs during the drought which lead to an increase in outstanding debtor balances

Receivables from non-exchange transactions (BD27)

The actual collection rate on fine debtors was better than expected. This resulted in a decrease in the allowance for impairment.

Other receivables from exchange transactions (BD28)

During the financial year the municipality implemented higher water tariffs resulting in an increase in the estimate for water

Inventories (BD29)

Significant bulk inventory items were procured during the year which were still unused at year end, hence also the decrease in repairs and maintenance spending

VAT receivable (BD30)

Management did not anticipate a VAT receivable at year end.

Long term receivable (BD31)

This includes arrangement debtors. Debtors Normally default on their arrangement with the municipality, which lead to a under budget of Long term receivables.

Investment Property (BD32)

The budgeted amount is based on the previous fair value model which has since been changed to cost model

Intangible Assets (BD33)

The municipality had planned to procure more software systems.

Biological assets that form part of an agricultural activity (BD34)

The budgeted amount is based on the previous fair value model which has since been changed to cost model

Heritage assets (BD35)

The budgeted amount is based on the previous fair value model which has since been changed to cost model.

Liabilities

Payables from exchange transactions (BD36)

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 (BD37)

Due to unforeseen circumstances, late contractor appointments, delays in projects, etc, conditions of some grants could not be met at year end.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

62. Budget differences (continued)

Employee benefit obligation (BD38)

The difference emanates from the post-retirement benefits and long service awards which is calculated based on information as at year end and subject to certain unpredictable assumptions ie. discount rate, expected rate of return, retirement age, etc. This information is not available when the budget is drafted.

Other financial liabilities (BD39)

The municipality had calculated that an additional loan would be taken and the consolidated short-term portion thereof paid off quicker.

Consumer deposits (BD40)

Growth in our community/ client base resulting in increase deposits.

Operating lease liability (BD41)

Operating lease liability is included in other financial liabilities

Provisions (BD42)

Provisions are based on experts' work as at the end of the financial year using information that is not available during the budget. The budget is based on historic amounts.

Cash Flow Statement

Payments

Suppliers and employee costs (CF1)

Bulk purchases which are bought by the municipality are based on the consumption of the community have decreased compared to the prior year. The decrease in the consumption is due to the water restrictions that have been implemented by the municipality.

Employee related cost decrease due to vacancies not filled and posts becoming vacant during the financial year.

Transfers and grants (CF2)

Management anticipated to spend the allocated funds, but due to unforeseen circumstances it did not materialise as planned.

Cash flow from investing activities

Purchase of PPE (CF3)

The variance relates to the underspending on the capital budget.

Proceeds from sale PPE (CF4)

The proceeds from sale of property, plant and equipment were better than expected, which is beneficial to the municipality.

Purchase of intangible assets (CF5)

The municipality had undertaken a feasibility into new software for cemeteries.

Purchase of heritage assets (CF6)

A new heritage asset was donated to the municipality during the period.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

62. Budget differences (continued)

Proceeds from long term receivables (CF7)

Arrangement debtors classified as long term receivables

Proceeds from biological assets (CF8)

Management did not anticipate to sell biological assets during the financial year.

Movement in investments (CF9)

The municipality invested excess funds for periods more than 3 months but up to 12 months, these investments are classified as short term investments in the statement of financial position.

Cash flow from financing activities

Prior Period Errors (CF10)

Management did not anticipate to identify a prior period error

Changes from the approved budget to the final budget

The changes between the approved and final approved adjustments budget are a consequence of reallocations within the approved budget parameters allowed for by Section 6 of the Budget Implementation and Monitoring Policy as approved by Council.

63. Going concern

We draw attention to the fact that at 30 June 2018, the municipality had an accumulated surplus of R 5 194 082 849 and that the municipality's total assets exceed its total liabilities by R 5 194 082 849.

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.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

64. Deviations from, and ratification of minor breaches of procurement process

In accordance with paragraph 4.36 (a) of the Supply Chain Management Policy the deviations from, and ratifications of minor breaches of procurement per directive are listed below:

Deviation no:	Date of adjudication	Supplier	Reason	Rate of recurrence	Contract/ Order Amount
D/SM 1/18	11/07/2017	Total SA	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	3 000 000
D/SM 2/18	11/05/2017	Landfill Consult (Pty) Ltd	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	2 282 280
D/SM 3/18	30/06/2017	The Sustainability Institute Innovations Lab	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	110
D/SM 4/18	18/08/2017	CBI Electric African Cables	Emergency	Total D/SM amount	1 481 821
D/SM 5/18	05/09/2017	Smith Tabata Buchanan Boyes (STBB)	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM: 6/18	05/09/2017	The Geoss Pty (Ltd)	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Rates	500 000
D/SM 7/18	05/09/2017	HATCH GOBA (PTY) LTD	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Rates	15 000 000
D/SM 8/18	05/09/2017	RPM Drilling, EDRS, JM Drilling, GDSA and SA Rock Drill	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 9/18	26/09/2017	Aptronics	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	634 684
D/SM 10/18	02/10/2017	Wendy Cape CC Trendy Wendy's JR Wendy'sPHK Trading and Maintenance CC Asemna Logistics CC Iquebela Cleaning Services and Projects Amabamba Fencing (Pty) Ltd Betafence	Emergency	Total D/SM amount	839 894
D/SM 11/18	02/10/2017	Interwaste (Pty) Ltd	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	1 774 584
D/SM 12/18	02/10/2017	ABSA	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	120 000
D/SM 14/18	09/10/2017	JR Wendy's	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	795 800
D/SM 15/18	19/10/2017	Master Drilling	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

64. Deviations from, and ratification of minor breaches of procurement process (continued)

D/SM 16/18	20/10/2017	Veolia Water Solutions & Technologies SA (Pty) Ltd / Carecure (Pty) Ltd Aquamat S.A. (Pty) Ltd Sustainable Engineering Consultants (Pty) Ltd (Alveo) WSSA (PTY) LTD (Proxa Water)	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 17/18	20/10/2017	CBI Cables	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	480 922
D/SM 18/18	27/10/2017	EXEO Khokela Civil Engineering	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 19/18	17/11/2017	Liquid Telecom	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 20/18	08/12/2017	BW Management Waste Carriers	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	900 000
D/SM 21/18	28/11/2018	STBB	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates (p/h)	1 400
D/SM 22/18	08/11/2017	Rainbow Lighting	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	336 933
D/SM 23/18	22/11/2017	Various Artists	Acquisition of special works of art or historical objects where specifications are difficult to compile and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	184 500
D/SM 24/18	08/12/2017	Tuffy Manufacturing	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates (per 1000 bags)	917
D/SM 27/18	19/01/2018	Mindspring	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	491 601
D/SM 28/18	20/12/2017	Broadway Hardware	Impractical	Total D/SM amount	255 000
D/SM 29/18	15/01/2018	WREV Construction	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	12 000
D/SM 32/18	08/02/2018	Nokhala Cleaning Services	Emergency	Total D/SM amount	36 000
D/SM 33/18	19/03/2018	IntastorWF Constructions WEC Consult	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	16 035 573
D/SM 34/18	20/03/2018	Bergzicht Boland Promotions Polorama	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	435 661
D/SM 35/18	12/03/20218	BVI Consulting Engineers	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	81 184

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

64. Deviations from, and ratification of minor breaches of procurement process (continued)

D/SM 36/18	10/04/2018	Panel	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 37/18	11/04/2018	Panel	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 38/18	13/04/2018	Flotron	Emergency		7 849
D/SM 40/18	25/04/2018	WEC Projects	Emergency	Total D/SM amount	21 563
D/SM 41/18	13/04/2018	Bytes System Intergration (Pty) Ltd	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	924 588
D/SM 42/18	09/05/2018	JR Wendys CC	Emergency	Total D/SM amount	314 200
D/SM 43/18	15/05/2018	JoJo Vertical Water Tanks Cornerstone Environmental Consultants	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	63 511
D/SM 44/18	15/05/2018	Siyakhatala Safety	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	81 656
D/SM 44/18	15/05/2018	Deloitte Consulting	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	10 000
D/SM 49/18	05/06/2018	Lupat General Trading (Pty) Ltd	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	9 000
D/SM 50/18	06/06/2018	Split Second Science The Amazing Magic of Regardt Laubscher	Impractical	Total D/SM amount	41 465
D/SM 51/18	11/06/2018	Ontec Systems	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 52/18	11/06/2018	Livewire Engineering and Consulting (Pty) Ltd	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 53/18	18/05/2018	Basson Blackburn Attorneys	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	49 500
D/SM 54/18	01/06/2018	AT Planing Town and Regional Planning Service	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 55/18	29/06/2018	Franschoek Farmgaard Cumax Security Service Sondella Security Tyte Security Maqeba Security	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 56/18	29/06/2018	Leelyn Management	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

64. Deviations from, and ratification of minor breaches of procurement process (continued)

In accordance with paragraph 4.36(a) of the Supply Chain Management Policy the deviations from, and ratifications of minor breaches of procurement per directive are listed below for the comparative year:

Deviation no:	Date of adjudication	Supplier	Reason	Rate of recurrence	Contract/ Order amount
D/SM 1/17	04/07/2016	Atterbury Holdings		Total D/SM amount	5 971 818
D/SM 2/17	14/07/2016	Roy Steele and Associates	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	51 300
D/SM 3/17	14/07/2016	Total SA	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 4/17	29/07/2016	Fairbuild CC Rhotec CBI Electric	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	67 860
D/SM 5/17	05/07/2016	Blue Civils		Total D/SM amount	113 145
D/SM 6/17	02/08/2016	Sowerby Engineering Company HSM Amanzi	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	734 363
D/SM 7/17	08/09/2016	JR Wendys CC	Emergency	Total D/SM amount	83 300
D/SM 8/17	08/09/2016	Jubelie Projects		Total D/SM amount	113 097
D/SM 9/17	08/09/2016	Country Building Supplies	Emergency	Total D/SM amount	410 252
D/SM 10/17	16/09/2016	Rhotec	Emergency	Total D/SM amount	57 205
D/SM 11/17	21/09/2016	Grace Construction	Emergency	Total D/SM amount	113 110
D/SM 12/17	26/09/2016	HUBER Technology	Goods or services are produced or available from a single provider	Total D/SM amount	191 788
D/SM 13/17	21/09/2016	Exeo Khokela	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	14 617 112
D/SM 14/17	17/10/2016	Kaltron EOH		Total D/SM amount	14 688
D/SM 15/17	07/10/2016	JR Wendys CC	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	41 800
D/SM 16/17	09/11/2016	Various artists	Special work of Art (Artists performances)	Total D/SM amount	77 500
D/SM 17/17	16/11/2016	Ibhunga Cleaning and Brick Paving & Painting Impolo Trading Solutions	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 18/17	16/11/2016	Conlog	Goods or services are produced or available from single provider	Total D/SM amount	15 220
D/SM 19/17	16/11/2016	Ian Dickie & Co	Emergency	Total D/SM amount	67 559

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

64. Deviations from, and ratification of minor breaches of procurement process (continued)

D/SM 20/17	16/11/2016	CBI Elctric	Goods or services are produced or available from single provider and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	870 562
D/SM 22/17	06/12/2016	KOOLTRON Pty Ltd	Emergency	Total D/SM amount	208 962
D/SM 23/17	09/12/2016	Country Building Supplies	Emergency	Total D/SM amount	269 124
D/SM 24/17	09/12/2016	CSX Customer Services	Goods or services are produced or available from single provider	Total D/SM amount	306 000
D/SM 25/17	09/12/2016	JR Wendys CC	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	184 500
D/SM 26/17	14/12/2016	Geodebt	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 27/17	05/01/2017	Prentec	Emergency and exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	1 145 244
D/SM 28/17	21/12/2016	Total SA	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 29/17	12/10/2016	Arbor Care	Emergency	Total D/SM amount	19 950
D/SM 30/17	06/12/2016	Genadendal Jackies Bazaar	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 31/17	25/01/2017	Three Go Konstruksie	Emergency	Total D/SM amount	23 150
D/SM 32/17	16/02/2017	Angel Shack	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	586 695
D/SM 33/17	14/12/2016	Urban World		Rates	-
D/SM 34/17	03/03/2017	Webber Wentzel		Rates	-
		Red Ant Security Relocation and Eviction	Goods or services are produced or available from single provider and exceptional case and it is impractical or impossible to follow the official procurement process		
D/SM 35/17	02/03/2017	Bradley Conradie	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
		Cliffe Dekker			
D/SM 36/17	06/03/2017	Guerrini Marine Construction CC	Emergency	Total D/SM amount	662 340
D/SM 37/17	14/03/2017	Impolo Trading Solutions	Emergency	Total D/SM amount	408 622
		Ibunga Cleaning and Brick Paving			
D/SM 38/17	13/03/2017	C Ntamo Holdings	Emergency	Rates	-
D/SM 39/17	15/03/2017	Bradley Conradie	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
		Cliffe dekker			
		Etienne Vermaak			
D/SM 40/17	30/03/2017	Inter Waste (Pty) Ltd	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 41/17	07/04/2017	CSX Customer Services	Goods or services are produced or available from single provider	Total D/SM amount	115 751
D/SM 42/17	10/04/2017	Nokhala Cleaning Services	Emergency	Total D/SM amount	29 400

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2018

Notes to the Annual Financial Statements

64. Deviations from, and ratification of minor breaches of procurement process (continued)

D/SM 43/17	13/04/2017	JR Wendys CC Sanitec	Emergency	Total D/SM amount Rates	369 000
D/SM 44/17	03/05/2017	Nokhala Cleaning Services	Emergency	Total D/SM amount	117 600
D/SM 45/17	28/04/2017	ZTANDIS (Pty) Ltd CBI Electrical	Emergency	Total D/SM amount	572 314
D/SM 46/17	05/05/2017	DVC General Trading CC		Total D/SM amount	18 753
D/SM 47/17	28/04/2017	Estate Fencing		Total D/SM amount	1 670 241
D/SM 48/17	12/05/2017	Parone Trading		Total D/SM amount	73 712
D/SM 49/17	15/06/2017	Exeo Khokela	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	2 923 422
D/SM 50/17	22/06/2017	Avalon Technology Group	Emergency	Total D/SM amount	101 728
D/SM 51/17	19/06/2017	Polormama Nokhal Cleaning Services	Emergency	Total D/SM amount	145 510
D/SM 52/17	30/06/2017	ABSA	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 53/17	30/06/2017	Leelyn Management	Exceptional case and it is impractical or impossible to follow the official procurement process	Rates	-
D/SM 54/17	30/06/2017	Liquid Telecommunications SA	Exceptional case and it is impractical or impossible to follow the official procurement process	Total D/SM amount	600 000

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ANNEXURE B: REPORT OF THE AUDITOR GENERAL 2017/18

Report of the auditor-general to the Western Cape Provincial Parliament and council on 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 123, which comprise the statement of financial position as at 30 June 2018, 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 the 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 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act. No 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (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 this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the 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 notes 61 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of errors detected during the 2017-18 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Material impairments/losses

8. As disclosed in note 5 to the financial statements, the municipality provided for the impairment of trade and other receivables from exchange transactions amounting to R60,8 million (2016-17: R60,9 million).
9. As disclosed in note 6 to the financial statements, the municipality provided for the impairment of trade and other receivables from non-exchange transactions amounting to R146,0 million (2016-17: R92,9 million).
10. As disclosed in note 59 to the financial statements, material water losses of 21,6% (2016-17: 21,7%) were incurred.

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. 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 SA Standards of 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.

Introduction and scope

- 17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
- 18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to 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 objective presented in the annual performance report of the municipality for the year ended 30 June 2018:

Strategic objective	Pages in the annual performance report
SFA 4 – dignified living	10 – 32

- 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. The material findings in respect of the usefulness and reliability of the selected objective are as follows:

SFA 4 – Dignified Living

Various indicators

- 22. The targets set for indicators TL43 – number of households with access to basic services (water, sanitation, refuse removal), TL44 – number of indigent households with access to free basic water and TL45 – number of indigent households with access to free basic electricity, did not logically link to the indicators. The indicators focussed on the number of households receiving basic services whereas the targets relate to the free units of water and electricity supplied to an individual household. I was also unable to confirm the reliability of the actual

performance against these targets as the actual performance reflects the approved free units to be supplied and not the actual free units supplied.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. Refer to the annual performance report on pages 10 to 32 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 22 of this report.

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of SFA 4: Dignified Living Management subsequently were unable to corrected the misstatements raised on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. The material findings on compliance with specific matters in key legislations are as follows:

Consequence Management

28. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

29. 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 objective presented in the annual performance report that have been specifically reported in this auditor's report.

30. 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 thereon.

31. 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 objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
33. I have nothing to report in this regard.

Internal control deficiencies

34. 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. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and compliance with legislation included in this report.

Financial and performance management

35. Management did not sufficiently monitor compliance with laws and regulations to ensure that all instances of irregular expenditure are investigated to determine if any person is liable for the expenditure. Furthermore, the review of the planning documents for performance information was inadequate as it did not detect consistency and measurability matters before approval.

Auditor-General

Cape Town

14 December 2018



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 objectives 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 related to events or conditions that may cast significant doubt on the Stellenbosch Municipality’s ability 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 the 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 continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

ANNEXURE C: AUDIT AND PERFORMANCE AUDIT COMMITTEE REPORT 2017/18



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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 2017/2018 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 in consonant with the approved Audit Committee Charter. The Committee's operation is guided by the International Institute of Internal Auditor's Standards and the King III report on Corporate Governance.

The Committee consists of five independent members, elected by the Council: Reyhana Gani (Chairperson), Len Mortimer, Jeremy Fairbairn, Tsepo Maqheka and Vincent Botto. The Council appointed the Chairperson of the Committee, an independent member. The Municipal Manager, Chief Financial Officer, Chief Audit Executive, 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 Council's accounting, internal auditing, internal control, governance, risk management and financial reporting practices.

During the year under review the Committee, amongst other matters, considered the following:

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 External Auditors' report and management report of the Auditor General at the Audit and Performance Audit Committee meeting dated 7th December 2018;
- iii. Considered the audit outcome of the Municipality extensively and communicated the Audit and Performance Audit Committee's concern and caution on the outcome of the audit;
- iv. Based on the audit outcome recommendations were made by the Audit and Performance Committee on high risk areas as well as control deficiencies identified in the Auditor Generals' report;
- v. Management have been requested by the Audit and Performance Committee to implement processes 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 need to concentrate on accurate presentation and review of Performance Information submitted to the Auditor General for audit;
- viii. The supervision and review process need to be addressed 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 on a timely manner to allow for corrective action;
- ix. Consequently, the quality of submitted financial statements, quality of submitted performance information and the compliance with the requirements of the supply chain management have not achieved the desired results, thus management is encouraged to develop action plans early to allow for the improvement in the next reporting cycle;
- x. It should be noted that the Audit and Performance Committee, despite the above did take cognisance:
 - That 2017/2018 was the first year of MSCOA (Municipal Standard Chart of Account) implementation by the Municipality and have noted in their quarterly minutes the challenges around this process.
 - The finance unit did on the recommendation of the Audit and Performance Committee prepare interim Annual Financial Statements

1.2 In respect of the Annual Financial Statements (AFS)

- i. Confirmed the going concern as the basis of preparation of the Interim and 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 audit, 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 all material issues of difference raised were addressed and resolved;
- v. Assessed the adequacy of the performance of the Internal Audit function and found it to be satisfactory;
- vi. Assessed the adequacy and sufficiency of available Internal Audit resources and found it to be very limited as more resources are required to evaluate the control weaknesses and high risk areas identified in both the corporate strategic risk, external audit and the audit universe;
- vii. Received assurance that proper and adequate accounting records were maintained and that systems safeguarded the assets against unauthorised use or disposal thereof; and
- viii. Based on the above, the Committee formed the opinion that at the date of this report there were breakdowns in internal control, including internal financial controls, for the year under review in the following areas:
 - ICT Management;
 - Supply Chain Management. The Audit and Performance Audit Committee felt strongly that controls in this area require urgent strengthening. Training interventions are required and monitoring by the CFO and MM in this areas as well as in Contract Management;
 - Indigent processes;
 - Pre-determined objectives;
 - Monthly or regular reconciliations of assets, debtors, creditors and VAT;
 - Compilation of mid-year or interim AFS;
 - In addition the Committee noted Management's improved responses to conclude on internal and external audit findings from prior and current year as reported in the internal audit follow up reports and the Quarterly Key Controls Reviews done by Internal Audit Department.

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 in respect of compliance notes an emerging risk and expresses concern with non-compliance with the SCM regulation and policies in relation to deviations and consequence management; and
- v. The Audit and Performance Audit Committee took cognisance that Information Technology and IT systems controls are flagged as concerning in the Auditor General's Management report.

1.6 In respect of Pre-Determined Objectives (PDO's)

The Audit and Performance Audit Committee:

- i. Noted management's progress and achievement made with PDO's and the reporting on the top-layer SDBIP; and
- ii. The quality of submitted performance information in the Management report is indicated as intervention required. This was due to an error that was corrected in the submitted performance information.

1.7 In respect of the Finance Function

The Audit and Performance Audit Committee:

- i. Considered the expertise, resources and experience of finance function and concluded that these are not adequate due the non-adherence to interim AFS preparation as well as irregular reconciliations. Very few people within finance are involved in the AFS preparation resulting in errors in the AFS submitted to the Auditor General as noted in the Management Report.
- ii. The Chief Financial Officer should 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 (AG) 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
- iii. The Audit and Performance Committee met with the External Auditors independently of management.

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 resolved. Of all the matters raised in the 2017/2018 audit outcome only one matter was a repeat finding from prior year. The Audit and Performance Committee has raised its concern around the 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 2018/2019 financial year. The Municipal Manager took cognisance of all the concerns raised in 1.1 above.
- 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 progressively been stable in the areas of second and third level of assurance and governance over a three year period. There has also been stability in the leadership over the past two financial years. The only area for concern and where urgent attention is required is financial and performance management over processing and reconciliation controls. The Audit and Performance Committee has made recommendations in this area which management have committed to.

1.10 Conclusion

It has been a privilege and honour to be part of Stellenbosch Municipality's Audit and Performance Committee over the past three years. Significant strides and milestones were attained during this period. There has however been a regression in the current 2017/2018 audit outcome but it is commendable how the management and leadership undertook the first time implementation of MSCOA (Municipal Standard Chart of Accounts) in these trying times as well as the huge effort the Municipality embarked on during the drought period. We are proud of the initiatives that were undertaken to reduce the water consumption over the period and at the same time implementation of the SDBIP.

I, in the capacity as Chairperson personally would like to extend my sincere thanks and appreciation to the fellow members of the Audit and Performance Audit Committee for their continued diligence and outstanding professional etiquette. . The Committee is endowed with diverse skills and expertise to progress this Municipality from one level of governance to another. 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.

We hereby recommend the Annual Report to the Council for approval.

On behalf of the Audit and Performance Audit Committee.



Reyhana Gani CA(SA)
Chairperson Audit and Performance Audit Committee
16 January 2019